

# Brother's CSR

The Brother Group focuses on "building up trust from stakeholders" described in the Brother Group Global Charter, the foundation for Brother's global business activities, as an important issue in CSR management and is addressing it as one.

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## Face to Face Talk: Taking on New Challenges for the Next Phase of Growth



Today, the Brother Group has over 40,000 employees of various nationalities in more than 40 countries and regions. In the world of rapid change, what should Brother do to grow sustainably as a global company that is well accepted by society? Brother Industries' President Toshikazu Koike invited Keiko Takeshita, who is a popular actress appearing in films and TV shows and actively involved in social contribution and environmental activities while bringing up two children, to discuss Brother's CSR management.

### Keep alert even when you are successful, and actively take on challenges

**Koike:** You were born in Nagoya City where Brother Industries' head office is located. What Brother products do you remember in your childhood?

**Takeshita:** My family used a Brother sewing machine. I used Brother typewriters in typewriting lessons when I was in 12th grade. The main products today are totally different from back then.

**Koike:** I remember you served as the Chief Pavilion Director of Japan Pavilions at the 2005 World Exposition in Aichi, Japan.



**Takeshita:** Yes. I took a photograph with my children and had it printed on a T-shirt. I've brought the T-shirt today.

**Koike:** The printer was exhibited at the Brother pavilion. The colors haven't faded over the nine years. In fact, the T-shirt printer is one of the products that I suggested we develop. At that time, I was the president of the sales company in the U.S., and I thought that inkjet printing would make T-shirts more comfortable to wear than those printed with the conventional method.

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**Takeshita:** What a surprise! I didn't expect to meet the person who started the project to develop the printer.

**Koike:** In those days, Brother was expanding globally as a communications and printing equipment manufacturer. The lineup of printers and All-in-Ones was expanded for the SOHO (small office/home office) market. Brother's business grew rapidly in Europe and the U.S.

**Takeshita:** You wrote in your book\* that one must not get carried away with success. This applies to actors and actresses, too. When they are just starting, they receive good support, but if their films become popular, then they'll be closely watched by the mass media. If they get carried away, they may lose control of themselves. It's important not to become complacent with success.

\*: Solution Is Inside Us - 60 Management Philosophies of Toshikazu Koike, President of Brother (Naoyuki Takai, Kodansha Company Ltd.)



**Koike:** Exactly. Today, two thirds of our sales come from the printing-related business including printers, All-in-Ones, and electronic stationery. As smartphones and tablets spread, the need to print on paper will continue to decrease. Our results were good last fiscal year due partly to the weaker yen. In the long term, our top priority is to create a new business that will become our next core business, and that's why I encourage employees to have a sense of crisis and take on challenges. The Mid-Term Business Strategy "CS B2015" is under way based on the theme of "Back to Growth" toward 2015. We will drive the growth of the group by continuing to create products that surprise customers and contribute to society.

**Takeshita:** Brother has been around for a long time, but is changing dramatically. What is the basis of the corporate culture?

**Koike:** The Brother Group Global Charter is the basis of all our activities. All group companies and employees must base their daily decisions-making and actions on the Charter's Basic Policies and Codes of Practice. The Global Charter also states that we must put the customer first, everywhere, every time, and live the motto "At your side.," honor individuals and diversity regardless of gender and nationality, and take action with a challenging spirit. The Global Charter, which was translated into 27 languages, guides the daily work of more than 40,000 employees. We strive to ensure a long and successful future by having a challenging spirit.

### A global company with collaboration among diverse people



**Takeshita:** It must be tough to share the policy with as many as 40,000 people. At the 2005 World Exposition in Aichi, Japan, I learned the importance of diversity in nature, and the same applies to personal relationships. By working with others, I understand the importance of respecting individualities and working together. I don't have specific suggestions, but I think we should try to recognize differences and explore what we have in common.

## Face to Face Talk : Taking on New Challenges for the Next Phase of Growth

**Koike:** At Brother Industries, we have about 80 foreign employees. With more than 80 percent of our products manufactured outside Japan, we need to work with employees outside Japan in all of our operations including development, production, sales, and services. That's why we exchange staff with facilities outside Japan through the trainee program, for example. We have been creating opportunities for intercultural exchange by recruiting international students in Japan and directly hiring employees from outside Japan. When it comes to communication, experience matters. For example, a person who seems difficult to get along with at first may turn out to be a very interesting person.

I think Japanese employees in their 20s should work outside Japan for three to five years, but we have not fully attained this goal. We still have a long way to go to develop global human resources.

**Takeshita:** You often travel abroad. Is it because you value communication with fellow staff?

**Koike:** Yes. I value communication with staff. The weekly message from the president, which covers financial results, organizational structure, events, and the President's Awards, is translated into 10 languages and distributed via the intranet. In 2005, I started an in-house blog in which I write about personal topics, and I've posted nearly 750 times in the past decade. By writing the blog and showing that I am just an average Joe, I hope employees will feel closer to me, and will understand my commitment to life and philosophy. I visit overseas facilities once or twice a month and talk with local employees. One employee asked me directly, "How come you climbed all the way to the top while so young?" I answered, "It was just a fluke." Some questions are tough, such as, "What is your future product strategy?" I try to answer every question if time allows. About six times a year, we organize in-house presentations by a video conferencing system, which is our product, to connect the main venue with other facilities in Japan. I talk to about 1,000 managers about financial results, annual management plans, and events in the group, in particular.

**Takeshita:** I guess you write the blog during short breaks. How do you schedule your work each day?

**Koike:** I always think of the people who count on me. This is the source of motivation. I do not need a rest while I am on stage and watched by others.

**Takeshita :** You would not be able to survive on an uninhabited island.

**Koike:** No. I may suddenly lose motivation if other people no longer expected me to take the lead.

**Takeshita :** Changing the subject, Brother Industries is among the top companies in the Great Place to Work® survey\*. How do you support working women?

**Koike:** We offer maternity leave, childcare leave, and shorter work hours, just as other companies do. But, most of our female employees who take childcare leave come back to work for us. We have about 25 female managers, one of whom was appointed as the first female general manager. But we still lag behind Europe and the U.S., where husbands and wives are expected to play equal roles in raising children. In Japan, women are unable to demonstrate their full potential due partly to traditional practices and their modesty.

\*: Brother Industries, Ltd. (BIL) has been ranked among the best 20 companies in the surveys conducted by the Great Place to Work® Institute Japan for five consecutive years. In the survey in 2013, BIL was ranked 13th (among 220 Japanese companies).

## Face to Face Talk: Taking on New Challenges for the Next Phase of Growth

**Takeshita:** At home, I am an ordinary mother. When my children were small, they asked me, "Why are you on TV while father is cooking in the kitchen?" It's hard work raising kids, but I learned how to allocate time and prioritize tasks while asking my husband for help and hiring babysitters and housekeepers. At work, I received time-saving tips as well as encouragement from other working mothers, "You may feel overwhelmed, but you'll survive." It seems that the time when you must work the hardest at your job also coincides with the time when you raise children. That means you must work at 120 percent of full capacity — 60 percent at home plus 60 percent at work.

\*2: Brother Industries, Ltd. (BIL) has been ranked among the best 20 companies in the surveys conducted by the Great Place to Work® Institute Japan for five consecutive years. In the survey in 2013, BIL was ranked 13th (among 220 Japanese companies).

### Practicing "At your side." as a corporate citizen, based on the keyword of "continuity"

**Takeshita:** Brother has been supporting the reconstruction effort since the Great East Japan Earthquake.

**Koike:** We operate in many countries and regions around the world. If a major disaster strikes in one of the areas in which we operate, we immediately respond in some way. Because the Great East Japan Earthquake wreaked unprecedented havoc, it is crucial to continue to assist the reconstruction. To date, we have given away T-shirts featuring the Chinese character "kizuna," which literally means "ties," to employees who donated money. The Kizuna Fund was established so that employees can voluntarily make donations. Our employees helped people in the disaster areas find both a reason for living and also work by using sewing machines. They also helped organize a musical and sell specialty products. These activities are done as the Brother Group. The other day, we commended employees who volunteered in supporting the reconstruction after the earthquake under the Volunteer Award program. And last year, both the company and employees gave donations for reconstruction projects after the typhoon that hit the Philippines.



**Takeshita:** I serve as the goodwill ambassador of the Japan Association for the World Food Programme\*. After the earthquake, we received massive support from the United Nations World Food Programme, mainly in the form of food and tents. Before the earthquake, Japan had always been the one to help other countries, so I felt both glad and shocked to find messages in overseas newspapers asking for support to save children in Japan. It showed the importance of mutual support, as well as immediate action and cooperation. After the Great Hanshin-Awaji Earthquake in 1995, I was involved in poetry reading events in Kobe in memory of the victims. In 2012, I started to read poems in Sendai. The affected areas and the damage are so extensive in the Tohoku region that local areas and cities must work closer together than ever.

**Koike:** Your work embodies our "At your side." spirit to support the affected areas. Your father worked for the government, and later became a lawyer and helped the socially vulnerable. You seem to have inherited his DNA, as I understand you have been actively involved in environmental protection projects.

\*: The Japan Association for the World Food Programme is a specified nonprofit corporation that supports the WFP whose mission is to eradicate hunger and poverty. This organization serves as the contact in Japan to support the WFP.

## Face to Face Talk: Taking on New Challenges for the Next Phase of Growth

**Takeshita:** I have accepted some opportunities to volunteer. One of them is at Furano Shizenjuku (NPO Furano Field) organized by So Kuramoto, the playwright of *Kita No Kuni Kara* (a TV drama series). The project focuses primarily on two goals: restoration of a former golf course into a natural forest, and environmental education. In a program called "three-generation family camp," families consisting of grandparents, parents, and children camp out overnight in the wild. One reluctant child who did not like insects at first caught a dragonfly and showed it to me the following morning.

**Koike:** Under the slogan of "Brother Earth," the Brother Group has been working to develop energy-saving products, reduce the environmental impact of its manufacturing factories through the Eco Factory project, conserve the biological diversity, and raise funds for environmental conservation activities through the Brother eco point program in which points are awarded for eco-conscious actions taken by employees in their daily life. Various activities are underway at facilities around the world, and environmental education programs are also organized. We are the ones who are responsible for protecting the environment for future generations.

### Increasing supporters around the world



**Takeshita:** Talking about the next generation, young people should take on challenges without worrying about making mistakes. In today's information society, children are surprisingly knowledgeable. But as with experiencing nature, simply knowing of something is not the same as fully understanding it. I want children to take the initiative and experience things with their five senses so that they can develop new ideas. I think this is the starting point in any field.

**Koike:** Mistakes are an opportunity to enrich lives. As president, I expect young employees to take on challenges and make many mistakes. I enjoy seeing them use their experience to make progress. They should embrace challenges, even tough ones, and make mistakes rather than thinking too much and losing their spirit of adventure. I often tell them that many company leaders have gained their experience by working on various challenges and making mistakes. Even if employees make mistakes, the ultimate responsibility lies with the top management who allowed them to take on the challenge. Employees should not be prevented from working on their preferred projects or from being promoted because of such mistakes. I encourage them to take full advantage of their personal networks as well as the company's assets and technologies. A company that has diverse employees in terms of personalities, backgrounds, and ways of thinking is more likely to prosper than a company which employs clones, no matter how skilled they are.

**Takeshita:** Diversity is the source of dynamism.

## Face to Face Talk: Taking on New Challenges for the Next Phase of Growth

**Koike:** Brother is a global company. True communication and globalization cannot be attained unless our Japanese employees understand and accept the values and customs of different countries. I lived in the U.S. and experienced business there for more than 20 years, so I'm often considered as an American who looks Japanese. Deep down, I believe in being kind-hearted just like Tora-san the vagabond, the main character in the film series *Otoko Wa Tsurai Yo* (It's Tough Being a Man). In my view, personal relationships transcend national borders.

**Takeshita:** I appeared in the series three times as leading ladies with whom Tora-san falls in love. I adore Tora-san!

**Koike:** I want to be a softhearted and gentle person, and to value personal connections. Meanwhile, I have been lucky in business. I have a duty to pass on my experience in business and management to younger staff and help prevent them from making the same mistakes. In Japan, the birthrate is falling and the population is aging rapidly, so to survive, we need to adapt our company to the global market. The solution is to increase customers and employees who are devoted to Brother around the world.



## Face to Face Talk: Taking on New Challenges for the Next Phase of Growth



### Representative Director & President Brother Industries, Ltd. Toshikazu "Terry" Koike

#### Profile

Born in 1955 in Ichinomiya City, Aichi Prefecture, and graduated from Waseda University (Political Science and Economics). Toshikazu "Terry" Koike joined Brother Industries, Ltd. in 1979, and was transferred to Brother International Corporation (U.S.A.) in 1982. Koike went on a sales tour across the U.S. with a printer prototype when Brother's main products were typewriters and sewing machines, etc., thus building the foundation for Brother's info-com devices business. He was appointed as Director & President of Brother International Corporation (U.S.A.) in 2000, and returned to Japan in 2005. Koike has been Representative Director & President of Brother Industries, Ltd. since 2007. He is nicknamed Terry, and publishes a broad range of information, from President's messages to personal experiences via an in-house blog on a company intranet. He enjoys various hobbies including wine tasting, music, hiking, visiting historic sites, playing golf, watching sports, and playing Japanese chess (shogi). Koike has stored 9,000 tunes ranging from 70s' folk songs to the latest hits on his iPod. He goes to concerts when time permits. His motto is "positively, pleasantly and powerfully."

### Face-to-Face Talk guest



### Actress Keiko Takeshita

#### Profile

Born in Nagoya, Aichi, Japan, and graduated from Tokyo Woman's Christian University, Keiko Takeshita made her first TV appearance when in the 10th grade. She made her formal debut in 1973 on a TV drama series. Subsequently, she appeared in many popular TV programs including a quiz show and TV dramas, radio programs, films and theater, and has been popular among a wide range of audiences.

She won various awards for her TV and stage performances, including the Japan Academy Prize for Best Supporting Actress, Best Actress in a Leading Role in the Asian Television Awards, and the individual award in the 42nd Kinokuniya Theater Awards. She was appointed as the Chief Pavilion Director of Japan Pavilions at the 2005 World Exposition in Aichi, Japan, and to date, continues to be actively involved in charitable work, environmental conservation and cultural promotion activities. She currently serves as the vaccine ambassador of the Japan Committee Vaccines for the World's Children, goodwill ambassador of the Japan Association for the World Food Programme, cultural ambassador of the Kyoto National Museum, and instructor of the Furano Shizenjuku (NPO Furano Field), etc.

## Brother Group's CSR

The Brother Group aims to become a company that all stakeholders can trust and employees can take great pride in working for through the behavior of each employee who shares the Brother Group Global Charter, which stipulates the fundamental ideas of the group's CSR activities.

### Brother Group's CSR Management

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- To Become a Company which is Trusted by All Stakeholders and which Leads to a Strong Sense of Pride among Employees

### Corporate Governance

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- BIL Corporate Governance
- Risk Management

### Compliance

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- Compliance at the Brother Group
- Stepping Up Efforts to Raise Employees Awareness at Group Companies

### CSR Targets by Brother Group

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- CSR Management Targets by Brother Group based on the Brother Group Global Charter
- Action Plans for FY2014 and Achievements in FY2014, and Action Plans for FY2015

### Third-party Opinion

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- Third-party Opinion on Brother Group's CSR Activities in FY 2014

### The Brother Group Principles of Social Responsibility

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- Introducing the Brother Group Principles of Social Responsibility

### Internal Control System

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- Improving the Framework and Providing Continuous Support
- Conducting Internal Audits in Collaboration with Regional Headquarters

### Information Security

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- To Properly Manage and Protect Information
- Strengthening Measures to Prevent Information Leakage

### CSR & Brand Strategy

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- Promoting Global CSR with the Aim of Establishing "Brother" as a Global Trustworthy Brand
- The Global CSR & Brand Strategy Conference

## Brother Group's CSR

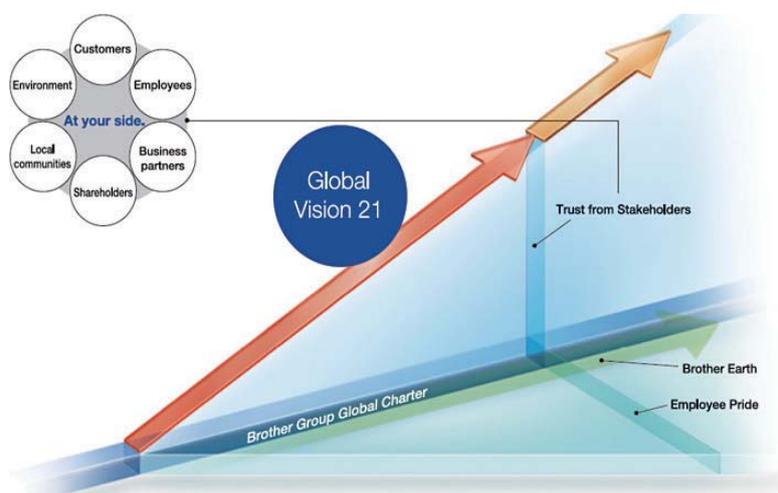
### Brother Group's CSR Management

#### To Become a Company which is Trusted by All Stakeholders and which Leads to a Strong Sense of Pride among Employees

##### Promoting CSR Management around the World from a Mid-to-Long-Term Perspective

The Brother Group is promoting CSR management around the world from a mid-to-long-term perspective in order to achieve further growth, establish a global brand that is trusted by all stakeholders particularly placing the customer first, and develop as a company that generates a strong sense of pride among employees.

The Brother Group will implement a number of carefully selected activities recognized by stakeholders and, in doing so, continue to grow as a business.



##### CSR Management of the Brother Group

In 1999, the Brother Group adopted the Brother Group Global Charter consisting of Basic Policies and Codes of Practice that guide and govern the daily decision-making and actions of group companies and employees. This Global Charter emphasizes "providing superior value to customers," and positions them as the most important stakeholder we have.

The Brother Group has grown as a business because the "customer comes first" principle has permeated the entire group. This mindset and disposition have increasingly influenced our customers and other stakeholders, which in turn has increased their "demands and expectations" of us. Within all of this, the Brother Group positioned our response to these demands and expectations from stakeholders as a driving force for further growth in FY2008 and set the following two positions as the primary pillars of CSR management.

- Fulfilling our responsibilities in regard to the demands and expectations from stakeholders, from a mid-to-long-term perspective and with an "At your side" spirit.
- Seizing demands and expectations as new opportunities for business and taking action accordingly.

It was thus determined to promote CSR management around the world by having group companies independently take actions of their own accord in each of the respective areas of the globe. With this kind of CSR management, the Brother Group intends to attain the goals set forth in our Global Vision 21 mid-to-long-term corporate vision.

## Brother Group's CSR

### The Brother Group Principles of Social Responsibility

#### Introducing the Brother Group Principles of Social Responsibility

The Brother Group Global Charter (Global Charter) was established in 1999 and lays the foundation for Brother's global activities. All Brother companies and employees must base their decisions and actions on the guidelines set out in Global Charter. In order to meet the requirements of Global Charter, particularly with regard to responsibilities towards stakeholders including customers, Brother has implemented an active CSR management program.

As the role of corporations has become more significant in achieving a sustainable society, the demands and expectations of stakeholders towards the Brother Group have increased.

In response, Brother has adopted "Principles of Social Responsibility" (the "Principles") to publically express how we fulfill our social and ethical duties.

Rigorous implementation of the Principles will ensure that Brother meets its social responsibilities in the countries and regions where we operate and will enhance Brother's CSR management.

We aim to make Brother an even more globally recognized and unified corporate brand which is truly trusted by our customers and stakeholders. Moreover, we hope that Brother will enjoy a long and successful future in a sustainable and ethical society.

January 27, 2012



Toshikazu Koike  
Representative Director & President  
Brother Industries, Ltd.

## The Brother Group Principles of Social Responsibility

### A. Fair working conditions

In recognition of the importance of providing fair working conditions, the Brother Group respects people and recognizes fundamental human rights and expects people working and employed by the Brother Group ("Associates") to act in the same way.

#### 1. Non-discrimination and Non-harassment

The Brother Group does not tolerate acts of discrimination or harassment. In particular, the Brother Group does not:

- (1) unlawfully discriminate against anyone based on, for example, race, sex, age, sexual orientation, pregnancy, political affiliation, union membership, marital status, nationality, ethnic background, religion, or disability; or,
- (2) violate a person's dignity by engaging in harassment or abuse (on any grounds or in any form), corporal punishment, mental or physical coercion or threat of any such treatment.

## Brother Group's CSR

### The Brother Group Principles of Social Responsibility

#### Introducing the Brother Group Principles of Social Responsibility

##### 2. Fair and lawful labor practices

The Brother Group strives to comply with all local laws and regulations, instructions of competent authorities or appropriate local industry practices in relation to working conditions including hours, wages and benefits (including minimum wages) and overtime hours.

##### 3. Freedom of association

The Brother Group respects the rights of employees in each country in which we operate to associate freely with others, join or not join labor unions, seek representation and join workers' councils in accordance with local laws and regulations.

##### 4. Child and forced labor

The Brother Group does not tolerate or engage in illegal labor practices. In particular the Brother Group does not:

- (1) use forced labor or involuntary prison labor;
- (2) require Associates to hand over government-issued identification, passports or work permits to Brother as a condition of employment (except temporary hand over for identification confirmation or government formalities);
- (3) knowingly employ any persons below the age for completing compulsory schooling in accordance with local laws;
- (4) knowingly employ persons under 15 years old (or 14 where the law of the country permits); or
- (5) assign Associates under the age of 18 to work that is likely to jeopardize their health or safety.

##### 5. Clearly defined disciplinary policies

The Brother Group shall clearly define disciplinary policies and procedures and communicate these policies and procedures to its employees.

##### 6. Whistleblowing system

Each Brother Group company shall establish a whistleblowing system and encourage Associates to report any violations of these Principles, other company policies, local laws and regulations. The Brother Group does not authorize Associates to retaliate against persons for making a good faith report of a violation and, where appropriate and if permitted by local laws, shall ensure the anonymity of any whistleblowers.

## B. Health and Safety

##### 1. Health and safety at work

The Brother Group will comply with all laws and regulations applicable to providing a safe and healthy workplace for our Associates.

The Brother Group protects the health and safety of Associates in the workplace by:

- (1) evaluating and controlling potential safety hazards including physically demanding work, electrical and other energy sources, fire, vehicles, and exposure to chemicals and other biological and physical agents;
- (2) providing properly designed and well maintained workplaces and appropriate protective equipment;
- (3) implementing safe work procedures and systems and providing ongoing training and systems designed to prevent, manage, track and report occupational injury and illness; and
- (4) implementing strategies and response procedures for emergency situations and events including evacuation procedures, drills and recovery plans.

# Brother Group's CSR

## The Brother Group Principles of Social Responsibility

### Introducing the Brother Group Principles of Social Responsibility

#### 2. Sanitation, food and housing

The Brother Group will provide Associates and any third parties who work at our premises with clean toilet facilities and clean water, and where provided, food preparation and eating facilities will be sanitary. Where provided, dormitories shall be well maintained, clean and safe, and equipped with appropriate emergency exits, hot water for showering, adequate heat and ventilation and personal space, all according to applicable local standards.

#### C. The Environment

In order to help society to achieve sustainable development, the Brother Group shall adopt its environmental protection policy and strive to reduce the impact of our business on the environment in all aspects of our activities and at every stage of a product's lifecycle, from design, development, manufacturing, customer usage, and disposal, to reuse and recycling.

The Brother Group will obtain any environmental permits and licenses required and comply with all applicable international and domestic environmental laws and regulations including restrictions on the use of certain substances.

#### D. Ethical and respectable business practices

The Brother Group will act with the highest integrity and ethics in all aspects of our activities.

##### 1. Fair dealing

The Brother Group will comply with the anti-trust and competition laws of the countries and regions which apply to our operation and will not engage in any acts which will restrict or distort free and fair competition.

In purchasing goods and services, Brother will select suppliers impartially and upon fair conditions.

##### 2. Proper advertising

The Brother Group shall uphold and comply with applicable standards of advertising and the Brother Group will refrain from knowingly using any misleading or inaccurate advertising.

##### 3. Improper advantage

The Brother Group shall not engage in any form of corruption, extortion or embezzlement. Bribes or other means of obtaining undue or improper advantage are not to be offered or accepted.

##### 4. Reporting and recording accurate corporate information

The Brother Group shall record and report all necessary information including accounting records promptly and accurately, and retain them properly.

The Brother Group shall make accurate and timely disclosure of financial status and information on business operations to shareholders, investors and applicable capital markets to facilitate informed investment decisions in accordance with applicable laws and regulations.

Moreover, the Brother Group shall require Associates to ensure that statements of a personal nature appearing in newspapers or magazines, and on radio, television, video or via the internet will not give the appearance of speaking or acting on Brother's behalf.

# Brother Group's CSR

## The Brother Group Principles of Social Responsibility

### Introducing the Brother Group Principles of Social Responsibility

#### 5. Information management

The Brother Group has rigorous information management systems and ensures that Associates will not unlawfully disclose confidential information relating to the Brother Group companies, other organizations or our customers to third parties without consent.

#### 6. Protection of personal information

The Brother Group respects the privacy of our customers, business contacts and Associates and has developed safeguards designed to limit access to their personal information in accordance with local privacy laws. The Brother Group safeguards private information, including personal data, lists of our customers and employees and does not authorize our Associates to share private information, unless it is done in accordance with local data protection laws and our applicable privacy policies or otherwise with permission, as appropriate.

#### 7. Policy against insider trading

Associates shall not become involved in illegal insider trading. Illegal insider trading is generally to trade securities while in possession of material, non-public information about the security.

#### 8. Protection of intellectual property rights

The Brother Group shall endeavor to secure, maintain, and expand the Brother Group's intellectual property rights (including but not limited to patent rights, trademark rights and copyrights) and the Brother Group will respect the intellectual property rights of third parties. The Brother Group and Associates shall not intentionally infringe the intellectual property rights of others.

### E. Management System to implement these Principles

The Brother Group will establish a management system to implement these Principles as follows:

- (1) each Brother Group company shall implement its own code of conduct which, together with other company rules, satisfies the standard set by these Principles and require its Associates to comply with such code;
- (2) each Brother Group company shall, according to its organization, clarify the department responsible for implementation of its code of conduct;
- (3) each Brother Group company shall give regular training to its employees with respect to compliance with its code of conduct;
- (4) each Brother Group company shall perform periodic auditing to ensure conformity with these Principles; and,
- (5) each Brother Group company shall correct in a timely fashion any deficiencies identified by periodic audits.

The senior management in charge of the legal section at Brother Industries, Ltd shall be responsible for ensuring implementation of these Principles by each company of the Brother Group and the management systems as well as reviewing the status of the management system on a regular basis.

# Brother Group's CSR

## Corporate Governance

### BIL Corporate Governance

#### Statutory auditor system and executive officer system

As the basis of our corporate governance, BIL adopts a system of statutory auditors whereby auditors audit the executive operations of the Board of Directors.

Meanwhile, BIL introduces an executive officer system as an internal organization, whereby executive operations and supervision are separated in an effort to ensure swift decision-making and strengthen governance. Executive officers are elected by the Board of Directors, and oversee the operations of departments, in-house companies, and group subsidiaries under their supervision.

#### Board of Directors

The Board of Directors consists of eleven directors (including five outside directors). They have monthly general meetings and extraordinary meetings whenever necessary, where they decide important management matters and oversee executive operations. Moreover, some directors devise strategies and provide guidance within their supervised departments of operations, via strategy meetings.

►For a list of directors, click here. <https://global.brother/en/corporate/profile/executive>

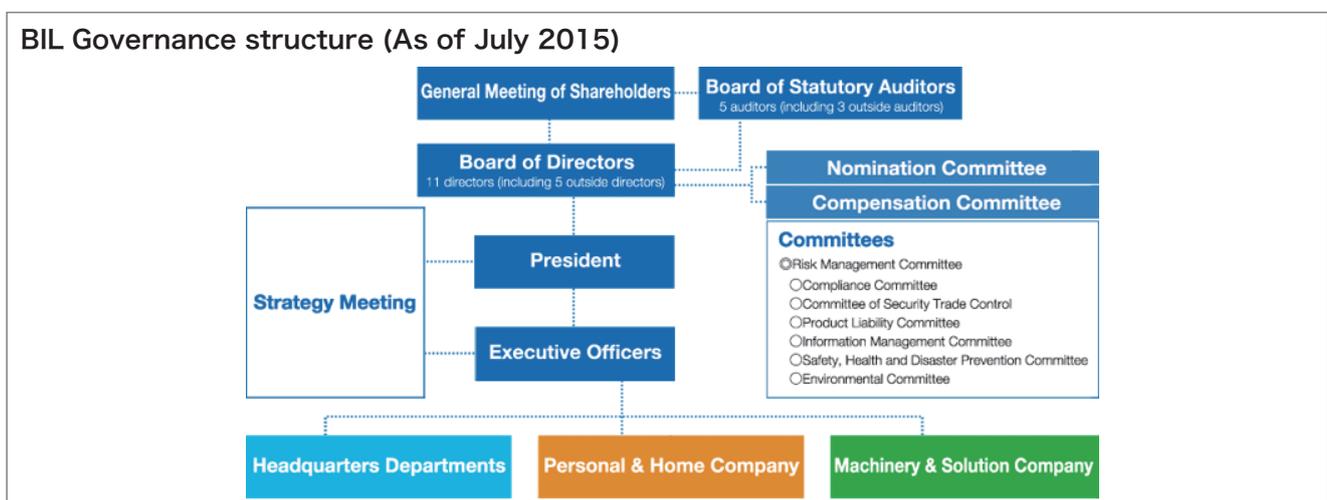
#### Board of Auditors

The Board of Auditors consists of five statutory auditors (including three outside auditors). In accordance with auditing standards determined by the Board of Auditors, they attend important meetings such as meetings of the Board of Directors, to state their opinions. Via an auditing staffs, they examine the business and financial situations of the company and audit the directors.

►For a list of directors, click here <https://global.brother/en/corporate/profile/executive>

#### Strategy Meetings

Strategy Meetings are organized primarily by executive officers with special titles, and serve for devising management strategies and discussing executive operations including important matters related to group operations.



# Brother Group's CSR

## Corporate Governance

### BIL Corporate Governance

#### Risk Management System

To improve a risk management system for the Brother Group, the Risk Management Committee headed by the Representative Director & President, was formed as an independent executive management organization within BIL, whereby crucial risks of the whole Brother Group are identified and assessed, and proper actions for those risks are instructed, and the committee promotes to upgrade internal controls and risk management structures.

The Risk Management Committee manages the following risk subcommittees to control critical risks of the group in a comprehensive and systematic fashion, overseeing activities of the subcommittees to respond to the respective risks. When the potential impact of a risk is assessed at the highest level, the Risk Management Committee switches into emergency response mode and gives priority to dealing with the situation.

#### Compliance Committee

The Compliance Committee makes the workforce aware of the importance of complying with laws and business ethics through education programs and activities, and is preventing violations and reoccurrences via a compliance counseling and reporting counter that they are operating.

#### Committee of Security Trade Control

The Committee of Security Trade Control ensures proper management of export transactions and technological offerings based on laws and regulations on export trade control. The Committee of Security Trade Control is also working to maintain and improve the management level of the entire Brother Group by staging meetings to discuss important matters every time laws are amended, implementing internal audits every half year, and offering guidance and education to group companies.

#### Product Liability Committee

"Product safety is the foundation of our quality assurance activities, and providing our customers with safe product comes first." Based on this principle, the Product Liability Committee is held periodically to ensure product safety in every stage including R&D, design and production, sale and use, repair and service, disposal, with coordinated effort.

#### Information Management Committee

To cope with risks associated with information leaks, the Information Management Committee determines a suitable policy for managing information on customers and other aspects of the business retained by the company, and deploys it into the group.

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## Brother Group's CSR

### Corporate Governance

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#### BIL Corporate Governance

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##### **Safety, Health, and Disaster Prevention Committee**

The Safety, Health, and Disaster Prevention Committee discusses annual plans, devises and implements measures, and conducts awareness activities for the purpose of ensuring employee safety and health, preventing disasters, and minimizing the damage from such disasters.

##### **Environmental Committee**

The Environmental Committee discusses and determines measures for environmental issues that must be dealt with by the whole Brother Group.

#### Risk Management

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##### **To identify and appropriately manage a diversity of risks**

To identify and appropriately manage a diversity of risks associated with business activities, the Brother Group Risk Management Regulations were adopted, and a Risk Management Committee was formed. Each department, region and group company places a risk manager responsible for ranking potential risks on 5 levels by imaginable impact and frequency of occurrence. Potential major risks are identified that could seriously impact business and measures against these risks are determined. These activities based on PDCA cycles are designed to enhance risk awareness and increase our capacity to deal with risks.

In FY2014, the Risk Management Committee met twice to review major risks, and reported the status of subcommittee activities to the Board of Directors. The committee will continuously address the improvement of the risk management system.

# Brother Group's CSR

## Internal Control System

### Improving the Framework and Providing Continuous Support

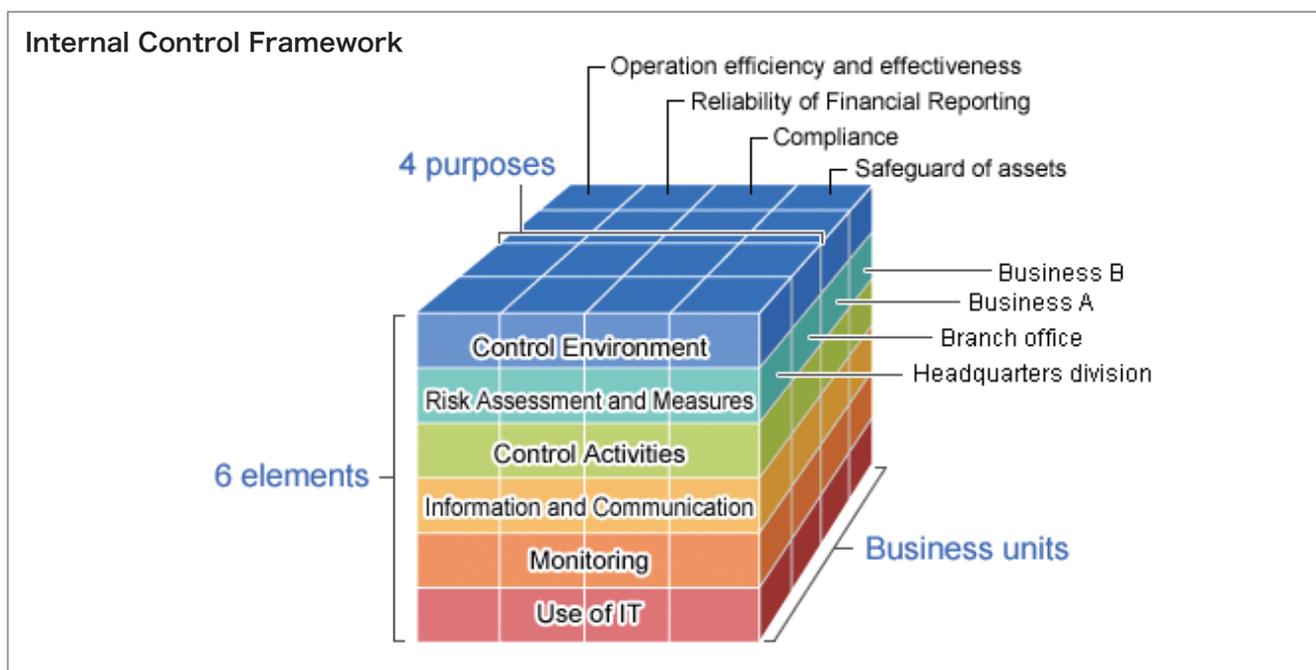
#### To ensure transparency and reliability of financial reporting

As is evident from the May 2006 enforcement of the Company Law of Japan and the requirement placed on businesses to submit reports of their internal controls from the fiscal year ending March 2009, society is demanding that businesses be more transparent and reliable about that financial reporting. The Brother Group has seen this situation as an opportunity to make operations more efficient, strengthen our position against risks, promote group management and, thereby, improve corporate value, and has thus built a reporting system.

In line with this, group companies continuously improve internal control by implementing measures such as self-checks using a check list to examine whether their internal control systems are functioning effectively, and audit by internal auditing department from an independent viewpoint.

Moreover, the Group is developing constructive activities to raise the awareness of employees about internal controls, including the opening of a site on the intranet to share information on the purpose and significance of internal controls, activities within the Group, etc. and various trainings to deepen the understanding of internal controls.

Internal controls, which serve as an important framework for supporting management, will continue to be maintained and upgraded to ensure the "transparency and reliability of financial reporting" as demanded by society, and also to continue to be highly trusted by many stakeholders.



## Brother Group's CSR

### Internal Control System

#### Conducting Internal Audits in Collaboration with Regional Headquarters

##### To establish and enhance the PDCA cycle of internal control

In FY 2014, the Brother Group conducted internal audits of eight groups in Japan and twelve groups outside of Japan. Internal audits are intended to ensure the PDCA cycle of internal control, increase the transparency and efficiency of business activities, and upgrade risk response capabilities.

The internal auditing departments of Brother Industries and its regional headquarters work closely with one another, which enables to facilitate audits of the Brother Group that properly reflected the situation of local companies much more.

In February 2015, a global internal audit meeting was held with an aim for enhancing internal audit functions which will become increasingly important in global operations.

This meeting, the 6th one since 2010, was attended by about 20 individuals in total from regional headquarters of the Americas, Europe, Asia, and BIL's Finance & Accounting Dept. and MIS Dept.

We will maintain and improve the internal control functions of the Brother Group by: (i) establishing an autonomous PDCA cycle for the internal control of the departments by means of self-checks, (ii) implementing improvement measures on an organizational/company-wide basis to raise the activity levels of the entire group, and (iii) ensuring coordination among Brother Industries, regional headquarters, group companies, and respective departments, while dealing with changes like M&A and increasing the efficiency of audits through information-sharing.



Global internal audit meeting

# Brother Group's CSR

## Compliance

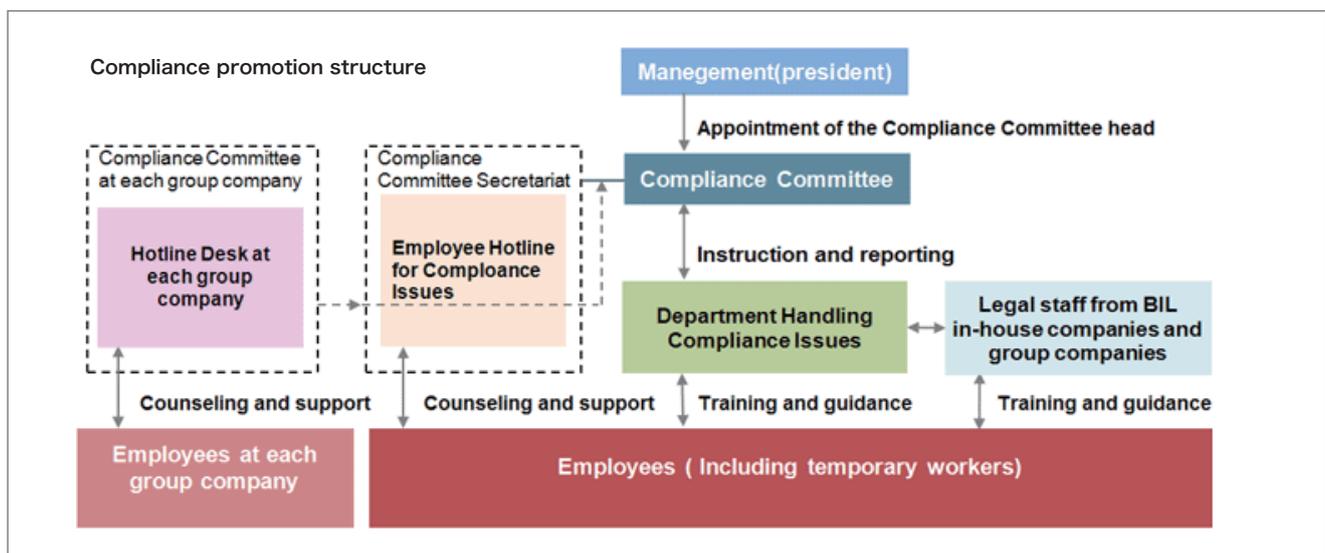
### Compliance at the Brother Group

#### Absolute compliance with laws and ethics as the basis of CSR management

The Brother Group is absolutely adamant about compliance. Compliance with laws and ethics upholds the foundations of our CSR management and is indispensable to avoiding risks.

In ensuring compliance on a group basis, the standard of behavior of employees is defined based on one of the Codes of Practice of the Brother Group Global Charter, Ethics and Morality and Principles of Social Responsibility which guides us to fulfill our social responsibility with clear definition. BIL formed a Compliance Committee and set up the Employee Hotline for Compliance Issues to prevent and take quick action should any ethics issues arise. An initiative was launched to examine cases reported at group companies including companies outside Japan by establishing a Compliance Committees and the hotline desks respectively. Critical issues are also to be reported not only to the Compliance Committees of respective Brother Group companies but also to the BIL's Compliance Committee to build a structure for consolidated action against compliance risks on a group basis.

We will continue these activities with a view to their global development.



## Brother Group's CSR

### Compliance

#### Stepping Up Efforts to Raise Employees Awareness at Group Companies

##### Maintaining and enhancing compliance structure through trainings and the compliance handbook

The Compliance Handbook was issued and distributed to all the employees at group companies in Japan, in order to raise their awareness of compliance and ethics.

In addition to the compliance code of conduct based on the Brother Group Global Charter, many parts of the handbook are devoted to specific sample cases and sections in a quiz format to encourage employees to learn proactively.

Compliance cards, which enable employees to check their own behaviors when they dither how to behave in their daily life, are also distributed to employees of the Brother Group.



Compliance Joint Training

Education activities such as providing various joint trainings (orientation for new employees, periodic basic training, seminar for those who will be on an oversea assignment) and online training courses via e-learning systems are offered.

The services of the Employee Hotline for Compliance have been set up for employees' relieved consultations.

Furthermore, to develop the compliance structure globally, efforts are under way to reconfirm the status of improvements and education in their compliance structures at manufacturing facilities in China, Vietnam, Philippines and etc. Based on the results of the reconfirmation, to maintain and enhance the compliance structure appropriate for the Brother Group, enforcement of education activities and etc. is conducted.

In accordance with the recent trends of laws and regulations, investigations of laws and regulations and enlightenment educations for respective Brother Group companies are conducted to ensure compliance with each country's bribery prevention laws, antimonopoly laws and etc.

The Brother Group will continue to enhance its compliance structure and education from a global perspective in line with the Brother Group Global Charter and the Brother Group Principles of Social Responsibility, in order to prevent corporate scandals and raise ethical awareness.

## Brother Group's CSR

### Information Security

#### To Properly Manage and Protect Information

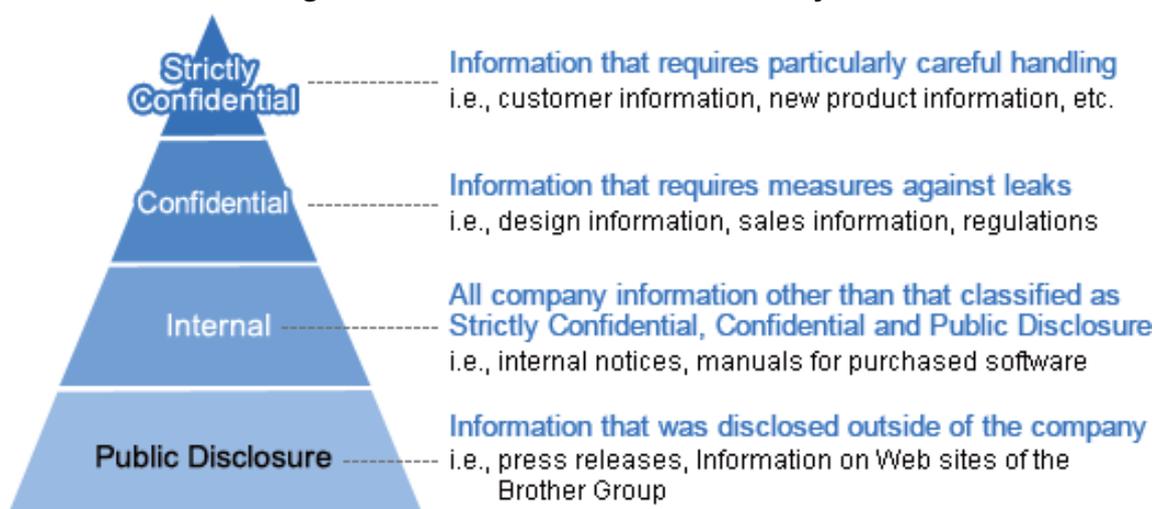
##### Developing the Brother Group Information Security Regulation

The Brother Group considers the proper management and protection of information as the foundation of maintaining management quality. For this reason, in fiscal year 2014, the Brother Group Information Security Regulation has been put in place. Although each company of the Brother Group has set its own Information Security Regulation previously, we consider it very important to unify the regulation among the Brother Group in compliance with the information security management system (ISMS) in a climate of the expansion of the Brother Group by M&A.

Placing the Information Management Committee of Brother Industries, Ltd. (BIL) at the top, the roles of regional headquarters in the Americas, Europe, and etc. were clarified. They take responsibility of the performance of information management activities of the companies, subsidiaries of BIL, under their control. By this clarification, grasping the situations of the information management of the companies became easy with surely conveying the decision of Information Management Committee of BIL.

We also have set unified security criteria among the Brother Group for various items. By the criteria, each company of the Brother Group can manage information with same security level. For example, the information the Brother Group handles is categorized into four levels based on its confidentiality and rules for storing, accessing and disposing of information are defined.

##### Four information management levels based on confidentiality



## Brother Group's CSR

### Information Security

#### Strengthening Measures to Prevent Information Leakage

##### Measures against unauthorized access from outside

Regarding unauthorized access invading from outside, information leakage is prevented by capturing suspicious behavior at three stages, the entrances from the Internet, on corporate networks and the exits to the Internet.

For example, against the targeted attack by e-mail, suspicious e-mails are deleted at the entrances from the Internet. On corporate networks, malicious programs like computer viruses are monitored and deleted. At the exit to the Internet, the destination of e-mail is checked whether it's a dangerous server or not. Thus information leakage is prevented.

##### Measures against internal wrongdoing

The rules for the handling of information in the company are set and informed to the employees of the Brother Group.

If there's any wrongdoing, violation of rules is spotted by checking the records of information handling via security tool installed in each PC and reported to the person in charge of the department where the wrongdoing is spotted. In addition, by informing employees of the governance of each PC through this system, wrongdoing is prevented.

# Brother Group's CSR

## CSR Targets by Brother Group

### CSR Management Targets by Brother Group based on the Brother Group Global Charter

#### Voluntary efforts in respective regions

The Brother Group has various operations in progress around the world. By considering the characteristics of operations as well as regional cultures and customs, respective departments and group companies in different regions clarify CSR management targets based on the Brother Group Global Charter (the Global Charter), the group's guiding principle, and make voluntary efforts for the targets.

Stakeholder	Brother Group Global Charter	Target
Customers	<ul style="list-style-type: none"> <li>Place our customers first everywhere, every time</li> <li>Quickly respond to the demands and expectations of the global marketplace</li> <li>Make the most of our limited resources in our chosen business domains</li> <li>Practice a customer-oriented, global strategy through close cooperation</li> </ul>	Promote customers first marketing, product planning, development, and design (in respective business categories)
		Promote customer-oriented, safe product design
		Ensure design quality to reduce product returns and servicing rate (in respective business categories)
		Ensure manufacturing quality to reduce product returns and servicing rate (in respective business categories)
		Build a customer-oriented logistics, sales, and service framework (in respective business categories)
Our employees	<ul style="list-style-type: none"> <li>Respect diversity of associates</li> <li>Respect individuals and diversity, and act with trust and respect</li> </ul>	Ensure diversity of human assets
		Support diverse work styles
	<ul style="list-style-type: none"> <li>Provide a working environment that enables our associates to utilize their talents and abilities to the fullest, and give them great opportunity through challenging work assignments</li> </ul>	Develop human assets in respective regions
		Develop global human assets
		Ensure workplace safety
	<ul style="list-style-type: none"> <li>Provide associates with fair, attractive financial rewards</li> </ul>	Build an appropriate evaluation system
	<ul style="list-style-type: none"> <li>Expect associates to be positive members of society</li> <li>Expect associates to share the Company's values</li> </ul>	Share the Global Charter
		Promote activities to enhance employee's pride in being part of
Build the highest integrity		

# Brother Group's CSR

## CSR Targets by Brother Group

### CSR Management Targets by Brother Group based on the Brother Group Global Charter

Stakeholder	Brother Group Global Charter	Target
Business partners	<ul style="list-style-type: none"> <li>Act fairly with business partners</li> <li>Build strong, respectful working relationships for mutual growth</li> </ul>	Promote CSR promoting procurement
		Cooperate with suppliers
		Cooperate with logistics partners
		Cooperate with distributors
Shareholders	<ul style="list-style-type: none"> <li>Develop long-term, trustful relationships with shareholders through regular, open communication</li> </ul>	Ensure IR communications
		Become a Socially Responsible Investment Index component
Local community	<ul style="list-style-type: none"> <li>Share our social, economic and cultural responsibilities in all the communities where the Brother Group operates</li> </ul>	Promote voluntary social contribution activities in respective regions based on the themes of "activities related to the Brother Group's businesses," "activities related to eco-conscious efforts," and "activities for 'communities' and 'personal development (including employees)'"
		Promote social contribution activities under a globally shared vision
Environment	<ul style="list-style-type: none"> <li>Help society achieve sustainable development, by positively and continuously considering the environmental impact of all aspects of our business operations</li> </ul>	Promote reduction in CO <sub>2</sub> emissions (to help prevent global warming)
		Promote collection and recycling of consumables and products (building a recycling-oriented society)
		Ensure management of chemical substances
		Implement environmental and social contribution activities (activities in line with biological diversity where possible)
		Implement environmental communications (through "Brother Earth" events, education programs, dialogues, etc.)
Governance	<ul style="list-style-type: none"> <li>Respect the culture, rules and spirit of laws, in all countries and regions where the Brother Group operates</li> <li>Act with the highest integrity</li> </ul>	Build a global governance framework
		Promote internal control
		Promote compliance
		Promote information security

# Brother Group's CSR

## CSR Targets by Brother Group

### Action Plans for FY2014 and Achievements in FY2014, and Action Plans for FY2015

Stakeholder	Action Plans for FY2014	Achievements in FY2014
Customers	<ul style="list-style-type: none"> <li>• Improve the function of call center (Japan, Americas, Europe)</li> <li>• Propose value based on cyclic awareness of customer's needs and activities for it (Japan)</li> <li>• Minimize "product returns and servicing rate" by expanding the contact points with customers (Japan)</li> <li>• Increase brand recognition (Americas)</li> <li>• Increase brand recognition by utilizing Facebook (Europe)</li> <li>• Optimize the structure of logisti (China)</li> </ul>	<ul style="list-style-type: none"> <li>• Continued response improvement activities and enhanced call center functions</li> <li>• Grasped customer demand by visiting customers and business partners</li> <li>• Reflected prevention measures of problems at product improvement by directly investigating customers' status of use of the product</li> <li>• Conducted brand recognition improving activities by utilizing social media at each region</li> <li>• Expanded service facilities for the improvement of customer satisfaction and continuously improved logistics systems</li> </ul>
Our employees	<ul style="list-style-type: none"> <li>• Conduct human resource development</li> <li>• Globally develop activities for the sharing of the Global Charter</li> <li>• Promote diversity management especially women's success support (Japan)</li> <li>• Conduct strategic competence development (Americas)</li> <li>• Build a framework for a website training course and improve it (China)</li> </ul>	<ul style="list-style-type: none"> <li>• Conducted educations, which are common in global, for candidates for executive positions and carried out specialized educations responding to local characteristics</li> <li>• Conducted the Global Charter sharing activities themed on "building a culture of challenge" at each facilities</li> <li>• Carried out working group activities aiming career progression for women and developed activities like the direct communications between female employees and management</li> <li>• Conducted activities for the improvement of various professional expertise via in-house website for training courses</li> </ul>
Business partners	<ul style="list-style-type: none"> <li>• Ask business partners to conduct CSR questionnaire and collect it (Japan, Asia and Oceania, China)</li> <li>• Be turned in reports on the CSR activities of each business partner and give CSR awards for the promotion of CSR activities of business partners (Japan)</li> <li>• Plan proposals for solution with business partners (Japan)</li> </ul>	<ul style="list-style-type: none"> <li>• Conducted CSR promotion activities in cooperation with business partners based on their answers to the CSR questionnaire</li> <li>• Conducted environmental conservation activities in cooperation with business partners</li> </ul>

## Brother Group's CSR

### CSR Targets by Brother Group

#### Action Plans for FY2014 and Achievements in FY2014, and Action Plans for FY2015

Stakeholder	Action Plans for FY2014	Achievements in FY2014
Local community	<ul style="list-style-type: none"> <li>• Support for reconstruction from the Great East Japan Earthquake with the cooperation of the Brother Group</li> <li>• Continuously promote social contribution activities on a shared awareness among the Brother Group with employees' participation</li> <li>• Promote social contribution activities connected with respective regions</li> <li>• Promote social contribution activities coupled with business</li> </ul>	<ul style="list-style-type: none"> <li>• Continuously supported for the reconstruction activities from large-scale disasters caused by the Great East Japan Earthquake, Philippines typhoon and etc.</li> <li>• Respective facilities around the world participated in the social contribution activities on a shared awareness among the Brother Group with employees' participation through Relay for Life or its similar events</li> <li>• Supported educational institutions and conducted cleanup activities in the local communities where the Brother Group exists</li> <li>• Donated sewing machines for sewing classrooms and developed health classes by utilizing karaoke machines</li> </ul>
Environment	<ul style="list-style-type: none"> <li>• Promote reduction in CO<sub>2</sub> emissions among the Brother Group in accordance with reduction plans and targets</li> <li>• Conduct tree planting</li> <li>• Promote collection of used cartridges</li> <li>• Promote waste reduction</li> <li>• Proactively obtain world's environmental labels (Japan)</li> <li>• Maintain and improve the management system preventing hazardous substances being mixed into products by properly managing supply chain</li> </ul>	<ul style="list-style-type: none"> <li>• Conducted energy saving activities by setting target value of CO<sub>2</sub> emissions by each facility</li> <li>• Globally conducted tree planting activities in cooperation with local communities by each facility</li> <li>• Globally developed the collection of used toner and ink cartridges by donating according to the amount of collection and etc.</li> <li>• Reduced and recycled wastes arising from business activities by setting target value of waste generation by each facility</li> <li>• Obtained environmental labels of respective countries of the world for main products</li> <li>• Enhanced the cooperative structure with business partners and in-house management systems</li> </ul>

# Brother Group's CSR

## CSR Targets by Brother Group

### Action Plans for FY2014 and Achievements in FY2014, and Action Plans for FY2015

#### Action Plans for FY 2015

The following is typical action plans by stakeholder extracted from each region's action plans for FY 2015 for CSR management targets

Stakeholder	Action Plans for FY2015
Customers	<ul style="list-style-type: none"> <li>• Improve the recognition of Brother brand</li> <li>• Improve the brand recognition by utilizing SNS</li> <li>• Conduct customer satisfaction survey</li> <li>• Enforce and expand dealers (China)</li> <li>• For important qualities of main products, establish new evaluation technologies based on customer perspective, set target for them and validate the reasonability</li> </ul>
Our employees	<ul style="list-style-type: none"> <li>• Develop activities for the sharing of the Global Charter (promote cooperation among facilities)</li> <li>• Build a culture of challenge (enhance cooperation across borders)</li> <li>• Develop human resources for global business (cultivation of human resources for the executives of facilities outside Japan, global recruitment)</li> <li>• Promote women's success support</li> <li>• Promote safety and health activities</li> <li>• Conduct awareness survey of employees</li> <li>• Hold "Look to the future" event for fostering young human resources (Europe)</li> <li>• Foster the next generation of leaders (Asia)</li> </ul>
Business partners	<ul style="list-style-type: none"> <li>• Conduct CSR study sessions with business partners</li> <li>• Ask business partners to conduct CSR questionnaire and collect it</li> </ul>
Local community	<ul style="list-style-type: none"> <li>• Support for reconstruction from the Great East Japan Earthquake</li> <li>• Respective facilities around the world participate in the social contribution activities on a shared awareness among the Brother Group with employees' participation through Relay for Life or its similar events</li> <li>• Promote social contribution activities connected with respective regions</li> <li>• Promote social contribution activities coupled with business</li> </ul>
Environment	<ul style="list-style-type: none"> <li>• Conduct energy saving activities to achieve the target of reducing CO<sub>2</sub> emissions as whole Brother Group</li> <li>• Promote collection of used cartridges</li> <li>• Collect CO<sub>2</sub> emissions data during product transfer</li> <li>• Promote ISO 14001 activities</li> <li>• Conduct click donation via "brotherearth.com", environmental special website, and promote the enhancement of environmental consciousness</li> <li>• Conduct tree planting activities</li> <li>• Promote Brother Group Eco Point activities</li> <li>• Promote water conservation activities</li> </ul>

## Brother Group's CSR

### CSR & Brand Strategy

#### Promoting Global CSR with the Aim of Establishing "Brother" as a Global Trustworthy Brand

##### As a Trusted Brand

The Brother Group thinks of a brand as something "globally unified, clear and strongly universal to the degree that it is not affected by business or management situation in any given moment." Based on this line of thinking, and focusing on points below;

- Decision-makings and actions based on the Brother Global Charter
- Eco-conscious efforts based on the environmental slogan, Brother Earth

the Brother Group will work to meet the demands and expectations from stakeholders and especially our customers and to establish "Brother" as a "trusted brand".

#### The Global CSR & Brand Strategy Conference

##### To continue upgrading global CSR management

With the aim of establishing "Brother" as a global "trustworthy brand," the Global CSR & Brand Strategy Conference is held every year, in which the top management of group companies reviews the progress of Brother's CSR and brand activities and share a vision for the future.

The 7th Global CSR & Brand Strategy Conference was held on January 26, 2015. With an aim to achieve the mid-term strategy "CS B2015" targets in the final year of it, Brother will strive to expedite development and expansion of the businesses

looking ahead to the growth after the achievement. In the conference, it was confirmed that Brother will fulfill its social responsibilities with a sense of unity among the Brother Group by conducting autonomous CSR activities in respective regions through our business and employees' voluntary activities, focusing on two major topics as follows:

- Furthermore enhancing challenging spirit by developing further activities for a common understanding of the Brother Group Global Charter (the Global Charter);
- Continuously advancing global environmental activities under the "Brother Earth" slogan.

The top management shared the awareness that the Brother Group will innovate its business processes to cater to the expansion and growth of its businesses and strengthen the responses of the responsibility for whole supply chain from the two aspects of human rights and the environment, the globalization of human resources, and the diversity.

The Brother Group will further evolve its CSR management on a global scale by identifying diversifying expectations and needs through communications with stakeholders in different regions where the Brother Group exists.



Global CSR & Brand Strategy Conference

## Brother Group's CSR

### Third-party Opinion

#### Third-party Opinion on Brother Group's CSR Activities in FY 2014

The statement below is based on (i) descriptions on Brother Industries' website about the group's CSR efforts and (ii) interviews with the company's staff in charge of the environment, personnel, purchasing, legal, and CSR.

The group is clearly committed to a broad range of CSR activities via a proper management cycle across the world, including in Japan. Examples include publishing information in multiple languages inside and outside the company, and enhancing the diversity of human resources that underpin the global management.

#### Highly evaluated points

- Sharing the Brother Group Global Charter (the Global Charter): The Global Charter, which serves as Brother's guiding principle in CSR, has been translated into 27 languages. To promote the Global Charter, about 560 of the Global Charter promotional leaders have been appointed and acting around the world. In total, more than 900 managers, including the president and top management, commit to practice the Global Charter and proactively deliver their messages via the intranet. Respective facilities and workplaces also promote the Global Charter, such as seven facilities in China that jointly hold "Cross-functional meeting for the Global Charter promotional leaders in China." In China, picture-card show style tools that can be introduced to factory workers during morning assemblies are created on the initiative of locals to share the Global Charter among them. These ongoing practices of sharing the Global Charter among regions and departments at a high level are equivalent to global benchmarks. Brother should set challenging action assignments for 2020s and continue to globally share the activities and unique ideas that are mainly promoted by promotional leaders of respective regions and divisions along with the Brother Group Basic Principles of Social Responsibility. Especially on human rights and environmental impact reduction, Brother is strongly and continuously expected to share them throughout the value chain and check and review progress.
- Increase in diversity and utilization of human resources: Through seminars based on the development plan for executive and managerial positions (facility succession plan) and so on, in China where Brother's main facilities are located, more than half of executive and managerial positions are occupied by locals. Seminars are also conducted even at group companies in Vietnam and Philippines that started their business a while back. Activities like these are under way based on the mid-term strategies. Further enhancement of the bases for global utilization and development of human resources is expected. Regarding the employment of the disabled, the employment rate reaches 2.25%. Brother is strongly and continuously expected to make relations and environments that enable the disabled, and foreigners working in Japan to interact and consult with employees of same attribution each other.



CEO of IHHOE (International Institute for Human, Organization and the Earth) and editor and publisher of SOCIO MANAGEMENT  
Hideto DeDe Kawakita

川北 秀人

## Brother Group's CSR

### Third-party Opinion

#### Third-party Opinion on Brother Group's CSR Activities in FY 2014

- Involvement of suppliers: Brother requested suppliers to evaluate their own activities by CSR tools to assess their commitment levels regarding the environment, human rights, labor, health & safety, fair trade, corporate ethics, information security, and social contributions. And then commended superior cases based on the self-evaluations with reports and data of suppliers' activities and introduced the award-winning companies and requested some low score suppliers to correct. These are highly evaluated. With a view to ISO 20400 that will be issued soon, Brother is expected to address to secondary suppliers and promote to accurately grasp suppliers' progress of activities on safety, the environment and human rights in detail for improvement.

#### Efforts that have shown progress but require more commitment

- Reduction in greenhouse gas emissions: Following twos, (i) not only production facilities but also overseas sales companies' efforts to cut greenhouse gas emissions by 1% annually by making checklists that include effective measures and (ii) the implementation of heat insulations in Japan that will lead to the enhancement of employees' satisfaction by restricting the influence of external temperature by windows and paints are recognized. Along with improving the accuracy of the checklists furthermore, just-in-time energy consumption by the collaboration of whole production sites including facilities administration departments and, for addressing Scope 3 also, encouraging the use of universal design fonts, reducing environmental impact during use such as defaulting toner saving and 2 in 1 printing for shipping are strongly and continuously expected.
- Creation of workplaces where employees can easily continue to work: A nursing care seminar has been held 25 times up to now and the number of attendees of the seminars has reached a quarter of the number of employees at age 40 or over and support tools for making care plan were provided. These activities are particularly noteworthy. Respective workplaces should identify and resolve issues to increase the system utilization rate of leave, leave of absence, and short-time working for child care, family care, and nursing care (5.65% at Brother Industries). In terms of the general consultation desk to help employees cope with their anxieties and problems, the enhancement of the activities by the counterparty of labor union is recognized and further activities like introducing case examples relevant to family-related problems are expected.
- Business continuity plan (BCP): Stipulating "local contribution" in the basic principal of business continuity that places the security of human life first and encouraging employees to register their family members to safety confirmation system are recognized. Promoting the cooperation for the security of employees' family members is expected.
- Compliance including compliance with laws: Conducting educations on regulations in each country is recognized. Brother is expected to introduce the notion and system like "Hours without compliance accidents" to grasp near-miss.
- Social contribution activities: More than 20,000 employees (over half of Brother Group's global workforce) have joined the Brother eco point program to reduce environmental impact on a day-to-day basis. Brother employees also have voluntarily involved in activities based on local needs. These efforts, which reflect Brother's spirit and involve its business operations, are highly evaluated. Brother should continue to systematically promote these activities as part of social investment under a global vision.

## Brother Group's CSR

### Third-party Opinion

#### Third-party Opinion on Brother Group's CSR Activities in FY 2014

##### Efforts that Brother is expected to promote as a global company

- Communications with diverse stakeholders: The top management including the president and officers keep employees informed in multiple languages, which should be highly evaluated. Brother is strongly and continuously expected to actively provide opportunities for communicating with NGOs and other external stakeholders in Europe in particular, identify social issues to work on next, and seize opportunities for collaboration. For the opportunity to publish superior activities inside and outside Brother, the foundation of evaluation and commendation system that evaluates from the perspective of "At your side." is also strongly and continuously expected.
- Commitment and response to biological diversity: and water resource issues : Considering the fact that only 5 years are left to the meeting in which the progress of "Aichi Targets" will be confirmed, Brother is expected to increase its understanding and sharing about the impact of producing paper (indispensable for printing) and textiles (indispensable for sewing with machines) on the ecosystem furthermore, and enhance its conservation efforts including human resource development.

##### IIHOE

Founded in 1994 "for balanced and democratic development for all the Lives on the Earth" IIHOE has been providing management support to nonprofits and social entrepreneurs, and also CSR support to many corporations.

## With Customers

The Brother Group places the customer first, everywhere, every time. By quickly and consistently providing superior value, we build strong, long-lasting relationships with customers, gaining their loyalty.

### Developing Products with "Customers First" in Mind

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- A Framework for Quickly and Comprehensively Reflecting Customer Feedback in Our Products
- Delivering Satisfaction to More Customers in Different Countries and Regions

### Safe and Secure Product Design

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- Customer-oriented Quality Standards: Building Customers' Viewpoint into Product Design
- Intensive Safety Education to Prevent Product Accidents from Occurring

### Minimizing "Product Returns and Servicing"

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- Based on Brother's Unique Concept from the Viewpoint of Customers
- Reducing Unexpected Defects in New Products through Quality Improvement Activities

### Distribution, Sales and Service

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- Enhanced Customer Service by Launching New Contact in Addition to Telephone Support

## With Customers

### Developing Products with "Customers First" in Mind

#### A Framework for Quickly and Comprehensively Reflecting Customer Feedback in Our Products

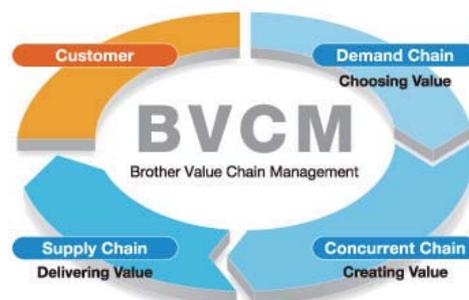
##### Conducting various surveys to identify potential needs and embodying them in products

All of the Brother Group's business activities are driven by feedback from customers. Opinions and requests are solicited at various times and compiled into a database.

In the planning phase for a new product in particular, those in charge of planning and development visit customers, organize group interviews, and conduct web-based surveys. These extensive, in-depth surveys are designed to identify the environments in which products are used and to analyze impressions and requests so that potential needs --- which even

customers are not aware of --- are identified and reflected when developing the next models.

This process helps to ensure that the functions, sizes, designs, and prices of products perfectly match customers' needs. This is all part of the Brother Group's commitment to providing customers with new values and satisfaction.



Framework for reflecting customer feedback in product development

#### Delivering Satisfaction to More Customers in Different Countries and Regions

In May 2013, Brother released four black-and-white laser printer models (of which three were All-in-One models) in emerging countries. The performance requirements and operating environments of printers in emerging countries are different from those in Europe, the US and Japan. We developed these unique products by taking full advantage of the Brother Value Chain Management (BVCM), Brother's proprietary management system for creating products that deliver satisfaction to many more customers. BVCM is intended to carefully analyze customers' needs, develop product concepts, design and manufacture products based on these concepts, and deliver products to customers.

##### Focusing on "affordability" and "reliability"

Regional characteristics vary in emerging countries.

The planning division extensively researched and analyzed printer trends, as well as operating statuses and environments, etc. in respective countries and regions, and sought the ideal features of printers that customers in emerging countries expect. The division finally came up with the concept for new products: "affordability" and "reliability."



Icons used in the HL-1110 series catalog to explain the concept  
Left: "Hassle-free" printing achieved through technology which minimizes paper jamming  
Middle: High-resolution and reasonably priced toner  
Right: A4 printing speed of 20 ppm

Product specifications were reviewed for emerging countries to make the products "affordable." Specifically, printing speed and maximum paper feed capacity were reduced to 20 ppm and 150 sheets, respectively, while maintaining the user-friendliness of conventional models. The size was also reduced to its smallest ever. Concerning "reliability," priority was given to ensuring high durability and reducing paper jamming in severe operating conditions. The solutions required innovative ideas and technologies to break conventional wisdom. The daunting tasks stimulated the pioneering spirit required of the development team to overcome these challenges.

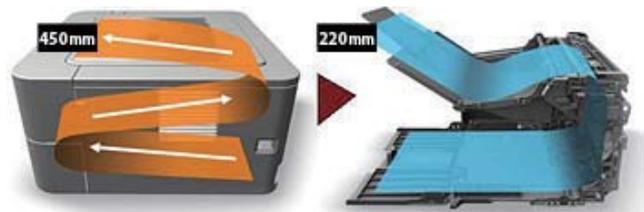
## With Customers

### Developing Products with "Customers First" in Mind

### Delivering Satisfaction to More Customers in Different Countries and Regions

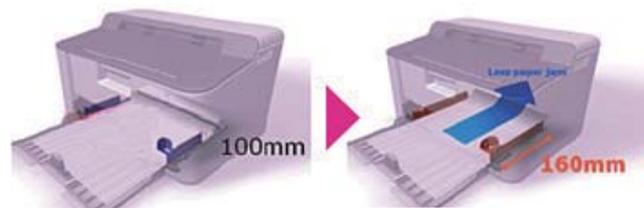
#### Achieving "hassle-free" printing and significantly reducing size

In these product models, the paper feed path was halved by changing the path configuration from an "S" shape to a "C" shape. Paper jamming was successfully minimized by introducing a new roller material resistant to paper dust, in addition to long paper guides for stabilizing paper feed.



Paper feed path reduced from 450 mm to 220 mm

The paper tray was integrated with the front cover to eliminate the cassette type tray. The program was reconfigured to provide functions suited for the new models. With memory consumption reduced to one-eighth, surplus memory is used to ensure electric control of functions that had been conventionally controlled with parts. The number of parts was significantly reduced by integrating different parts. Furthermore, the volume of toner cartridges was more



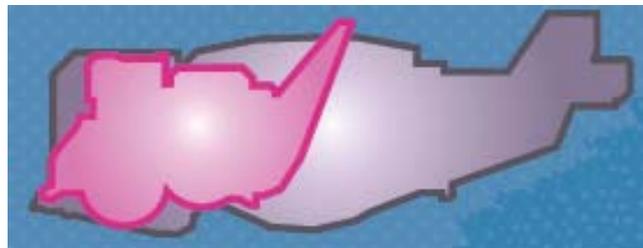
Paper guides extended to prevent paper jamming, while achieving a reduction in size

than halved, by increasing the toner filling density (by more than double). Simply increasing the toner density would result in an overflow of the toner from the filling port. The development team overcame this challenge by providing an air vent hole and innovatively designing the cartridge configuration.

These efforts have delivered compact models measuring only W 340 mm x D 238 mm x H 189 mm\* and weighing 4.5 kg. New image processing technology ensures printing quality equivalent to that of conventional models for images requiring large memory.



The toner cartridge that is smaller than ever



Comparison of cartridge size (profile): new model shown in pink; previous model (HL-2130) shown in gray

The Brother Group remains committed to BVCM and delivering even better products and services by placing our customers first.

\*: Size of the HL-1110 series

## With Customers

### Minimizing "Product Returns and Servicing"

#### Based on Brother's Unique Concept from the Viewpoint of Customers

##### Efforts to minimize the number of returns after shipment

At the Brother Group, the percentage of products returned from customers for repair or return is defined as "product returns and servicing rate". We believe that the time and effort suffered by customers due to trouble with the products, no matter how small, is an inconvenience for them. The Brother Group believes that reducing the number of returned products close to zero should be placed above all others to achieve greater customer satisfaction. And together with all departments from development design, manufacture, logistics, sales to services, we promote the across-the-board activity to pursue improvement of products quality.

#### Reducing Unexpected Defects in New Products through Quality Improvement Activities

##### Working on quality improvement activities from the viewpoint of customers, considering the types of paper available in different markets

The Business Inkjet All-in-One NEO series,\* released in the autumn of 2012, has revolutionized the concept of inkjet printers. These products have embodied the commitment of Brother's engineers, as exemplified by the A4 long-edge feed mechanism. It is also of interest to note that, after absorbing ink, paper is subject to rapid deformation due to fiber orientation. In a long-edge feed mechanism, such deformation is likely to make paper contact with the printer head in the printing process, among others, which could affect the printing quality. Brother took up this challenge and developed proprietary technology to control the swelling and expansion of paper. The A4 long-edge feed mechanism has helped develop epoch-making products, characterized by a compact body with depth of 290 mm and A3 printing capability.

Customers use our products in various environments. In development evaluation process, as we learned from printing on paper that we obtained in different countries, paper deformed more than we expected, impacting on the printing quality. In our conventional evaluations, we had mainly used regular paper typically available in markets in the Americas, Europe, and Japan. However, we learned that the characteristics of paper are significantly uneven in some regions in terms of the thickness, the moisture absorbency, etc. To solve this problem, we first conducted a survey regarding paper available in the markets in respective countries. Then, we identified the types of paper that are available in large amounts in respective regions and adjusted our products to these types of paper. This process enabled us to recognize that different types of paper are on the market in different regions and that printing quality is affected by the environment, such as temperature or humidity levels. We evaluated the printing quality utilizing paper used by a greater number of customers and adjusted the products accordingly, and we succeeded in further stabilizing printing quality.

As Brother operates and sells products globally, it is no wonder that Brother's products are used in various environments, and the paper used by customers is used in these same environments. Thus, Brother remains committed to ensuring product development and services from the viewpoint of customers and to reducing "product returns and the servicing rate."

\*: MFC-J4510DW and its derivative models of the Business Inkjet All-in-One series, exclusively named the "NEO series" for the Japanese market.



Business Inkjet All-in-One NEO series, featuring an A4 long-edge feed (which was considered difficult to achieve), A3 printing capability, and a compact body

## With Customers

### Safe and Secure Product Design

#### Customer-oriented Quality Standards: Building Customers' Viewpoint into Product Design

##### To enable customers to safely use products for many years

Brother products are used in different countries and regions around the globe, in diverse environments and in various ways. The quality assurance department compiles trouble-related information from the market into a database, and establishes quality standards and evaluation methods for products by analyzing this information. To prevent potential problems, countermeasures are built into products in the design phase to reassure customers. This is the spirit behind our customer-oriented quality standards—the embodiment of "At your side." (the motto of the Brother Group) in product development. Customer-oriented quality standards are constantly reviewed by closely examining repair requests and call center inquiries.

#### Intensive Safety Education to Prevent Product Accidents from Occurring

##### Promotion for further secure and safe manufacturing in the whole Brother Group by "Product Safety Risk Assessment" and so on

For manufacturing companies, securing product safety is a crucial issue, and at the same time, it's one of their social responsibilities. Not only product accidents cause customers trouble but also erode trust in companies, incur slowdown in sales and lead to the worsening of business conditions.

In the Brother Group, in accordance with the basic ideas of "Product safety is the basic point of quality assurance and we make delivering safe products to customers a primary concern", we set "Product Safety Basic Policy" and have been working hard to secure product safety. Based on this policy, intensive product safety educations responding to respective organizations are conducted to new employees, development engineers, employees in each factory and so on.

Meanwhile, to further enhance safety, "Product Safety Risk Assessment" was introduced in 2004. This is a method that extracts every possibility and examines the validity of countermeasures to products. For engineers engaged in product development, workshops are held to learn this method. In first level classes, employees acquire the base of the method and the way of thinking to raise quality to safer territory by combining more than one countermeasure.

In addition, in 2013, middle level classes are provided to focus on human resources development that enables employees become a person who can lead "Product Safety Risk Assessment" including the training of the employees in first level classes. From development stage, product design considering preventive measures for product accidents and failures is conducted.

Moreover, in manufacturing facilities outside Japan, local staffs play a main role in providing product safety educations and promoting "Product Safety Risk Assessment" in the whole Brother Group.

The Brother Group will stick with delivering secure and safety products one by one to each customer by continuously pursuing to prevent product accidents from occurring and promoting education programs to realize the product safety that answers the needs of the age.



In manufacturing facilities outside Japan, local staffs promote product safety training program. Product safety training program in Brother Technology (Shenzhen) Ltd. (Upper) and Brother Industries (Vietnam) Ltd. (lower)

## With Customers

### Distribution, Sales and Service

#### Enhanced Customer Service by Launching New Contact in Addition to Telephone Support

##### BROTHER (CHINA) LTD. established an inquiry contact by chat

BROTHER (CHINA) LTD., a sales facility in China (BCN), established a call center and has been dealing with customers' inquiries about the breakdown of their products and how to use their products by it. However, as the customers who use Brother's products increased, inquiries from them also increased accordingly, and in the result, BCN started to get customers' complaints like "I had difficulty getting through to the call center." and "I was kept waiting for a long time before getting through to the call center."



On the extreme left of the front page of BCN's website, an icon which leads customers to online contact is displayed

Therefore, to improve service quality, in May, 2014, BCN launched an online customer service that enables customers to inquire in the form of chat via the Internet. Especially in China where more than 80 languages or dialects exist, communication by characters has the merits of being easy to understand and share each other compared to telephone conversation that is hard to pick up the words of customers. In addition, it enables operators to provide figures, charts, and links to relevant sites to customers and to explain more effectively. Furthermore, as one operator can handle several inquiries at a time, it enables us to respond to customers' inquiries quickly. During a half year since the launching in May, inquiries by chat doubled and exceeded 10% of all the inquiries. BCN assumes that inquiries by chat will surpass those by telephone in a few years. The person in charge of the launching mentioned that "By making our support service Internet-ready, we became capable of providing better solutions more quickly to more customers. We can handle the inquiries well even at the peak of them." and is feeling the improvement of service. From now on, BCN is planning to commence an operation of chat system via smartphone. Also, to make customers solve their problems by themselves through the use of the website without their burdensome inquiries, we will make efforts to improve and integrate the data base and the FAQ of products for providing customers more understandable services.

With the "At your side." motto in mind, always placing its customers first, the Brother Group will focus its efforts on further improvement of customer satisfaction.

## With Employees

The Brother Group respects diversity, and provides a working environment that enables employees to utilize their talents and abilities to the fullest and great opportunity through challenging work assignments. Moreover, efforts and performance are fairly evaluated with attractive financial rewards.

### Ensuring Diversity of Human Assets

- Basic Policy on Employment and Benefits
- Ensuring a Diversified Human Assets

### Supporting Diverse Work Styles

- Support for Diverse Ways of Working
- To Help Employees Balance a Career with Childcare
- Activities to Support the Success of Women

### Developing Human Resources at Each Region

- Development of Human Assets Placing the Right Person in the Right Place
- "Look to the Future" Workshop was Held in Europe with the Participation of Young Employees across Border

### Developing Human Resources for Global Business

- Developing Human Resources for Global Business
- Fostering Managers of Facilities outside Japan on a Global Basis

### Workplace Safety

- Structures for Ensuring Occupational Safety and Preventing Accidents on a Global Level
- Assisting Manufacturing Facilities Worldwide to Promote Workplace Safety, Health and Disaster Prevention Activities on Their Own
- Maintaining and Improving Mental and Physical Health

### Sharing the Global Charter

- A Foundation for Every Activity: Penetration of the Brother Group Global Charter

### Promoting Activities to Enhance Employee's Pride

- To Carry on "Brother's Uniqueness"
- Brother Industries, Ltd. Ranked Record-high 12th in the 2015 JAPAN BEST COMPANIES TO WORK FOR®

## With Employees

### Ensuring Diversity of Human Assets

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#### Basic Policy on Employment and Benefits

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##### **Building systems and environments in which our diversity of human resources can demonstrate their abilities**

The Brother Group delivers products and services to customers all over the world with manufacturing facilities and sales facilities in 40 or more countries and regions of the world and all employees are active as the "Brother" global team on a global stage where environments differ by ethnicity, language, culture, customs and a whole lot more.

The foundation for achieving this is laid out in the Brother Group Global Charter (the Global Charter) as our mission to "respect diversity, and provide a working environment that enables our associates to utilize their talents and abilities to the fullest. The Brother Group gives them great opportunity through challenging work assignments, and provides them with fair, attractive financial rewards." Our Codes of Practice in the Global Charter then sets forth, "We must always honor individuals and diversity, and act with trust and respect." According to this policy, at any of our Brother group companies, we are setting out to eliminate discrimination of any nature in hiring, evaluations and promotions, whether by race, nationality, religion, beliefs, gender, scholastic achievements, age, the existence of handicaps or not, or anything else, and the use of child or forced labor are strictly prohibited.

Both management and employees in the Brother Group are expected to continue to observe rules and regulations, respect other cultures and customs, and continually strive for improvement in the workplace environment by evolving the personnel system in line with the Global Charter.

##### **Introducing a target management rating system for fair evaluations and treatment**

The Brother Group has a system that fairly and impartially evaluates employees by their motivation, skills and results, and reflects those findings in how employees are treated. For example, for employees, a highly convincing rating system is used based on target management against clear evaluation standards. The results of evaluations are disclosed individually to the evaluated employees and then discussed with them in feedback meetings for mutual understanding. This approach is a form of human resource development as it invites the employees to reflect on their work and enhances their motivation to grow toward new targets. The annual salary system is used for managers.

## With Employees

### Ensuring Diversity of Human Assets

#### Ensuring a Diversified Human Assets

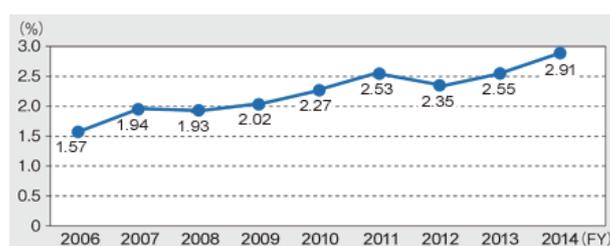
##### Promote the appointment of female employees in managerial positions

The number of female managers increased in FY 2014 (as of March 31, 2015) at Brother International Corporation (U.S.A.), although the actual percentage of female managers accounted for the entire managers still varies in each country and region because of the differences in historical, social and cultural backgrounds and job titles.

#### Number and Percentage of Female Managers in the Brother Group

Company (Country)	March 2014		March 2015	
	Number	Percentage	Number	Percentage
Brother Industries, Ltd. [Japan]	21	2.5%	24	2.9%
Brother Sales, Ltd. [Japan]	1	1.5%	2	2.5%
Brother Technology (Shenzhen) Ltd. [China]	21	26.9%	23	29.5%
Brother Industries (Shenzhen) Ltd. [China]	8	24.2%	13	32.5%
Zhuhai Brother Industries, Co., Ltd. [China]	13	59.1%	14	58.3%
Brother Sewing Machine Xian Co., Ltd. [China]	3	12.5%	3	12.5%
Brother Industries Technology (M) Sdn. Bhd. [Malaysia]	9	28.1%	9	29.0%
Brother International Corporation (U.S.A.) [U.S.A.]	64	35.0%	78	39.0%
Brother International Europe Ltd. [U.K.]	5	13.5%	7	15.9%
Brother U.K. Ltd. [U.K.]	11	29.7%	12	34.3%
Brother (China) Ltd. [China]	10	32.3%	9	28.1%
Brother International G.m.b.H. [Germany]	1	7.7%	1	9.1%
Brother France S.A.S. [France]	14	42.4%	14	41.7%
Brother Industries (Vietnam) Ltd. [Vietnam]	26	32.1%	29	32.2%

#### Percentage of female managers (Brother Industries, Ltd.)



## With Employees

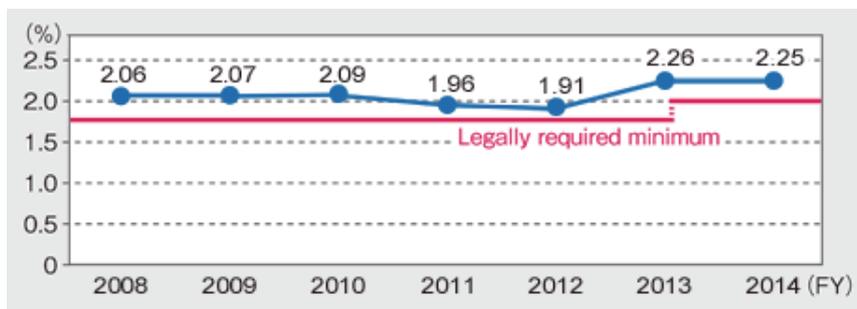
### Ensuring Diversity of Human Assets

#### Ensuring a Diversified Human Assets

##### Promoting employment and support for persons with disabilities

In Japan, the law stipulates that businesses of a certain size and larger must fill a minimum of 2.0% of the total workforce with disabled persons. The Brother Group is hiring persons with physical disabilities according to the situations, and those employees are engaged actively in positions assigned in accordance with their qualifications and performances. The employment rate of disabled persons by Brother Industries, Ltd. (BIL) in FY 2014 stands at 2.25%, which meets the legal requirement revised in April 2013.

Employment rate of disabled persons (Brother Industries, Ltd.)



BIL has been working on a policy to build a workplace environment where employees, whether handicapped or not, can work cooperatively with mutual understanding and take full advantage of their capabilities, based on "Trust and Respect" in the Codes of Practice of the Brother Group Global Charter. From FY 2012, in order to share information about the employment and working situation of persons with disabilities, meetings are held among staffs in charge of each Brother Group company in Japan, and this facilitates consensus-building on promoting to employing handicapped individuals.

Also in the wake of disasters caused by the Great East Japan Earthquake, activities are implemented, such as providing workshops and creating an instruction leaflet on disaster prevention measures for vulnerable people such as handicapped individuals.

Activities to create a safe and secure working environment and the support from in-house job coach by personnel department and senior staff are also ongoing.

## With Employees

### Supporting Diverse Work Styles

#### Support for Diverse Ways of Working

##### Support systems that enable employees to choose their own lifestyle

So that our employees may choose their own working style, given the differing laws in each country and region, labor environments and personal situations, the Brother Group has been supporting their way of working to fit into their own personal situations as best as possible, by allowing flexibility in individual working style, and etc.

Take an example that Japan faces: the problem of a falling birthrate and an aging population. Measures and policies are required to enable employees to balance work and life, such as enhancing in-house systems in each company for supporting childcare and family care. Brother Industries, Ltd. (BIL) has developed and supported a system that allows employees to balance childcare, family care and work with the introduction of a care leave system, a short-time working system and more.

Regarding the childcare leave system, the number of employees who started to use it was 44 (including 6 male employees) in FY 2013 and 45 (including 9 male employees) in FY 2014.

While at the same time, regarding the family-care leave system, since FY 2011, a lecturer has been invited from outside BIL to hold "Seminar on the support for the balancing of work and family-care" for all employees aged 40 or older.

Meanwhile, in April 2014, BIL concluded a corporate contract with an incorporated NPO called Sea Care by its abbreviation regarding the support service of long-distance family-care.

Thus, efforts are under way to create a workplace environment that allows employees keep working without undue worries.

In recognition of these activities, BIL won the Minister Prize in Equal Employment/Work-Life Balance for Fiscal Year 2014, Excellence Award (Family-friendly Enterprises Category), MHLW (Minister of Health, Labour and Welfare) for the first time.



BIL won the Minister Prize in Equal Employment/Work-Life Balance for Fiscal Year 2014, Excellence Award (Family-friendly Enterprises Category), MHLW

## With Employees

### Supporting Diverse Work Styles

#### To Help Employees Balance a Career with Childcare

##### Obtaining "Kurumin" mark awarded to certified business operators

Brother Industries, Ltd. (BIL) has been assisting employees with childcare in accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children\*. BIL has been taking various measures to help employees balance their careers with childcare by carrying out the fifth general business operator action plan (FY2015-FY2016), in an effort to improve the workplace for employees.

Target 1. Considering the introduction of homeworking system

Target 2. Decreasing the number of employees who take annual paid vacation less by half

Target 3. Making the ratio of employees, who work 60 or more hours a week in average, 5% or less

\*: Act on Advancement of Measures to Support Raising Next-Generation Children:

This act requires business operators employing 101 workers or more to formulate and submit general business operator action plans, in an effort to facilitate "measures to support raising next-generation children" (that is, measures intended to improve the environment so that next-generation children are born and raised in good health).



"Kurumin" mark awarded to companies that are recognized to be in compliance with the standards

### Activities to Support the Success of Women

#### Activities of a working group named "Team Ajsai" to support the success of women

Brother Industries, Ltd. (BIL) has various fulfilling systems to support work-life balance like flextime system, childcare leave, short-time working and family-care leave. In addition, there is a corporate culture that employees utilize the systems easily. As a result, BIL's ratio of returning to work from childcare leave is almost 100%.

Previously, BIL focused on the support for the workplace settlement of female employees. But from FY 2014, aiming to create a workplace environment where every female working in BIL can fully exercise their abilities and perform well, a working group named "Team Ajsai" ("Team Hydrangea"), consisted of female employees, was formed.

Based on the opinions arising from the activities of the working group, BIL devised a commitment and various action plans for supporting the success of women and positively working on considering the introduction of homeworking system and holding lectures on diversity for managers.



Exchange of opinions between Ms. Atsuko Muraki, an administrative vice minister of Ministry of Health, Labour and Welfare and the members of "Team Ajsai"

## With Employees

### Developing Human Resources at Each Region

#### Development of Human Assets Placing the Right Person in the Right Place

##### Giving priority to utilizing employees' talents and abilities, respecting diversity, and offering challenging work assignments

As stated in the "Our Associates" section of the Global Charter, the Brother Group gives priority to:

- (1) respecting associates' diversity;
- (2) utilizing associates' talents and abilities to the fullest; and
- (3) giving associates great opportunity through challenging work assignments.

It is important to develop human assets who can fulfill their tasks in respective countries, regions, and businesses, and to upgrade relevant programs, to enable associates to fully use their talents and enhance skills over the long term. We are therefore committed to improving the environment for developing human assets and arranging various programs.

#### "Look to the Future" Workshop was Held in Europe with the Participation of Young Employees across Border

##### Workshop for personal development with expectations for young employees who will take the lead in the future Brother was held again in this year

Brother International Europe Ltd., a sales company in Manchester, UK, that is responsible for sales in Europe, has been holding workshop named "Look to the Future" every year since 2006 with the participation of up-and-coming young employees from sales and service facilities in European countries. In this year, 26 employees from 14 countries in Europe participated in the workshop. It was held in June, three days and two nights. On the first day, lecture on Brother's history and business content, review of the Brother Group Global Charter, that defines "Basic Policies" and "Codes of Practice" for decisions and actions that group companies and employees worldwide conform to with daily operations, and Global Vision 21, Brother Group's mid- to long-term vision, were conducted. The participants were surprised to know that Brother is a traditional company with a history of over 100 years and even at the time of the establishment of Brother, it had timeless global "Prospectus of Establishment".



Young employees taking a classroom lecture



Young employees observing how the toner cartridges they sell are recycled

## With Employees

### Developing Human Resources at Each Region

#### "Look to the Future" Workshop was Held in Europe with the Participation of Young Employees across Border

##### **Workshop for personal development with expectations for young employees who will take the lead in the future Brother was held again in this year**

On the second day, they were divided into some groups and each group gave presentations on the following themes previously provided.

- Create sales promotional concepts using the Brother brand
- How to promote the usage of video/Web conferencing system in business
- CSR - suggestions and promotion of environmental activities

Group leaders nervously but confidently made presentations with respective ideas and outcomes. On the last day, they had a factory tour of toner cartridge recycle lines in Brother Industries (U.K.) Ltd. in Wales, UK. Seeing firsthand how toner cartridges that they sell is recycled raised their environmental awareness.

Following comments were heard from them.

- I met new colleagues who work in other countries in person for the first time and learned many new things about Brother. After returning to my country, I will utilize the ideas for business plan that were discussed by all the participants.
- It was very significant for me to get in touch with colleagues in each country, learn about what Brother has been achieved, and exchange information.

To deepen a sense of unity among employees across borders and boost employees' awareness as a member of global company were the biggest goal of this workshop.

Brother Group will continuously conduct activities like this for the development of young employees and focus on human resource development to foster employees who can play an active role with the skills to look ahead to the future as a member of global company.

## With Employees

### Developing Human Resources for Global Business

#### Developing Human Resources for Global Business

#### The development and exchange of human resources worldwide are the key to business development

With the progress of globalization, the Brother Group sees the development and exchange of human resources worldwide as the key to business development, and is, therefore, providing training aimed at carrying Brother's DNA and improving management skills, and promoting personnel exchanges on a global level, etc. As a part of these efforts, we have been conducting training both in Japan and China for employees at local subsidiaries in China to develop their skills to take over management, and a program for sending young employees from Japan abroad as trainees for the purpose of giving them business experiences in different countries early on in their careers.

We will promote human resource development into global, well-structured and long-term programs, by using the group's own personnel information system across the entire group that shares information on human resources development plans, needs and so forth in each country and region.

#### Fostering Managers of Facilities outside Japan on a Global Basis

##### Conducting manager fostering training courses that meet local needs

In BROTHER INDUSTRIES (VIETNAM) LTD. (BIVN), since February, 2014, during about 10 months, manager fostering training courses were conducted. It aimed to cultivate next candidates for managers early. Responding to BIVN's request for fostering Vietnamese managers who will have a key role in autonomous factory operations, the training courses were started with the support of Brother Industries, Ltd. and 6 Vietnamese assistant managers were selected from each department of BIVN to participate in the training courses.

At the creation of the curriculum for the training courses, hearings to both the participants and their superiors and 360-degree surveys were conducted to grasp the managerial worries of the participants and expectations from their superiors to them. The training courses were focused on especially needed managerial abilities, "reporting, contacting, and consultation", "team management" and "interdepartmental cooperation".

During the training courses, the participants gained not only knowledge but also hands-on learnings through various group works with sharing their experiences and worries among them. To utilize the awareness from the learnings, they created their action plans monthly to overcome their challenges and worked on the improvement in their behavior with many interviews with their superiors. A superior of the participant mentioned that he felt the participant's growth in breadth of vision, devoting undivided attention not only to the participant's scope of work but also to wider ranges and other departments.

The participants are enhancing their consciousness of leading BIVN's growth as managers by awaking that their small changes in behavior and mind make the communications with people around them smooth although they are feeling the gaps between "understanding" and "practice".

In FY2015, for the second time, like FY2014, 9 Vietnamese assistant managers were newly selected and managers fostering training courses are conducted.

The Brother Group remains committed to systematically developing global human resources over the long term.



Participants working on group work



Result presentation to superiors

## With Employees

### Workplace Safety

#### Structures for Ensuring Occupational Safety and Preventing Accidents on a Global Level

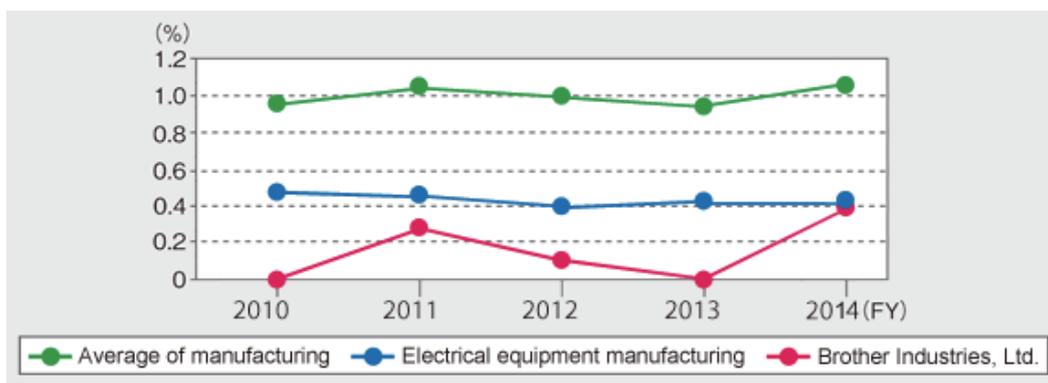
##### Management systems built and run on a basic policy of safety first

In the group's "Safety and Disaster Prevention Policy," Brother has set a "Basic Policy," in which specifically indicates that "'Safety first' shall be the cornerstone of all operations. We shall try to create a comfortable working environment that allows all our associates to feel safe and work in good health. Safety culture shall be established at the same time." In accordance with this basic policy, the Central Safety, Health, and Disaster Prevention Committee of Brother Industries, Ltd. continuously addresses to prevent on-the-job accidents and disease, ensuring the safety and health in the workplaces.



Global Safety Convention  
("Zero disaster", all participants said in chorus)

##### Work accident frequency rate (Brother Industries, Ltd.)



Work accident frequency rate represents the frequency of work accident by the number of work accident with 1 or more lost work days per 1 million total working hours and calculated by the following calculating formula.  
Both the data of electrical equipment and manufacturing are the data of "work accident trend survey" by Ministry of Health, Labour and Welfare.  
Work accident frequency rate = (total number of accidents / total number of man hours worked) x 1,000,000

## With Employees

### Workplace Safety

#### Structures for Ensuring Occupational Safety and Preventing Accidents on a Global Level

#### Promoting workplace safety, health, and accident prevention activities

In order to encourage self-reliance of manufacturing facilities outside Japan, the Workplace Safety and Disaster Prevention Group (which serves as the Central Safety, Health, and Disaster Prevention Committee) of Brother Industries, Ltd.(BIL)' Personnel Department has been implementing the PDCA cycle on workplace safety, health and accident prevention activities together with local staff in charge at respective manufacturing facilities.

Regarding workplace safety and health, setting up of a Safety Health Committee, workplace safety and health patrols, measures to prevent the recurrence of accidents, risk assessment activities for systematically reducing potential risks in the workplace have been conducted.

We will remain committed to proactively involving into activities to secure further safe and healthy working environment for employees.

Regarding disaster prevention, in order to implement an appropriate first response to accidents caused by earthquake or fire and to minimize damage if accidents occur, activities included improvement of the disaster prevention organization, disaster prevention training (evacuation drills, primary firefighting trainings, lifesaving seminars using AED) and legal inspections of fire protection facilities have been conducted at each factory.

In FY2014, "Basic policy for the time when a disaster occurs" was revised. In addition to "Human life first" and "Business continuity", "Local contribution: helping surrounding person in need" was newly added. One case example of the practice of "Local contribution" is the evacuation drill by the headquarters of BIL, collaborated with a neighboring nursery school, under the cooperation of the regional fire department. As the activity has no precedent, it received media exposure and was highly acclaimed. By continuing this activity, we expect it will lead to the understanding and practice of the basic policy.



Behavior standard card for huge earthquake occurrence



Evacuation drill collaborated with a neighboring nursery school

## With Employees

### Workplace Safety

#### Assisting Manufacturing Facilities Worldwide to Promote Workplace Safety, Health and Disaster Prevention Activities on Their Own

##### Promoting by focusing on new manufacturing facilities

Since 2006, the Workplace Safety and Disaster Prevention Group of Brother Industries, Ltd.(BIL)'s Personnel Dept. has been working with manufacturing facilities outside Japan to promote workplace safety, health, and disaster prevention activities. By the end of FY2009 (April 1, 2009-March 31, 2010), the evaluation by original internal audit at major manufacturing facilities outside Japan had been raised almost up to the levels in Japan. Since FY2010 (April 1, 2010-March 31, 2011), further efforts have been made to let manufacturing facilities outside Japan develop activities on their own.



Factory inspection tour by the chairperson of the Central Safety, Health, and Disaster Prevention Committee

Since FY2013, BROTHER INDUSTRIES (PHILIPPINES)(BIPH), INC. and BROTHER INDUSTRIES SAIGON, LTD.(BISG) were newly added to the destination of the support and the activities for the improvement of the level of safety, health and disaster prevention have been proactively developed.

In particular, some members of the Workplace Safety and Disaster Prevention Group of BIL visited BIPH and BISG that started production in 2013 several times, and proceeded to create work environments in which all the local employees can work safely by holding meetings with BIPH and BISG's person in charge of health and safety regarding how to proceed future safety and health activities for the drawing of safety rules handbook, creation of a system for the reporting of work accident, holding of safety, health and disaster prevention committee.

In addition, the chairperson of the Central Safety, Health, and Disaster Prevention Committee himself visited BIPH and BISG and conducted factory inspection tours with person in charge of the factories.

The Brother Group will continue to share its workplace safety and health policy with manufacturing facilities outside Japan where laws, regulations, cultures, etc. are different, to enable these facilities to carry out workplace safety and health education on their own. Meanwhile, since 2008, the Brother Group has been continuously holding "Global Safety Convention" that concerned personnel of manufacturing facilities both in Japan and outside Japan attends to interact with one another. By commending the factories with less work accident, factories conducting excellent safety activities and long-standing contributors and sharing case examples of activities at the convention, we aim to let all the participants work on safety, health and disaster prevention activities proactively.

## With Employees

### Workplace Safety

### Maintaining and Improving Mental and Physical Health

#### Maintaining and improving the health of the entire group

Employee health is a major theme in building an active organization. In the Brother Group, business sites in each country and region assign physicians specialized in industrial medicine, and are working with hospitals and clinics to maintain and improve the mental and physical health of employees. In FY 2014, BROTHER SYSTEM TECHNOLOGY DEVELOPMENT (HANGZHOU) LTD.(BSH), R&D facility in China, BROTHER INDUSTRIES(SHENZHEN), LTD. and BROTHER TECHNOLOGY (SHENZHEN) LTD., both manufacturing facilities in China, received a visit by a physician specialized in industrial medicine and a health nurse. During the visit, they provided the employees who are transferred from Japan with health interviews, health educations and hearing of living environment, and paid a visit to medical institutions in the vicinity of the plant to exchange medical information.



BSH office building



Medical institution near BSH

#### Dedicating efforts to prevention and early detection of mental health issues and post-illness support structures

Brother Industries established the second 5-year plan of the Brother Mental Health Plan in FY 2011 to focus on preventive measures. In order to reduce the number of employees who suffer mental health problem in the future, we believe that building a corporate culture and working environment where employees are not likely to suffer mental health problems is indispensable. To this end, in addition to disease control measures we have been taking, a new measure has been continuously taken based on the human assets strategy model, which includes human resources development, career development, building a workplace where employees can feel a sense of accomplishment through their jobs.



Conducting e-learning

In addition to these activities, in accordance with the amendment of the Industrial Safety and Health Law, "stress check" at health checkup was started from FY 2014. It aims to let employees awake to their own stress as primary prevention. By the offer from employees judged as high-stress by the results of stress check, consultation with an industrial physician is conducted.

## With Employees

### Sharing the Global Charter

#### A Foundation for Every Activity: Penetration of the Brother Group Global Charter

##### Developing constructive activities for a common understanding of the Global Charter amongst the entire global workforce

The Brother Group Global Charter (Global Charter) sets forth the basic policy and code of conduct on decisions and actions that each group company and employee takes in daily operations. Our aim is to share these principles as the foundation of all activities of the Brother employees for creating the situation that the principles are reflected in employees' daily behavior, and we are continuing promotional activities of the Global Charter on a global basis.



Translated into 27 languages for worldwide distribution

As steps to building an environment in which the entire global workforce can share a common understanding of the Global Charter, a portable pocket-size version of the Global Charter (in 27 languages), promotional posters and instructional DVD (in 5 languages) are distributed to business sites around the world. Moreover, on the group's intranet, explanations of the Global Charter, e-learning, commitments of management and managers, action plan of each department and etc. are posted to share with. Also presented are practices of different organizations and examples from other companies to encourage employees to get concrete ideas on their own actions, and dialogues on such practices are held to deepen the understanding of the Global Charter.

At the Global Charter Sharing Meeting held in March, 2015, the achievements in FY 2014 were confirmed such as activation of direct communication between management and employees (200 times or more) and the launch of "Terry's Challenge Academy" that the president himself gives several lectures. In addition, all the executive officers including the president discussed about how to realize "creating an environment that promotes challenge" and how to provide leadership as top management for the boost of each employee's behavior and growth that will arise as the accomplishment of the promotion of the Global Charter.



Discussions on the Global Charter between the president, executive officers and Brother employees around the globe

## With Employees

### Sharing the Global Charter

#### A Foundation for Every Activity: Penetration of the Brother Group Global Charter

The existence of the promotional leaders of each organization plays important roles for the Global Charter promotional activities. About 370 promotional leaders in the world take the central role in each organization's promotional activities by creating action plans that meet the situations of each facility or department and conducting training courses and case report meetings of the promotional activities. For example, in China, a cross-functional meeting for the Global Charter promotional leaders in China, in which promotional leaders from 7 facilities of production, sales, and development get together, has been held periodically since June, 2014. For developing a culture of challenge, they autonomously promoted planning, practice and improvement of their actions. In March, 2015, a presentation meeting for sharing "challenge case example" of each facility was held. Meanwhile, in BROTHER INDUSTRIES (PHILIPPINES), INC., original activities have been carrying out to respond to the surge in the number of employees by creating a tool for sharing, an easy to understand video that depicts the specific case example around them relating each keyword of the Global Charter. These kinds of action cases are distributed globally on the in-house website and shared among the Brother Group in three languages, Japanese, English and Chinese.



Activities taken place at each facility on the Global Charter around the world

The Brother Group has been working for developing a culture of challenge through these various promotional activities of the Global Charter. This is because the Brother Group has to act with a spirit of challenge to confidently face challenges for the further growth as a group. All the employees' activities with "At you side." spirit described in the Global Charter also firmly lead not only to the growth of the Brother Group but also to the activities that meet the social demands or continuous social contribution activities. The Brother Group will continue these activities to realize the company that generates a strong sense of pride among employees by implementing a number of carefully selected activities recognized by stakeholders.

## With Employees

### Promoting Activities to Enhance Employee's Pride

#### To Carry on "Brother's Uniqueness"

##### "Team Brother Project"

Brother Industries launched the "Team Brother Project" in FY2008 to address issues of "how to carry on our corporate culture referred to as 'Brother's uniqueness' amidst the gradual increase of young employees," and "how to improve employee satisfaction and ensure a better working environment where people can engage in challenging works."

Under this project, facilitators are selected from all the departments to promote activities in their respective departments. They analyze the causes of the problems in their respective department, set annual departmental targets based on the analysis, and promote continuous improvements. These are big feature of this project.

In addition to each department's autonomous approach, regular meetings with the participation of facilitators in all the departments are held to share information regarding each department's activity, hold case-based discussions, and provide opportunities to learn about the company's performance, among others.

##### Aiming to be a company where everybody can challenge

We can see the fruits of these continuous company-wide activities in the employees' awareness surveys as the yearly rise in the score of employees' sense of pride toward the company.

Furthermore, in FY2014, we are working on company-wide "develop a culture of challenge" activities. The policy of "Team Brother Project" is proactively creating an environment for employees to be able to challenge.

By making proactive atmosphere in which everybody can challenge and making an environment in which everybody can engage in at ease, we aim to be a No.1 in "BEST COMPANIES TO WORK FOR®" not only in Japan but also in the world.



Members of the organizer of Team Brother who consider cases to energize organization

## With Employees

### Promoting Activities to Enhance Employee's Pride

#### Brother Industries, Ltd. Ranked Record-high 12th in the 2015 JAPAN BEST COMPANIES TO WORK FOR®

##### BIL was recognized as one of the best workplaces in Japan for six straight years

Brother Industries, Ltd. (BIL) was ranked record-high 12th in a questionnaire survey of the 2015 JAPAN BEST COMPANIES TO WORK FOR® under the auspices of Great Place to Work® Institute Japan (GPTW Japan). This is the sixth consecutive year that BIL has been chosen as one of the top companies in Japan since 2010 when the company enrolled in this survey. In this year, the number of applicants reached the highest ever (240 vs. 209 companies last year) and in the category of large-scale companies with more than 1,000 employees, BIL placed the 12th.



A certification logo awarded to the top companies

This JAPAN BEST COMPANIES TO WORK FOR® is designed to evaluate enrolled companies through a questionnaire survey. It is noteworthy that GPTW conducts this unique survey both to the companies and their employees, and places much emphasis on feedback from employees (accounting for 2/3 of the total evaluation score).

BIL gained high scores exceeding the average of the top 25 companies in the following items this year:

- Having a warm atmosphere.
- Regarding a dismissal as a "last resort."
- Encouraging to balance work and life.
- Having a safe and hygienic working environment.
- Wanting to work for long periods.

Brother Group's CSR management aims to become a trusted company to stakeholder. We place a high value on the above items to gain confidence from customers and society on an ongoing basis. We will continue to expose ourselves to objective evaluation criteria so that we can verify our efforts and build a company that is worth working for and gives pride to employees.

## With Business Partners

The Brother Group effectively delivers superior value to customers, acts fairly with business partners, and builds strong, respectful working relationships for mutual growth.

### Promoting CSR Procurement

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- Promoting CSR procurement with suppliers
- Procurement policy
- Working with Suppliers to Enhance Commitment to CSR
- Promote Improvement Activities of Business Partners' CSR Activities by Grasping the Situations

### Voice of Business Partners

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- Prospering with the Brother Group
- Comments from suppliers

## With Business Partners

### Promoting CSR Procurement

#### Promoting CSR procurement with suppliers

##### Unveiling "Procurement Policy" and "CSR Procurement Standards"

To share a mutual understanding about CSR procurement with parts and materials suppliers, the Brother Group put its "Procurement Policy" and "CSR Procurement Standards" on the website. In addition to green procurement practices which give priority to purchasing environmentally friendly parts and materials, the new policy and standards have been expanded to cover human rights and labor, employees' health and safety, fair trade and ethics, product quality and safety, information security, social contributions, and other aspects. Meanwhile, the Brother Group remains committed to promoting CSR activities together with the suppliers.

##### <Procurement policy>

- The Brother Group acts fairly with all suppliers.
- The Brother Group respects the rules and spirit of laws in all countries and regions where we operate, and builds strong, respectful working relationships with suppliers for mutual growth.
- The Brother Group promotes environmentally friendly "green procurement," and reduces impact on the environment through the lifecycle of its products.
- The Brother Group places our customers first everywhere, every time, while remaining committed to delivering high quality products and services at reasonable costs.
- The Brother Group considers issues concerning conflict minerals\* as very important matters, and will take proactive approaches toward responsible procurement of minerals.

\*: Conflict minerals are minerals unrightfully mined in a conflict zone. Trading of conflict minerals helps finance armed groups and results in human right violations, labor maltreatment, environmental destructions, etc. in the areas, which has been plagued by regional conflict.

##### <CSR procurement standards>

The Brother Group procures products and services from business partners that:

- respect fundamental human rights of all people, and do not enforce unfair labor practices and illegal labor of children.
- ensure the safety and health of employees and act to create a safe and comfortable working environment.
- take proactive measures to protect the global environment.
- respect the rules and spirit of laws, and act fairly with the highest integrity.
- work on building a framework for delivering safe, high quality products to customers.
- have a framework for managing information in place, and keep personal information and confidential information secure.
- make efforts to become a good corporate citizen, sharing our social, economic and cultural resources in all the communities.
- try to avoid using unrightfully mined minerals from conflict zones as raw materials.

▶ [Japanese version procurement policy and standards](https://global.brother/ja/csr/stakeholder/partner/csr#c02) https://global.brother/ja/csr/stakeholder/partner/csr#c02

▶ [Chinese version of the procurement policy and standards \[PDF/111KB\]](http://download.brother.com/pub/com/en/csr/partner/policy-cn.pdf)  
http://download.brother.com/pub/com/en/csr/partner/policy-cn.pdf

# With Business Partners

## Promoting CSR Procurement

### Working with Suppliers to Enhance Commitment to CSR

#### Conducting a questionnaire to advance CSR-based procurement

In accordance with the Brother Group Global Charter, the Brother Group has been working on CSR in various fields to become a company that is trusted by all people associated with Brother, including customers and employees. CSR workshops have been held in different parts of the world to share this commitment with suppliers from whom parts and materials are procured. However, we were not able to confirm whether suppliers were committed to Brother's CSR activities because of the extensive scope of their activities ranging from safety and health to protection of the global environment.

In 2011, a CSR questionnaire was prepared to launch a program to "visualize" levels of commitment to CSR. In 2013, questionnaire responses were collected from more than 300 companies through B'snet Portal (Brother's proprietary information sharing network) and by other methods.

The latest CSR questionnaire has provided in-depth explanations about the CSR-based procurement standards set by Brother. Thus, the questionnaire has helped further promote CSR-based procurement. By identifying the levels of commitment to CSR by respective suppliers, Brother Group's CSR staff in different parts of the world will be able to work on improvement and promotion activities depending on the progress made by suppliers. This effort is expected to raise the group's overall level of commitment to CSR.



Collecting questionnaire results via B'snet Portal, an information sharing network that connects the Brother Group with suppliers



## With Business Partners

### Promoting CSR Procurement

#### Promote Improvement Activities of Business Partners' CSR Activities by Grasping the Situations

##### Conduct CSR promotion activities based on CSR questionnaires in cooperation with business partners

Through the visits, we came to know that there is room for improvement which the results of the questionnaires couldn't reveal. Among the companies which answered "Yes" to the question in the questionnaire, "Do you have contact points in your company to quickly expose injustices?", there were some companies which had no messages for these several years although they had mailboxes. In response, we suggested that they need to cultivate a culture where employees can convey their opinions to their companies, educate employees, and raise employees' awareness. We've heard our business partner say, "We very much appreciate Brother does a lot of effort for CSR activity to guard us building up a large amount of knowledge for CSR program. We will proactively promote CSR activity continuously." The ultimate purpose of these activities is to encourage our business partners to work on their CSR activities voluntarily and proactively.

The Brother Group works on advancing CSR levels at one with supply chain by continuously conducting CSR questionnaire activities.

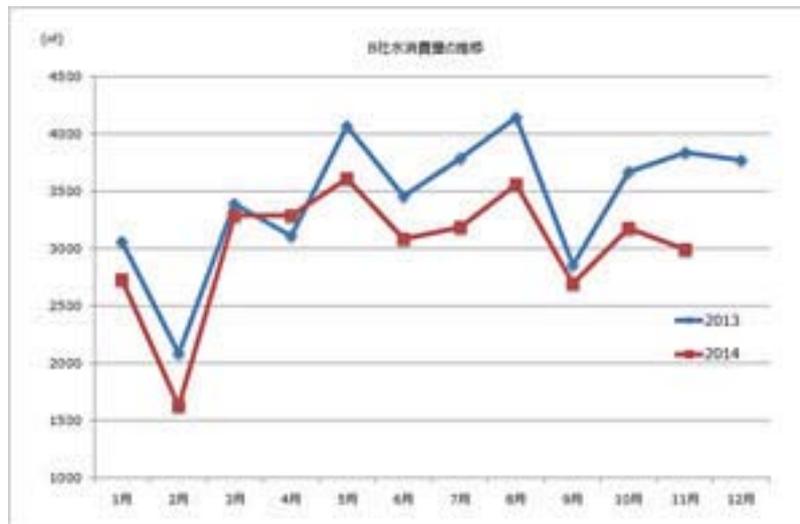


Fig. 2: Business partner "B"'s transition of water consumption

## With Business Partners

### Voice of Business Partners

#### Prospering with the Brother Group

CSR procurement is an increasingly accepted practice worldwide. Endorsing and ensuring CSR procurement helps companies avoid social risks and gain more opportunities to acquire new customers. The Brother Group is proud to do business with suppliers who uphold this notion and commit themselves to prosperity with us based on mutual trust. We have received much feedback from these suppliers.

#### Comments from suppliers



#### Following "environmentally-friendly and safe manufacturing"

INOAC Malaysia Sdn Bhd  
**Mr. Colin Ou Xiangxin**

#### Our CSR activities up to now

As a member of INOAC group, INOAC Malaysia follows our group management policy, "environmentally-friendly and safe manufacturing." We appreciate Brother Malaysia in conducting on CSR activities and guide us to build up our CSR programs here.

The objective of the CSR Policy is to lay down guidelines for INOAC Malaysia to make CSR as one of the key focus areas to adhere to INOAC's global progress strategy that focuses on making a positive contribution to society through high impact, sustainable programs.

The company proposes the following to implement its CSR activities in 2014:

- Improvement on our quality control to reduce on the waste
- Improvement on living condition of foreign worker hostel
- Weekly cleaning on our factory surrounding

#### Future targets and efforts relating to CSR

We will organize our employees to join volunteer society activity in Johor Bahru, Malaysia. The company will review more on other sectors from time to time and make additions to the CSR activities.

## With Business Partners

### Voice of Business Partners

#### Comments from suppliers



**To be a company that contributes to society and offers reassurance to customers**

GENTLE ELECTRIC (SZ) CO., LTD.

**Mr. Chang Chia Min**

#### **Our CSR activities up to now**

We are honored to be able to participate in the activities based on the CSR management policy of the Brother Group. Responding to the call, we are positively developing CSR related activities by understanding about CSR activities.

As for our CSR activities, we installed virus buster to our PC networks, promoted employees to participate in environmental conservation activities, improved workplace environments, saved energy, had consideration for elderly, and separated wastes.

#### **Future targets and efforts relating to CSR**

We will lead our all employees and continue CSR activities. We'd like to contribute much more for our social responsibility.

We aim to be a company that contributes to society and offers reassurance to customers through the various volunteer activities of our employees such as raising relief money and prompting employees to join in blood donation when major disaster occurs.



**Developing activities based on the CSR charter**

YAMAUCHI PRECISION SHENZHEN LTD

**Mr. Kazuhiro Funaoka**

#### **Our CSR activities up to now**

We are developing activities based on the CSR charter of the Yamauchi Group.

Our volunteer teams visit special schools for children and monitor traffic.

We aim to recycle wastes 100% through the saving, regeneration, separate collection, and so on of secondary materials.

We also do firm activities and conduct activities to reduce leftover meals as our unique activities.

#### **Future targets and efforts relating to CSR**

We are sure that the rise in consciousness towards CSR will lead to the improvements of our productivities.

We aim to make our workplaces where employees can show their autonomies and creativities and their personalities are respected.

## With Business Partners

### Voice of Business Partners

#### Comments from suppliers



#### Making AIDEN ardent

DONG GUANG AIDEN ELECTRONICS CO., LTD  
Mr. Toshiharu Tsukamoto

#### Our CSR activities up to now

- Day of CEO (2007)
- Employee recognition, Problem culture (2010)
- Establishment of SHIN TECH College, Volunteer activities, One square meter activity (2011)
- Perfect full marks activity (2012)
- Greeting activity, Employee PK activity (2013)
- Washing activity, Weak point training, Vegetarian diet, Celebration banquet of newcomers who promoted to regular employees (2014)
- Continuous activities : Precision management, Group joint wedding ceremony, SHIN TECH family, Basketball tournament, Dance contest, Culture ambassador
- The number of the children of the kindergarten increased from 8 to over 300

#### Future targets and efforts relating to CSR

In 2015, we make AIDEN ardent.

- Cheer up AIDEN activity : Participation! Service! Joy! By sharing joy, we make AIDEN ardent.
- Hold hands activity : Greet each other and care for each other to make a good atmosphere.
- Smile 90 degrees activity : Smiley AIDEN. Everybody is fun.
- Sunshine AIDEN activity : Make cheerful product line groups and have a courage to have heart-to-heart communication with others and convey positive power widely.
- Happy little home activity : Make a role model dormitory and conduct remodeling and maintenance of dormitories.
- TCC no limit activity : Divide happy home cultures in ten categories, develop a series of activities, and spread dynamic morning activities to secondary sectors.

## With Shareholders

The Brother Group effectively utilizes capital from shareholders to drive sustainable growth in corporate value. Through regular, open communication, we develop long-term, trustful relationships with our shareholders.

### IR Communication

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- Communication with Shareholders and Investors
- Actively Organizing Company Information Sessions to Appeal to Private Investors

### Evaluation by an External Entity

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- Socially Responsible Investment Stock Index

## With Shareholders

### IR Communication

#### Communication with Shareholders and Investors

##### Strengthen information disclosure

The Brother Group is committed to building long-term relationships with stakeholders based on trust. To this end, the Brother Group has been increasing the opportunities for providing shareholders and investors with the latest information in plain terms.

Shareholder newsletter is quarterly issued to keep our shareholders up to date with the Brother's business performance as well as the latest topics. For institutional investors and securities analysts, financial results briefings are held twice a year and presentations are given by the president. We also actively visit these stakeholders and accept their requests for an interview individually. For private investors, we explain our business activities and management strategies by corporate presentations mainly made at the branches of securities companies across the country.

On Tuesday, June 23, 2015, Brother Industries Ltd. held the 123rd annual shareholders meeting at Nagoya Tokyu Hotel (Nagoya City, Aichi Prefecture) with the attendance of 687 shareholders, to present the Brother Group's results for FY 2014 and to explain the business outlook for FY 2015. All items on the agenda were approved and passed as drafted, by a majority of the shareholders. The shareholders meeting was followed by a communications meeting where shareholders could talk with Brother's executive officers.

The Brother Group will continue to create opportunities for communicating with as many shareholders and investors as possible, and will actively disclose information.



123rd annual shareholders meeting

## With Shareholders

### IR Communication

#### Actively Organizing Company Information Sessions to Appeal to Private Investors

##### Hosting many company information sessions for private investors across Japan

The Brother Group actively discloses information to shareholders and investors. Efforts have been made to build trust through quarterly shareholder newsletters and various communication opportunities, including company information session.

Recently, the interest of private investors has been increasing more and more due to a booming stock market. Against this backdrop, Brother has been working to increase its "supporters" so that private investors will have a greater affinity for the company and hold their stocks for a long period of time. In FY2014 (April 1, 2014-March 31, 2015), presentations were held at branches of securities companies (thirteen locations in total). These events were attended by more than 1,400 private investors in total. At each venue, a space was secured to exhibit products; this space provided valuable opportunities to respond to many questions from investors and directly introduce Brother's manufacturing capabilities. A number of encouraging words and expectations toward the Brother Group's future were received from investors who attended the events: this was a solid step forward in increasing the number of "supporters".

Brother will continue to organize presentations across Japan to expose the attractive features of the company and its products. Brother remains committed to further increasing its "supporters" while taking full advantage of opportunities to directly communicate with shareholders and investors.



Company information session at a Tokyo venue attended by more than 200 individuals.



Explanation to private investors who visited the product exhibition space

## With Shareholders

### Evaluation by an External Entity

#### Socially Responsible Investment Stock Index

##### **Brother Industries, Ltd. selected as an MS-SRI index company for the seventh consecutive year**

On January 5, 2015, companies that make up the Morningstar Socially Responsible Investment Index (MS-SRI) (calculated by Morningstar Japan K.K.) were announced. Brother Industries, Ltd. (BIL) was again selected as an index company, for the seventh consecutive year since 2008.

Socially Responsible Investment (SRI) is an investment method whereby companies are evaluated in terms of their social contribution, ethics, and environment, along with conventional investment criteria based on financial analysis. MS-SRI, which is the first SRI stock index in Japan, comprises 150 leading socially responsible companies from among approximately 4,000 listed companies in Japan; stock prices of the 150 companies are used to calculate the index.

BIL was likely chosen as an index company for the seventh straight year based on a high evaluation of its corporate governance and compliance framework, commitment to various social issues (e.g., employment, health and safety, education, local community, and environment), and information disclosure, against the backdrop of growing investor interest in SRI.

The Brother Group remains committed to gaining further trust from all stakeholders and achieving business growth by promoting global CSR management from the mid- and long-term perspective.



\*: The information is valid as of January 5, 2015, and is subject to change without notice.

## With Local Communities

The Brother Group must always be a good corporate citizen, sharing our social, economic and cultural resources in all the communities where the Brother Group operates.

### Social Contribution Activities on a Global Scale

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- Promoting Social Contribution Activities under a Vision Shared by the Whole Brother Group
- Employees' Participation in the Golden Ring Project
- Responding to Large-scale Disasters Caused by Earthquakes and Typhoons and Other Issues Having a Major Impact on Society

### Social Contributions Activities in the Americas

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- Field Trip to Parents' Workplace

### Social Contributions Activities in Asia / Oceania

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- Support to Christian School that Receives No Government Funding
- Special Factory Tours Inviting Local Elementary and Junior High School Students were Held in Vietnam

### Social Contributions Activities in Japan

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- Karaoke Machine Lent to the Disaster Area Contributes to the Local Community
- "Tokai Young Entrepreneur Seminar" for Business-Minded Young People with a Challenging Spirit

### Social Contributions Activities in Europe

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- BIUK Won Prestigious Awards for its Social Contribution Activities

### Social Contributions Activities in China

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- Donate State-of-the-art Sewing Machines to XI'AN POLYTECHNIC UNIVERSITY

## With Local Communities

### Social Contribution Activities on a Global Scale

#### Promoting Social Contribution Activities under a Vision Shared by the Whole Brother Group

The Brother Group facilities carry out various social contribution activities in different countries and regions in accordance with the concept of the Brother Group Global Charter: "The Brother Group must always be a good corporate citizen, sharing our social, economic and cultural resources in all the communities where the Brother Group operates."

The Brother Group focuses on the following policy to promote social contribution activities under a vision that is more widely shared by the Brother Group in cooperation with the group facilities in each country and region.

- (1) Activities related to eco-conscious efforts
- (2) Activities related to the Brother Group's business
- (3) Activities focusing on "communities" and "personal development (including employees)"

#### Efforts in FY 2014

"Brother Earth" was chosen as the logo and slogan that symbolize the Brother Group's environmental activities. Based on this slogan, the Brother Group positively and continuously considers the environmental impact of all aspects of its business operations. As part of such efforts in FY 2014, supports for environmental groups and environmental conservation activities involving employees were developed globally.

Business-related social contributions have also been made both inside and outside Japan such as offering hand-made gifts that Brother employees prepared with sewing machines to children of an elementary school and donating sewing machines to a local welfare institution and a local university. Regarding activities for communities and personal development, Brother has supported the Tokai Young Entrepreneur Seminar for seven consecutive years to assist young entrepreneurs in Japan who are keen to revitalize local communities.

The Brother Group also worked on globally coordinating volunteer activities together with facilities in various countries and regions. For example, at 18 facilities in total including in Japan, the U.S., New Zealand and others, Brother employees joined volunteer activities to support cancer patients around the world.

## With Local Communities

### Social Contribution Activities on a Global Scale

#### Promoting Social Contribution Activities under a Vision Shared by the Whole Brother Group

##### Social contribution activities in different countries and regions (by category)

Category	Activity	Facility working on activity
Activities related to eco-conscious efforts	Based on the slogan, "Brother Earth," supporting environmental groups and promoting environmental conservation activities involving employees	Brother Industries The Brother Group facilities countries and regions
Activities related to the Brother Group's business	Offering hand-made gifts that Brother employees prepared with sewing machines to children and donating sewing machines to a welfare institution and a university	<ul style="list-style-type: none"> <li>• Brother Industries</li> <li>• Brother (China)</li> <li>• Brother Machinery Xian</li> </ul>
Activities focusing on "communities" and "personal development"	Tokai Young Entrepreneur Seminar: assisting young entrepreneurs who aims at revitalizing communities	Brother Industries
	Promoting volunteer activities to support cancer patients by employees	<ul style="list-style-type: none"> <li>• Brother Industries</li> <li>• Brother International Corporation (U.S.A.)</li> <li>• Brother International (New Zealand) and 18 sales facilities outside Japan including the foregoing</li> </ul>

## With Local Communities

### Social Contribution Activities on a Global Scale

#### Employees' Participation in the Golden Ring Project

In 1985, a doctor in the U.S. started a campaign to raise money to support cancer patients and promote research on treatment by running a 24-hour marathon. This campaign, named Relay for Life\*, spread across the world, and has helped to give hope to cancer patients and their families. Brother International Corporation (U.S.A.) started to participate in this campaign more than a decade ago.

Since 2011, the Brother Group has been globally promoting participation in Relay For Life and similar charity events to support cancer patients as part of its social contribution activities involving employees based on a sharing awareness across the world. Activities are shared by facilities in different parts of the world, forming a global "ring" of support, hence the name the "Golden Ring Project." Employees participating in the event wear Japanese tasuki sashes which are embroidered with the national flags of the countries where Brother's facilities are located. The sashes are then passed on to employees in subsequent participating countries. Participating in events and relaying the sashes helps to facilitate a sense of unity among employees.

In FY2014, BROTHER INTERNATIONAL GmbH (BIG) held an original event to join the project. BIG organized a charity running event to donate based on the distance which participants ran. In June, 2014, total number of 110 participants including employees of BIG and members of the football association which BIG sponsors gathered at the track of the association's sports ground and did 1,692 laps of the track in total. As a result, BIG donated EUR 10,000 (approx. JPY 1.38 million) to the "Die Frankfurter Stiftung für krebskranke Kinder", Frankfurt Foundation for children with cancer.

\*: An event in which cancer patients and their families and supporters walk in relay for 24 hours and deepen their ties through trying to make a difference for cancer patients.



Employees of BIG who participated in the event



Children also ran hard

## With Local Communities

### Social Contribution Activities on a Global Scale

#### Employees' Participation in the Golden Ring Project

##### Held an Original Charity Marathon Event in Thailand

As there had been neither RFL nor its similar events in Thailand, BROTHER COMMERCIAL(THAILAND)LTD.(BCTL) challenged to hold its original charity marathon event.

In February, 2015, in Bangkok, capital of Thailand, BCTL held the "Brother Run & Share event".

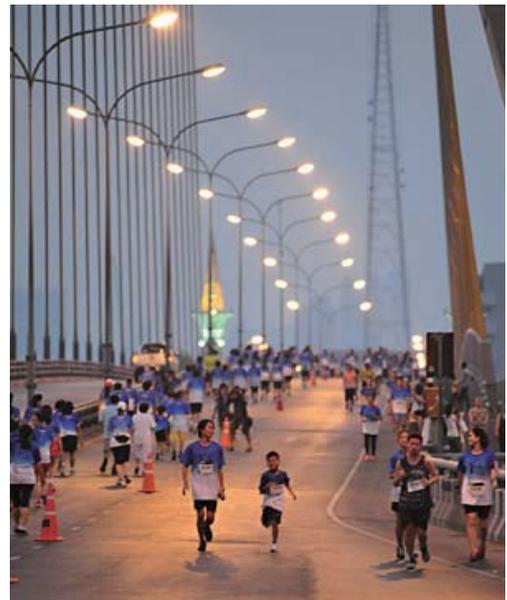
Two courses were prepared for the event, 3km and 10.5km across the bridge over Chao Phraya River. It was the first challenge for the Brother Group to host a marathon event using public roads. Participation to the event was widely called on not only employees of BCTL and their family members but also BCTL's customers, business partners, and local residents, and in total, 1,339 people participated in the event. Wearing original running shirts distributed as the prize for participation, runners consisted of wide range of age groups from children to adults enjoyed marathon.

The participation fee gathered at the event, THB 450,000 (approx. JPY1.65 million), was donated to the "Wishing Well

Foundation", an organization which supports children with cancer and their families. The representative of the organization expressed their gratitude and expectations by saying, "In these days, running events for the supports for cancer patients have been held worldwide, but not yet in Thailand. This is the very first event in Thailand. We appreciate BCTL's efforts for this event and hope that this event will become an annual event to symbolize the supports for cancer patients."

We've heard participants say, "I was glad if I could help cancer patients by participating in this event. It also worked for my health.", "Maybe next time, we should invite our business partners to join this event as it's a good event."

BCTL aims to work on social contribution activities with more participants by holding these kinds of events.



Viewing beautiful scenery from the top of the bridge, participants ran



At six in the morning, all participants started as a pack



Employees and business partners who participated in the event

## With Local Communities

### Social Contribution Activities on a Global Scale

#### Employees' Participation in the Golden Ring Project

The facilities which participated in the "Golden Ring Project" in FY2014



The United States



U.K.



Germany



Indonesia



Singapore



Taiwan



Japan



Malaysia



South Africa



South Korea



U.A.E



Australia



France



Hong Kong



Vietnam



Thailand



New Zealand



Philippines

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## With Local Communities

### Social Contribution Activities on a Global Scale

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#### Responding to Large-scale Disasters Caused by Earthquakes and Typhoons and Other Issues Having a Major Impact on Society

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To support the areas struck by large-scale disasters which occurs globally, the Brother Group and employees have been striving together to support large-scale disaster areas, depending on the location or extent of the damage.

1. Supports by monetary donations from the Brother Group
2. Supports by donations and volunteer activities by employees

Monetary donations from the Brother Group were sent mainly to Red Cross or similar organizations as emergency assistance.

Donations and volunteer activities by employees are provided directly to support the disaster-affected areas in cooperation with local NGOs.

In March 2011, Japan faced an unprecedented disaster caused by the Great East Japan Earthquake. With a heartfelt prayer for the quick recovery of affected areas, the Brother Group remains committed to continuous support activities, especially focusing on the following three aspects; "activities which meet the need of the affected areas and produce visible outcome," "activities which help to create jobs or to find purpose in life," "proactive involvement of Brother employees."

## With Local Communities

### Social Contributions Activities in Japan

#### Karaoke Machine Lent to the Disaster Area Contributes to the Local Community

##### Lend a karaoke machine that is in high demand in the disaster area

XING INC. (XING) that develops an online karaoke business, a subsidiary of Brother Industries, Ltd., has been working on the support for the disaster area through karaoke machines since 2011 when the Great East Japan Earthquake took place. Above all, since March, 2012, through the Foundation for International Development/Relief (FIDR), a non-governmental organization working to support children in developing countries and people affected by disasters, XING has been continuing the support by lending a karaoke machine in Yamada-machi, Iwate prefecture.

Operations like the installation of a karaoke machine are handled by FIDR and the provision and maintenance of the karaoke machine are conducted by XING for free.

In Yamada-machi, there are many people who still live in temporary housings and the interaction through karaoke gathering connects the people who lost their local community and plays an important role as welfare services for the elderly. During two and a half years until September, 2014, a cumulative total of more than 10,000 people enjoyed karaoke on about 220 occasions.

The users' voices like "It's fun to meet everyone. Once a karaoke gathering is over, I look forward to next one.", "Singing leads to stress reduction.", and "People who are unknown to one another become friendly through karaoke." remind that singing benefits both mental and physical health and connects people. The person in charge of FIDR mentioned about their desire to continue the support by saying that "The opportunities to sing karaoke and laugh together are one of imperative pleasures for those who lead a restricted life in temporary housings. Although it will take years to reconstruct, we'd like to support local people to weather current tough situation proactively by making extensive use of a karaoke machine borrowing from XING."

In June, 2014, Mr. Yoshida, president of XING, visited Yamada-machi to inspect how the karaoke machine was utilized. In the face of the current status of the people living in the temporary housings and their appearances of enjoying karaoke, he decided to continue the lending of the karaoke machine from XING.

The Brother Group has common desire to contribute to the reconstruction of the disaster area. Brother will continue the reconstruction support activities in response to the needs of the disaster area by making the most of Brother Group's resources.



People enjoying karaoke in the disaster area



Mr. Yoshida, president of XING, giving an address at the karaoke gathering

## With Local Communities

### Social Contributions Activities in Japan

#### "Tokai Young Entrepreneur Seminar" for Business-Minded Young People with a Challenging Spirit

##### Started the Tokai Young Entrepreneur Seminar

There has been a recent increase in young people working on business to solve a diversity of social issues and to revitalize local areas in Japan. Yet, because they lack business experiences and the network of contacts needed to grow a business, they cannot always find solutions to the plethora of management problems.

On that note, in 2008 Brother Industries started sponsoring the Tokai Young Entrepreneur Seminar to offer support to young business-minded people in the Tokai area where the company has its headquarters. Through the seminar which consists of a number of entrepreneurial support NPOs in Japan, Brother has supported 32 entrepreneurs in total by March 2015. The seminar offers would-be entrepreneurs get their business on track via business strategy workshops, product development opportunities together with consumers, etc.

In May 2015, applications for the eighth year of the seminar were accepted from young entrepreneurs seeking support for their projects. After the final screening process in August, selected entrepreneurs were guided by the Executive Committee of the Tokai Young Entrepreneur Seminar for the improvement of the quality of their business models and strategies for seven months, until a debriefing session of final results in March 2016.



Young people taking part in the Tokai Young Entrepreneur Seminar

a number of activities for helping

## With Local Communities

### Social Contributions Activities in Japan

#### "Tokai Young Entrepreneur Seminar" for Business-Minded Young People with a Challenging Spirit

##### Brother employees engaged in the supportive activities for the "Tokai Young Entrepreneur Seminar"

From FY 2012, Brother employees started to get involved in the supportive activities as pro bono\* with utilizing their personal skills which were acquired through their business experiences and touching the challenge spirits of entrepreneurs.

In FY 2014, four selected Brother employees worked on the supportive activities for respective entrepreneurs as escort runners.

One of the Brother employees who joined this program said, "Although I'm not a business operator, I've been discussing and addressing this activity as if it's my own business. I'd like to utilize the human network and experiences I gained through this pro bono activity for Brother's business and volunteer activities in the future."

This is a good opportunity for Brother employees to learn positive attitudes and challenge spirits from entrepreneurs.

\*: pro bono: activities to utilize personal skills which were acquired through business experiences for the supports for respective entrepreneurs



Brother employees getting involved in on-site support for the entrepreneurs

##### Successfully helping young entrepreneurs

Positive results from this support are steadfast showing, to note in particular one of the participants in the first Tokai Young Entrepreneur Seminar won the Special Award in the Startup Category in the 8th Female Entrepreneur Grand Prix held by the Japan Chamber of Commerce and Industry. The participant, Ms. Makoto Sato, representative of Hair Supply Peer of Hamamatsu, Shizuoka was recognized in the award of her business that supports especially women who lost their hair due to chemotherapy for cancer, etc. Another recognition was made in the second year seminar when Ms. Mayuko Iwai was selected as one of the 30 Best Practices in Agriculture, Commerce, and Industry, coordinated jointly by the Ministry of Economy, Trade and Industry and the Ministry of Agriculture, Forestry and Fisheries. She was also awarded "Women's Challenge Grand Prize" from Cabinet Office in June, 2012.

## With Local Communities

### Social Contributions Activities in the Americas

#### Field Trip to Parents' Workplace

##### Invite children to workplace and make the day memorable by original programs

In America, the 4th Thursday of April every year is set to be "Take Our Daughters and Sons to Work Day" and parents are allowed to take their children to their workplaces with them on the day. It began in 1993 in response to the proposal by the Ms. Foundation, a non-profit organization supporting women, to give opportunities for children to know that there are various works.

BROTHER INTERNATIONAL CORPORATION (U.S.A.) (BIC(USA)), a sales facility in America, decided to participate in this activity that leads to social contribution to the local community through the education of children who will create the future and the employees of two offices in New Jersey and California formed a collaborative volunteer team. The preparation for the activity was started in March, 2014 and it took about two months for making presentation files that introduce Brother's products, programs of in-house tour, and so on. On the day, in total, more than 100 children participated in the activity at two offices in New Jersey and California.

At each office, they set out for office tour wearing canvas drawstring backpacks and T-shirts on which a special logo for the activity was printed by the employees using Brother's printer and ID badges with their photos. At the demonstration of garment printers, bandanas on which their names were printed were presented to them and various hands-on activities using Brother's products were held.

They enjoyed making photo frames using ScanNCut, cutting machine, and decorating small covered flowerpot by labels using P-touch, labeling system. At the end of the in-house tour, they then joined their

parents/grandparents who work in the office for the remainder of the

day. After the activity, Mr. Ikeda, President of BIC(USA) gave a closing address and thanked the participants by saying that "It was amazing to have so many children visit our office and spend such an enjoyable day, not only for them, but for their parents and all of our colleagues. I received a lot of great positive energy from all of the children and their smiling faces."

There were delightful comments from the employees whose children participated in the activity like "My daughter wouldn't take her T-shirt off for the rest of the day." and "Brother's products were listed on my children's birthday gift lists." The persons in charge of this activity were honored to have made this fun and engaging activity successful that was so well received and appreciated by the employees. Conducting this activity at all the facilities in America next year became our target.

For children, meeting with adults who work in their local community and touching Brother's products and technologies were valuable experiences that they couldn't have at their schools. Through this activity, wishing children's options for the future will increase at least one, we will continue proactively contributing to the school education in the local community.



Children wearing original T-shirts prepared for the day



During the in-house tour, children visited actual workplace



Also conducted hands-on activities of printers that introduce their structures and features

## With Local Communities

### Social Contributions Activities in Europe

#### BIUK Won Prestigious Awards for its Social Contribution Activities

BIUK received "Responsible Business Award 2014" as its environmental activities were highly evaluated

Brother Industries (U.K.) Ltd. (BIUK) in Wales, UK received awards in two categories of "Responsible Business Award 2014" which is given to companies conducting excellent social contribution activities, and the award ceremony was held in July 2014. It is one of the most honorable awards in UK to evaluate CSR activities conducted by companies, which is run by a national charity, Business in the Community, since 1997, the representative of it is Prince Charles. BIUK won two awards:

- "Finance Wales Responsible Small Business Award" which is given to small businesses in Wales for their remarkable contributions to the local community and the environment and
- "Sustainable Products and Services Award" which is given to companies which keep providing sustainable products and services to their customers



Julian Cooper (Left), technical manager of BIUK, and Patricia Gartland (Right), CSR coordinator of BIUK, who attended the award ceremony  
©Paul Fears Photography

For many years, BIUK has been doing business to recycle used toner cartridges into plastic materials and continuously conducting eco-conscious activities in all aspects of its business operations. As a result, in 2013, CO<sub>2</sub> emissions during production process was reduced 34% compared to 2010 and it succeeded in collecting more than 20 times of used toner cartridges compared to 2005 by launching a scheme to collect used toner cartridges for free. Apart from these business activities, in addition, it was highly evaluated that about 40% of BIUK's employees are participating in environmental volunteer activities in their local community. These activities were recognized and resulted in award winning.

Dave Lawrence, senior manager of BIUK, commented that receiving the awards this time is thanks to all the employees' continuous efforts in their daily works by incorporating the concepts of the Brother Group Global Charter(Global Charter) and I appreciate very much of their contributions. The fact that employees' activities to promote Global Charter penetration was publicly recognized will be embedded in all the employees' hearts as an honor and motivate them to future activities.

Brother Group will continue to aggressively promote social contribution activities with the involvement of employees in unison to make local community better by continuous activities.

## With Local Communities

### Social Contributions Activities in Asia / Oceania

#### Support to Christian School that Receives No Government Funding

##### Employees in South Africa interact with children who have hopes for the future

The Brother Group has been conducting various social contribution activities by facilities in each country and region based on the idea that "The Brother Group must always be a good corporate citizen, sharing our social, economic and cultural resources in all the communities where the Brother Group operates."

BROTHER INTERNATIONAL S.A. (PTY) LTD. (BISA) has been supporting the Olivienhoutbosch Christian School (OCS) located in Olivienhoutbosch township north of Johannesburg, South Africa, since 2013. OCS has 172 pupils and most of them come from broken or child headed homes. In addition, OCS receives no government funding and relies solely on donations from individuals and companies. BISA started the support of OCS on referral from "Moeggesukkel", a non-profit organization that supplies food packs to the school, and has been not only making donations of educational materials but also repairing various school facilities such as lavatory facilities and ventilation facilities.

In October, 2014, 18 employees of BISA visited the school and handed out textbooks to all the pupils of the school for new semester started from January, 2015. And then, at the year-end concert, the pupils performed in a musical themed on "friendship" based on the biblical stories to show their appreciation to the employees of BISA.

"We are proud to not be the poorest school in the area anymore thanks to Brother. This makes a big difference to the children's learning environments", remarked Ria Wessels, principal of the school. "We look forward to participating in this worthwhile activity and following the developments of the pupils. Making meaningful contributions to society is very important for us both as a company and as a person," expressed Wayne Everton, director of BISA.

For the children who will create the future, BISA will continue with repairs of school facilities, improvements of school environments, donations of textbooks, and so on.



Textbooks donated to the pupils for new semester



Pupils performing in the musical



Ms. Ria, school principal of OCS, with the employees of BISA

## With Local Communities

### Social Contributions Activities in Asia / Oceania

#### Special Factory Tours Inviting Local Elementary and Junior High School Students were Held in Vietnam

##### Social contribution activities conducted through the education support in Hai Duong Province, Vietnam

The Brother Group Global Charter (the Global Charter) defines "Basic Policies" and "Codes of Practice" for decisions and actions that group companies and employees worldwide conform to with daily operations. Regarding the relationship with local community, it is explicitly stated in the Global Charter that "The Brother Group must always be a good corporate citizen, sharing our social, economic and cultural resources in all the communities where the Brother Group operates".



Children listened earnestly to the explanations that an employee of BIVN provided

Based on this policy, BROTHER INDUSTRIES (VIETNAM) LTD. (BIVN) located in Hai Duong Province, Vietnam has been conducting education support activities for children. With a goal of "Contributing to the development of Hai Duong Province by supporting the education there", BIVN has been giving donations of stationeries to neighboring elementary and junior high schools and scholarship supports to college students. As part of these activities, both in September and in October, 2014, BIVN invited local elementary and junior high school students to hold special factory tours, in which 120 students from four schools participated. The tours were not just for touring a factory. BIVN gave it a twist to make the factory tours remain in the students' hearts by enabling students to experience the screw tightening work at a production line. In addition, while disassembling a product, by introducing how separation and recycle are conducted, the aspect of environmental education was heavily concentrated. The teacher whose students participated in the tour mentioned that "We are very satisfied with the contents of the special factory tour as they are appropriately prepared for students. Also we are impressed by both the clean factory environment and the ways employees work." To be able to invite still more students from now, BIVN is considering to lay out the framework of special factory tour and to fulfil the contents of it.

"Contribution to local community" is not only for deepening trusting relationships between companies and local community but also social responsibilities for companies.

Brother Group will continue to promote social contribution activities that cater to local needs and aims to be a company that stays with local community.

## With Local Communities

### Social Contributions Activities in China

#### Donate State-of-the-art Sewing Machines to XI'AN POLYTECHNIC UNIVERSITY

**Contribute to the development of the apparel industry not only by donating sewing machines but also by giving technical guidance**

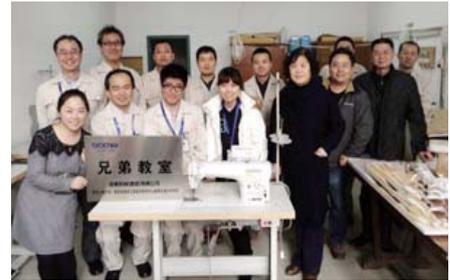
XI'AN POLYTECHNIC UNIVERSITY (XPU) has been researching the whole gamut of sewing like optimum clothing fabrics, sewing threads, sewing machines, and sewing conditions for making clothes.

Many of XPU's graduates are active in apparel companies around the country as designers and pattern makers. As BROTHER MACHINERY XIAN CO., LTD. (BMX) was impressed by XPU's high level of research and the devotions of both professors and students, BMX has wanted to cooperate with XPU through donating state-of-the-art sewing machines. After a great deal of consideration with XPU about what department needs Brother's sewing machines most and utilizes them effectively among many departments of XPU that use sewing machines, BMX decided to donate sewing machines to RESEARCH CENTER OF CLOTHING ENGINEERING AND TECHNOLOGY, a facility of XPU.

On December 19, 2014, the presentation ceremony of four sewing machines, a lock stitch sewing machine, an electronic zigzag sewing machine, a bar tacking sewing machine, and a twin needle sewing machine, to XPU was held and on January 9, 2015, the installation of the sewing machines and the operating guidance of them were conducted.

"I think this project is a significant industry-university cooperation for both BMX and XPU and daily efforts of BMX's members made it possible for our students to do research experiments with superb equipment and this leads to improve their understandings of sewing equipment. For the further development of apparel industry, XPU will continue to exert effort with BMX," remarked XPU's professor.

Not just donating sewing machines, BMX is planning to give technical guidance, conduct factory tours, and exchange information with both professors and students of XPU who use Brother's sewing machines. Through these activities, BMX aspires to contribute to the development of apparel industry by supporting the researches and educations of the local university.



Commemorative photo taken with XPU's members



BMX's employee explains about how to use the sewing machine