

## 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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Scope of report: Brother Industries, Ltd. and its global group companies (including those in Japan)  
Covered period: April 1, 2017 to March 31, 2018  
Guideline used as a reference: GRI's "Sustainability Reporting Standards"

## Brother's CSR

# Message on CSR from the Management

## To Gain Trust from Stakeholders

### Brother Group's CSR Management

I think it is important for a business entity to ensure a long, successful future. To achieve this, it is vital to globally promote corporate social responsibility (CSR) management, which aims to fulfill social responsibility continuously and seriously as well as to achieve business growth.

As stated in the Brother Group Global Charter, CSR management is to predict various environmental changes around us, such as social requirements and technological advances, to build trusting relationships with all stakeholders, and thereby to create new products, services and solutions for customers and society. In short, CSR management is nothing less than providing superior value, which is the mission of the Brother Group.



### Evolution of the Brother Group's CSR Management

The Brother Group has evolved as a corporation while developing its business in accordance with changes in the business environment of the times. However, rapid changes are taking place now in our external environment and business circumstances, such as sluggish GDP growth rates around the world, decreased opportunities for printing with the spread of mobile terminal devices, and the volatility of exchange rates and stock prices, resulting in great managerial impacts on the entire Brother Group. Now that we are in such an uncertain situation, we aim to strengthen management foundations by completing three types of transformation, "Business Transformation," "Operational Transformation" and "Talent Transformation" under the Mid-Term business strategy "CS B2018."

Toward this purpose, the Brother Group has been committed to various issues, such as development of a new business and creation of a new product that both reflect diverse opinions of customers, improvement of manufacturing capabilities through these processes, development of global talent, promotion of diversity including support for women's success, contribution to global environment protection, community-based social contribution activities, and enhancement of corporate governance. Sharing the values stated in the Brother Group Global Charter, all of the Brother Group's employees will behave with the "At your side." spirit to further improve the CSR management of the Brother Group.

### Pursuit of Trust from Stakeholders

In order to respond to global demands and expectations, which increase in proportion to the growth of a company, the Brother Group will continue to provide superior value as a manufacturing company, conserve the environment, and contribute to society.

The Brother Group will continuously work toward the future as a global team to achieve management that builds trusting relationships with all stakeholders.

**Brother Industries, Ltd.**  
**Representative Director & Chairman**  
**Toshikazu Koike**  
June 2018

## 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.

### To Be Trusted by All Stakeholders

- To Become a Company That All Stakeholders Can Trust and Employees Can Take Pride in Working For
- A Foundation for Every Activity: Sharing of the Brother Group Global Charter
- Stimulating Each Employee's Actions

### CSR Targets of the Brother Group

- CSR Management Targets of the Brother Group Based on the Brother Group Global Charter
- FY2017 Action Plans and Achievements and FY2018 Action Plans

### The Brother Group Principles of Social Responsibility

- Introducing the Brother Group Principles of Social Responsibility

### CSR Data

- Brother Group's CSR in Figures

## Brother Group's CSR **To Be Trusted by All Stakeholders**

### To Become a Company That All Stakeholders Can Trust and Employees Can Take Pride in Working For

#### Continuing to grow by enhancing the trust of stakeholders

In response to the demands and expectations for us around the world, the Brother Group provides customers with superior value as a manufacturing company, preserves the environment, and contributes to society through the behavior of all of its employees with the highest level of morality. We will thus strengthen the trust in the Brother brand.

Aiming to become a company that generates a strong sense of pride among employees, we will continue to implement activities to gain the trust of all stakeholders, and will persistently grow as a whole group.

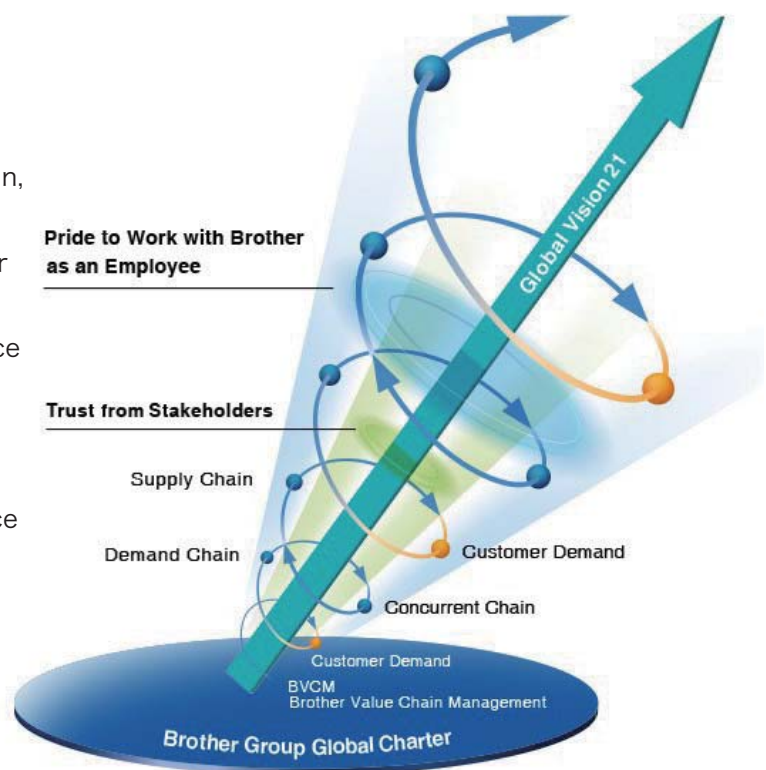
#### Further improving Brother's good corporate culture that is not afraid to make changes

In 1999, the Brother Group adopted the Brother Group Global Charter (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.

As set forth in the Global Charter, our mission is to create new products and services, or superior value, for our customers and society, by anticipating various changes in the environment surrounding us, such as social demands and technological revolutions, and by enhancing the trust of all stakeholders.

The Brother Group built its unique management system "Brother Value Chain Management (BVCM)." It is a process for delivering superior value to customers, consisting of three chains - the Demand Chain, the Concurrent Chain, and the Supply Chain. We have been committed to offering superior value as a whole group, and have thus built our business. That has expanded our influence on various stakeholders including customers, thereby increasing their demands and expectations for us.

In this context, the Brother Group will enhance our employees' actions to create superior value and quickly deliver it with the "At your side." spirit in mind. We will further improve our good corporate culture that is not afraid to make changes and achieve our mid- to long-term corporate vision "Global Vision 21."



## Brother Group's CSR

# To Be Trusted by All Stakeholders

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

### Providing value to stakeholders by acting based on the Global Charter

The Global Charter, established to serve as a foundation for the activities of the Brother Group employees working in more than 40 countries and regions, verbalizes our wish "making a difference in the world and building good companies," which has been inherited through the history of Brother. In 2008, our 100th year in business, we revised some expressions in the Global Charter to reflect the changing times and the content to make it much clearer for our employees.

The Basic Policies of the Global Charter consist of "Group Management," "Group Growth," and "Stakeholders."

"Group Management" stipulates that:

- The Brother Group's mission is to place our customers first everywhere, every time, and provide them with superior value, by quickly creating and delivering high-quality products and services.
- The Brother Group's management confidently faces challenges, and quickly responds to the demands and expectations of the global marketplace.

"Group Growth" stipulates that:

- The Brother Group offers superior value, which attracts and retains customers and, ultimately, drives our growth.
- The Brother Group generates corporate value and a strong sense of pride among our associates.

"Customers" in "Stakeholders" stipulates that:

- The Brother Group demonstrates its motto "At your side." by quickly and consistently providing superior value.

"Our Associates" in "Stakeholders" stipulates that:

- The Brother Group respects diversity, and provides a working environment that enables our associates to utilize their talents and abilities to the fullest. The Brother Group also gives them great opportunity through challenging work assignments.

"Business Partners" in "Stakeholders" stipulates that:

- The Brother Group acts fairly with business partners, and builds strong, respectful working relationships for mutual growth.

The Basic Policies also set forth our stakeholder policies for "Shareholders," "Local Community," and "The Environment."

The Codes of Practice of the Global Charter, composed of "Trust and Respect," "Ethics and Morality," and "Challenging Spirit and Speed," present our ideal actions to build up trust with stakeholders.

As shown above, the Global Charter provides the fundamental ideas of the Brother Group's CSR activities, and the behavior of each employee, who shares these ideas through the Global Charter promotional activities, is central to the Brother Group's CSR management. The Brother Group will continue to conduct activities to gain the trust of all stakeholders through the autonomous behavior of its employees.

## Brother Group's CSR To Be Trusted by All Stakeholders

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

#### Developing promotional activities continuously to share the Global Charter among all employees

Aiming to realize CSR management, the Brother Group is continuously engaged in promoting the Global Charter on a global basis to create a situation where all Brother Group employees have a common understanding of this Charter as the basis of their activities and also reflect its principles in their daily behavior.

The Global Charter had not been actively shared among the group from 1999, the first year of its establishment, to 2007. As a result, in the 2007 survey of the management-level employees at our respective facilities, only 8% of them answered "Yes" to the question "Do employees act based on the Global Charter?"

In 2008, Brother's 100th year in business, we revised some of the expressions of the Global Charter to reflect the changing times and the content to make it much clearer for employees, and then started the promotional activities on a full-scale.

As a step to building an environment for all employees to share a common understanding of the Global Charter, we translated this Charter into 27 languages, and created portable handy-sized cards (in 25 languages) as well as promotional posters (in 27 languages) and distributed them to our facilities around the world. Our translation covers employees' mother languages, including German, Italian, Malay, and Nepali, involving our efforts to find clearer expressions with the cooperation of managers and employees at our facilities in respective regions.



Handy-sized cards and posters

Each year since 2008, the management in Brother's respective facilities has formulated their commitments based on the Global Charter and taken the initiative in embodying the Charter principles. The Global Charter promotional leaders, who are appointed by managers in respective facilities and departments, formulate action plans and promote the sharing of the Charter. These promotional leaders are engaged in various activities tailored to each organization's role and targets. The activities include planning training programs and organizing a dialogue session in a morning or regular meeting to help employees review their own actions in light of the Global Charter.

We have held a regular meeting for the promotional leaders, where they discuss the promotional activities and targets of respective organizations, since 2010 in Japan, and since 2012 in China. In 2016, Chinese promotional leaders participated in the meeting of Japanese leaders, and introduced their activity processes and inventive approaches, and exchanged opinions among the leaders. Using such an opportunity, we share information on a global basis and stimulate the promotion of the Global Charter.

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## Brother Group's CSR

# To Be Trusted by All Stakeholders

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

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Concurrently with these activities, we also utilize our intranet designed in four languages to share information relating to our CSR management and promotional activities of the Global Charter. On this intranet, we provide employees with the explanation of key policies, the action plans of respective organizations, specific practices, and the commitments of Brother's top management.

We place importance on delivering messages from the top management (in ten languages) and creating an opportunity for employees to have a face-to-face talk with the top management, with the purpose of raising each employee's awareness on his/her own actions and thus leading them to take new actions. During FY2017, we issued 72 messages from the top management and had more than 1,700 face-to-face talks with the top management (a more than twofold increase year-on-year).

At the Global Charter sharing meeting for the top management held in January 2018, our president and executive officers discussed how to foster a corporate culture that encourages transformation with the aim of promoting "Transform for the Future" targeted in the Brother Group mid-term business strategy "CS B2018" and what top management messages and actions are required to facilitate effective communication.

We annually conduct an employee awareness survey to grasp the sharing level of the Global Charter. In the survey conducted in January 2018 with the participation of more than 30 thousand employees, the level of the Global Charter understanding marked 4.31 points, and the level of actions based on the Global Charter marked 4.38 points, while the level of employees' pride to work with Brother reached 4.40 points (on a five-point scale).

Ten years have passed since 2008, when we set up our first promotional policy/keyword "promoting the dissemination and understanding of the Global Charter." Since then, the Global Charter has steadily taken root in the Brother Group through these constant promotional activities.

## Brother Group's CSR

# To Be Trusted by All Stakeholders

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



**A comment from an employee serving as a Global Charter promotional leader:  
Contributing to creating an environment that encourages positive suggestions and cross-organizational collaboration**

**Brother Machinery Xian Co., Ltd.  
Su, Xi**

Focusing on fostering a culture that encourages transformation through the sharing of the Global Charter, Brother Machinery Xian Co., Ltd. (BMX) recognizes employees' special initiatives and provides training by in-house lecturers with the aim of strengthening cooperation across organizations. In addition, BMX conducts CSR activities in a way that utilizes the know-how accumulated in Brother's industrial sewing machine business. Employees, for example, support sewing technology research and experiments conducted by a university.

In the meetings held in February 2018 in China and in March in Vietnam for Global Charter promotional leaders gathering from production, sales, and R&D facilities, I introduced BMX's unique initiatives, such as an information provision system to share improvement cases throughout the company. In such meetings, the leaders across countries and regions exchange their opinions referring to good case examples, and add a twist to make them suitable to each facility, and thus share know-how globally. I will continuously value the teamwork generated by connections between employees and contribute to building a working environment and an organizational climate that further encourage positive suggestions and cross-organizational collaboration to realize our mission and vision.



## Brother Group's CSR To Be Trusted by All Stakeholders

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

#### Our major promotional activities up to now

FY2008-FY2009	
Policy/Keyword	Promoting the dissemination and understanding of the Global Charter
Main activities	<ul style="list-style-type: none"> <li>• Hold expert lectures</li> <li>• Organize training programs for managerial employees</li> <li>• Strengthen face-to-face dialogues with the top management</li> <li>• Enhance message delivery from the top management on Brother's intranet</li> </ul>
Systems (Established in these fiscal years)	<ul style="list-style-type: none"> <li>• Commitments</li> <li>• Appointed promotional leaders</li> <li>• Roadmap of promotional activities</li> <li>• The Global Charter sharing survey</li> </ul>
Tools (Created in these fiscal years)	<ul style="list-style-type: none"> <li>• Handy-sized cards (in 25 languages)</li> <li>• Promotional posters (in 27 languages)</li> <li>• DVDs (in five languages)</li> <li>• Intranet for information sharing (in three languages)</li> <li>• Case study book</li> </ul>
FY2010-FY2011	
Policy/Keyword	Promoting autonomous Global Charter activities and facilitating dialogues
Main activities	<ul style="list-style-type: none"> <li>• Strengthen the sharing of excellent promotional activities</li> </ul>
Systems (Established in these fiscal years)	<ul style="list-style-type: none"> <li>• The Global Charter sharing meeting for the top management</li> <li>• The Global Charter meeting for Japanese promotional leaders</li> <li>• Distribution of top management's messages in Vietnamese on Brother's intranet</li> </ul>
Tools (Created in these fiscal years)	<ul style="list-style-type: none"> <li>• Top management's video messages for promoting dialogues</li> <li>• Manual list of promotional activities</li> <li>• E-learning</li> </ul>

## Brother Group's CSR To Be Trusted by All Stakeholders

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

FY2012-FY2013	
Policy/Keyword	Promoting the Global Charter-based actions and incorporating them into daily operations
Main activities	<ul style="list-style-type: none"> <li>• Promote taking on new challenges</li> <li>• Encourage employees to act based on the Global Charter in their daily operations</li> </ul>
Systems (Established in these fiscal years)	<ul style="list-style-type: none"> <li>• The Global Charter meeting for Chinese promotional leaders</li> <li>• Distribution of top management's messages in Slovakian on Brother's intranet</li> </ul>
Tools (Created in these fiscal years)	<ul style="list-style-type: none"> <li>• "Communication check sheet" to review actions</li> </ul>

FY2014-FY2015	
Policy/Keyword	Building a culture of taking on challenges
Main activities	<ul style="list-style-type: none"> <li>• Create a workplace that encourages employees to take on challenges</li> </ul>
Systems (Established in these fiscal years)	<ul style="list-style-type: none"> <li>• Cross-facility meeting for promotional leaders in seven Chinese facilities</li> <li>• Formulation of standards procedures for promotional activities</li> <li>• Establishment of an intranet page for the posting and viewing of CSR plans and achievements</li> <li>• Establishment of an intranet page where employees can post their special initiatives</li> </ul>
Tools (Created in these fiscal years)	<ul style="list-style-type: none"> <li>• "Action check sheet" to build a culture of taking on challenges</li> </ul>

## Brother Group's CSR To Be Trusted by All Stakeholders

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

FY2016-FY2017	
Policy/Keyword	Fostering a culture that encourages transformation
Main activities	<ul style="list-style-type: none"> <li>• Promote "Transform for the Future"</li> <li>• Create a culture that encourages transformation</li> </ul>
Systems (Established in these fiscal years)	<ul style="list-style-type: none"> <li>• Cross-facility meeting for promotional leaders in four Vietnamese facilities</li> <li>• Establishment of a Vietnamese web page on Brother's CSR management intranet website</li> </ul>
Tools (Created in these fiscal years)	<ul style="list-style-type: none"> <li>• "Ideal vision sheet" for new promotional leaders</li> <li>• Video of CS B2018 "Transformation"</li> </ul>

### Stimulating Each Employee's Actions

#### Mid-term business strategy "CS B2018" – Transform for the Future

Under the theme "Transform for the Future" set in its medium-term business strategy "CS B2018," the Brother Group takes on the challenge of implementing structural reform, promoting three transformations: "Business," "Operational," and "Talent" transformations. In line with this theme, we set "fostering a culture that encourages transformation" as our policy/keyword in and after 2016 and have been carrying out the Global Charter promotional activities.

Brother U.K. Ltd. (BUK) regards human resource development as an important management challenge and has promoted various kinds of activities so that they would respond to the changing business environment and meet the diverse needs of customers.

BUK has constructed a fundamental system for human resource development. In this system, employees can study using educational materials that are necessary to their future growth. These materials also help them grasp the progress and achievement process of their individual operational goals corresponding to the strategic goals of the organization they belong to.

Employees are encouraged to approve of and admire each other's excellent behavior. They usually express words of appreciation to those who have done a difficult task or are always working cheerfully and positively. They also send such colleagues a "Thank You Card" or nominate them for BUK's unique commendation system, the Global Charter Commendation. In this way, employees are taking the initiative in these activities.

## Brother Group's CSR To Be Trusted by All Stakeholders

### Stimulating Each Employee's Actions

The Global Charter Commendation is a commendation system where the top management gives an award to employees who carried out excellent actions from the aspects of "Cooperation," "Teamwork" and "Challenge." Those who received the award share the activities of their organization as well as their actions contributed on "Cooperation," "Teamwork" and "Challenge" with other staff, aiming at strengthening understanding and cooperation across organizations as well as promoting individuals' future growth.

BUK's original activities have been highly valued by external organizations. They were honored with the Platinum status (the highest rank) of Investors in People (IP), the international certification body of human resource development, in 2016. In 2017, BUK was given the Princess Royal Training Awards by the British royal family, sponsored by the City & Guilds Group which designs human resource development programs in cooperation with the governments of more than 100 countries. Besides, BUK won the Queens Award for Enterprise in 2018, recognized by the royal family for its achievements in sustainable development.



BUK's employees

The Brother Group will continuously stimulate each employee's actions to gain the trust of all stakeholders and become a company that generates a strong sense of pride among its employees.

## 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.

**Brother Industries, Ltd.**  
January 27, 2012

## 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.

#### 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.

## Brother Group's CSR

# The Brother Group Principles of Social Responsibility

## Introducing the Brother Group Principles of Social Responsibility

### 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.

## Brother Group's CSR

# The Brother Group Principles of Social Responsibility

## Introducing the Brother Group Principles of Social Responsibility

### 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.

#### 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.

## Brother Group's CSR

# The Brother Group Principles of Social Responsibility

## Introducing the Brother Group Principles of Social Responsibility

### 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.

#### 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.



## Brother Group's CSR

# The Brother Group Principles of Social Responsibility

## Introducing the Brother Group Principles of Social Responsibility

### 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

# CSR Targets of the Brother Group

## CSR Management Targets of the Brother Group Based on the Brother Group Global Charter

### Autonomous efforts in respective regions

The Brother Group has various business operations in progress around the world. To promote CSR management in such a situation, the Brother Group companies in respective regions work autonomously to address their CSR management targets identified based on the Brother Group Global Charter (Global Charter), the foundation for every activity in the group, while considering their operational characteristics and regional culture and customs.

Stakeholders	Brother Group Global Charter	Targets
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 customer-oriented marketing, product planning, development, and design (in respective business categories)
		Promote design quality that meets customers' expectations (in respective business categories)
		Ensure design quality that can reduce the rate of product return and servicing (in respective business categories)
		Ensure manufacturing quality that can reduce the rate of product return and servicing (in respective business categories)
		Build a customer-oriented sales and service system (in respective business categories)
Our employees	<ul style="list-style-type: none"> <li>Respect the diversity of associates</li> <li>Honor individuals and diversity, and act with trust and respect</li> </ul>	Ensure the 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 who will lead the growth of the next generation
		Ensure safety and health and disaster prevention
	Promote health and productivity management	

## Brother Group's CSR

# CSR Targets of the Brother Group

### CSR Management Targets of the Brother Group Based on the Brother Group Global Charter

Stakeholders	Brother Group Global Charter	Targets
Our employees	<ul style="list-style-type: none"> <li>• Provide associates with fair, attractive financial rewards</li> <li>• Expect associates to be positive members of society</li> <li>• Expect associates to share the Company's values</li> </ul>	Implement an appropriate evaluation system
		Share the Global Charter
		Develop a workplace culture in which employees can work with pride
		Build the highest integrity
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 procurement
		Cooperate with supply partners
		Cooperate with logistics partners
		Cooperate with distribution partners
Shareholders	<ul style="list-style-type: none"> <li>• Develop long-term, trustful relationships with shareholders through regular, open communication</li> </ul>	Promote IR communication
		Become a component of socially responsible investment indices
Local community	<ul style="list-style-type: none"> <li>• Share our social, economic and cultural resources in all the communities where the Brother Group operates</li> </ul>	Promote self-directed social contribution activities in respective regions mainly based on the themes of "activities related to eco-conscious efforts" and "activities focusing on '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 and waste (to help prevent global warming)
		Promote collection and recycling of consumables and products (to build a recycling-oriented society)
		Ensure proper management of chemical substances and wastewater

## Brother Group's CSR

# CSR Targets of the Brother Group

### CSR Management Targets of the Brother Group Based on the Brother Group Global Charter

Stakeholders	Brother Group Global Charter	Targets
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>	Implement environmental and social contribution activities (while focusing on biodiversity as far as possible)
		Implement environmental communication (through "Brother Earth," events, education programs, and 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

### FY2017 Action Plans and Achievements and FY2018 Action Plans

#### Action Plans and Achievements in FY2017

Stakeholders	Action Plans for FY2017	Achievements in FY2017
Customers	<ul style="list-style-type: none"> <li>Provide stable products and services that are the basis of value for customers</li> <li>Create new customer value in the SMB* and industrial fields</li> <li>Enhance Brother's brand awareness by using showrooms, SNS, and websites</li> <li>Improve customer value by conducting a door-to-door survey of customers, which is directly connected to the development of various products and services</li> </ul> <p>*: It stands for Small and Medium Business. It includes small offices, small and medium-sized businesses and a business that has offices in multiple dispersed locations.</p>	<ul style="list-style-type: none"> <li>Carried out a door-to-door survey of customers on a global scale and provided customers with value that suited their usage conditions</li> <li>Worked on product development with the purpose of delivering new value in the SMB* and industrial fields</li> <li>Provided an online chat service (in China)</li> <li>Increased Brother's brand awareness by displaying the products and historical materials of Brother in showrooms</li> <li>Made group-wide efforts to collect and analyze information on where and how Brother products are used and establish realistic inspection/evaluation technologies and methods, and ensure product reliability not only by inspecting products in respective factories but also by selecting reliable raw materials and parts when designing products</li> </ul>

## Brother Group's CSR

# CSR Targets of the Brother Group

### FY2017 Action Plans and Achievements and FY2018 Action Plans

Stakeholders	Action Plans for FY2017	Achievements in FY2017
Our employees	<ul style="list-style-type: none"> <li>• Promote activities for sharing the Global Charter and cooperation among Brother facilities</li> <li>• Build a corporate culture to achieve the Brother Group medium-term business strategy "CS B2018"</li> <li>• Develop human resources for global business (cultivation of managers in Brother facilities outside Japan, global recruitment)</li> <li>• Promote supporting women's success</li> <li>• Create a pleasant working environment and promote work-life balance</li> <li>• Promote activities for safety, health and disaster prevention</li> <li>• Foster the next generation of leaders</li> <li>• Develop a workplace culture in which employees can work with pride</li> <li>• Improve the level of satisfaction among employees by conducting an employee awareness survey</li> </ul>	<ul style="list-style-type: none"> <li>• Conducted the Global Charter promotional activities themed on "fostering a culture that encourages transformation" at each facility</li> <li>• Conducted education programs for manager candidates based on globally consistent standards and professional training tailored to local characteristics</li> <li>• Implemented a program to increase employees' motivation to take on challenges</li> <li>• Carried out measures to support women, such as supporting their careers and creating an environment where they can work healthily and effectively, based on suggestions from an in-house working group established for promoting women's success</li> <li>• Recognized as one of the outstanding health and productivity management organizations</li> </ul>
Business partners	<ul style="list-style-type: none"> <li>• Promote CSR procurement</li> <li>• Conduct CSR study sessions with business partners</li> <li>• Share the Brother Group's CSR activities and those of business partners</li> <li>• Commend superior business partners</li> </ul>	<ul style="list-style-type: none"> <li>• Conducted study sessions to learn CSR procurement and other subjects with business partners and questionnaires in respective Brother facilities</li> <li>• Posted business partners' CSR activities, future targets and plans on Brother's corporate website</li> <li>• Recognized excellent business partners at Brother's manufacturing facilities</li> </ul>

Brother Group's CSR

## CSR Targets of the Brother Group

### FY2017 Action Plans and Achievements and FY2018 Action Plans

Stakeholders	Action Plans for FY2017	Achievements in FY2017
Local community	<ul style="list-style-type: none"> <li>• Support reconstruction from large-scale disasters</li> <li>• Participate with employees in social contribution activities with a sense of unity on a global scale (Relay For Life and other charity events that support cancer patients)</li> <li>• Promote community-based social contribution activities</li> </ul>	<ul style="list-style-type: none"> <li>• Provided continuous support for reconstruction activities after large-scale disasters, including the Great East Japan Earthquake and the Kumamoto earthquakes</li> <li>• Involved 19 facilities around the world in the Golden Ring Project, which aims to contribute to society with employees and with a sense of unity on a global scale (including Relay For Life and other charity events that support cancer patients)</li> <li>• Contributed to medical systems, supported education, and conducted cleanup activities in the local communities where the Brother Group facilities are located</li> </ul>
Environment	<ul style="list-style-type: none"> <li>• Conduct energy-saving activities to achieve the CO<sub>2</sub> emissions reduction target of the whole Brother Group</li> <li>• Collect used cartridges</li> <li>• Promote ISO 14001 activities</li> <li>• Enhance environmental consciousness through the environmental special website "brotherearth.com"</li> <li>• Promote the Brother Group Eco Point activities</li> <li>• Conduct tree-planting activities</li> <li>• Carry out environmental preservation activities in cooperation with local communities</li> <li>• Publicize the Aichi Biodiversity Targets</li> <li>• Continue to create eco-friendly products</li> </ul>	<ul style="list-style-type: none"> <li>• Conducted energy-saving activities while setting a target for CO<sub>2</sub> emissions at each facility</li> <li>• Collected used toner or ink cartridges on a global scale</li> <li>• Reduced and recycled waste arising from business activities while setting a target for waste generation at each facility</li> <li>• Supported environmental preservation activities through the environmental special website "brotherearth.com"</li> <li>• Conducted tree-planting activities in cooperation between respective Brother facilities around the world and their local communities</li> </ul>

## Brother Group's CSR

# CSR Targets of the Brother Group

## FY2017 Action Plans and Achievements and FY2018 Action Plans

### Action Plans for FY2018

The followings, broken down by stakeholder, are key action plans extracted from each region's FY2018 action plans for CSR management targets.

Stakeholders	Action Plans for FY2018
Customers	<ul style="list-style-type: none"> <li>• Provide stable products and services that are the basis of value for customers</li> <li>• Create new customer value in the SMB* and industrial fields</li> <li>• Enhance Brother's brand awareness by using showrooms, SNS, and websites</li> <li>• Improve customer value by conducting a door-to-door survey of customers, which is directly connected to the development of various products and services</li> </ul> <p>*: It stands for Small and Medium Business. It includes small offices, small and medium-sized businesses and a business that has offices in multiple dispersed locations.</p>
Our employees	<ul style="list-style-type: none"> <li>• Promote activities for sharing the Global Charter and cooperation among Brother facilities</li> <li>• Build a corporate culture to achieve the Brother Group medium-term business strategy "CS B2018"</li> <li>• Develop human resources for global business (cultivation of managers in Brother facilities outside Japan, global recruitment)</li> <li>• Promote supporting women's success</li> <li>• Create a pleasant working environment and promote work-life balance</li> <li>• Promote activities for safety, health and disaster prevention</li> <li>• Foster the next generation of leaders</li> <li>• Develop a workplace culture in which employees can work with pride</li> <li>• Improve the level of satisfaction among employees by conducting an employee awareness survey</li> </ul>
Business partners	<ul style="list-style-type: none"> <li>• Promote CSR procurement</li> <li>• Conduct CSR study sessions with business partners</li> <li>• Share the Brother Group's CSR activities and those of business partners</li> <li>• Commend superior business partners</li> </ul>
Local community	<ul style="list-style-type: none"> <li>• Support reconstruction from large-scale disasters</li> <li>• Participate with employees in social contribution activities with a sense of unity on a global scale (including Relay For Life and other charity events that support cancer patients)</li> <li>• Promote community-based social contribution activities</li> </ul>

Brother Group's CSR

## CSR Targets of the Brother Group

### FY2017 Action Plans and Achievements and FY2018 Action Plans

Stakeholders	Action Plans for FY2018
Environment	<ul style="list-style-type: none"> <li>• Conduct energy-saving activities to achieve the CO<sub>2</sub> emissions reduction target of the whole Brother Group</li> <li>• Collect used cartridges</li> <li>• Promote ISO 14001 activities</li> <li>• Enhance environmental consciousness through the environmental special website "brotherearth.com"</li> <li>• Promote the Brother Group Eco Point activities</li> <li>• Conduct tree-planting activities</li> <li>• Carry out environmental preservation activities in cooperation with local communities</li> <li>• Publicize the Aichi Biodiversity Targets</li> <li>• Continue to create eco-friendly products</li> </ul>



## Brother Group's CSR

# CSR Data

## Brother Group's CSR in Figures

The below tables show main figures associated with the Brother Group's CSR.

### The Brother Group Global Charter

The Brother Group Global Charter	Established in 1999
Translation languages	27 languages
Dialogues between top management and employees*	More than 1,700 times

\*: FY2017

For other information, please see "To be trusted by all stakeholders."

<https://global.brother/en/csr/brothergroup/management>

### Corporate Governance

Directors*	11 directors (including 5 outside directors)
Statutory auditors*	5 auditors (including 3 outside auditors)
Directors, Statutory auditors and Executive officers*	34 officers in total (including 1 non-Japanese officer)
The Brother Group Principles of Social Responsibility	Established in 2012
Global internal audit meeting	Started in 2010
Group Information Management Regulation	Established in 2015 (The information management regulation of Brother Industries, Ltd. was established in 2008.)

\*: As of June 26, 2018

For other information, please see "Corporate Governance." <https://global.brother/en/corporate/governance>

### Customers

Manufacturing facilities and sales facilities	In more than 40 countries and regions	
Basic Product Safety Policies	Established in 2008	
Sales revenue*	Consolidated: ¥712,997 million	
Sales revenue by region*	Japan	17.0%
	The Americas	29.4%
	Europe	25.4%
	Asia & Others	28.2%

\*: FY2017

For other information, please see "With Customers." <https://global.brother/en/csr/stakeholder/customer/development>

## Brother Group's CSR

# CSR Data

## Brother Group's CSR in Figures

### Employees (Brother Industries, Ltd.)

Number of employees*1	Consolidated : 38,628 / Non-consolidated : 3,937
Employment rate of disabled persons*2	2.23%
Percentage of female managers*1	3.69% (31 managers)
Number of employees on childcare leave*3	61 employees (including 19 male employees)
Number of employees on family-care leave*3	3 employee (including 1 male employees)
Number of employees using the short-time working system for childcare*2	156 employees (including 6 male employees)
Number of employees using the short-time working system for family-care*2	2 employees (including 1 male employee)
Number of employees on nursing care leave*2	31 employees (including 9 male employees)
Number of employees using the homeworking system*3	57 employees (including 6 male employees)
The Brother Group Health & Productivity Management Philosophy	Established in 2016
Number of occupational injuries reported at manufacturing facilities*2	26
Incident rate ((number of incidents/number of employees) x 1,000) at manufacturing facilities	1.03
Global Safety Convention	Held every year since 2008

\*1: As of March 31, 2018

\*2: FY2017

\*3: This indicates the number of employees who started their leave or homeworking in FY2017.

For other information, please see "With Employees." <https://global.brother/en/csr/stakeholder/employee/secure>

### Business Partners

Procurement policy and CSR procurement standards	Established in 2008
Green Procurement	Started in 2001
CSR questionnaire	Conducted every three years since 2012
Number of companies that answered the CSR questionnaire*	More than 500 companies

\*: FY2015

For other information, please see "With Business Partners:" <https://global.brother/en/csr/stakeholder/partner/csr>

## Brother Group's CSR

# CSR Data

## Brother Group's CSR in Figures

### Shareholders\*1

Financial results briefing	Held four times a year
Shareholder newsletter	Issued twice a year (A full year's issue is integrated with the notice of a shareholders meeting)
Company information session for private investors*2	Held three times in total
Morningstar Socially Responsible Investment Index	Included for the tenth consecutive year since 2008
SNAM Sustainability Index	Included for the sixth consecutive year since 2012
Excellent Health & Productivity Enterprises	Certified for the second consecutive year since 2017

\*1: For Brother's financial closing information, please see "Financial Information" in "Investor Information."  
<https://global.brother/en/investor/financial-info>

\*2: FY2017

For other information, please see "With Shareholders."  
<https://global.brother/en/csr/stakeholder/shareholder/investor>

### Local Communities

Tokai Young Entrepreneur Seminar	Supported by Brother Industries, Ltd. since 2008
Employees' participation in the Golden Ring Project*	At 22 facilities

\*: FY2017

For other information, please see "With Local Communities."  
<https://global.brother/en/csr/stakeholder/society/global>

## With Stakeholders



The Brother Group will continue to conduct activities to gain the trust of all stakeholders through the autonomous behavior of its employees.

### With Customers

- Developing Products with "Customers First" in Mind
- Design Quality That Meets Customers' Expectations
- Sales and Service System

### With Business Partners

- Promoting CSR Procurement
- Voice of Business Partners

### With Local Communities

- Social Contribution Activities on a Global Scale
- Social Contribution Activities in Various Regions

### With Employees

- Ensuring Diversity of Human Assets
- Supporting Diverse Work Styles
- Talent Development
- Safety, Health and Disaster Prevention
- Promotion of Health and Productivity Management

### With Shareholders

- IR Communication
- Evaluation by an External Entity

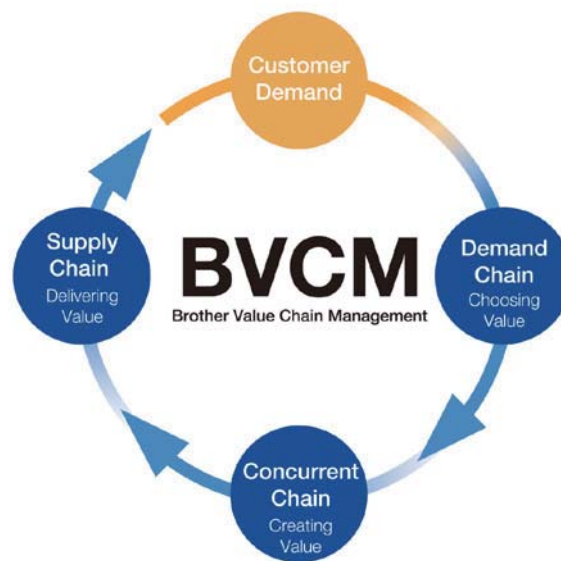
With Customers

## Developing Products with "Customers First" in Mind

We Take Customer Opinions as the Starting Point of Our Business Activities and Deliver Products and Services That Meet Customer Needs

Sharing information among departments to incorporate customer needs into our products

The Brother Group practices an original management system called the "Brother Value Chain Management " (BVCM), and delivers superior products and services to customers based on the "At your side." spirit.



Brother's unique management system to respond to customer needs

In the Concurrent Chain of BVCM, the product concepts created in the Demand Chain are given a concrete shape. Product simulations and focus group testing by intended users are run again and again before and after prototyping. Through this process, we develop and design our products speedily while ensuring high product quality.

The production engineering department designs optimal production lines to deliver our products at the right time for our customers. Respective departments concurrently work toward the commercialization of products while sharing information with each other to swiftly address customer needs with our products.

With Customers

## Developing Products with "Customers First" in Mind

### Product Development That Meets Various Customer Demands

**Brother develops printers for small-office users all over the world to use with less stress**

After listening to customer demands and thoroughly analyzing its competitors' products, Brother formulated the product concept of "black-and-white laser printers for small-office users all over the world to use with less stress."

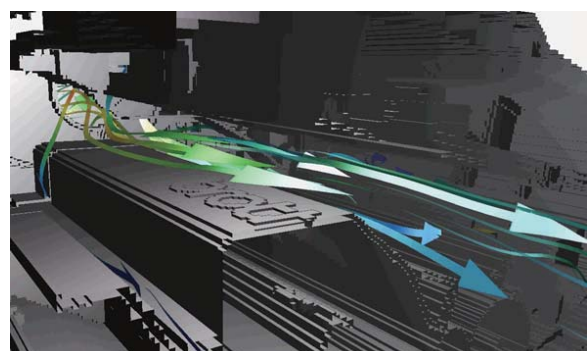
Demands from customers across the world vary, including high-speed printing, a high-capacity toner cartridge, a multipurpose tray, and printing in hot and humid conditions. To embody these demands, Brother decided to newly develop 14 key element technologies and also launched a working group composed of only several members to concurrently develop these technologies and make swift examinations and decisions. These efforts helped to incorporate user-friendliness into the process of the development. Employees who did not belong to development departments also joined and supported the working group and conducted many operability tests with the aim of developing products that satisfy customers.

Adding those many functions in a compact body, a strength of Brother's existing models, was a challenge. To solve this challenge, the working group downsized the basic mechanism of Brother's standard models and optimized its position to create a new space inside a product body, and designed a high-capacity toner cartridge and a functional unit for a multipurpose tray which fit into that space. They thus succeeded in developing models with additional functions in a compact body. Although this compact body with many additional functions required a more effective cooling system than that equipped with the existing models, the working group was able to develop an effective one by running visualized air flow simulations in cooperation with related departments. This system enabled continuous full-speed printing under high temperature and humidity conditions.

Aiming to realize customer demands continuously and speedily, the Brother Group seeks to deliver value while sharing information and making swift decisions based on its product concept.



Operability test



Visualized air flows

With Customers

## Design Quality That Meets Customers' Expectations

To Develop Products Valued and Chosen by Customers

**"Customer-oriented quality standards" founded upon the concept of building customers' viewpoints into product designs**

Brother products are used in different countries and regions around the globe, in diverse environments and in various ways. In addition, customers' expectations for our products have been changing day by day according to changes in customers' lifestyles. The quality assurance department compiles trouble-related information from the market into a database, evaluates new products developed by our competitors, and establishes quality standards and evaluation methods for products by analyzing the information and evaluation results. Furthermore, measures to enable customers to use our products with secure feelings are built into products in the design phase to make customers feel Brother's characteristic product developments. The "customer-oriented quality standards" clearly define our quality target values reflecting "At your side.", the motto of the Brother Group, in product development. The customer-oriented quality standards are flexible and constantly examined and reviewed in accordance with repair requests, call center inquiries, or changes in customers' expectations to products.

**Concept of the "rate of product return and servicing" based on the viewpoint of customers**

At the Brother Group, the percentage of products returned from customers for repair or return is called as the "rate of product return and servicing." This is grounded in our idea that the time and effort suffered by customers due to trouble with our products, no matter how small, is an inconvenience for them. To reduce the number of returned products close to zero, we are working to find out the causes of the trouble and also promoting an across-the-board activity to pursue product quality improvement, involving various departments from development design, manufacture, logistics, sales to services.

With Customers

## Design Quality That Meets Customers' Expectations

### Brother Develops a New Garment Printer Ink by Mobilizing its Technologies

**The simultaneous realization of printing time reduction, a non-sticky soft texture, and bright color**

At Brother, we decided to adopt a new print head for the latest garment printer at the request of the users of Brother garment printers, which are capable of printing images drawn on a PC on clothes such as T-shirts, to shorten printing time. However, the characteristics of the new print head were not compatible with the ink used for the previous models. In addition, some customers who wore clothes printed with Brother garment printers requested a non-sticky soft texture on the printed surface and bright color. To meet these different two demands, we needed to develop a new ink urgently.

A drastic reduction in the viscosity of the conventional ink was necessary because it was too high for the new print head used for the latest model. However, the conventional ink with lower viscosity was not able to prevent color fading by washing.

To achieve an ink quality that can provide both low viscosity and washing durability, we largely altered the chemical structures of ink polymer components, and thereby succeeding in creating an ink that has less than half the viscosity of the conventional ink, yet provides washing durability and a non-sticky and soft texture on the printed side of a substance.



Employees checking the texture of the printed surface of a garment



Discussion to solve the problems

As for color, although brightness was improved by making the size of ink pigment particles smaller, the finer particles decreased the long-term storage stability of ink. To solve this problem, we repeatedly fine-tuned the fineness of the particles and the balance of ink polymers and other ink materials and finally found the best combination of these components. Our review of the production process also contributed to achieving both bright color and long-term storage stability.

Resolving such various challenges, we have finally developed a new ink which is compatible with the print head adopted to reduce printing time and provides a non-sticky soft texture on the printed surface of a garment as well as bright color.

The Brother Group will continuously devote itself to value creation by constantly thinking about what technologies it can apply to satisfy customers and what kind of products will support customers.



## With Customers **Sales and Service System**

### Flexibility and Cooperation Developed by Listening to Customers

#### Remaining a company that can transform itself to respond to changes in the business environment

We are facing a rapidly changing business environment, such as the diversification of business tools and markets, and changes in customers' behavior. We believe that "flexibility" and "cooperation with business partners" are indispensable to handle these situations.

We cope with such changes by listening to customers, taking advantage of the technologies, expertise, sales channels and know-how we have developed, and working in proper cooperation with partners in the fields where we lack strength or experience.

Brother aims to be able to transform itself in this way.

### Brother's Mobile Printers Contribute to the Home Healthcare Front in the USA

#### Brother helps improve clinical efficiency with point-of-care mobile printing

In the USA, there is a growing trend toward medical rehabilitation in the home, and the number of home health care agencies and home health care visits is on the rise.

In January 2017, the Centers for Medicare & Medicaid Services (CMS), an organization that administers major health care programs in the United States, updated its regulations for home health care providers. The update includes a provision that home health agencies involved in CMS programs must provide patients with a written plan of care; which might include medication lists, treatment schedules, therapy instructions and more.

These two factors—the growth in the number of home health providers and the requirement by CMS—have created new need for printing, such as a plan of care, at the patient's residence. Understanding such a situation, Brother Mobile Solutions, Inc., a US-based sales facility of the Brother Group, proposed the introduction of PocketJet® printers to the home healthcare agency. They are small, light, easy-to-carry mobile printers capable of printing on letter-sized paper (8 1/2 x 11 inches), the standard paper size for many software applications.



Patient visit



Medical data printing at the point of care

## With Customers **Sales and Service System**

### **Brother's Mobile Printers Contribute to the Home Healthcare Front in the USA**

With the introduction of PocketJet mobile printers, the home health agency has become able to print the necessary documents required by CMS's regulations at the point of care, and also become able to provide patients and caregivers with a clear and accurate written plan of care. Furthermore, the introduction, which saves the efforts of making a handwritten document, has led to a 20-minute reduction in clerical work per visit, thus enabling clinicians to spend more time providing patient care and to increase the number of patient visits per day.

The Brother Group continuously listens to customer opinions and flexibly responds to demands in the market.

### **Brother Globally Promotes Recycling in Response to Customers' Demands**

#### **Brother holds the Brother Global Recycling Summit to provide hints and know-how available in respective facilities**

Aiming to establish a recycling-based society, Brother started the recycling of used toner cartridges at Brother Industries (U.K.) Ltd. (BIUK) in 2004 in response to demands from European customers with high environmental concerns. Subsequently, Brother has expanded its recycling efforts globally to include Slovakia, the U.S. and Japan, and now conducts various activities with BIUK's Recycle Technology Centre serving as a hub for recycling in the Brother Group.

Brother has held the Brother Global Recycling Summit every year since 2011 to efficiently produce recycled products that are high quality and as good as new. In 2017, this summit was held at Brother Industries (Slovakia) s.r.o. with attendance of more than 45 employees from BIUK, Brother Industries (U.S.A.) Inc., Brother Industries, Ltd. and other group facilities.

The summit functions as a place for participating employees to obtain hints and know-how usable in their own facilities, providing them with opportunities to share Brother's toner recycling activities and recycling technologies and to see improvements in the process of recycling on site.



Employees listening to presentations on activities conducted by the group facilities in the summit

## With Customers Sales and Service System

### Brother Globally Promotes Recycling in Response to Customers' Demands

In addition, their interaction in the summit led to creating the opportunity of personnel exchange, in which development personnel in BIL stay in BIUK for three months and study recycling technologies to reflect recycling know-how in the design of toner cartridges.



Clean room in BIUK

The Brother Group will continue to share technologies and information on a global basis and promote the production of recycled toner cartridges with the quality that satisfies customers' demands to build a recycling-based society.



#### **Comment from the person in charge of the Brother Global Recycling Summit : Promote the recycling of toner cartridges on a global basis**

**Managing Director of BIUK  
Craig McCubbin**

The Brother Global Recycling Summit brings together representatives from design, production and the sales offices and is a great opportunity to share best practice and hear the voice of the customer. We should continue this event and try to promote the recycle activity of toner cartridges on a global basis.

With Employees

## Ensuring Diversity of Human Assets

### Basic Policy on Employment and Compensation

#### Building systems and environments in which our diverse human resources can demonstrate their abilities

The Brother Group delivers products and services to customers all over the world with manufacturing and sales facilities in more than 40 countries and regions, and all employees actively work every day as the members of the Brother global team on the world stage, where environments differ by ethnicity, language, culture, customs, and other factors.

The foundation for achieving this is laid out in the Basic Policies of the Brother Group Global Charter (Global Charter), which stipulate that "the Brother Group respects diversity and provides a working environment that enables our associates to utilize their talents and abilities to the fullest, and the Group also gives them great opportunity through challenging work assignments and provides them with fair, attractive financial rewards." The Codes of Practice in the Global Charter also set forth that, "we must always honor individuals and diversity, and act with trust and respect."

According to these principles, the Brother Group companies aim to eliminate all forms of discrimination based on race, nationality, religion, belief, gender, educational background, age, disability, or anything else, in hiring, evaluation and promotion and also prohibit child or forced labor.

The management and employees of the Brother Group will work together to comply with related regulations and rules, respect respective cultures and customs, evolve the group's personnel system in line with the Global Charter, and continue to improve the workplace environment.

#### Introducing a target management system to provide fair evaluation and compensation

The Brother Group has a system that fairly and impartially evaluates employees based on their motivation, abilities and achievements and reflects these evaluation results to their compensation. Brother Industries, Ltd. (BIL), for example, assesses its general employees in a way that highly satisfies them, using a target management system with clear criteria. Each evaluated employee receives his/her evaluation results and is subsequently informed of the reasons in a meeting with the supervisor. This approach helps employees review their own performance and raise their motivation to advance toward new challenges, and thereby contributing to human resource development. BIL uses the annual salary system for its employees in management positions.

With Employees

## Ensuring Diversity of Human Assets

### To Ensure Diverse Human Resources

#### Promoting the appointment of women in managerial positions

The proportion of female managers among all managers differs between the Brother Group companies because the history of women's social advancement and their lifestyles and main occupations vary depending on countries and regions. However, women are active in many group facilities, such as Zhuhai Brother Industries, Co., Ltd. in China.

#### Numbers and Percentages of Female Managers in the Brother Group

Company [Country]	March 2017		March 2018	
	Number	Percentage	Number	Percentage
Brother Industries, Ltd. [Japan]	28	3.4%	31	3.7%
Brother Sales, Ltd. [Japan]	2	2.3%	2	2.3%
Brother Technology (Shenzhen) Ltd. [China]	43	32.3%	43	33.3%
Zhuhai Brother Industries, Co., Ltd. [China]	22	62.9%	19	61.3%
Brother Machinery Xian Co., Ltd. [China]	2	6.9%	4	12.9%
Brother International Corporation(U.S.A.) [U.S.A.]	76	35.8%	76	40.2%
Brother International Europe Ltd. [U.K.]	7	15.6%	8	16.0%
Brother U.K. Ltd. [U.K.]	14	35.0%	15	37.5%
Brother (China) Ltd. [China]	9	28.1%	7	25.0%
Brother International GmbH [Germany]	6	18.8%	5	15.6%
Brother France SAS [France]	13	37.1%	12	37.5%
Brother Industries (Vietnam) Ltd. [Vietnam]	37	35.6%	37	34.6%

#### Changes in the percentage of female managers (Brother Industries, Ltd.)



## With Employees Ensuring Diversity of Human Assets

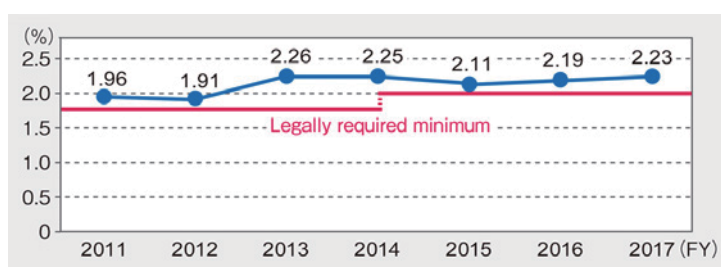
### To Ensure Diverse Human Resources

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

In Japan, companies beyond a certain scale are required by law to ensure a certain percentage of their total workforce is comprised of disabled persons. (FY2017: more than 2%; FY2018: more than 2.2%) Although the legally mandated employment rate of the disabled has been rising in recent years, BIL has continuously met the legal requirement, with its employment rate of persons with disabilities reaching 2.23% in FY2017.

In BIL, employees with disabilities are working actively in the occupations and workplaces that suit their aptitudes and abilities.

#### Changes in the employment rate of disabled persons (Brother Industries, Ltd.)



BIL is continuously committed to its policy of building a workplace environment where employees, with or without disabilities, can deepen mutual understanding and maximize their abilities by strengthening collaboration among them based on "Trust and Respect" stipulated in the Codes of Practice of the Global Charter.

In accordance with legal changes, including the revision of the "Act for Promotion of Employment of Persons with Disabilities," BIL provides employees with e-learning programs that teach the outlines and concepts of laws and workshops to facilitate specific actions, with the Brother Group employees serving as job coaches. In addition, BIL selects "work and life consultants for disabled people," who provide advice and other support for employees with disabilities, from among employees in respective factories, and provides those consultants with a continuing educational program by an external teacher. In such ways, BIL builds a system that enables the entire workplace to understand and support employees with disabilities.

## With Employees Supporting Diverse Work Styles

### To Promote Diversity

The Brother Group has been supporting diverse ways of working to enable employees to choose their own lifestyle, given laws in each country and region, labor environments and personal situations. We, as a true global company, have been committed to promoting diversity by reinforcing in-house systems and reforming employees' consciousness, with the goal in mind that the right personnel, who are excellent in ability, personality, talent and behavior, will be placed in the right positions across national boundaries and lead the Group.

In recognition of its efforts, Brother Industries, Ltd. (BIL) was selected as one of the winners of the FY2015 New Diversity Management Selection 100 project, by the Minister of Economy, Trade and Industry. BIL will continue providing employees with a working environment where they can fulfill their potential in various ways as well as the opportunity of taking on challenging jobs, regardless of gender, nationality, and disability.



Logo of the New Diversity Management Selection 100

### Activities to Support the Success of Women

#### The working group "Team Ajisai" clarifies issues and proposes necessary measures

In FY2014, BIL launched a working group named "Team Ajisai," composed of female employees, with the aim of realizing a working environment that allows all women working in BIL to fully exercise their abilities and play more active roles. In FY2016, this team added new male members to conduct discussions from various viewpoints, and clarified issues to be addressed for the promotion of women's empowerment and also proposed measures for such issues.



Members of "Team Ajisai"

## With Employees Supporting Diverse Work Styles

### Activities to Support the Success of Women

#### The working group "Team Ajisai" clarifies issues and proposes necessary measures

Based on suggestions from "Team Ajisai," BIL has been taking proactive approaches, such as the formulation of the "Commitment to Promotion of the Success of Women" and the "Action Plan to Support the Success of Women," the introduction of a homeworking system, and the holding of lectures by experts. BIL has also introduced the career profiles of its female managers on the intranet and held "Career Community," which consists of small-group discussion meetings in the company, in response to the team's request to share the careers of those who serve as in-house role



Career Community

models. Furthermore, in line with the team's suggestion that employees need to have experience working abroad in order to shape their careers, BIL in FY2017 expanded its conventional trainee program designed for young employees to have a chance to work abroad, to include a newly-established overseas dispatch program for administrative employees in their third or fourth year of employment. With these initiatives that offer OJT and opportunities to gain extensive experience in overseas facilities, BIL helps its employees, regardless of gender, become more active in the future.



**Voice of an employee who utilized the trainee program:  
Involving concerned people in pursuit of a common goal and getting  
extensive learning and insight through trial and error**

**Business Planning Dept., Labeling and Mobile Solutions Business Division,  
Brother Industries, Ltd.  
Asami Tabuchi**




In my fifth year of employment, I worked as a trainee for the regional headquarters for Europe in the UK during the three months from January 2018. I was able to gain the valuable experience of promoting the launch of a new service with staff working close to customers in the sales field every day. Realizing that perspectives and opinions vary from position to position, I considered how to involve concerned people of different positions to pursue a common goal. After much trial and error, I gained a lot of learning and insight. I would like to make use of this experience and address more challenging assignments in the future.



## With Employees Supporting Diverse Work Styles

### Activities to Support the Success of Women

#### Main measures

<p>FY 2015</p>	<ul style="list-style-type: none"> <li>• Introduced a homeworking system</li> <li>• Held meetings between female employees and executives to discuss the successful performance of women</li> <li>• Held a lecture for managers to develop their female subordinates</li> <li>• Held a lecture for female employees to support their career development</li> <li>• Had a networking event with other companies for female skilled workers to consider their career development</li> </ul>	 <p>Lecture to support career development</p>
<p>FY 2016</p>	<ul style="list-style-type: none"> <li>• Held "Career Community," which is composed of theme-based discussion meetings between female employees and their senior colleagues in BIL</li> <li>• Organized a cancer seminar for women</li> <li>• Held an external lecture by the president on the success of women</li> <li>• Held a networking event with other companies to consider women's careers</li> </ul>	 <p>External lecture by the president at the time</p>
<p>FY 2017</p>	<ul style="list-style-type: none"> <li>• Formulated policies for the success of women at respective departments</li> <li>• Held "Career Community," which is composed of theme-based discussion meetings between female employees and their senior colleagues in BIL</li> <li>• Offered female employees career support training and career consultations with an external specialist</li> </ul>	 <p>Career Community</p>

## With Employees

# Supporting Diverse Work Styles

### Supporting Work-Life Balance

#### Enhancing systems and creating an atmosphere that allows employees to use them

BIL provides employees with various systems to support their work-life balance, including a flextime system, childcare leave, family-care leave, a short-time working system, and nursing care leave, so that they can continue working vigorously with no anxiety.

In FY2015, BIL introduced a homeworking system for employees engaging in childcare or family care, thereby giving employees more flexible work style choices.

Meanwhile, BIL focuses on making those systems much easier to use and creating an atmosphere that promotes the understanding of them in the company by incorporating the opinions of employees.

Since FY2011, BIL has held seminars to consider how to strike a balance between work and family care in preparation for the arrival of an age with serious family-care problems in the near future. Managers, in particular, are required to participate in these seminars to gain information that helps them prepare for the risks associated with their subordinates' family-care.

In FY2016, BIL held a cancer seminar for women in order to help female employees have accurate cancer knowledge and continue to work vigorously for long years, and also launched "Career Community," which is composed of theme-based discussion meetings between female employees and their senior colleagues in the company. These were held during work hours so that employees were able to attend more easily.



Cancer seminar for women

#### Number of employees who use BIL's systems\*1

	FY2015	FY2016	FY2017
Childcare leave*2	57(12)	60(17)	61(19)
Family-care leave*2	0(0)	5(3)	3(1)
Short-time working for childcare	155(11)	153(5)	156(6)
Short-time working for family-care	1(1)	2(1)	2(1)
Nursing care leave	29(7)	31(8)	31(9)
Homeworking	29(6)	41(8)	57(6)

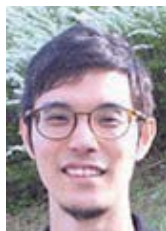
\*1 : The numbers in the parentheses indicate those of male employees

\*2 : The number of those who started using the system in each fiscal year

With Employees

## Supporting Diverse Work Styles

### Supporting Work-Life Balance



Voice of an employee who is utilizing the homeworking system:  
Always staying connected to my office through the web conferencing system "OmniJoin" and carrying out my work while communicating with my colleagues

---

**Design Dept., Marketing Strategy Center, Brother Industries, Ltd.**  
**Jun Komura**

I have been working at home twice a week. With the web conferencing system "OmniJoin" always connected to my office, I am able to carry out my work while communicating with my colleagues. I participate in team meetings at home as if I were in the office. I feel that I have struck a work-life balance thanks to the homeworking system, which allows me to do household duties during work breaks and to take time off from work to care for my child when he suddenly gets sick.

## With Employees

# Talent Development

### Working Toward Talent Development for Global Business

#### Respecting diversity and individuality among employees and cultivating global talent who can deliver superior value

As stated in the "Our Associates" section of the Brother Group 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.

At the Brother Group, we believe that talent development tailored to respective countries, regions, and business segments and the upgrade of relevant systems lead to helping employees fully use their talents and enhance skills over a long period of time. Based on this idea, we are committed to creating a better environment for fostering employees' talents and building various systems.

As part of such efforts, we have been providing training courses which aim to nurture managerial talent at our manufacturing facilities outside Japan and programs that enable employees to work in different countries at an early stage of their careers, including a program designed for young employees in Japan to be sent abroad as trainees.

The Brother Group will globally promote fostering human resources in a well-planned, long-term manner while sharing information on talent development activities conducted in respective countries and regions among the whole group.

### Brother Develops Talent Who Can Address Global Issues

#### Employees develop a broad perspective and high expertise through various experiences

Since FY2008, the Brother Group has conducted the "trainee program," a training program in which trainees are dispatched from Brother Industries, Ltd. (BIL) to group companies and vice versa, aiming to foster talent who have a broad vision, high expertise, and the ability to respond to global business challenges.

This training is designed for young employees selected based on Brother's talent development plan to receive on-the-job training (OJT) ranging from three months to two years in line with the training plans formulated beforehand by both their dispatchers and receivers.

The trainee program had mainly focused on providing trainees with training associated with their area of expertise. However, in FY2015, it also started offering training outside trainees' specialty to help them gain new knowledge through experience. Such training, for example, includes giving an opportunity for a developer to visit a customer with a sales person to listen to on-site needs and usage conditions directly from the customer.

## With Employees Talent Development

### Brother Develops Talent Who Can Address Global Issues

During FY2017, BIL sent 31 trainees to group companies in the UK, India and so forth while it received 13 trainees from group companies in the Philippines and China. An employee, who was in his second year in BIL, was dispatched to Taiwan Brother Industries, Ltd. (Taiwan Brother), the manufacturing facility of the Brother Group in Taiwan, to acquire techniques and skills. There, he was engaged in assembly work and improved the operational techniques which he found difficulty in acquiring by asking skilled workers for advice. He eventually completed the assembly of a whole commercial embroidery machine and felt his efforts in learning bore fruit.

In a questionnaire conducted in November 2017 for the employees who had been sent from BIL, an employee commented that his experience in the sales field helped him to further incorporate customer perspectives into product development, and another said that new knowledge and perspectives gained through the program made her more conscious of overall optimization.

The Brother Group will continuously cultivate global talent who can deliver superior value.



Adjustment with a microscope



#### Comment from an employee who participated in the trainee program: Active interaction leads to lots of learning

**Production Innovation Dept., Personal & Home Business Division,  
Brother Industries, Ltd.  
Takuro Kanada**

When I was in my second year of joining BIL, I took training mainly in the sewing machine assembly lines in Taiwan Brother for the three months from September 2017 in order to learn the fundamentals of manufacturing, which were hard to directly experience in BIL with few production sites, based on three facts (real place, real thing, and real situation).

In the training, I always made conscious efforts to proactively interact with local employees in Chinese or the Taiwanese that I learned from them, in order to absorb on-site opinions, manufacturing awareness, daily production processes, and actions to be taken, to the extent possible. Consequently, I was able to identify the challenges and areas for improvement in my assigned task in Japan, the promotion of various collaborations between BIL and overseas facilities, and also gain lots of insight. This program provided me with such an excellent experience.

With Employees

## Talent Development

### Brother's Sales Subsidiaries in the Asia and Pacific Region Gather to Hold a Talent Development Conference

**Participants share their approaches to realizing "Talent Transformation" and talk about future measures to promote talent development**

At Brother, a talent development conference is held once a year by Brother International Corporation (BIC (J)), which supervises Brother's sales subsidiaries in the Asia and Pacific region, to share and learn the approaches taken by each of these subsidiaries beyond countries and regions.

In the conference held in Nagoya in September 2017, fifteen participants from nine subsidiaries in Singapore, the Philippines, Thailand, Hong Kong, the United Arab Emirates, Turkey, Taiwan, India, and Japan shared their activities for achieving "Talent Transformation" set forth in the Brother Group's mid-term business strategy "CS B2018" and also discussed future measures to promote talent development.

BIC (J) introduced its system for formulating a career plan for each employee, and conducting employee interviews and managing the development progress of each individual based on the plan. It also introduced weekly one-on-one dialogues between a supervisor and a subordinate over eight months to help the subordinate get insight for improvement by reviewing his/her actions and thoughts. Brother International Singapore Pte. Ltd. made a presentation on a method for increasing its organizational power in which the characteristics of each employee, such as thought and an action pattern, are analyzed, and that analysis is utilized to promote collaboration in the company. In addition, the participants brought a variety of ideas as measures to further promote talent development, such as personnel exchanges across countries and regions.



Participants talking about future talent development

One of the participants said: "The one-on-one dialogues that provide a growth opportunity for employees is interesting. I would like to initiate the efforts in my facility." Another said: "I would like to further discuss talent development systems across countries and regions."

The Brother Group will be continuously committed to talent development that helps employees maximize their capabilities and skills for long years.

With Employees

## Safety, Health and Disaster Prevention

### Building a Structure for Safety, Health and Disaster Prevention

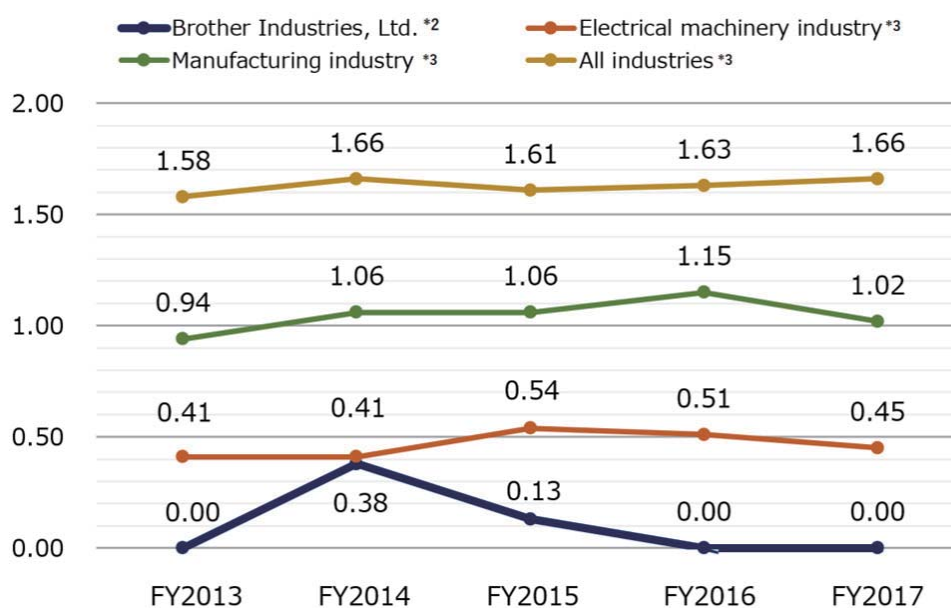
#### Promoting various activities based on the "Basic Safety and Disaster Prevention Policy"

The Brother Group's Basic Safety and Disaster Prevention Policy stipulates: "'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 Brother Group continuously works to prevent disasters, injuries, and illnesses among employees and to create a comfortable workplace under the leadership of the Central Safety, Health, and Disaster Prevention Committee, which consists of the heads of the respective facilities of Brother Industries, Ltd. (BIL) in Japan.

At all group facilities in Japan, the chairperson of the Central Safety, Health, and Disaster Prevention Committee conducts regular patrols, and the members of the Safety, Health, and Disaster Prevention Committee of each facility also conduct patrols to check the status of safety, health and disaster or accident prevention in workplaces.

There were no lost work time injuries reported at BIL's main facilities in Japan during FY2016 and FY2017.

#### Frequency rate of lost work time injuries\*1



\*1 : Number of deaths and injuries from work-related accidents/Number of working hours x 1,000,000

\*2 : BIL's main facilities in Japan

\*3 : Source: Survey on industrial accidents provided by the Ministry of Health, Labour and Welfare of Japan

With Employees

## Safety, Health and Disaster Prevention

### Building a Structure for Safety, Health and Disaster Prevention

To ensure safety and health, BIL every year provides risk prediction training, safety and health education, and so forth based on the plans of respective facilities. The education includes e-learning courses designed for all BIL employees and programs tailored to employees who engage in specialized operations, such as the handling of chemical substances.

Meanwhile, BIL also carries out disaster prevention activities at its respective facilities to minimize damage if a disaster happens. These activities include the consolidation of the company's disaster prevention organization, evacuation drills, initial firefighting training, and lifesaving training using an AED (automatic external defibrillator), and the legal inspection of fire protection equipment.

In 2007, BIL concluded a memorandum of understanding on support and collaboration in case of a large-scale disaster with its local community through the mediation of a local administrative body, and since 2014, BIL has been conducting evacuation drills jointly with a neighboring nursery school with which it signed another memorandum.

In March 2018, at the head office of BIL, the company conducted training for disaster office establishment, with the president serving as chief of the office and the general managers of respective departments and the Workplace Safety and Disaster Prevention Group of BIL's Human Resources Department serving as members of the office. Simulating the aftermath of a predicted Nankai Trough Earthquake, they conducted an exercise, ranging from information collection, such as the number of injured employees and the extent of building damage, to the issuance of instructions by the office's chief to address critical issues.



The disaster office set up in the training



## With Employees

# Safety, Health and Disaster Prevention

## Promoting Safety, Health and Disaster Prevention Activities on a Global Scale

### Information sharing and risk visualization

In the Brother Group's main manufacturing facilities outside Japan, the Workplace Safety and Disaster Prevention Group of BIL's Human Resources Department, which acts as the secretariat of the Central Safety, Health, and Disaster Prevention Committee, conducts regular patrols and audits to increase the level of safety, health and disaster prevention and develop local staff at respective facilities.

The Brother Group shares information about occupational accidents occurring in its main manufacturing facilities in and outside Japan on its intranet, and thus making available information about such accidents and countermeasures against them at all group facilities. Each facility applies these countermeasures to its workplaces in order to prevent the same or similar accidents from occurring.

In FY2017, in an effort to show at a glance the degree of the potential hazards of equipment used in its production sites, the Group visualized the risks of the equipment which was judged to have residual risks above a certain level even after the risks found by a risk assessment were eliminated.

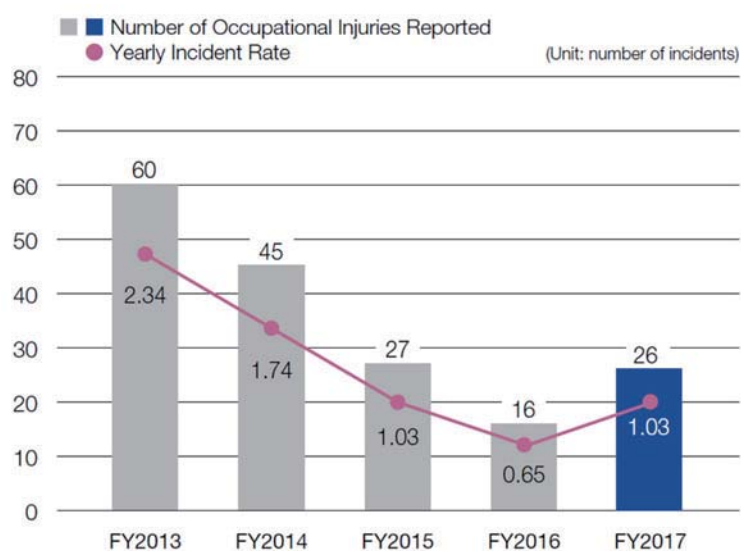
### Number of occupational injuries reported at main manufacturing facilities outside Japan (including lost work time injuries and non-lost work time injuries)

In December 2017, the Brother Group established the "Regulations of system and control for disaster prevention of the Brother Group" to ensure the safety of employees and workplaces when a fire breaks out.

This regulation is composed of three sections: (1) "fire prevention management" to take precautions against fires; (2) "firefighting management" to minimize damage from fires; and (3) "personal safety management" to ensure the safety of employees.

The Brother Group will apply this regulation to its main factories outside Japan sequentially.

The Brother Group actively continues to promote safety, health and disaster prevention activities, aiming to achieve zero accidents and provide employees with a safer and securer working place.



Annual incident rate of occupational injuries: (number of occupational injuries / number of employees) x 1,000

With Employees

## Promotion of Health and Productivity Management

### Promoting Employee Health Management by Establishing the "Brother Group Health & Productivity Management Philosophy"

#### Establishing a framework for promoting health and productivity management

The Brother Group aims to create superior value through manufacturing and deliver products and services to customers around the world. With this purpose in mind, all employees in the Group are every day playing active roles on a global stage.

As stipulated in the Brother Group Global Charter , which defines Basic Policies and Codes of Practice as the basis of such activities, the Brother Group places importance on every employee's health management so that they can strive to achieve their goals, and ultimately, contribute to the Group's success.

In September 2016, Brother Industries, Ltd. (BIL) established the Brother Group Health & Productivity Management Philosophy (Health & Productivity Management Philosophy). Under the leadership of the Chief Health Officer (CHO), the Brother Group will continue to undertake various activities strategically based on the Health & Productivity Management Philosophy.

#### Brother Group Health & Productivity Management Philosophy

The Brother Group considers the physical and mental health of every employee as an important "asset," and thinks demonstrating various capabilities "positively, pleasantly and powerfully" leads to the Group's growth.

Every employee's health is the basis of the Brother Group's continued development and responds to the needs of society, such as extension of healthy life expectancy. To realize health and productivity management, the Company, labor union, and health insurance association collaborate and strategically strive to maintain and promote employees' health.

**Brother Industries, Ltd.**  
**Representative Director & President**  
**Chief Health Officer**  
**Ichiro Sasaki**

With Employees

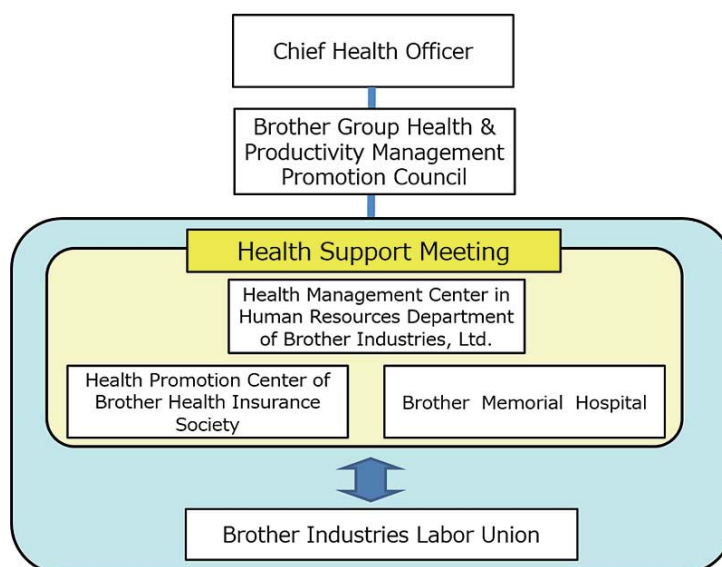
## Promotion of Health and Productivity Management

Promoting Employee Health Management by Establishing the "Brother Group Health & Productivity Management Philosophy"

### Health & Productivity Management Promotion Structure

Under the Health & Productivity Management Promotion Structure, the Brother Group is conducting employee health maintenance and promotion activities in an effective and efficient way while implementing the PDCA cycle. The Group has already started these activities in BIL and the group companies in Japan and will sequentially expand them to the group companies outside Japan.

### Brother Group Health & Productivity Management Promotion Structure



### Brother Group Health & Productivity Management Promotion Council

The Brother Group Health & Productivity Management Promotion Council, composed of the safety and health managers at BIL and the group companies in Japan, holds an annual meeting to identify issues about employee health and decide on an action policy for the next fiscal year.

In FY2016, the council set targets for such issues as lifestyle-related diseases prevention, mental healthcare, quit-smoking support, and health literacy improvement.

In the meeting held in FY2017, the council shared the progress of the efforts made to achieve the targets and listened to presentations on the activities conducted by the group companies which were recognized as outstanding health and productivity management organizations. In addition, it was announced that the "CHO" awards had been established to recognize group companies that are committed to employee health maintenance and promotion activities and produce successful results.

With Employees

## Promotion of Health and Productivity Management

Promoting Employee Health Management by Establishing the "Brother Group Health & Productivity Management Philosophy"

### Health Support Meeting

The Health Support Meeting decides specific activities to achieve numerical targets, discusses implementation methods, and evaluates the results based on the policies set by the Brother Group Health & Productivity Management Promotion Council. The Health Management Center in Human Resources Department of BIL, the Health Promotion Center of the Brother Health Insurance Society, and Brother Memorial Hospital work together to advance health maintenance and promotion activities, such as collaborative events with the Brother Industries Labor Union.

### Maintaining and Improving Mental and Physical Health

#### Aiming to maintain and improve the health of employees in the entire Brother Group

BIL established the Health Management Center and has been committed to the health management, mental healthcare and health enhancement of the Group's employees. The Brother Group's facilities in respective countries and regions have industrial physicians, or work with medical organizations to maintain and improve the mental and physical health of employees.

In FY2017, the industrial physicians and health nurses of the Health Management Center visited the manufacturing facility Brother Machinery Xian Co., Ltd., the R&D facility Brother System Technology Development (Hangzhou) Ltd., and the sales facility Brother International (India) Private Ltd. During the visit, they held health interviews with employees dispatched from BIL and their families and mental health seminars for them, and collected and provided medical information by gathering opinions about living environments and visiting medical institutions located near the facilities. They also exchanged information with medical support services firms that provide dispatched workers with appointment or interpretation services for hospital visits and support for severe diseases.

With Employees

## Promotion of Health and Productivity Management

### Maintaining and Improving Mental and Physical Health

#### Promoting mental health by preventing disorders, detecting them at an early stage, and supporting patients

BIL has been continuously providing mental health education to its employees since 2007, the year following the establishment of the Health Management Center.

Through this education, BIL aims to help employees become aware of their own stress and take appropriate measures against it (primary prevention) and to help superiors identify their subordinates with mental disorders at an early stage and support such subordinates (secondary prevention). The company also helps employees who have developed mental disorders continue to work in their own ways, assisting such employees to return to work (tertiary prevention) in collaboration with their workplaces.

All employees take self-care training, which is designed for primary prevention, when they reach milestone ages. In the training, participants learn from the actual case examples which have occurred within the company, considering how they would control their health and cope with their stress if they experienced the same situations.



Self-care training

In accordance with the amendment of the Industrial Safety and Health Act, BIL instituted a stress check system in FY2014. In FY2017, the results of a stress survey conducted were analyzed on a group basis to assess the health risks of each department. The health risk results were reported from industrial physicians and health nurses to managers in all departments, and each department recognized its own stress-related issues and considered measures to improve its working conditions.

With Employees

## Promotion of Health and Productivity Management

Maintaining and Improving Mental and Physical Health

### Supporting employees' health control

The Health Management Center designates every October and November as the "Brother Healthy Life Months" and is engaged in various efforts in cooperation with the Brother Health Insurance Society, the Brother Industries Labor Union, and the Workplace Safety and Disaster Prevention Group of Human Resources Department.

In FY2017, with the aim of creating an opportunity for employees to overcome physical inactivity, the center organized the health class titled "Brother exercise---easy to take up and to practice every day" and held it in respective worksites with health nurses. Through such efforts to tailor the health class to fit the company's situations, the Health Management Center strives to prevent the metabolic syndrome and other diseases and to maintain and promote health.

In addition, to achieve a total ban on smoking in all premises of BIL in order to protect employees against passive smoking, smoking in any of BIL buildings has been prohibited since FY2016, and smoking during working hours has been thoroughly prohibited since FY2018.

BIL will strengthen its support for preventing passive smoking among employees and for quitting smoking.

The Brother Group will be committed to maintaining and enhancing the physical and mental health of employees.

今年も職場に健康教室をデリバリー

2017年度  
健康生活月間

**運動教室**

**必ずみつける！毎日できる！  
ブラザー流 エクササイズ**

- そもそも運動って何？なぜ運動しなければならないの？
- 運動能力簡単チェックあり
- +10分でできるブラザーグループ従業員ならではの簡単運動方法伝授
- JOY BEATの進化版 Co-Connect(コネクト)を使用して運動体験
- 運動に関する最新情報をクイズで習得できる

**体験型講習★**  
毎日簡単にできる！必ず習慣になる！  
教室中に運動体験をしながら、あなたにぴったりの運動方法を習得できる教室です



Notice of the Brother Healthy Life Months



Outdoor smoking area

## With Business Partners

# Promoting CSR Procurement

## Promoting CSR Procurement with Suppliers

### Publishing "Procurement Policy" and "CSR Procurement Standards"

The Brother Group puts its "Procurement Policy" and "CSR Procurement Standards" on the website to share its CSR procurement concept with parts and materials suppliers. In addition to green procurement practices which give priority to purchasing environmentally friendly parts and materials, these policy and standards also cover a wide range of fields, from human rights and labor, employees' safety and health, fair trade and ethics, product quality and safety, information security, to social contribution. The Brother Group remains committed to promoting CSR activities together with its 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 of the procurement policy and standards <https://global.brother/ja/csr/stakeholder/partner/csr#c02>

**PDF** Chinese version of the procurement policy and standards [PDF/111KB]  
<http://download.brother.com/pub/com/en/csr/partner/policy-cn.pdf>

## With Business Partners Promoting CSR Procurement

### Working with Suppliers to Raise Their CSR Levels

#### Requesting improvements and making on-site inspections based on a CSR questionnaire

Every three years since FY2012, the Brother Group has conducted a CSR questionnaire survey with the suppliers from which it sources parts and materials in order to improve the standards of these suppliers' CSR activities.

The second questionnaire survey, which was carried out in FY2015, consisted of about 80 items rated on a five-point scale, such as "labor hours," "safety measures for mechanical equipment," and "the management conditions of chemical substances used in manufacturing processes," and also contained a set of questions for gathering quantitative information, such as "the achievement ratio of energy-saving activities," "the number of misconduct reports," and "the age of the youngest employee" as a question relevant to the prohibition of child labor. This survey received answers from more than 500 companies and gained concrete information on their activities.

In FY2016, the Brother Group provided about 500 suppliers out of all respondents with the information obtained by the summary and analysis of the questionnaire survey, including regional standards and trends and the levels of their activities. The Group also asked the suppliers who had not implemented some activities listed in the questionnaire to formulate improvement plans.

During FY2017, the Brother Group visited those suppliers and observed their production sites to check the progress of their improvement plans. For example, at the premises of a supplier which answered in the survey that it had not conducted any activities for reducing greenhouse gases, the Group checked whether the supplier ensured proper air conditioning, used LED lighting devices, and installed energy-saving equipment as planned. Since this on-site inspection found that the supplier had difficulty in managing its power usage target, the Brother Group introduced its target management procedure for the future guidance of the supplier.



The production site of a supplier visited by the Group

In March 2017, to respond to the Modern Slavery Act 2015, which was established and enacted in the U.K., the Brother Group conducted a questionnaire survey on slave (forced) labor to grasp the labor conditions of respective suppliers.

Based on the concepts of its "Principles of Social Responsibility" and "CSR Procurement Standards," the Brother Group will continue to promote CSR activities among its suppliers by continuing and stepping up the monitoring of their labor conditions and environmentally conscious efforts by means of questionnaires and on-site inspections.



## With Business Partners Promoting CSR Procurement

### Commending Excellent CSR Activities by Suppliers

#### Honoring nine companies out of more than 160 suppliers

Aiming to further promote the CSR activities of its suppliers, the Brother Group in 2015 launched an awards program to recognize excellent CSR activities among the suppliers at its three factories manufacturing the products of the Machinery business, including Kariya Factory, Brother Machinery Xian Co., Ltd., and Brother Machinery Vietnam Co., Ltd.

The FY2017 program conducted a questionnaire survey to understand the activities of all suppliers and honored outstanding suppliers in three categories, which were separated based on the number of employees. The questionnaire survey, which was carried out between October and November 2017, received responses from more than 160 companies. This questionnaire consisted of not only yes-or-no questions but also short answer questions about the number and specific details of activities conducted. Based on the scoring of the collected answers, award-winning suppliers were determined. In addition, the program fed the results back to all suppliers who had answered the questionnaire by providing graph and table summaries of the average score of each question and other data, in order for these suppliers to apply such data to their future activities.

This CSR awards program helped the Brother Group know its suppliers' stances toward CSR and their activities, receiving many reports on CSR activities addressed by respective suppliers, including the improvement of working environment, the reduction of waste, and the acquisition of the ISO 14001 certificate and efforts made based on it. The Brother Group will promote raising its suppliers' CSR awareness and expanding their activities through this awards program.

The Brother Group will strive to foster relations of mutual trust with its business partners and grow together with them in order to speedily deliver superior value to customers.



Awards ceremony held in China with award-winning companies



Awards ceremony at an award-winning company in Japan (Kuwana Engineering Plastic Co., Ltd.)

With Business Partners  
**Promoting CSR Procurement**

**Commending Excellent CSR Activities by Suppliers**

Award-winning companies in FY2017

Number of employees	Company names
150 or more	<ul style="list-style-type: none"> <li>· Kuroda Kagaku Co., Ltd.</li> <li>· Dongguan Shinano Motor Co., Ltd.</li> <li>· Sakata Inx Corporation</li> </ul>
Between 50 and 149	<ul style="list-style-type: none"> <li>· Suzutami Precision Industry Co., Ltd.</li> <li>· Kuwana Engineering Plastic Co., Ltd.</li> <li>· Thien Quang Group Join Stock Company</li> </ul>
49 or less	<ul style="list-style-type: none"> <li>· Changsha Dongfang Gongye Fengrenji Lingjian Youxian Gongs</li> <li>· Xianshi Lintongqu Liyida Jidian Youxian Gongs</li> <li>· Shanghai Shanxin Industry Co., Ltd.</li> </ul>

## 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



**Checking the CSR compliance of both our company and main suppliers**

**Dongguan Super Glass Optical Technology Co., Ltd.**  
**Ms. Charlie Tim**

#### Our CSR activities up to now

1. Have conducted training, such as chemical training and fire drills that involve all employees, more than once a year since 2013.
2. Have provided employees with high temperature allowances and beverages on every Wednesday during June to September since 2013.
3. Offer protective tools to employees in accordance with the safety production policy of "safety first with priority placed on prevention."
4. Provide a health check-up to employees every year.
5. Have perfect attendance and year-end allowance systems to increase employees' motivation.
6. Place a charity box in the company and raise voluntary contributions for needy employees so that employees can feel a spirit of selfless dedication.
7. Ensure adherence to the code of conduct on business social compliance initiatives and also ask suppliers to comply with it.
8. Promote energy conservation and CO<sub>2</sub> emissions reduction, have water-saving, energy-saving, and paper-saving targets, and provide education on waste sorting, basic knowledge of hazardous chemicals, environmental conservation awareness, and so forth.

#### Future targets and efforts relating to CSR

1. Check the progress of CSR promotion among our main suppliers by preparing a CSR promotion progress check list and collecting information from these suppliers.
2. Promote social contribution activities.
3. Continue to improve the CSR activities that the company is now conducting.

## With Business Partners Voice of Business Partners

### Comments from Suppliers



#### Promoting CSR activities by laying out eight key issues

Shin-Etsu Polymer Vietnam Co., Ltd.  
Mr. Naoyuki Maeyama

#### Our CSR activities up to now

The Shin-Etsu Polymer Group aims to be a corporate entity that continuously grows with society by prioritizing management with an emphasis on safety and fair corporate activities. The Group reports its approaches to global environmental conservation and environmental management as well as related initiatives and CSR activities in its Sustainability Reports, which have been issued since 2001. The Group also launched the "CSR Promotion Committee" in November 2017 to strengthen its continued CSR management. The committee formulated the Group's basic CSR policy and clarified key issues.

#### Future targets and efforts relating to CSR

The following eight key issues are laid out based on the Group's corporate mission of strictly complying with all laws and regulations and conducting fair business practices and its basic CSR policy. In the eight issues, Shin-Etsu Polymer Vietnam Co., Ltd. will focus especially on "promoting CSR procurement and the diversification of supply sources" and "respect for human rights, the development of human resources and the promotion of diversity" during this term.

<Key CSR issues>

1. Employees and contractor health and safety
2. Energy-saving, resource-saving and the reduction of the environmental impact
3. Product quality improvement and product safety control
4. Promoting CSR procurement and the diversification of supply sources
5. Respect for human rights, the development of human resources and the promotion of diversity
6. Respect for and protection of intellectual property
7. Contribution to industry and social initiatives
8. Accurate and timely information disclosure and communication with stakeholders

## With Business Partners

# Voice of Business Partners

### Comments from Suppliers



#### Improving our CSR activities continuously

Zhuhai Yoshida Precision Plastic & Mould  
Mr. Huang Jiaomin

#### Our CSR activities up to now

1. Have focused on the sustainable development of the environment and resources since 2013 while conserving the environment, preventing the wasteful use of materials and other resources, reducing waste contamination, and recycling resources.
2. Have actively promoted the disclosure of corporate information and the strengthening of information security since 2014 in compliance with laws and legal regulations.
  1. Disclose information on products, services and management systems, and trademark certification.
  2. Ensure the safety and health of employees, aim to create a secure and pleasant workplace, and increase employees' loyalty to the company.
  3. Provide regular fire drills and firefighting training sessions to raise safety awareness among employees.
3. Hold birthday parties as opportunities for employees to feel the warmth of the company and a sense of cohesion.
4. Improve the company's employee welfare benefits in order for employees to work positively and grow with the company.
5. Organize an annual company trip, provide employees with paid holidays, and encourage them to participate in volunteer activities hosted by local government.
6. Help residents in poor districts find employment and provide employees with opportunities to take skill upgrading training and join study sessions held outside the company.

#### Future targets and efforts relating to CSR

1. Hold in-house study sessions on environmental conservation and participate in environmental conservation activities organized by local government.
2. Provide regular safety education programs and safety training to employees so that each of them recognizes the value of life and health.
3. Establish a rich corporate culture and promote employees' more active participation in CSR activities.
4. Continue to improve our CSR activities so that every employee recognizes the meaning and value of life and work towards a bright future with the company.

## With Business Partners

# Voice of Business Partners

## Comments from Suppliers



**Implementing CSR activities with our management with a strong commitment to these activities**

**Juntec Corporation  
Ms. MARICEL A. BENITEZ**

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

The strong commitment of our management to CSR activities ensures our social compliance, employee wellness and safety, environmental protection and giving back to community. Our annual activities includes the following:

1. Fun Run for a Cause
2. Tree Planting in partnership with UPLB (University of the Philippines Los Baños) ecosystem department
3. Joining LIIP Medical mission that will benefit nearby communities of Mamplasan and Ganado.
4. Yearly support for Brigada Eskwela project
5. Once a month Friday mass for employee well being
6. Paper recycling and paper reduction activities
7. Give a Gift on Christmas that encourages our employees to voluntarily share by way of donating gifts.

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

1. Improvement of our waste segregation system.
2. Educating employees and local communities on hazards and disaster controls.
3. Creation of more programs on reduction activities for power, water and other resources
4. Aim to improve employee involvement and encourage volunteerism in different CSR activities.

## With Shareholders IR Communication

### Communication with Shareholders and Investors

#### Proactive information disclosure

Brother Industries, Ltd. (BIL) is committed to building a long-term relationship with its shareholders and investors based on trust by increasing opportunities to provide them with the latest information in a comprehensive way. For shareholders, BIL publishes shareholder newsletters twice a year (The full year's issue is integrated with the notice of a shareholders meeting.) to keep them up to date with the Brother Group's business performance and the latest topics on the Group.

For institutional investors and securities analysts, BIL holds financial results briefings four times a year, in which the president himself gives a presentation, and actively arranges individual visits to them and accepts their requests for an interview. For private investors, BIL provides explanations on the Brother Group's business activities and management strategies mainly in company information sessions held at branch offices of securities companies. In FY2017, BIL held such sessions three times in Tokyo, Yokohama, Nagoya and was able to interact with more than 483 private investors in total.

On Tuesday, June 26, 2018, BIL held the 126th annual shareholders meeting at Nagoya Tokyu Hotel, located in Nagoya City, Aichi Prefecture, with the attendance of 276 shareholders, and presented the Brother Group's business results for FY2017 and its business outlook for FY2018. All items on the agenda were approved and passed as drafted by a majority of the shareholders. This shareholders meeting was followed by a social gathering, where the shareholders talked with Brother's executive officers face-to-face.

BIL will continue to create opportunities to communicate with more shareholders and investors and actively disclose information.



Company information session held in Tokyo



126th annual shareholders meeting

## With Shareholders IR Communication

### To Convey the Appeal of Our Company and Products

#### Brother's first events for individual shareholders

In August and September of 2017, BIL, for the first time, held events for individual shareholders in response to the many requests received to provide more information on Brother and to increase communication opportunities in a questionnaire for shareholders.

In August, BIL held an event at the Nagoya City Science Museum in Nagoya City, Aichi Prefecture, where the head office of BIL is located. This event, attended by 235 people including those from the general public, consisted of a presentation on Brother's efforts to address various environmental issues all over the world, a lecture on endangered species, and a planetarium show in the planetarium dome "Brother Earth."

In September, BIL organized a tour in Brother Museum. This tour, having a total of 29 participants composed of individual shareholders and their companions, introduced Brother's 109-year history and business, changes in its business performance, and so forth. The tour also provided time for the participants to try out some Brother products and experience their attractiveness. The participants, for example, cut out a snowflake from a piece of color construction paper with a "ScanNCut," a home cutting machine designed for cutting paper or cloth, and made their own name labels with a "P-touch," a labeling system capable of creating original labels.



The lecture held in the Nagoya City Science Museum (in August)



Introduction of Brother's history in Brother Museum (in September)

The comments BIL received from the participants include: "I have felt much closer to Brother than before." "I thought Brother was a company centering on sewing machines. I, however, have understood the company focuses on overseas expansion and nature conservation." "I had already known that Brother is an excellent company through its shareholders meetings, and this conviction was further strengthened through the explanation provided in the tour."

BIL values opportunities to directly communicate with shareholders and investors in order to convey the attractiveness of the company and its products, and remains committed to further generating "Brother fans."



## With Shareholders

# Evaluation by an External Entity

## The Morningstar Socially Responsible Investment Index

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

On January 4, 2018, 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 tenth 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 tenth 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 a mid- to long-term perspective.

\*: The information is valid as of January 4, 2018, and is subject to change without notice.



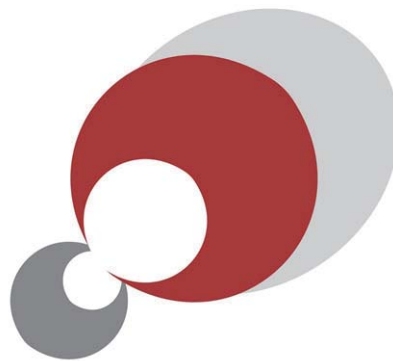
With Shareholders

## Evaluation by an External Entity

### The SNAM Sustainability Index

Brother Industries, Ltd. was selected as a member of the SNAM Sustainability Index for the sixth consecutive year

BIL was selected as a constituent of "the SNAM Sustainability Index," a unique index of Sompo Japan Nipponkoa Asset Management Co., Ltd. (SNAM). BIL has been selected to join this index for six straight years since 2012.



Member of SNAM  
Sustainability Index  
2018

"The SNAM Sustainability Index," established in August 2012, selects its constituents by evaluating corporates' ESG (environment, society and governance) based on the environmental assessment provided by Sompo Risk Management & Health Care Inc. and the social and governance assessments by Integrex Inc.

This index is used to manage socially responsible investment (SRI) funds which aim to invest in equities of companies with high ESG scores, such as pension funds and funds for institutional investors.

We consider that BIL's ESG initiatives have continued to earn high recognition by SNAM, and which has led to BIL's sixth consecutive inclusion in this sustainability index since its establishment.

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

With Shareholders

## Evaluation by an External Entity

### Outstanding Health and Productivity Management Organization

Brother Industries, Ltd. certified as an outstanding health and productivity management organization for the second consecutive year

In February 2018, Brother Industries, Ltd. (BIL) was recognized, for the second year in a row, as one of the outstanding health and productivity management organizations under the Certified Health & Productivity Management Organization Recognition Program, designed by Japan's Ministry of Economy, Trade and Industry and operated by the Nippon Kenko Kaigi.



The Certified Health & Productivity Management Organization Recognition Program honors large enterprises, small and medium-sized enterprises, and other organizations which excel at implementing health and productivity management in their initiatives to address health-related challenges in regional communities or to promote health-conscious activities led by the Nippon Kenko Kaigi. This program aims to highlight these outstanding enterprises engaging in efforts to advance health and productivity management and thereby creates an environment where such enterprises can be recognized by society, such as employees, job applicants, affiliated companies, and financial institutions, as "organizations that strategically manage their employees' health from a management perspective."

BIL considers it important to manage every employee's health so that they can strive to achieve their goals, and ultimately, contribute to the success of the Brother Group. Based on this idea, it has been committed to maintaining and improving employees' physical and mental health by providing continuous mental health education and stop-smoking support and taking measures to prevent passive smoking. In September 2016, with the aim of further promoting its health and productivity management, BIL established the Brother Group Health & Productivity Management Philosophy and installed its president as Chief Health Officer to build a stronger health and productivity management promotion structure. In addition to BIL, seven group companies, including Nissei Corporation, Brother International Corporation, Brother Sales, Ltd., Xing Inc., Brother Logitech Ltd., Brother Real Estate, Ltd., and Brother Enterprise, Ltd., were also certified as outstanding health and productivity management organizations.

The Brother Group will continuously advance its strategic efforts to maintain and promote employees' health toward the realization of health and productivity management.

## With Local Communities

# Social Contribution Activities on a Global Scale

## Promoting Social Contribution Activities with a Sense of Unity within the Whole Brother Group

The Brother Group carries 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, in particular, focuses on the following two activities and conducts them on a global scale in cooperation with the group facilities in respective countries and regions, aiming to globally promote social contribution activities that further enhance a sense of unity within the entire Brother Group.

- (1) Activities related to eco-conscious efforts
- (2) Activities focusing on "communities" and "personal development (including employees)"

### Efforts in FY2017

The Brother Group positively and continuously considers the environmental impact of all aspects of its business operations based on "Brother Earth," the logo and slogan that symbolize the Brother Group's environmental activities. As part of such efforts, in FY2017, the Brother Group globally worked on developing energy-saving products, reducing energy consumption in factories, supporting environmental groups, and conducting environmental conservation activities with employees.

Regarding activities for communities and personal development, the Brother Group has been cosponsoring the Tokai Young Entrepreneur Seminar in Japan since 2008 to assist young entrepreneurs who address local challenges. In addition, the group has been promoting activities which provide it with a sense of unity on a global scale. In FY2017, employees in 22 group facilities around the world, including Japan, the U.S., and New Zealand, participated in worldwide charity activities to support cancer patients and to fight against cancer.

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

Category	Activity	Facility
Activities related to eco-conscious efforts	Globally supporting environmental groups and conducting environmental conservation activities with employees, based on the slogan of "Brother Earth"	Brother Industries, Ltd. The Brother Group's manufacturing and sales facilities in respective countries and regions
Activities focusing on "communities" and "personal development"	Cosponsoring the Tokai Young Entrepreneur Seminar designed to assist young entrepreneurs who address local challenges	Brother Industries, Ltd.
	Participating with employees in charity activities which aim to support cancer patients and conquer cancer	Twenty-two facilities around the world, including: <ul style="list-style-type: none"> <li>• Brother Industries, Ltd.</li> <li>• Brother International Corporation (U.S.A.)</li> <li>• Brother International (NZ) Ltd.</li> </ul>

## With Local Communities

# Social Contribution Activities on a Global Scale

## Employees' Participation in the Golden Ring Project

The Brother Group has been promoting participation in charity events to support cancer patients, aiming to conduct social contribution activities with its employees and with a sense of unity on a global scale. In 2011, the group named such activities the "Golden Ring Project," imagining a ring of support on a world map drawn by connecting the support activities conducted by respective group facilities with a line. In FY2017, employees and their families at 22 group facilities all over the world participated in this project.

Many of the facilities working on the "Golden Ring Project" take part in the charity event "Relay For Life." In this event, participants make donations and walk for 24 hours with their team members to increase their awareness and knowledge about cancer and encourage cancer patients. Donations raised are used for new cancer treatment/medication development, scholarships for young doctors, and so forth.

In June 2017, Brother Industries (Slovakia) s.r.o. (BISK), one of the manufacturing facilities of the Brother Group in Europe, joined the charity event "Run for Life" in Bratislava, the capital of Slovakia, as part of the "Golden Ring Project."

This event aimed to spread correct knowledge about breast cancer and raise funds to fight against it. Each of approximately four thousand participants purchased a T-shirt in pink, the symbol color for the fight against cancer, as a participation pass and walked a 4 km course. The sales of the T-shirts, which amounted to about 24 thousand euros, were donated to an organization supporting breast cancer patients.



BISK employees in pink T-shirts walked the course

One of the BISK employees who joined the event said: "I took my baby daughter to this walk, hopefully when she is grown up nobody will suffer from breast cancer thanks to scientific research and improvements in treatment."

With Local Communities

# Social Contribution Activities on a Global Scale

## Employees' Participation in the Golden Ring Project

The main facilities which participated in the "Golden Ring Project" in FY2017



New Zealand



United States



Shanghai



Taiwan



Germany



United Kingdom



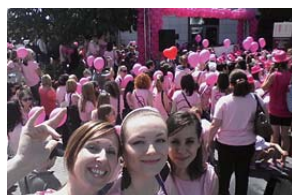
Singapore



Zhuhai



Japan



Slovakia



Indonesia



France



South Korea



Australia



Vietnam



Hong Kong



Thailand



South Africa



Philippines

▶ Introduction video of the Golden Ring Project (in English, about three minutes) <https://www.youtube.com/watch?v=ZgbGUXMdjll>

\* : This video is on YouTube.

## With Local Communities

# Social Contribution Activities on a Global Scale

## Brother's Response to Large-scale Disasters

The Brother Group has been working together with its employees to provide support to the areas affected by large-scale disasters, which occur around the world, tailoring such support to each local situation and the extent of damage.

Brother's main support includes the following two ways.

1. Monetary donations from the Brother Group
2. "Kizuna Fund," which is composed of donations from employees, and their volunteer activities

Monetary donations from the group companies are sent mainly to the Red Cross or NPOs as emergency assistance while donations and volunteer activities by employees are provided in a way that meets the needs of each affected area.

In July 2017, Brother donated Kizuna Fund, which was raised by the Brother Group employees, to Shichigahama Town, Miyagi Prefecture, where the company had been supporting since the aftermath of the Great East Japan Earthquake.

The donated money is used for the "global human resources development program," which is currently conducted by the town in line with its reconstruction policies.

In the donation ceremony held in Shichigahama Town, Town Mayor Terasawa expressed his gratitude for Brother's support so far for Kizuna Park, Kizuna Library, and so forth. The mayor also told that the donations presented that time would be used to purchase picture books, books, and English educational materials designed for children to get familiar with English, and that he would further promote the reconstruction of the town to make it attractive.

In addition, Brother has regularly held markets for employees since 2013, aiming to help the reconstruction of quake-hit areas by purchasing goods made in such areas.

In November 2017, the 14th market by the Brother Group was held in the commemoration event for the 75th anniversary of the founding of Nissei Corporation, one of the Brother Group companies. This event invited not only group employees but also community residents, and about 200 people bought goods from the quake-stricken Tohoku region and Kumamoto Prefecture.

The Brother Group will continuously provide reconstruction assistance in order not to let the memories of the earthquake disasters fade away.



From the left: Mayor Terasawa and Brother's president at the time



An employee buying an item in the market

## With Local Communities

# Social Contribution Activities in Various Regions

## Sponsoring the "Tokai Young Entrepreneur Seminar" for Ten Years

### Employees support young entrepreneurs

In 2008, Brother Industries, Ltd. (BIL) started sponsoring the "Tokai Young Entrepreneur Seminar" (entrepreneur seminar) to assist young entrepreneurs in the Tokai area, where the company has its headquarters. This seminar provides such entrepreneurs with support to put their businesses on a growth track, helping them formulate business strategies and develop products. It has supported a total of 41 young entrepreneurs for ten years. Since 2012, BIL's employees have participated in this seminar as pro bono workers, using their skills and experiences gained through their work.

In 2017, three entrepreneurs were selected as members of the tenth seminar. Among them was Mr. Amano, who runs a NPO in Shizuoka Prefecture. He worked on a project to provide a collaborative training program with his local community to companies located there. This project was designed for individuals working for local companies to address local issues in the training, and thus aimed to simultaneously realize the growth of those individuals and local revitalization. During the seminar period, he interviewed corporate managers to grasp the human resources needs of companies in his local community, and also conducted a trial of the training program.



Mr. Amano, one of the entrepreneurs, in discussion on his project

The training program, with improvements made through the interviews and trial, had been adopted by three companies as of March 2018. Regarding his learning in the seminar, Mr. Amano said: "The entrepreneur seminar helped me not only solve current local issues but also consider what is necessary (people, objects, and systems) to realize Shizuoka's vision of its future, and also gave me the perspective of sustaining businesses.

A BIL employee who joined the seminar as a pro bono worker commented: "I supported an entrepreneur by giving advice from my position as a manufacturing engineer and a manager. The interaction and collaborative work with the passionate entrepreneur was exciting, and the scale of his project and its rapid development speed were amazing. This seminar gave me valuable experience that I could not gain through my work."



With Local Communities

## Social Contribution Activities in Various Regions

### Sponsoring the "Tokai Young Entrepreneur Seminar" for Ten Years

#### Tenth anniversary event "Tokai Innovators Ecosystem Summit for 2027"

In March 2018, the "Tokai Innovators Ecosystem Summit for 2027" was held as an event commemorating the tenth anniversary of the entrepreneur seminar at the Research Center for Materials Science of Nagoya University. This event had a total participation of 175 people, including individuals involved in the entrepreneur seminar, BIL employees, students interested in the seminar, and working adults. This event consisted of a debrief session where the tenth seminar members reported on their final results, a keynote talk, and an opinion exchange meeting. The keynote talk introduced the efforts made by the entrepreneur seminar during the past ten years to change the Tokai community, while the opinion exchange meeting provided eight themes to discuss, such as CSR and social participation by young people.



Participants in the seminar and people concerned with it

BIL will continuously support young entrepreneurs who run a business to address social challenges and regional revitalization by sponsoring the entrepreneur seminar.

With Local Communities

## Social Contribution Activities in Various Regions

### The Brother Forests in Gujo Marks Its 10th Anniversary

Brother has planted 5,906 trees in its activities so far

Brother Industries, Ltd. (BIL) concluded an agreement with Gifu Prefecture and Gujo City therein to designate three areas in the city, including a former ski area, as the "Brother Forests in Gujo" in 2008 and since then has conducted reforestation activities.

BIL has implemented tree planting twice a year, in the spring and the fall, since the execution of the agreement. A total of 5,906 trees were planted during the period from the first activity in June 2008 to the 20th activity in October 2017.

In the tree planting activity carried out in October 2017, BIL received a letter of gratitude from the mayor of Gujo City in commemoration of the 10th anniversary of the agreement, and also conducted commemorative tree planting by four employees who had took part in all 20 activities since 2008. One of the four employees said: "I just enjoyed planting trees as recreation at the beginning. I, however, have grown a strong attachment to the Brother Forests and now plant trees with a desire to see the forests grow up. I would like to nurture the forests together with people concerned with tree planting."



The wooden letter of gratitude presented by the mayor of Gujo City



Commemorative tree planting by the employees who have joined all the tree planting activities so far

Brother continues to promote reforestation at the Brother Forests in Gujo with its employees while consulting with local residents.

With Local Communities

## Social Contribution Activities in Various Regions

### Brother Offers Classes to Economically Disadvantaged Students in Argentina

#### Employees serve as teachers and give classes on various themes

Brother International Corporation de Argentina S.R.L. (BIC (Argentina)) began offering classes to economically disadvantaged students in 2017 in cooperation with the non-governmental organization "Fundación Caminando Juntos."

During 2017, 19 employees of BIC (Argentina) served as teachers and gave a total of twelve weekly two-hour lessons to 14 students aged 17 and 18 from Esteban Echeverria School. Aiming to help these students, who would enter the work force in the near future, to acquire necessary knowledge and skills, the classes focused on themes that might be of interest to them, such as financial strategy, ethics, leadership, personal finance, and tax. The classes were also designed to be easy for the students to understand by using presentations and movies.



A class given by an employee

Some of the students told that the program helped them prepare for the world of work and know today's business environment.

One of the employees said that the activity was very interesting and highly positive for both the students and the employees, and also gave a message to young people that it is possible to achieve their goals and grow professionally and humanly if they strive and commit to doing so.

BIC (Argentina), together with its employees, will continuously work to make its local community a better place.

**With Local Communities**

**Social Contribution Activities in Various Regions**

**One of Brother's Sales Companies in Germany Is Engaged in Social Contribution Activities Tailored to Meet Local Needs**

**BIMH contributes to bringing smiles to children and establishing a medical system in its local community**

Brother Internationale Industriemaschinen GmbH (BIMH), which is a sales subsidiary of Brother located in Emmerich, a city in the northwest of Germany, conducts a variety of local contribution activities throughout the year.

In May, BIMH co-sponsored the "Truckers Run," an event where children with serious diseases or disabilities, who were limited in opportunities to go out, enjoyed a driving trip by truck. This event aims to enable such children to feel the joy of going out by making a four-hour, 65-km round trip from Kalkar to 's-Heerenberg through Emmerich and some small villages, with one child in the front passenger seat of each truck. At the end of the tour, 130 teddy bears donated from BIMH were given to the participants so that they would be able to recall the joyful feeling during the driving trip at any time.



A long procession of trucks carrying children drove through a town

In October, in response to a request from the local ambulance service institution in Emmerich, BIMH donated part of the purchase cost of teddy bears. The teddy bears are used by the staff of the institution as gifts to young children who are taken to the hospital by ambulance in order to alleviate their anxieties. The institution got about 2,000 bears through donations from BIMH and other local companies.

In November, BIMH donated an automated external defibrillator (AED). In Germany, public facilities, such as theaters, have started the installation of an AED to respond to emergency situations. The donated AED was installed in a municipal theater, which had been familiar to local residents, at the beginning of November and helped prepare the theater for emergencies.

BIMH will continuously conduct social contribution activities, always considering how to contribute to the local community.



The AED donated to the municipal theater

**Comment from the employee responsible for these events: We will respond to local needs**

**Brother Internationale Industriemaschinen GmbH Stachetzki, Folker**

We were able to conduct activities that brought smiles to children suffering from serious diseases or disabilities and also support the establishment of a medical system in our local theater. We will respond to local needs continuously.

With Local Communities

## Social Contribution Activities in Various Regions

### Brother's R&D Facility in China Supports Disadvantaged People

#### Employees donate books and clothes

In 2017, Brother System Technology Development (Hangzhou) Ltd. (BSH), the R&D facility of the Brother Group in China, donated books and clothes to needy people.

In September, BSH donated books to a school with poor educational resources to provide an opportunity for children to enjoy stories and deepen their knowledge through book reading. The company sent 95 picture books and novels gathered from its employees to the children of a school located in Liu Pan Shui City, Guizhou Province.

In October, BSH gave clothes to deprived people so that they would be able to stay warm during the severe cold winter months. In response to the company's call for clothing donations, employees donated a total of 45 clothes, including coats, mufflers, and gloves, and these clothes were delivered to people living in Baoding City, Hebei Province through a non-profit organization.

The employee responsible for these activities told that he was delighted to be of any help to people by providing books and clothes, and that he would like to further enlist associates to offer more books and clothes in the following year and beyond.

BSH will continuously advance its efforts, always keeping local contribution in mind.



The employees who donated many books