

Brother's CSR



The whole Brother Group is engaged in CSR activities to gain the trust of its stakeholders.

INDEX

Message on CSR from the Management	1
Brother Group's CSR	2
To Be Trusted by All Stakeholders	3
The Brother Group Principles of Social Responsibility	8
CSR Targets of the Brother Group	15
CSR Data	24
With Stakeholders	30
With Customers	
Developing Products with "Customers First" in Mind	31
Design Quality That Meets Customers' Expectations	33
Sales and Service System	35
With Employees	
Ensuring Diversity of Human Resources	36
Supporting Diverse Work Styles	41
Talent Development	48
Safety, Health and Disaster Prevention	53
Promotion of Health and Productivity Management	58
With Business Partners	
Promoting CSR Procurement	71
With Shareholders	
IR Communication	79
Evaluation by External Entities	80
With Local Communities	
Social Contribution Activities on a Global Scale	84
Social Contribution Activities in Various Regions	91

Scope of report: Brother Industries, Ltd. and its global group companies (including those in Japan)
 Covered period: April 1, 2019 to March 31, 2020
 Guideline used as a reference: GRI's "Sustainability Reporting Standards"

Message on CSR from the Management

Creating Social Value through Business Activities with the "At your side." Spirit in Mind

Brother's CSR management and Global Charter

The goal of Brother is to carry out management that will create social value through business activities with the "At your side." spirit in mind. We can achieve this when we create products that address our customers' needs through the united efforts of all Brother Group associates, and in turn we can take pride in knowing that we achieved this. To develop the management foundation stated in the Brother Group Global Charter (Global Charter), we plan to build long-term trust relationships with stakeholders that put their customers first, through business growth and by fulfilling social responsibilities. We will continue to evolve Brother's CSR management by disseminating this sense of value, stated in the Global Charter, to all associates of the Group.



Untiring efforts to create superior value

Brother constantly takes on challenges. The strategy is to continuously provide "superior value" in order to address our customers' needs and ensure the Brother Group is successful as a manufacturing company. Values demanded from customers and society are changing. For example, the Sustainable Development Goals (SDGs) for 2030, adopted by the United Nations in 2015, has set seventeen goals to realize a sustainable world and has requested corporations to take some actions as well. Many stakeholders have also requested corporations to conduct business focusing on Environmental, Social and Governance (ESG) standards. In such circumstances, Brother's priority is to create social value through business by doing the following:

- Seek to provide innovative products and services that make our customers happy
- Undertaking continuous efforts in environmental conservation
- Continuously promote social contribution activities
- Enhance collaboration with business partners on ways to address social demands quickly

It is important for Brother's long-term success to address these issues. To this end, we believe it is necessary to continue to seriously tackle and find solutions for the changing voice of customers and expectations of society, which we see as growth opportunities or management risks, while continuing to pass on the manufacturing DNA of Brother, which does not fear change.

"At your side." actions by all employees

I will take the lead in addressing the issues by promoting communication with various stakeholders, including mainly our customers and associates around the world, and carrying out other initiatives to evolve the Brother Group's CSR management from both short-term and long-term perspectives and meet expectations from customers and society.

Moreover, based on Brother's good corporate culture of "At your side." spirit, I will support growth by motivating associates to take action to further create and quickly provide superior value.

Moving toward the future, the Brother Group aims to enhance its management on the back of continuous efforts to ensure that we win the trust of stakeholders through the united efforts of associates to pursue the creation of social value through its business activities.

Ichiro Sasaki

**Representative Director & President
Brother Industries, Ltd.
September 2020**

Brother Group's CSR



Brother aims to create and provide superior value underpinned by its "At your side." spirit. To develop the management foundation stated in the Brother Group Global Charter (Global Charter), we plan to build long-term trust relationships with stakeholders that put their customers first, through business growth and by fulfilling social responsibilities. We will continue to evolve Brother's CSR management by disseminating this sense of value, stated in the Global Charter, to all associates of the group.

To Be Trusted by All Stakeholders

- We Consider Changes in Customer Needs and Society's Expectations as Opportunities for Business Growth and Work Towards a Long, Successful Future
- We Respond to Changing Customer Needs and Social Expectations

CSR Targets of the Brother Group

- Establishing Long-term Trusting Relationships with Our Stakeholders
- Promoting Initiatives Towards Resolving Social Challenges
- Participation in External Initiatives in accordance with the Brother Group Principles

The Brother Group Principles of Social Responsibility

- Introducing the Brother Group Principles of Social Responsibility
- Brother Group Anti-Corruption Global Policy

CSR Data

- Brother Group's CSR in Figures

Brother Group's CSR To Be Trusted by All Stakeholders

We Consider Changes in Customer Needs and Society's Expectations as Opportunities for Business Growth and Work Towards a Long, Successful Future

Creating social value through business worldwide and promoting management focusing on Environmental, Social and Governance (ESG) standards

As stated in the Brother Group Global Charter (Global Charter), the basis of all our activities, we have developed long-term trust relationships with our customers and stakeholders by developing our business and fulfilling social responsibilities.

Brother will generate social value through business around the world and promote management focusing on Environmental, Social and Governance (ESG) standards, tackling the following four priorities to help achieve the 17 Sustainable Development Goals (SDGs), adopted by the United Nations.

1. Seek to provide innovative products and services that make our customers happy



To achieve the long, successful future of Brother stated in the Global Charter, we believe that Brother's business should help realize a sustainable society. Based on this idea, we create various innovative products and services to solve social challenges. We, for example, consider how to help solve social challenges with Brother's existing products and services and how to generate new businesses that can help solve social challenges with Brother's technologies. Brother is now exploring the direction of these initiatives while working together with NPOs addressing the SDGs and so forth.

In FY2019, we implemented training twice in connection with Brother's businesses and SDGs. This training was carried out with the support of the Sustainable Co-Innovation (SCI) Forum, an organization that undertakes various activities with corporations to tackle the theme of solving social issues. In training targeting young employees in charge of development, focus was on enhancing their awareness of embarking on development by considering social issues and customers on a daily basis. In addition, discussions were carried out on how our technology and development strategies going forward will contribute to the fulfillment of SDGs. In training for employees in charge of businesses at group companies that concentrate on health and welfare, we set assumptions and issues going forward for the creation of new social values in our businesses by reviewing the connection between our businesses and SDGs, with stakeholders.

Brother Group's CSR To Be Trusted by All Stakeholders

We Consider Changes in Customer Needs and Society's Expectations as Opportunities for Business Growth and Work Towards a Long, Successful Future

Creating social value through business worldwide and promoting management focusing on Environmental, Social and Governance (ESG) standards

2. Undertaking continuous efforts in environmental conservation



In April 2018, the Brother Group established the Brother Group Environmental Vision 2050 based on the basic environmental philosophy described in the Global Charter. In this environmental vision, the group outlines its plan to address the escalation of environmental problems, including climate change, resource depletion, pollution caused by waste, and ecosystem destruction, on a long-term basis and in a continuous way, perceiving these problems as serious social challenges and our business risks. To achieve this plan, we have set a long-term vision for FY2050 and medium-term targets for FY2030 in the three fields of "CO₂ emissions reduction," "resource circulation," and "biodiversity conservation," and been implementing various activities. In addition, in February 2020, as the Brother Group, we announced our support of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Our participation in these types of external activities is an opportunity to analyze the risks and opportunities of climate change to our businesses and reflect this into the Brother management strategy, as well as further strengthen related information disclosure.

3. Continuously promote social contribution activities



The Brother Group has been contributing to the local communities where the group facilities are located. The group every year conducts a lot of activities, especially focusing on health and welfare, educational support, and environmental conservation. We will encourage our respective facilities to autonomously carry out such activities and further contribute to society with Brother's resources, such as products, services, technologies, and human resources.

Brother Group's CSR To Be Trusted by All Stakeholders

We Consider Changes in Customer Needs and Society's Expectations as Opportunities for Business Growth and Work Towards a Long, Successful Future

Creating social value through business worldwide and promoting management focusing on Environmental, Social and Governance (ESG) standards

4. Enhance collaboration with business partners on ways to address social demands quickly



The Brother Group considers that fulfilling social responsibilities at the group's manufacturing facilities and parts and materials suppliers is a critical issue. The Brother Group cares about the environment and addresses challenges in the fields of human rights and labor, safety and health, fair trade and ethics, product quality and safety, information security, social contribution, and so forth. The group discloses its "Procurement Policy" and "CSR Procurement Standards" to parts and materials suppliers and encourages them to comply with these policy and standards. To reinforce these efforts, Brother joined the RBA, an international organization dedicated to promoting corporate social responsibility, in January 2019. Brother will respond to social demands from the marketplace by promoting systematic approaches in line with the Responsible Business Alliance (RBA)'s framework.

The happiness, health, and job satisfaction of employees are essential for achieving the above four priorities. As stipulated in the Global Charter, Brother respects diversity, provides a working environment that enables its associates to utilize their talents and abilities to the fullest, and gives them great opportunity through challenging work assignments, and thereby focuses on the development of globally competent human resources. In addition, the company has been promoting and maintaining the health of employees in a strategic way under the Brother Group Health & Productivity Management Philosophy.

Through these activities, Brother will evolve its CSR management and further strengthen trusting relationships with its stakeholders to ensure a long, successful future.

In addition, we will further reinforce the Brother Group's unique management system "Brother Value Chain Management" (BVCM) by creating social value through our business activities, and thus achieve our medium- to long-term vision "Global Vision 21" at a high standard.

Brother Group's CSR To Be Trusted by All Stakeholders

We Respond to Changing Customer Needs and Social Expectations

The "Brother Group Global Charter," the basis for all operations, and the Sustainable Development Goals (SDGs)

The Global Charter serves as the basis of all operations conducted by Brother to globally create social value through businesses and promote management that focuses on Environmental, Social and Governance (ESG) standards.

The Global Charter sets forth the fundamental principles of the Brother Group, such as "quickly and consistently providing superior value with the "At your side." spirit in mind," "confidently facing challenges with a consistently global view," and "acting with the highest integrity."

To become a trustworthy company, the Brother Group expects each of more than 30,000 employees to embody the Global Charter in their daily decision-making and actions and quickly create and deliver products and services that meet the needs of its stakeholders.

The Global Charter is translated into the native languages of employees in the United States, Europe and Asia so that all employees constantly keep the charter in mind. We also distributed portable handy-sized charter cards (in 26 languages) and posters (in 28 languages) to all our group facilities.

The top management in the group's respective facilities every year formulates their commitments based on the Global Charter and takes the initiative in embodying the charter principles, and also delivers messages and creates opportunities to dialogue with employees. In FY2019, they issued 56 messages and had about 3,000 face-to-face talks with employees.

The Global Charter promotional leaders, who are appointed by the managers of each facility or department, are engaged in promoting the charter-based behavior of each employee in a variety of ways tailored to each organization's role and challenges. Such activities, for example, include creating opportunities for employees to review their own actions in light of the Global Charter.

In addition, regular meetings for the promotional leaders are held in Japan, China, and Vietnam. These meetings allow them to discuss the challenges of the promotional activities conducted by the respective group organizations, to share employees' charter-based actions that have contributed to productivity improvement or responded to customer needs and take cues to develop such activities in their own organizations. In this way, the meetings enable the leaders to learn beyond the borders of their facilities and occupations ranging from development, manufacturing, and sales.



Handy-sized cards and posters

Brother Group's CSR To Be Trusted by All Stakeholders

We Respond to Changing Customer Needs and Social Expectations

The "Brother Group Global Charter," the basis for all operations, and the Sustainable Development Goals (SDGs)

In Vietnam, activities have been carried out thus far at four facilities domestically. We implemented regular meetings for the promotional leaders jointly with the manufacturing facility in the Philippines for the first time in FY2019. We undertook activities while intensifying collaborations across borders.

At the head office and Turkey Branch of Brother International (Gulf) FZE, which has employees from 10 different countries, there are differences in culture and thinking owing to employee's country of origin. In light of this, discussion workshops were held to give employees a deeper understanding of "respect for diversity" and "trust and respect" as outlined in the Global Charter.

In addition to these enlightenment activities, from FY2019, the Brother Group has been committed to raising managers' and employees' awareness of the Sustainable Development Goals (SDGs) in addition to that of the Global Charter to create value for society. The group will implement various awareness-raising activities at its respective facilities and departments by delivering messages via the intranet and other modes of communication from top management to group employees on the importance of contribution for achieving the SDGs and utilizing the systems, including the regular meetings for the promotional leaders, which was established to promote the sharing of the Global Charter.



Workshop at the Turkey Branch of Brother International (Gulf) FZE

At Brother Industries (Philippines), Inc., we raised awareness of SDGs. We provided a deeper understanding of group SDG activities through workshops for assistant managers or higher ranking employees. At the same time, after sorting out the proprietary CSR activities conducted thus far from an SDG perspective, we held discussions on how to connect these activities and SDGs.

Moreover, activities that are jointly conducted by employees in charge of human resources and CSR at sales companies in the Asia Pacific region provided an opportunity to discuss social values connected with businesses and which can be created and deeply think about how we can contribute to solving social issues in the 4 key SDG domains.

The Brother Group will further work to stimulate each employee's actions, in line with the Global Charter, to gain the trust of all stakeholders and become a company which can generate 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

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

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

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.

Brother Group's CSR

The Brother Group Principles of Social Responsibility

Introducing the Brother Group Principles of Social Responsibility

The Brother Group Principles of Social Responsibility

6. Protection of personal information

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

7. Policy against insider trading

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

8. Protection of intellectual property rights

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

E. Management System to implement these Principles

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

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

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

Brother Group's CSR

The Brother Group Principles of Social Responsibility

Brother Group Anti-Corruption Global Policy

Brother Group is committed to complying with relevant laws and regulations in the countries and regions in which we operate in our Brother Group Code of Conduct.

Bribery and corruption are prohibited by the laws and regulations in most countries where we operate as acts that hinder economic and social development. In our Brother Group Principles of Social Responsibility, we promise our stakeholders that we shall not engage in any form of corruption, extortion or embezzlement. However, in recent years, laws and regulations governing bribery and corruption have become increasingly stringent, and in consideration of such circumstances, we are implementing this policy to further promote our anti-corruption efforts.

Article 1 (Scope)

This policy applies to all officers, employees, part-time employees, expatriate employees, and temporary employees of Brother Group (hereinafter referred to as "Brother Group Officers and Employees").

Article 2 (Compliance with Applicable Laws)

Brother Group Officers and Employees shall comply with the laws and regulations related to prevention of bribery that is applied in the countries and/or regions in which Brother Group operates.

Article 3 (Prohibition of giving bribery to government officials, etc.)

Brother Group Officers and Employees shall not, for the purpose of improperly influencing or rewarding the behavior of someone to obtain or retain business or a commercial advantage, or for any other improper purpose, directly or indirectly through third parties, corruptly give, offer, promise, or authorize payments of money or anything of value, including gifts, hospitality, entertainment, and other benefits (including kickbacks), to a government official. A government official includes local or foreign government officials, employees of government-owned or -controlled entities, officers and employees of public international organizations, any political party official or candidate, members of royal families or persons in a similar position acting in an official capacity on behalf of a national, state, or local government, including uncompensated officials if they have actual influence in awarding government business or technical or marketing consultants who also hold a government position.

Article 4 (Prohibition of giving bribery to non-government officials)

Brother Group Officers and Employees shall not, for the purpose of improperly influencing or rewarding the behavior of someone to obtain or retain business or a commercial advantage, or for any other improper purpose, directly or indirectly through third parties, corruptly give, offer, promise, or authorize payments of money or anything of value, including gifts, hospitality, entertainment, and other benefits (including kickbacks), to any person other than a government official, unless the giving of such money or anything of value are within bounds of good standard business practice, the Brother Group policy, and the applicable laws or regulations of the country or region concerned.

Brother Group's CSR

The Brother Group Principles of Social Responsibility

Brother Group Anti-Corruption Global Policy

Article 5 (Prohibition of accepting bribery)

Brother Group Officers and Employees shall not, for the purpose of obtaining personal gain or advantage, or for any other improper purpose, directly or indirectly through third parties, demand any person to give money or anything of value, including gifts, hospitality, entertainment, or other benefits (including kickbacks), unless the accepting of gifts, hospitality, entertainment, or other benefits are within bounds of good standard business practice, the Brother Group policy, and the applicable laws or regulations of the country or region concerned.

Article 6 (Accurate Records)

Brother Group Officials and Employees shall properly maintain and manage accurate and complete records of all payments and other expenses made to third parties and shall endeavor to detect and promptly report fraudulent activity or the possibility of such misconduct.

Article 7 (Violation)

Brother Group Officials and Employees who violate this policy will be subject to disciplinary proceedings based on Brother Group employment rules and other internal rules and policies.

Brother Group's CSR

CSR Targets of the Brother Group

Establishing Long-term Trusting Relationships with Our Stakeholders

The goal of Brother is to carry out management that will create social value through business activities with the "At your side." To achieve this, as stated in the Brother Group Global Charter, we will develop long-term trust relationships with our customers and other stakeholders by further developing our business and fulfilling social responsibilities. All employees of the Brother Group act with this sense of value to continue to evolve Brother's CSR management.

Efforts to build long-term trusting relationships with respective stakeholders

Stakeholders	Brother Group Global Charter	Efforts
Customers	<ul style="list-style-type: none"> Place our customers first everywhere, every time, and provide them with superior value, by quickly creating and delivering high-quality products and services Quickly respond to the demands and expectations of the global marketplace 	<ul style="list-style-type: none"> Take customer opinions as the starting point of our business activities and deliver products and services that meet customer needs Establish quality standards and evaluation methods for products and create reliable products Call the percentage of products sent back from customers for repair or return the "rate of product return and servicing," and pursue product quality improvement to reduce product defects close to zero Work in proper cooperation with partners to flexibly respond to diversified business tools, markets, and changes in customers' behavior
Employees	<ul style="list-style-type: none"> Respect diversity, 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 Provide our associates with fair, attractive financial rewards 	<ul style="list-style-type: none"> Build systems and environments in which diverse human resources can demonstrate their abilities Support employees with disabilities by selecting "work and life consultants," who provide advice and other assistance for employees with disabilities, from among employees in respective factories Establish various systems, including homeworking and family-care leave systems, to support the work-life balance of employees Institute a target management system to provide fair evaluation and compensation Establish talent development systems, such as manager development and trainee programs Conduct an employee awareness survey annually to grasp and improve conditions, mainly to ensure employees are working energetically

Brother Group's CSR

CSR Targets of the Brother Group

Establishing Long-term Trusting Relationships with Our Stakeholders

Efforts to build long-term trusting relationships with respective stakeholders

Stakeholders	Brother Group Global Charter	Efforts
Business partners	<ul style="list-style-type: none"> Act fairly with business partners and build strong, respectful working relationships for mutual growth 	<ul style="list-style-type: none"> Make the Brother Group's "Procurement Policy" and "CSR Procurement Standards" publicly available to share the group's CSR procurement concept with suppliers Conduct CSR questionnaires with suppliers and make improvement requests and on-site inspections based on the results of the questionnaires Recognize outstanding CSR efforts by suppliers
Shareholders	<ul style="list-style-type: none"> Effectively utilize capital from shareholders to drive sustainable growth in corporate value and have regular, open communication 	<ul style="list-style-type: none"> Provide the latest information to shareholders and investors through general meetings of shareholders and financial results briefings
Local communities	<ul style="list-style-type: none"> Share our social, economic and cultural resources in all the communities where the Brother Group operates 	<ul style="list-style-type: none"> Globally promote social contribution activities with a sense of unity, especially focusing on eco-conscious activities and activities involving "communities" and "personal development (including employees)" Contribute to society through activities autonomously conducted by the group facilities in a way tailored to their local communities Provide support for large-scale disasters

Brother Group's CSR

CSR Targets of the Brother Group

Establishing Long-term Trusting Relationships with Our Stakeholders

Efforts to build long-term trusting relationships with respective stakeholders

Stakeholders	Brother Group Global Charter	Efforts
Environment	<ul style="list-style-type: none"> • Help society achieve sustainable development, by positively and continuously considering the environmental impact of all aspects of our business operations 	<ul style="list-style-type: none"> • Create eco-conscious products • Recover and recycle consumables and products • Promote CO₂ emissions and waste reduction • Properly manage chemicals and discharged water • Implement environmental communication
Governance	<ul style="list-style-type: none"> • Respect the culture, rules and spirit of laws, in all countries and regions where the Brother Group operates • Act with the highest integrity • Expect our associates to be positive members of society 	<ul style="list-style-type: none"> • Establish and strengthen governance in line with the "Brother Group Basic Policies on Corporate Governance" • Conduct self-assessments by respective facilities and audits by the internal audit department to check the effectiveness of internal control • Put the Compliance Committee and consultation centers in place and offer employees training to prevent the occurrence or reoccurrence of misconduct and enable early response to it • Establish a framework for information management by setting up the Group Information Management Regulation, which is compliant with the Information Security Management System (ISMS)

Brother Group's CSR

CSR Targets of the Brother Group




Promoting Initiatives Towards Resolving Social Challenges

The Sustainable Development Goals (SDGs) for 2030, adopted by the United Nations in 2015, has set seventeen goals to realize a sustainable world and has requested corporations to take some actions as well.

The Brother Group focuses particularly on the following priorities selected from among many social issues.

- Seek to provide innovative products and services that make our customers happy
- Undertaking continuous efforts in environmental conservation
- Continuously promote social contribution activities
- Enhance collaboration with business partners on ways to address social demands quickly

The SDGs related to the priorities of the Brother Group and the group's initiatives





Priority	Seek to provide innovative products and services that make our customers happy	
Goal 3	Ensure healthy lives and promote well-being for all at all ages	
	Initiative	<ul style="list-style-type: none"> • Deliver products and services that can ensure people's healthy lives and promote well-being
Goal 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	
	Initiative	<ul style="list-style-type: none"> • Deliver products and services that lead to improvement of customer productivity and reduction of simple work • Deliver products and services that can contribute to the employment of people with disabilities, the fields of medical and welfare
Goal 9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	
	Initiative	<ul style="list-style-type: none"> • Create new businesses that will solve social problems

Brother Group's CSR

CSR Targets of the Brother Group

Promoting Initiatives Towards Resolving Social Challenges

The SDGs related to the priorities of the Brother Group and the group's initiatives






Priority	Undertaking continuous efforts in environmental conservation	
Goal 7	Ensure access to affordable, reliable, sustainable and modern energy for all	
	Initiative	<ul style="list-style-type: none"> • Provide products and services that support eco-friendly systems for creating, storing, and utilizing electricity and heat with zero CO₂ emissions
Goal 12	Ensure sustainable consumption and production patterns	
	Initiative	<ul style="list-style-type: none"> • Promote resource circulation in the value chain • Evaluate water risks at business sites and promote water saving and water recycling
Goal 13	Take urgent action to combat climate change and its impacts	
	Initiative	<ul style="list-style-type: none"> • Promote/implement energy-saving activities (including energy generation) and reduce the use of lubricant agents containing greenhouse gases • Reinforce eco-conscious design of products
Goal 15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation, and halt biodiversity loss	
	Initiative	<ul style="list-style-type: none"> • Identify the impact of business operations on biodiversity • Build a system to consider biodiversity • Promote activities to restore/conservate the ecosystem

Brother Group's CSR

CSR Targets of the Brother Group

Promoting Initiatives Towards Resolving Social Challenges

The SDGs related to the priorities of the Brother Group and the group's initiatives

Priority	Continuously promote social contribution activities	
Goal 3	Ensure healthy lives and promote well-being for all at all ages	
	Initiative	<ul style="list-style-type: none"> • Conduct projects, such as the Golden Ring Project for cancer patients
Goal 4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	
	Initiative	<ul style="list-style-type: none"> • Further promote educational support for local communities • Provide educational support for people with disabilities
Goal 11	Make cities and human settlements inclusive, safe, resilient and sustainable	
	Initiative	<ul style="list-style-type: none"> • Provide reconstruction support to affected areas
Priority	Enhance collaboration with business partners on ways to address social demands quickly	
Goal 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	
	Initiative	<ul style="list-style-type: none"> • Strengthen CSR in the supply chain using the RBA* know-how <p>*: It stands for the Responsible Business Alliance, an international organization dedicated to promoting corporate social responsibility.</p>
Goal 12	Ensure sustainable consumption and production patterns	
	Initiative	<ul style="list-style-type: none"> • Comply with the laws and regulations of each country and region, and build a stronger chemical security system throughout the group

Brother Group's CSR

CSR Targets of the Brother Group

Participation in External Initiatives in accordance with the Brother Group Principles

To realize the sustainable society discussed in the "Brother Group Principles of Social Responsibility", Brother Industries, Ltd. (BIL) participates in external initiatives to enhance its CSR activities which will win the confidence of our stakeholders.

United Nations Global Compact

The United Nations Global Compact (UNGC) is a voluntary initiative by businesses and organizations which was proposed by then UN Secretary-General Kofi Annan at the World Economic Forum in Davos in 1999 and launched in 2000 to actualize sustainable growth.



In February 2020, BIL showed its support for the initiative and the president and representative director signed the agreement to participate in UNGC. Through compliance with the UNGC's 10 principles focusing on four different areas: human rights, labour, environment and anti-corruption, all the respective Brother Group employees will continue to maintain high awareness of social issues and to pursue activities to become a company that contributes to sustainable development of society further.

The 10 Principles of the UN Global Compact

Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses.
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: the elimination of all forms of forced and compulsory labour; Principle 5: the effective abolition of child labour; and Principle 6: the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies.
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Brother Group's CSR

CSR Targets of the Brother Group

Participation in External Initiatives in accordance with the Brother Group Principles

Responsible Business Alliance

The Responsible Business Alliance (RBA) is an international industry organization that promotes corporate social responsibility through establishment of sustainable supply chains. BIL joined RBA in January 2019.

The RBA Code of Conducts sets out standards to ensure that working conditions are safe, that workers are treated with respect and dignity, and that business operations are conducted environmentally responsibly and ethically. The organization requests its members to pursue compliance with the respective standards through their management systems.

As a member of the RBA, BIL, will monitor manufacturing processes of the entire group from global perspectives and propel activities to establish sustainable supply chains further to become a company trusted by all the stakeholders.

The RBA Code of Conduct Version 6.0 (2018)

A. LABOR	<ul style="list-style-type: none"> (1) Freely Chosen Employment (2) Young Workers (3) Working Hours (4) Wages and Benefits (5) Humane Treatment (6) Non-Discrimination (7) Freedom of Association
B. HEALTH and SAFETY	<ul style="list-style-type: none"> (1) Occupational Safety (2) Emergency Preparedness (3) Occupational Injury and Illness (4) Industrial Hygiene (5) Physically Demanding Work (6) Machine Safeguarding (7) Sanitation, Food, and Housing (8) Health and Safety Communication
C. ENVIRONMENTAL	<ul style="list-style-type: none"> (1) Environmental Permits and Reporting (2) Pollution Prevention and Resource Reduction (3) Hazardous Substances (4) Solid Waste (5) Air Emissions (6) Materials Restrictions (7) Water Management (8) Energy Consumption and Greenhouse Gas Emissions

Brother Group's CSR

CSR Targets of the Brother Group

Participation in External Initiatives in accordance with the Brother Group Principles

Responsible Business Alliance

The RBA Code of Conduct Version 6.0 (2018)

D. ETHICS	<ul style="list-style-type: none"> (1) Business Integrity (2) No Improper Advantage (3) Disclosure of Information (4) Intellectual Property (5) Fair Business, Advertising and Competition (6) Protection of Identity and Non-Retaliation (7) Responsible Sourcing of Minerals (8) Privacy
E. MANAGEMENT SYSTEMS	<ul style="list-style-type: none"> (1) Company Commitment (2) Management Accountability and Responsibility (3) Legal and Customer Requirements (4) Risk Assessment and Risk Management (5) Improvement Objectives (6) Training (7) Communication (8) Worker Feedback, Participation and Grievance (9) Audits and Assessments (10) Corrective Action Process (11) Documentation and Records (12) Supplier Responsibility

Click to view about RBA (the link to the site of "RBA")
<http://www.responsiblebusiness.org>

Click to view of the RBA Code of Conduct Version 6.0 (2018) (the link to the site of "RBA Code of Conduct 6.0 (2018)")
<http://www.responsiblebusiness.org/code-of-conduct/>

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

	FY2018	FY2019
The Brother Group Global Charter	Established in 1999	
Number of available languages	27 languages	28 languages
Number of dialogues between top management and employees	More than 2,500 times	More than 3,000 times

For other information, please see "To Be Trusted by All Stakeholders."
<https://global.brother/en/csr/brothergroup/management>

Corporate Governance

	FY2018	FY2019
Number of directors	11 directors (including 5 outside directors)*1	11 directors (including 5 outside directors)*2
Percentage of female directors on the board	9.1% (1 director)*1	9.1% (1 director)*2
Number of statutory auditors	5 auditors (including 3 outside auditors)*1	5 auditors (including 3 outside auditors)*2
Number of directors, statutory auditors and executive officers	32 officers in total (including 2 female officers, 0 non-Japanese officers)*1	34 officers in total (including 2 female officers, 2 non-Japanese officers)*2
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.)	

*1: As of June 24, 2019

*2: As of June 24, 2020

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

Brother Group's CSR

CSR Data

Brother Group's CSR in Figures

Customers

		FY2018	FY2019
Manufacturing facilities and sales facilities		In more than 40 countries and regions	In more than 40 countries and regions
Basic Product Safety Policies		Established in 2008	
Sales revenue		Consolidated: 683,972 million yen	Consolidated: 637,259 million yen
Sales revenue by region	Japan	18.2%	19.2%
	The Americas	30.5%	31.4%
	Europe	26.4%	27.4%
	Asia & Others	24.9%	22.1%

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

Employees (Brother Industries, Ltd.)

		FY2018	FY2019
Number of employees		3,865 (Male:3,081 / Female:784)*1	3,800 (Male:3,026 / Female:774)*2
Percentage of female employees in total workforce		20.3%*1	20.4%*2
Average years employed by the company		17.1 (Male:17.2 / Female:16.8)*1	17.2 (Male:17.2 / Female:17.2)*2
Percentage difference in average employment years for female to male employees		-2.3%*1	0.0%*2
Total number of employees in senior management		853 (Male:819 / Female:34)*1	839 (Male:804 / Female:35)*2
Percentage of female in senior management		3.99%*1	4.17%*2
Total number of newly hired employees		83 (Male:64 / Female:19)*3	81 (Male:66 / Female:15)*4
Percentage of female employees in new hires		22.9%*3	22.7%*4
Percentage of employees that are contractors or temporary staff		12.6%	17.0%
Voluntary turnover rates / Number of employees leaving*5		1.4% / 54	1.3% / 50

*1: As of March 31, 2019 *2: As of March 31, 2020 *3: As of June 30, 2019 *4: As of June 30, 2020 *5: Employees who resigned for personal reasons

Brother Group's CSR

CSR Data

Brother Group's CSR in Figures

Employees (Brother Industries, Ltd.)		
	FY2018	FY2019
Employment rate of persons with disabilities	2.18% (including 13 Brother Group companies in Japan*1 2.04%)	2.03% (including 13 Brother Group companies in Japan*1 2.11%)
Number of employees on childcare leave*2	73 (Male:35 / Female:38)	74 (Male:41 / Female:33)
Percentage of employees on childcare leave	Male:24.1% / Female:100.0%	Male:32.8% / Female:100.0%
Number of employees on family-care leave*2	5 (Male:1 / Female:4)	3 (Male:2 / Female:1)
Number of employees using the short-time working system for childcare	177 (Male:9 / Female:168)	176 (Male:7 / Female:169)
Number of employees using the short-time working system for family-care	3 (Male:0 / Female:3)	6 (Male:1 / Female:5)
Number of employees on nursing care leave	33 (Male:7 / Female:26)	28 (Male:7 / Female:21)
Number of employees using the homeworking system*3	78 (Male:7 / Female:71)	226 (Male:111 / Female:115)
The Brother Group Health & Productivity Management Philosophy	Established in 2016	
Number of occupational injuries reported at manufacturing facilities	20	14
Yearly incident rate ((number of incidents/number of employees) x 1,000) at manufacturing facilities	0.77	0.57
Brother Safety and Prevention Convention	Held every year since 2008	

*1: BROTHER INTERNATIONAL CORPORATION, BROTHER SALES, LTD., BROTHER ENTERPRISE, LTD., BROTHER LOGITEC LTD., XING INC., STANDARD CORP., TEICHIKU ENTERTAINMENT, INC., NISSEI CORPORATION, BROTHER REAL ESTATE, LTD., BROTHER LIVING SERVICE CO., LTD., BETOP STAFF, LTD., BROTHER INDUSTRIAL PRINTING (JAPAN), LTD.

*2: Number of employees who took leave in the respective year

*3: Excluding individuals that implement COVID-19 measures

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

Brother Group's CSR

CSR Data

Brother Group's CSR in Figures

Business Partners		
	FY2018	FY2019
Procurement Policy and CSR Procurement Standards	Established in 2008	
Green Procurement	Started in 2001	
Supplier meeting	Participated in by approximately 372 companies and 670 individuals in total	Participated in by approximately 460 companies and 900 individuals in total
CSR questionnaire	Conducted every three years since 2012	

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		
	FY2018	FY2019
Financial results briefing	Held four times a year	Held four times a year
Shareholder newsletter	Issued twice a year (The full-year newsletter is integrated with the convocation notice of a general shareholders' meeting, and the second-quarter newsletter is published only in Japanese.)	Issued twice a year (The full-year newsletter is integrated with the convocation notice of a general shareholders' meeting, and the second-quarter newsletter is published only in Japanese.)
FTSE4Good Index Series	Included for the first time in June 2020	
FTSE Blossom Japan Index	Included for the first time in June 2020	
MSCI Japan Empowering Women (WIN) Select Index	Included for the first time in November 2019	
SOMPO Sustainability Index	Included for the ninth consecutive year since 2012	
Health & Productivity Stock Selection Program	Recognized in 2017, 2019, and 2020	
Certified Health & Productivity Management Outstanding Organization	Certified for the fourth consecutive year since 2017	

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

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

Brother Group's CSR

CSR Data

Brother Group's CSR in Figures

Local Communities		
	FY2018	FY2019
Tokai Young Entrepreneur Seminar	Supported by Brother Industries, Ltd. since 2008	
Employees' participation in the Golden Ring Project	At 20 facilities	At 23 facilities
Amount of donations to registered not-for-profit organizations (Brother Industries, Ltd.)	8,229,163 yen	10,699,112 yen
Number of employees who participated in the Kizuna Fund and amount of donations to the Kizuna Fund	278 employees and 2,506,607 yen	152 employees and 5,050,216 yen
Target and achievement of number of pro bono participants (Brother Industries, Ltd.)	Target: 3 employees/Achievement: 3 employees	Target: 3 employees/Achievement: 3 employees

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

With Local Communities

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

With Employees

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

With Shareholders

- IR Communication
- Evaluation by External Entities

With Customers

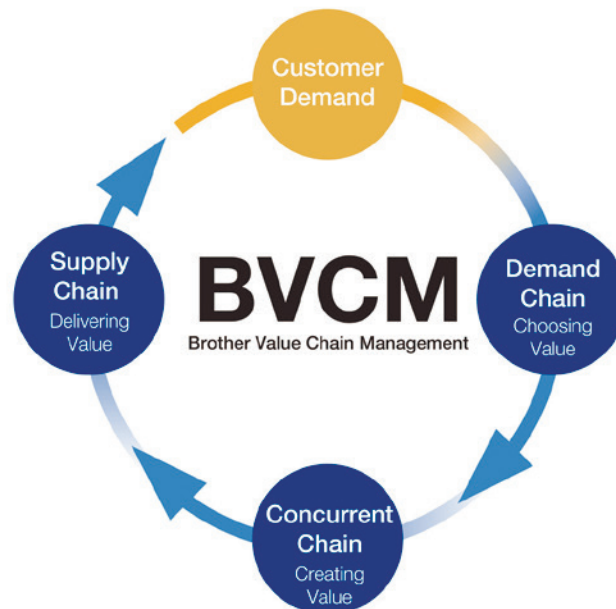
Developing Products with "Customers First" in Mind



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



Brother Develops a Product That Meets Customer Demands to Expand the Machine Tool Market

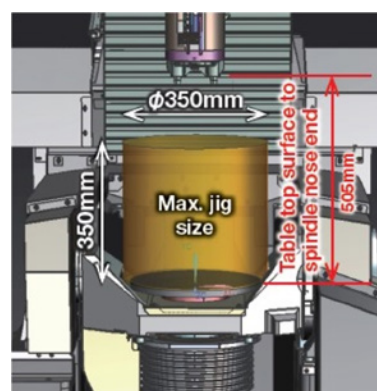
Brother explores the further potential of machine tools through its integrated product development

The compact multi-tasking machines*¹ of Brother Industries, Ltd. (BIL) are machine tools that can integrate machining processes and thus offer space savings and operational efficiency. These highly recognized, compact, and high-speed machine tools are widely used for machining mass-produced precision components, such as auto and medical parts. They are also appreciated by eco- and cost-conscious customers due to their ability to lower power consumption and CO₂ emissions.

In recent years, there have been increasing customer demands for compact multi-tasking machines capable of processing larger components. To meet the demands, it was critical for a machine to have an expanded machining area, a motor control system that enhances cutting power, and a high clamping force to prevent deviations in processes. At BIL, where the development of mechanical structures, electronic circuits, controllers, and so forth are combined in a product development project, engineers took this advantage and collaborated from the early stage of new product development. In this way, they addressed the critical challenges with considerable trial and error. As a result of their efforts, the new product M300X3, with an enlarged machining area and the capability to produce a maximum torque*² value for turning approximately 1.8 times greater than that of BIL's previous model, can process large and other components that have not been handled before.



Compact multi-tasking machine M300X3



Machining area larger than that of the previous model

The Brother Group will further strive to strengthen its product development capability by utilizing its strengths and know-how to continue to deliver products that best meet customer needs.

*1: Processing machines that provide operational efficiency by performing the two operations of milling*³ and turning*⁴ on the same machine

*2: A twisting force that causes an object to rotate around an axis Torque = the force applied x the distance between the object's axis of rotation and the point where the force is applied

*3: Milling: a process in which a rotating multi-edge cutter, such as a drill and a milling cutter, cuts a fixed workpiece

*4: Turning: a process in which a cutting tool cuts a workpiece rotating like a potter's wheel

With Customers

Design Quality That Meets Customers' Expectations



To Develop Products Valued and Chosen by Customers

Incorporating customers' viewpoints into every aspect of products

At the Brother Group, we consider that true technical capabilities refer to the utilization of our unique technologies to create products and services that customers demand. This is because we believe that excellent technologies can provide value to people only when they are utilized in product design.

In order to offer products valued and chosen by customers, the Brother Group's engineers give full attention and listen to customer opinions sincerely. They devote themselves to value creation by constantly thinking about what technologies they can apply to satisfy customers and what kind of products will support customers.

Brother Develops an Industrial Thermal Printer Dedicated for Automatic Packers

Brother realizes high-quality printing at any speed by utilizing its printer technologies

Thermal transfer* (thermal) printers are typically installed in food production lines because they do not use liquid ink for printing. Brother has developed an industrial thermal printer dedicated for automatic packaging machines by utilizing the thermal transfer technology used in its P-touch label makers. This thermal printer can be integrated into automatic packaging equipment for confectionery and bread products and print expiration dates and so forth.

At Brother, a great deal of consideration was given even to the key components of this printer to enable it to use a high-capacity ink ribbon cassette yet achieve high-speed printing. This device, equipped with the motor control technology that incorporates the comprehensive know-how of the Brother Group, also has the ability to spin and stop a heavy, long ink ribbon at high speeds, and thereby realizes an increase in printing speed and less cassette replacement. Furthermore, with Brother's unique printing control technology, it can offer beautiful printing at a uniform concentration even under mechanically stressed conditions, such as acceleration and deceleration.



High-speed printing performance



High-capacity ink ribbon and print samples

The Brother Group will remain committed to advancing its technological capabilities to provide the best products for customers.

*: A technology that creates an image by transferring heat-sensitive ink from a ribbon onto a substance such as paper

With Customers

Design Quality That Meets Customers' Expectations



Brother Ensures Stable Procurement of Cost-Competitive Parts

Brother enhances collaboration with its suppliers through parts shows at manufacturing facilities

The Purchasing Department of the Quality, Production & Engineering Center at Brother Industries, Ltd. has been strengthening ties with Brother's suppliers through parts exhibitions held at Brother's main facilities outside Japan to better procure parts.

The parts exhibition held at Brother Industries (Vietnam) Ltd. in 2019 had approximately 200 visitors from more than 70 partner companies and provided a productive opportunity to exchange various opinions.

In such parts exhibitions, the Purchasing Department provides information about precautions in product assembly, key points in quality management, packaging forms, and so forth to participating suppliers while working together with the procurement, production, and quality management departments in Brother's manufacturing facilities. Subsequently, the departments solicit those suppliers' ideas and suggestions on cost reduction and the possibility of local procurement. The suppliers, meanwhile, aim to expand their business by considering how to contribute to Brother's manufacturing with their production technologies.

One of the participating suppliers commented that participation in the parts exhibitions enables him to get a deeper understanding of even the parts that his company has never supplied, and thus gives him a good opportunity to identify his company's strengths and weaknesses and reflect them in quality and cost improvement efforts for further business development.



Printer parts on display



Participating suppliers in a parts exhibition

The Brother Group will continuously strive to build strong trusting relationships with its business partners and grow and develop together to ensure stable procurement of high-quality and cost-competitive parts in dramatically changing business environments.

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. "Flexibility" and "cooperation with business partners" are indispensable for Brother to handle these situations.

We cope with such changes by listening to customers, taking advantage of the technologies, expertise 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 Holds the Global Service Summit to Further Improve Its Product and Service Quality

P&S offers enhanced support and prompt after-sales services to gain customer loyalty

The Printing & Solutions Business Division (P&S) of Brother Industries, Ltd. has held the Global Service Summit every year since 2007 with the aim of further improving its product and service quality. This summit is the advanced successor of the Global Service Meeting, which was launched in 2000 to discuss quality issues.

The summit is attended by the quality and service departments of Brother's regional headquarters in the Americas, Europe, Asia, China, and Japan to share the basic service policies of the Brother Group and discuss how the whole group works together to address critical challenges towards realizing its global service strategies. Each department reports on its specific activities and data, such as customer support with IT and AI and the analysis results of customer feedback. Participants brought back their findings from the summit to their regions in order to further increase the level of services.



A participant reporting on service activities



Participants exchanging opinions

The aspirations of P&S's Quality Management and Customer Satisfaction Department are to identify customer needs based on market information and incorporate them into future products and services, and to develop strong credibility with the consumers of P&S products by providing services that satisfy them. To this end, it has been working towards zero defects through an original management system called the "Brother Value Chain Management" (BVCM) and providing continuous full support and prompt after-sales services to win customer loyalty.

P&S will remain committed to promoting global service activities and strive to effectively and promptly deliver products and services that always satisfy customers around the world.

With Employees

Ensuring Diversity of Human Resources



Basic Policy on Employment and Compensation

Building systems and environments in which 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 are active as members of the Brother global team on the world stage, where business environments differ by ethnicity, language, culture, custom, 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 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 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. As for employment, the Brother Group guarantees pay higher than local minimum wages. In addition, the group respects employees' rights to form and join, or not join, a union (the rights to organize) as a means to conduct negotiations between labor and management about working conditions and environments, pay levels, and so forth. It also upholds employees' collective bargaining rights and engages in sincere negotiations and dialogues with them. The management and employees of the Brother Group will make constant concerted efforts to comply with related regulations and rules, respect different cultures and customs, evolve the group's personnel system in line with the Global Charter, and continue to create a better working environment.

Actively promoting the globalization of executives and local employment

The Brother Group has been promoting the globalization of its executive personnel by appointing qualified persons, regardless of their nationality, to the executive positions of the group companies in various countries and regions to realize community-based management. At facilities of the Brother Group, we are actively promoting local employees to executive positions—this includes promotion to the position of president at sales facilities of regional headquarters in the U.S. and China. In the group companies outside Japan, local employees occupied 67%* of management positions in FY2019, increasing from 29% in FY2014.

When establishing new facilities and expanding its existing facilities, the Brother Group hires local people to revitalize regional economies and societies through job creation. The factory established in the Philippines in 2012, for example, employs approximately 7,000 local workers, and in Vietnam, three expanding manufacturing facilities, which are printer, home sewing machine, and industrial sewing machine factories, employ more than 12,000 local workers in total.

*: Including Domino-related companies

With Employees

Ensuring Diversity of Human Resources



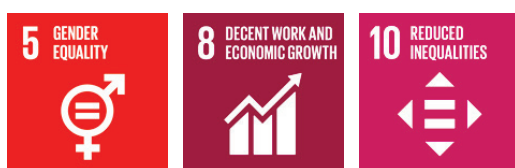
Basic Policy on Employment and Compensation

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 the 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 employee receives the results of the evaluation of his/her performance and is subsequently informed of the reasons in a meeting with the supervisor. This approach, which helps employees review their own performance and raise their motivation to advance toward new challenges, has been contributing to talent development. BIL uses the annual salary system for its employees in management positions.

With Employees

Ensuring Diversity of Human Resources



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.

Numbers and percentages of female managers in the Brother Group

Company [Country]	March 2019		March 2020	
	Number	Percentage	Number	Percentage
Brother Industries, Ltd. [Japan]	34	4.0%	35	4.2%
Brother Sales, Ltd. [Japan]	2	2.2%	3	3.8%
Brother Technology (Shenzhen) Ltd. [China]	42	32.8%	41	33.1%
Zhuhai Brother Industries, Co., Ltd. [China]	20	57.1%	20	55.6%
Brother Machinery Xian Co., Ltd. [China]	4	22.8%	7	20.6%
Brother International Corporation (U.S.A.) [U.S.A.]	90	38.8%	87	41.6%
Brother International Europe Ltd. [U.K.]	7	15.2%	7	14.9%
Brother U.K. Ltd. [U.K.]	14	33.3%	18	39.1%
Brother (China) Ltd. [China]	8	25.8%	8	25.0%
Brother International GmbH [Germany]	7	21.2%	9	24.3%
Brother France SAS [France]	11	34.4%	10	32.0%
Brother Industries (Vietnam) Ltd. [Vietnam]	45	35.4%	48	39.3%
Brother Industries Saigon, Ltd. [Vietnam]	7	41.2%	7	36.8%
Brother Industries (Philippines), Inc. [Philippines]	0	0.0%	2	4.9%

With Employees

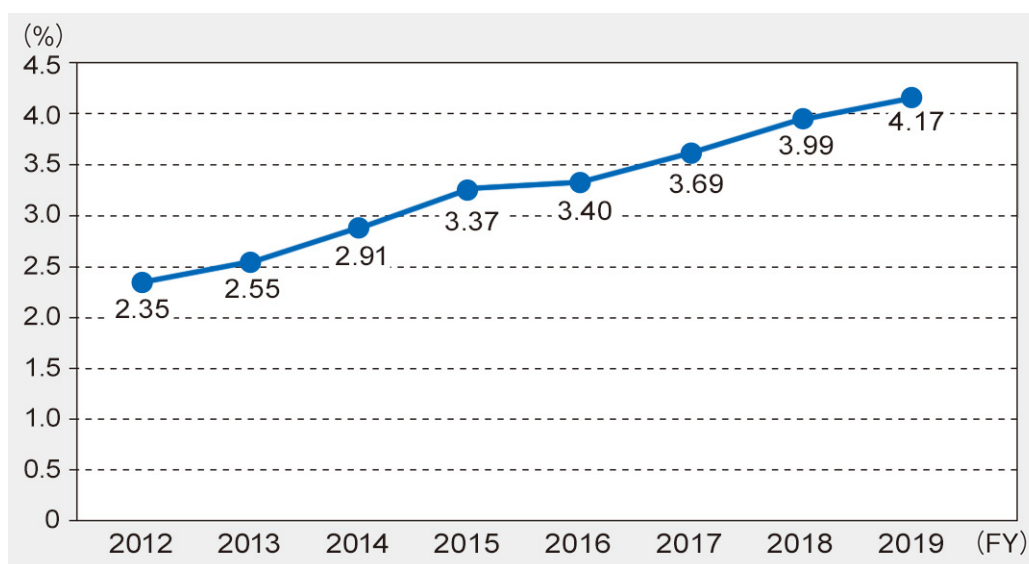
Ensuring Diversity of Human Resources



To Ensure Diverse Human Resources

Promoting the appointment of women in managerial positions

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



Promoting employment and support for persons with disabilities

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

In Japan, companies beyond a certain scale are required by law to ensure a certain percentage of their total workforce is comprised of persons with disabilities. In FY2019, the employment rate of persons with disabilities at BIL was 2.03%, which underperformed the statutory employment rate of 2.2%. We will continue to hire persons with disabilities and undertake measures to support their activities in the workplace.

With Employees

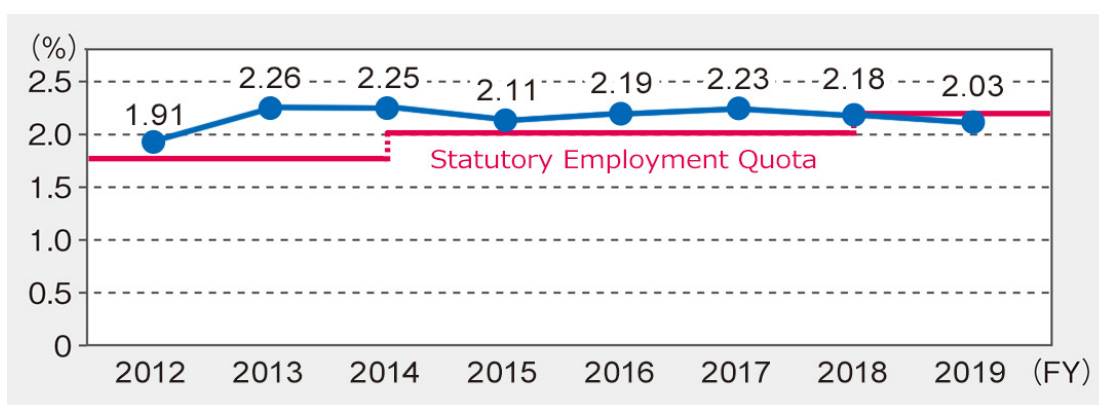
Ensuring Diversity of Human Resources



To Ensure Diverse Human Resources

Promoting employment and support for persons with disabilities

Changes in the employment rate of persons with disabilities (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, strengthen collaboration among them, and maximize their abilities based on "Trust and Respect" stipulated in the Codes of Practice of the Global Charter.

To respond to legal changes, such as the revision of the "Act for Promotion of Employment of Persons with Disabilities," BIL has been providing employees with e-learning programs that teach the outlines and concepts of laws and workshops by the Brother Group employees who serve as job coaches to facilitate specific actions. 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 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) has been certified by Japan's Ministry of Health, Labour and Welfare, and the Aichi prefectural and the Nagoya city governments as an enterprise responding to diverse ways of working by promoting the success of women and providing support for child-rearing and so forth.

Activities to Support the Success of Women

Implementing measures to promote the advancement of women as one of the challenges in diversity management

BIL has been proactively supporting women's careers by formulating the "Commitment to Promotion of the Success of Women" and the "Action Plan to Support the Success of Women," adopting telecommuting, and providing lectures by experts. BIL has also been posting the career profiles of its female managers on the intranet and been holding internal small-group discussion meetings called the "Career Community" to respond to a request from employees to share the careers of those who serve as in-house role models. The Career Community has covered various themes, including the balance between work and child-rearing for men, and served as a place for participants to exchange their opinions and develop a network of internal contacts. Furthermore, in response to the opinion 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 group facilities, BIL has been helping its employees become more active in the future. BIL will remain committed to creating a pleasant working environment for all employees, regardless of gender, to realize the diversification of working practices in terms of diversity management and work-life balance.



Career Community

With Employees Supporting Diverse Work Styles



Activities to Support the Success of Women

Implementing measures to promote the advancement of women as one of the challenges in diversity management



**Voice of an employee who joined the overseas dispatch program for administrative employees:
Understanding of the frontline is essential for meeting the needs of customers**

**Sales & Marketing Department, Personal & Home Business Division,
Brother Industries, Ltd.
Risako Kawanaka**

From April 2018, I spent my fourth year at Brother undergoing training at our sales company in Germany. While there, I mainly learned about market surveys and sales promotion tools, which are parts of planning operations, through practical experience. During that year, I always tried to create opportunities to hear directly from people on the frontline by visiting our dealers and events in person.




I now realize the necessity of drilling down into requests that we get from these frontline locations in order to understand the essential needs of customers. I learned firsthand the importance of understanding the actual locations and actual issues. Since I have been back in Japan, I have tried to use this experience when planning new products by focusing on whether they meet the needs of customers.

With Employees Supporting Diverse Work Styles



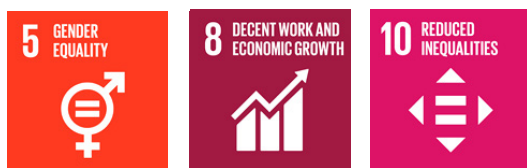
Activities to Support the Success of Women

Main measures

<p>FY 2016</p>	<ul style="list-style-type: none"> • Held the "Career Community," a series of theme-based round-table talks by BIL's senior employees • Organized a cancer seminar for women • Held an external lecture by the president on the success of women • Held a networking event with other companies to consider women's careers 	 <p>External lecture by the president at the time</p>
<p>FY 2017</p>	<ul style="list-style-type: none"> • Formulated policies for the success of women at respective departments • Held the "Career Community," a series of theme-based round-table talks by BIL's senior employees • Offered female employees career support training and career consultations with an external specialist 	 <p>Career Community</p>
<p>FY 2018</p>	<ul style="list-style-type: none"> • Held a lecture for managers by one of the lieutenant governors of Aichi Prefecture • Held the "Career Community," a series of theme-based round-table talks by BIL's senior employees • Started leasing tablet devices to employees who would like to access to BIL's internal information during childcare or family-care leave • Opened the "Childcare Leave Cafe" with the aim of helping employees on childcare leave return to work • Provided career counseling by an external specialist for female employees 	 <p>Childcare Leave Cafe</p>


With Employees

Supporting Diverse Work Styles



Activities to Support the Success of Women

Main measures

<p>FY 2019</p>	<ul style="list-style-type: none"> • Held a group discussion with one of the lieutenant governors of Aichi Prefecture and female employees • Held a group discussion with Outside Director Aya Shirai and female managers • Held the "Career Cafe: 4 Colors," a networking event for female employees of four neighboring companies • Held the "Career Community," a series of theme-based round-table talks by BIL's senior employees • Held the "Career Development Program For Women," with participation of female employees and their managers • Provided career counseling by an external specialist for female employees • Introduced systems that support work-life balance at an internal poster session 	 <p>Held a group discussion with Outside Director Aya Shirai and female managers</p>
-----------------------	--	--

With Employees

Supporting Diverse Work Styles



Supporting Work-Life Balance

Enhancing systems and creating an atmosphere that encourages the utilization of them

BIL has established various systems to support the work-life balance of its employees, including flextime, childcare or family-care leave, short-time working, and nursing care leave systems, so that they can continue working vigorously with no anxiety.

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 FY2015, BIL started adopting telecommuting for employees engaging in childcare or family care, thereby allowing them to more flexibly choose the way they work.

Meanwhile, based on opinions from employees, BIL has been focusing on making those systems much easier to use and creating an atmosphere that promotes the understanding of them within the company.

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 the "Career Community," composed of theme-based round-table talks by BIL's senior employees. These were held during work hours to allow employees to attend easily.



Cancer seminar for women

With Employees Supporting Diverse Work Styles



Supporting Work-Life Balance

Number of employees who used BIL's systems*1

	FY2016	FY2017	FY2018	FY2018
Childcare leave*2	60 (17)	61 (19)	73 (35)	74 (41)
Family-care leave*2	5 (3)	3 (1)	5 (1)	3 (2)
Short-time working for childcare	153 (5)	166 (6)	177 (9)	176 (7)
Short-time working for family-care	2 (1)	2 (1)	3 (0)	6 (1)
Nursing care leave	31 (8)	31 (9)	33 (7)	28 (7)
Homeworking	41 (8)	57 (6)	78 (7)	226 (111)*3

*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

*3 : Excluding individuals that implement COVID-19 measures



Voice of an employee who utilized the childcare leave system: Understanding and expectations for men to take childcare leave

Human Resources Department, Brother Industries, Ltd.
Syuhei Yajima

When my third child was born, I took three months' childcare leave. Personally, I was a bit uncertain and reticent about utilizing the childcare leave system at the beginning. However, the reaction from my superiors and colleagues was more positive than I expected, and they also actively supported me by adjusting my work schedule while I was away. I am also thankful for the same warm reception I received when I came back to work. During my leave, I was able to spend much more time than normal with my children, which was a really valuable experience for thinking about balancing childcare and work commitments going forward.

Thanks to this experience, I will be able to support other members of my team so that they can have peace of mind if they also take childcare leave in the future.

With Employees

Supporting Diverse Work Styles



Supporting Work-Life Balance

Reduction of long working hours

Under its policy of reducing long working hours, BIL has put systems in place and promoted operational efficiency.

Revision of systems

Morning-type flextime system

The core time of BIL's flextime system was initially from 10:30 to 15:00. However, in July 2016, it was changed to between 9:30 and 14:00, starting one hour earlier to make the system more morning-type.

Overtime application system

In July 2016, BIL introduced an overtime application system, which requires overtime work after 20:00 to be approved in advance, and basically prohibited overtime work after 22:00. In this way, the company has been striving to reduce long working hours.

Gradual lowering of the upper limit of non-statutory working hours in non-product sections

BIL and the Brother Industries Labor Union have reached an agreement to gradually reduce non-statutory working hours by FY2020.

	FY2017	FY2018	FY2019	FY2020
Monthly target	80 hours	75 hours	70 hours	65 hours
Annual target	550 hours	520 hours	480 hours	450 hours

Operational efficiency

BIL has been promoting operational efficiency improvements by launching operational efficiency projects, reviewing its operational processes, and utilizing digital tools.

Drastic review of operational processes

BIL has been promoting operational efficiency improvements by sharing concrete measures or departmental efforts taken to resolve challenges in internal meeting management, meeting material preparation, and e-mail correspondence with employees on the intranet.

Utilization of efficient digital tools

BIL has been promoting the automation and efficiency of routine work by means of IT, such as RPA and AI, across the company.

At the same time, it has also been fostering developers for these digital tools.

With Employees

Talent Development



Basic Talent Development Policy

Respecting the diversity and individuality of employees and developing globally-minded human resources capable of delivering superior value

The basic talent development policy of the Brother Group is to develop self-directed employees. In line with this policy, the group aims to help each and every employee understand and sympathize with Brother's vision, translate it into action voluntarily, and achieve results.

Regarding the company's relationship with its employees, as stated in the "Our Associates" section of the Brother Group Global Charter, the Brother Group gives priority to:

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

The Brother Group believes that talent development tailored to individual countries, regions, and business segments and the upgrade of relevant systems lead to helping employees fully use their talents and skills over a long period of time. Based on this idea, the group is committed to creating a better talent development environment and building various systems. In recent years, the work style environment is rapidly changing, mainly reflecting globalization, improvements to information technology, and the diversification of lifestyles. In light of this, the group aims to implement talent development and education that will facilitate more proactive career development for its employees. The group has also been promoting active participation of employees in training programs to enable them to acquire globally competitive skills.

PDF Talent development (Brother Industries, Ltd.) [PDF/60KB]
<http://download.brother.com/pub/com/en/csr/pdf/talent-development.pdf>

As a part of these activities, we are providing a career design program for employees at milestone ages to review their experiences and changes in their environments and visualize their future visions, extension training that accepts employees that wish to participate to learn necessary skills, and an overseas dispatch training program designed for young employees to gain experience overseas early on in their careers. We have prepared more than 20 programs for new managers, including harassment and human rights training, which covers various case studies that are based on actual incidents. Every year 50 or more employees participate in these programs.

PDF Education system (Brother Industries, Ltd.) [PDF/712KB]
<http://download.brother.com/pub/com/en/csr/pdf/education-system.pdf>

PDF New manager training (Brother Industries, Ltd.) [PDF/128KB]
<http://download.brother.com/pub/com/en/csr/pdf/new-manager-training.pdf>

With Employees Talent Development



Basic Talent Development Policy

Respecting the diversity and individuality of employees and developing globally-minded human resources capable of delivering superior value

Details of employee development training and education (Brother Industries, Ltd.)

Total hours*1, 2	99,274 hours
Average amount of money per employee*1, 2	79,778 yen
Average number of days per employee*1, 2	1.09 days
Average amount of time per employee*1, 2	26.12 hours
Training types*1, 2	position-based education, new manager training, extension training, etc.

*1 : FY2019

*2 : The data cover only the training programs conducted by the Human Resources Dept. and the Production Strategy Planning Dept.

Besides these programs, in FY2017, the group started one-on-one meetings between supervisors and subordinates in Japan and has been widely introducing this initiative throughout the entire company.

The Brother Group will continue to foster human resources on a global scale and in a well-planned, long-term manner.

With Employees Talent Development



Brother Develops Talent Who Can Tackle Global Business Challenges

Employees develop a broad perspective and high expertise through various experiences

Since FY2008, the Brother Group has conducted the "trainee program," a training program that sends trainees from Brother Industries, Ltd. (BIL) to the group companies outside Japan 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 ranging from three months to two years in line with the training plans formulated beforehand by both their dispatchers and receivers. The initial focus of this program was to provide trainees with training associated with their area of expertise. However, in FY2015, it started offering training to help trainees gain new knowledge through experience outside their specialty. Such training, for example, includes giving an opportunity for developers to visit customers with sales persons to directly listen to the needs and usage conditions of the customers. In FY2018, the program also started short-term training for engineers in their twenties to learn at manufacturing or repair sites outside Japan for one month.

In this way, the Brother Group gives developers and engineers opportunities to learn other work than their own, and thus strives to develop human resources who can promote the "Brother Value Chain Management" (BVCM), Brother's unique management system to deliver superior value to customers.

In FY2019, BIL sent 37 trainees to group companies in various countries, including Germany and Indonesia, while taking in 14 trainees from group companies in the Philippines and China. One manufacturing engineer, who was in their twelfth year at BIL, was dispatched to Brother Machinery Xian Co., Ltd.(BMX), a group manufacturing facility that operates a machinery business in Xi'an, China. By working together with local employees and carefully confirming each step of operations, this manufacturing engineer was able to experience the actual site of events that could not be replicated in Japan, including reviewing and reducing measurement values and the time it takes to carry out processes overall.



Process verification at BMX

The Brother Group will remain committed to fostering globally-minded human resources who can deliver superior value.

With Employees

Talent Development



Brother Develops Talent Who Can Tackle Global Business Challenges

Employees develop a broad perspective and high expertise through various experiences



**Comment from an employee who participated in the trainee program:
Becoming global talent that can contribute to business overall**

**Production Department, Machinery Business Division, Brother Industries, Ltd.
Hajime Okita**

I spent three months working as a team member with the local employees at the manufacturing facility in BMX carrying out improvement activities. My goal was to reduce the number of processes at the manufacturing facility in Xi'an. Naturally, I was proactive in offering up my own comments but I also made it a point to use data and easy-to-understand words to communicate smoothly with local employees and ensure we were on the same page. It was due to the nature of the local facility that I was able to cooperate with local employees to confirm the differences between manufacturing facilities in Japan and China, achieve visualization of manufacturing processes and manage tasks, and realize a training program by preparing a training manual.

Going forward, I aim to undertake improvement activities and talent development to deliver products that are safe, secure, and satisfying for customers while remaining conscious of the need to strengthen collaborations between departments and facilities.

With Employees Talent Development



Brother Conducts a Training Program to Quickly Develop Young Designers

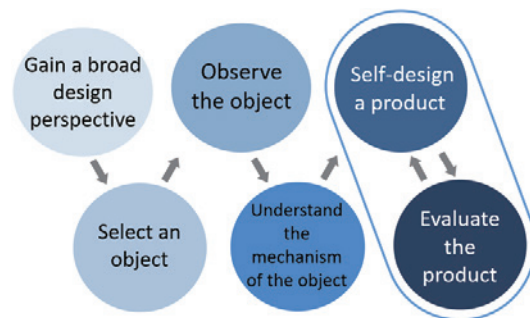
Interaction between designers and development engineers gives shape to "At your side." *

In 2017, the Design Department of Development Center at BIL launched a workshop training program designed to quickly develop young designers by allowing them to work with experienced designers and development engineers.

This program enables young designers to learn design skills from veteran designers through frequent discussions with them and to gain a deeper understanding of product features through communication with development engineers. Participants use a product of another company as an educational object and analyze the reasons for the adoption of its design and discuss the differences between the company's attitude to manufacturing and Brother's, and thus nurturing their design perspectives in a way that keeps up with changing product trends. In addition, they engage in six practical exercises to discover the differences in thinking between positions and so forth, considering engineers' well-thought-out ideas and designers' ingenuity.



Designers and development engineers exchanging opinions



Six exercises in the training program

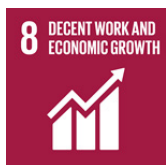
Through this program, young designers increase their ability to clearly explain the rationale for their design choices in a concrete, not an abstract, way. They can also realize that the role of designers is not merely creating beautifully designed products but also creating products that satisfy customer demands and provide enhanced ease of use based on the "At your side." spirit.

The Brother Group will remain committed to developing talent who can deliver superior value.

* : "At your side." : Brother's corporate message of placing its customers first everywhere, ever time

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 policy, the Brother Group is committed to preventing disasters, injuries, and illnesses among employees and to creating a comfortable workplace under the leadership of the Central Safety, Health, and Disaster Prevention Committee, which is chaired by the safety, health, and disaster prevention officer of Brother Industries, Ltd. (BIL) and composed of the officers of the group facilities in Japan. At the manufacturing facilities of the Brother Group, there have been no fatal occupational injuries over the past six years. In the three years from FY2019 to FY2021, the Brother Group aims for zero serious injuries (including fatal injuries, injuries involving 30 or more days away from work, and injuries with permanent damage) in those facilities.

At the group facilities in Japan, the chairperson of the Central Safety, Health, and Disaster Prevention Committee and the members of the Safety, Health, and Disaster Prevention Committee of each facility conduct regular patrols to check health and safety conditions and disaster preparedness in workplaces.

There were no lost-time injuries reported at BIL's main facilities in Japan during the four years from FY2016 to FY2019. Potential accidents in these facilities include falls from height, forklift accidents, caught in/between accidents, chemical burns, and so forth. To prevent these accidents, the facilities have improved their working environments by installing safety fences and covers that prevent workers from being caught in or between machinery, and put safety rules in place to prohibit unsafe acts, and conducted internal education to ensure compliance with the rules. Training on safe chemical handling has been also conducted regularly to instruct employees on the correct use of chemical substances.

In FY2020, the Brother Group aims for zero deaths and lost-time injuries.

With Employees

Safety, Health and Disaster Prevention



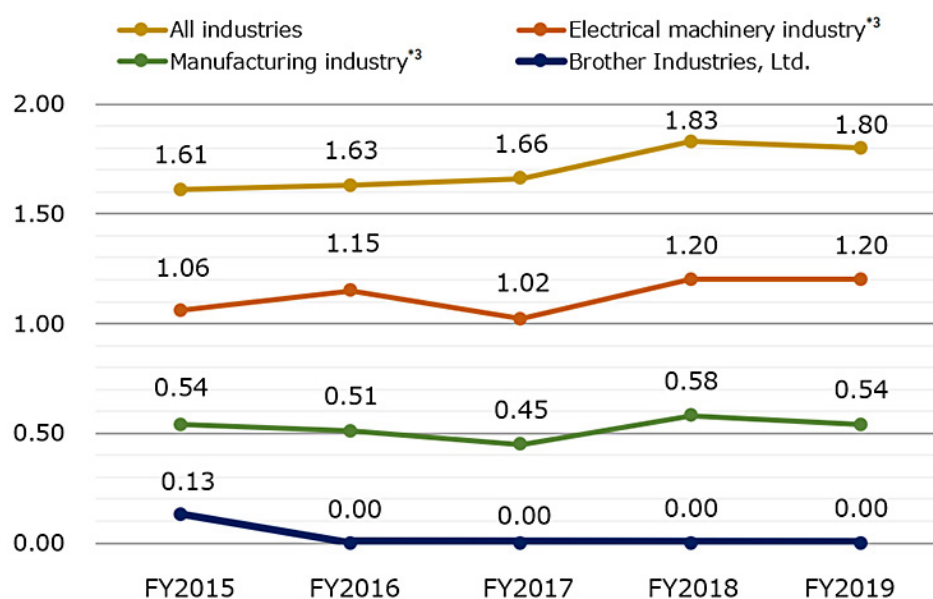
Building a Structure for Safety, Health and Disaster Prevention

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

Details of safety and disaster prevention (Brother Industries, Ltd.)

	FY2015	FY2016	FY2017	FY2018	FY2019
Number of occupational injuries (target)	0	0	0	0	0
Number of fatal occupational injuries	0	0	0	0	0
Frequency rate of lost-time occupational injuries*1	0.13	0	0	0	0
Frequency rate of lost-time occupational illnesses*2	0	0	0	0	0
Number of lost-time occupational injuries (one day or more)	1	0	0	0	0

Frequency rate of lost-time injuries in Japan



*1 : Number of lost-time deaths and injuries from work-related accidents/Total number of working hours x 1,000,000

*2 : Number of lost-time illnesses from work-related accidents/Total number of working hours x 1,000,000

*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

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

To ensure safety and health, BIL annually provides risk prediction training, safety and health education, and so forth based on the plans of the respective facilities. As for the education, BIL offers e-learning training for all BIL employees. In FY2019, 3,754 employees, which represented more than 89% of the intended participants, took the training. BIL also conducts an educational session for new employees every April.

In FY2020, this session was held with 82 new employees, the full participation of the intended participants. For mid-career or newly-hired temporary employees, BIL holds educational sessions once a month. The sessions held in FY2019 had 75 employees, involving all of the intended participants. Furthermore, BIL delivers programs tailored to those engaged in chemical handling and other special operations.

As for the driving of company cars, employees are required to receive both permission to drive from the company and traffic safety training.

Each of the Brother Group facilities outside Japan implements education for new and mid-career employees.

Regarding preparation for disasters, BIL has been making efforts to minimize damage caused by possible disasters at its respective facilities. Such efforts include the consolidation of disaster prevention organizations, 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 the event of a large-scale disaster with its local community through the mediation of a local administrative body. In addition, since 2014, BIL has been conducting evacuation drills jointly with a neighboring nursery school with which BIL signed a memorandum.

Since 2016, BIL has been conducting training for setting up a disaster headquarters at its head office. On October 20, 2019, an event was held in preparation for the disaster expected from a Nankai Trough mega earthquake, with BIL attending as a representative of companies in the Chubu region. At the event, Representative Director & President Ichiro Sasaki spoke about the importance of manufacturing industries in the Chubu region, and about other matters including transportation routes and BCP*1 measures for BIL domestic production, and government support measures to enable fast recovery after the disaster.

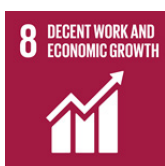


An event held in preparation for the disaster expected from a Nankai Trough mega earthquake at National Conference for Promoting Disaster Risk Reduction 2019

*1 : Business Continuity Plan for business recovery in the event of a large disaster

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"

Details of safety, health and disaster prevention training (Brother Industries, Ltd.)

	FY2018	FY2019
Number of participants in safety training (e-learning) based on BIL's internal regulation on safety and health education procedures	4,098	3,754*1
Number of participants in disaster prevention training (e-learning) based on BIL's internal regulation on safety and health education procedures	4,071	
Number of participants in other safety and disaster prevention training (e-learning) based on BIL's internal regulation on safety and health education procedures	946	4,443*2

*1 : In FY2019, safety education and disaster prevention training were provided together

*2 : In FY2019, the number of participants includes those in mental health-related education

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

Information sharing and risk visualization

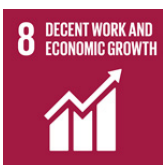
At the Brother Group's main manufacturing facilities outside Japan, the Workplace Safety and Disaster Prevention Group of BIL's Human Resources Department, which acts as the secretariat of the Central Safety, Health, and Disaster Prevention Committee, conducts regular patrols and audits to increase the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

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

The group annually holds the Brother Safety and Prevention Convention in Japan and honors overseas manufacturing facilities which have implemented excellent safety and disaster prevention activities and presents such activities to facilitate information sharing among the group facilities.

Since FY2017, the group has been engaged in an effort to make the degree of the potential hazards of equipment used in its production sites obvious at a glance. In this effort, the degree of the hazards of such equipment is visualized if it is judged to have residual hazards above a certain level even after safety measures based on a risk assessment are taken.

With Employees Safety, Health and Disaster Prevention



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

Information sharing and risk visualization

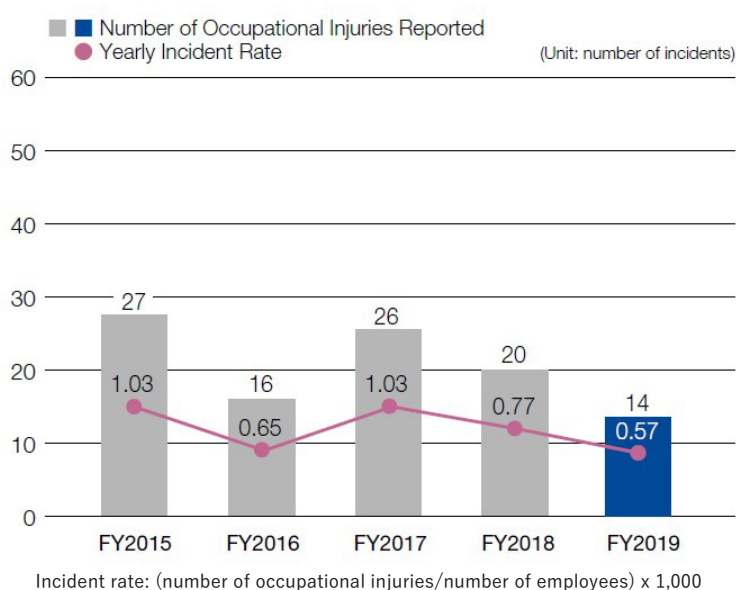
At the Brother Group, it is required to perform an assessment of the risks associated with operations and equipment when installing equipment for a new project, relocating equipment, or implementing triennial operational changes. The purpose of this risk assessment is to identify potential hazard sources, such as falls, being caught in or between objects, electrocutions, explosions, and fires, and other sources that might exist in each work process, and to evaluate their risk levels and take appropriate measures for each level.

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.

These regulations are 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 these regulations to its main manufacturing facilities outside Japan sequentially.

Some manufacturing facilities, including Brother Industries (Vietnam) Ltd. and Brother Industries (Philippines), Inc., have been externally certified to OHSAS 18001. About 8% of the Brother Group facilities had obtained this certification as of the end of March 2020.

Number of occupational injuries reported and yearly incident rate at main manufacturing facilities outside Japan (lost-time injuries and non-lost time injuries)



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

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 group employees are working every day on a global stage.

As stipulated in the Brother Group Global Charter, the basis of such activities, the Brother Group values taking care of the health of every employee 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. Under this philosophy and the leadership of the Chief Health Officer (CHO), the Brother Group has been strategically undertaking various activities.

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.

Ichiro Sasaki

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

With Employees

Promotion of Health and Productivity Management

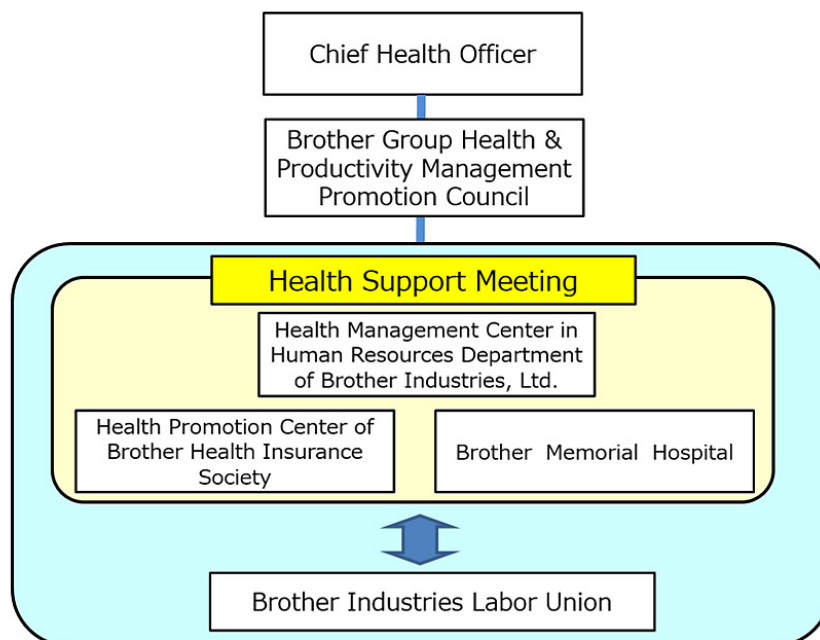


Promoting Employee Health Management by Establishing the "Brother Group Health & Productivity Management Philosophy"

Health & Productivity Management Promotion Structure

BIL has established the Health Management Center, which manages the health of the Brother Group employees, develops mental health measures, and promotes good health. It has been offering effective and efficient approaches to maintaining and promoting the health of employees while implementing the PDCA cycle and cooperating with the Brother Health Insurance Society and the Brother Industries Labor Union. Meanwhile, the Brother Group facilities in respective countries and regions have been employing industrial doctors or working with medical institutions to maintain and improve the physical and mental health of employees.

Brother Group Health & Productivity Management Promotion Structure



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

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 action policies and targets for the next fiscal year and beyond. At the meeting, activities by the Brother Health Insurance Society and excellent activities by the group companies are reported. In this way, the meeting serves as an opportunity to share information on effective and efficient activities.

In FY2018, the council launched an awards program to perform a comprehensive evaluation of efforts in health and productivity management and honor group companies that have achieved excellence in such efforts as "healthy companies" with the CHO awards. Since then, the council has recognized outstanding group companies through this program.

Health Support Meeting

The Health Support Meeting is jointly organized by BIL's Health Management Center, the Health Promotion Center of the Brother Health Insurance Society, and Brother Memorial Hospital. It 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, and also organizes collaborative events with the Brother Industries Labor Union.

"Healthy Brother 2025" - a set of long-term targets for employee health

The Brother Group Health & Productivity Management Promotion Council formulated the "Healthy Brother 2025," a set of long-term targets to be achieved by FY2025, based on the Health & Productivity Management Philosophy and with the aim of allowing employees to actively demonstrate their abilities in a wide variety of areas.

To achieve the "Healthy Brother 2025," the Brother Group is promoting activities focused on enabling employees to live every day positively, pleasantly and powerfully, to engage in self-directed health promotion, and to balance work and health in compliance with safety and health laws and regulations.

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

Targets in the "Healthy Brother 2025" and results (at Brother Industries, Ltd.)

Items	Targets (by FY2025)	Results	
		FY2018	FY2019
Rate of employees with poor control of blood-sugar levels*1	0%	0.5%	0.4%
Rate of non-metabolic syndrome employees*1	80% or above	73.8%	73.0%
Smoking rate*1	Less than 10%	14.9%	13.7%
Cancer screening rate*2	95% or above	96.6%	96.1%
Secondary cancer screening rate	90% or above	80.7%	83.5%
Rate of employees absent from work for one month or more*1	Not more than 0.5%	1.1%	1.4%
Participation rate in line care training*1	100%	91.9%	81.0%
Rate of employees maintaining five or more healthy life-style habits*1	70% or above	66.6%	66.6%
Rate of employees with high stress levels*1 (based on a stress check test)	Less than 5%	10.1%	10.0%
Rate of employees with adequate sleep*1	70% or above	62.0%	61.1%
Rate of employees maintaining exercise habits*1 (once or more and 30 minutes or more a week)	60% or above	40.6%	40.8%

*1 : The rate among BIL employees

*2 : The rate among BIL employees aged 35 and older

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

Employee health management and status (at Brother Industries, Ltd.)

Items		FY2018	FY2019
Employee health management			
Regular health checkup	Participation rate*1	100%	100%
	Participation rate in comprehensive health screening for individuals aged 35 and older*2	96.4%	96.1%
	Detection rate	57.0%	60.6%
	Participation rate in secondary screening	75.8%	76.6%
Specific health checkup*3	Participation rate*4	96.1%	99.4%
	Metabolic syndrome rate	12.3%	14.2%
Stress check test	Participation rate*1	88.0%	89.0%
Brother Healthy Life Months	Participation rate*1	39.9%	35.1%
	Satisfaction rate	91.0%	94.0%

*1 : The rate among BIL employees

*2 : The rate among BIL employees aged 35 and older

*3 : A checkup specified by Japan's Ministry of Health, Labour and Welfare

*4 : The rate among employees who are eligible for a specific health checkup

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

Employee health management and status (at Brother Industries, Ltd.)

Items		FY2018	FY2019
Employee health status			
Actual annual working hours per employee		1,956 hours	1,952 hours
Annual non-scheduled working hours per employee		196.0 hours	197.8 hours
Average years of employment		17.1 years	17.2 years
Voluntary turnover rates/Number of employees leaving*1		1.4%/54 individuals	1.3%/50 individuals
Rate of paid leave usage/Number of used leave days		82.8%/16.6 days	82.2%/17.2 days
Number of employees with long working hours	Number of employees whose non-statutory working hours exceeded more than 75 hours within a month	2 employees	2 employees
Lifestyle-related diseases	Diabetes*2	5.3%	5.7%
	High blood pressure*2	9.2%	9.8%
	Hyperlipidemia*2	13.4%	14.5%
Smoking rate*1		14.9%	13.7%
Rate of employees maintaining exercise habits*2	Employees exercising once or more and around 30 minutes a week	40.6%	40.8%
Stress check test	Employees with high stress levels	10.1%	10.0%
Average medical expenses per employee		115,246 yen	129,453 yen
Employee satisfaction level	The score of the question "Do you feel a strong sense of pride as a member of the Brother Group?" in the employee awareness survey (five-point scale evaluation)	3.79	3.79

*1 : Employees who resigned for personal reasons

*2 : The rate among BIL employees

With Employees

Promotion of Health and Productivity Management



Approaches for Maintaining and Improving Mental and Physical Health

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

The industrial physicians and health nurses of BIL's Health Management Center visit some group facilities every year. In FY2019, they visited two manufacturing facilities; BROTHER TECHNOLOGY (SHENZHEN) LTD., BROTHER INDUSTRIES (PHILIPPINES), INC.

During their visit, the industrial physicians and health nurses conducted health interviews with and provided mental health seminars for employees seconded from BIL and their families, and exchanged information with local medical staff. In addition, they confirmed conditions by carrying out a survey and hearings about the living environment, as well as visiting medical institutions located near the facilities. They also exchanged information with entities providing medical support services to seconded workers, such as hospital appointment/interpretation services and support for severe diseases.

Mental health: preventing disorders, detecting them at an early stage, and supporting employees to return to work

BIL has been continuously providing mental health education to its employees since 2007 with the aim of helping them become aware of their own stress and take appropriate measures against it (primary prevention) and helping superiors identify and support their subordinates suffering from incipient mental disorders (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 are required to take self-care training, which is designed for primary prevention, every five years. The training gives participants an opportunity to learn from actual case examples and think about how to control their health and cope with their stress.



Self-care training

With Employees

Promotion of Health and Productivity Management



Approaches for Maintaining and Improving Mental and Physical Health

Mental health: preventing disorders, detecting them at an early stage, and supporting employees to return to work

In accordance with the amendment of the Industrial Safety and Health Act, BIL instituted a stress check test in FY2014. Since FY2017, the results of the conducted stress test have been analyzed on a per-department basis to assess the health risks of each department. The risk results are reported from industrial physicians and health nurses to managers in all departments so that each department can recognize its own stress-related issues. Subsequently, each department, mainly with its general manager, considers and implements measures for improving its working conditions.

In FY2019, BIL implemented positive mental health measures in cooperation with the Human Resources Dept. and the Health Management Center, with the goal of ensuring employees work energetically. The theme of these measures was to "improve employee engagement*." Workshops and meetings were held for executive officers and general managers. Employees from all departments participated in the workshop while participation in meetings was voluntary. Employees from around half of all departments took part.



Engagement improvement workshop

In addition, all employees, including full-time, temporary, loaned, and dispatched, participate in an employee awareness survey which is conducted once a year. The survey grasps and analyzes a diverse range of employee awareness, including work-related stress, human relations or treatment in the workplace, and the level of pride an employee has in the company. To this end, we are working to create a healthy work environment and improve the job satisfaction of all employees.

* : The organization and its employees work together to contribute to their mutual growth. This is said to benefit the improvement of both the organization's performance and employee well-being (creating a physically, mentally, and socially good state).

With Employees

Promotion of Health and Productivity Management



Approaches for Maintaining and Improving Mental and Physical Health

Physical health: conducting health promotion activities, curbing passive smoking, and providing quit-smoking support

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

In FY2019, measures based on the theme of "sleep," the same as in the previous year, were conducted with the goal of ensuring better sleep quality. Health nurses went to each workplace and provided health education on achieving "better sleep quality and autonomic nerves." Although taking health education seminars was voluntary, a total of 66 seminars were held and 1,627 employees participated. Participants saw an improvement in subjective symptoms of insomnia and the time it took for them to fall asleep after taking the seminar.



Notice of Brother Healthy Life Months

With Employees

Promotion of Health and Productivity Management



Approaches for Maintaining and Improving Mental and Physical Health

Physical health: conducting health promotion activities, curbing passive smoking, and providing quit-smoking support

As for measures to prevent passive smoking, smoking in any of BIL buildings has been prohibited since FY2016, and smoking during working hours has been thoroughly prohibited since FY2018. In addition, a new measure prohibits employees from using elevators for 45 minutes after smoking. We also implemented passive smoking e-Learning for all employees in conjunction with the revision to the Health Promotion Act.

As a measure aimed at reducing the smoking rate, we are continuing to strengthen support to quit smoking. In FY2019, we provided information on electrically-heated tobacco. We also implemented a two-week stop smoking challenge, with the goal of preventing the spread of and severe worsening of COVID-19. A large number of employees participated in the challenge.

company newsletter

TABACCO NEWS

2019.07 健康推進センター

発行対象者：2019年度の継続採用の方(2名除く)と退職後10年以内の方

増加加熱式タバコを正しく理解していますか？

タバコでは、アイコスがコア、プルームアップといった加熱式タバコを使用している方が増えています。ニオイやご自身の健康を考慮して、加熱式タバコから加熱式タバコに替えた方もいらっしゃるのではないでしょうか。また、感動も感じながら、加熱式タバコに替えた方もいらっしゃると思います。読んでいただくと幸いです。

今回は、加熱式タバコがより安全に吸っていただくための新しい情報として、健康推進センターが企画を執り行っています。タバコ会社から提供される情報だけでなく、科学的な観点から得られていることも十分に知り、タバコを吸い続けるかどうかを考えたいただくことが大切です。

有害物質が減る≠病気が減る

加熱式タバコの特徴

加熱式タバコからは、どんな化学物質がどれだけ出ているのでしょうか。以前はタバコ会社からの情報だけでしたが、2017年以降はタバコ会社とは異なる機関から研究結果が発表されるようになってきました。ベンゼンやニトロ化炭素などの有害物質は、加熱式タバコと比較して少なくなっています。しかし、ホルムアルデヒドやニコチンなどはほとんど変わりません。プロピレングリコールやグリセロール等は加熱式タバコのほうが多くなっている物質もあります。

有害物質の発露量と健康被害の程度を分かりやすく示したものがこちらです。一般的に有害物質と健康被害の程度が比例しますが、タバコは例外で、少量の暴露でも健康被害の程度が大きくなります。つまり、有害物質が削減されていても、健康被害が大きく異なることはあります。異なることがアイコスのパンフレットにも書かれています。

有害物質の発露量と健康被害の程度

タバコの場合
→有害物質も有害
→健康被害も大きい

加熱式タバコの場合
→有害物質は削減
→健康被害は軽減

※アイコス以外の加熱式タバコは加熱式タバコです。
※たばこ関連の健康リスクを軽減させる一歩の方法は、加熱式タバコも吸わないことです。

より強固なニコチン依存に？

加熱式タバコには、加熱式タバコとほとんど変わらないレベルのニコチンが含まれています。そのため、加熱式タバコに替えてもニコチン依存症が治ることはありません。加熱式タバコが低く、環境で加熱式タバコを使用することで、吸いやすくなり、より強固なニコチン依存症に陥ってしまうことも考えられます。ニコチン依存症は「血中のニコチン濃度がある一定以下になると症状も寛み、吸煙もくり返してしまう状態」とされています。禁煙する際は加熱式タバコと関係なく、ニコチン代替薬はニコチンパッチやニコチンガム等の治療が有効です。

スアンの会社がサポートするニコチン依存症対策

①タバコを吸うのを我慢する
②タバコを吸った後、スアンのサポートを受ける
③タバコを吸った後、スアンのサポートを受ける

禁煙再発防止
禁煙再発防止のために、禁煙期間中に禁煙サポートを受けることが大切です。

Materials on electrically-heated tobacco products

With Employees

Promotion of Health and Productivity Management



Approaches for Maintaining and Improving Mental and Physical Health

Measures against infections -prevention education and infection control measures

The Brother Group is a global enterprise with facilities in more than 40 countries and regions and with many employees traveling for work or engaged in temporary assignments across national and regional borders. Since country-specific or region-specific high-risk infections exist, the group has been striving to prevent the transmission and spread of such and other infections.

At BIL, for employees who are going to travel from Japan to other countries, the industrial physicians of the Health Management Center implement health education that helps such employees prevent and raise their awareness of HIV, malaria, and other infections by providing their transmission routes, incubation periods, and symptoms. For employees on temporary assignments, the company provides the "leaflet on health management abroad," which covers information and cautions necessary for living outside Japan, and posts information about infection epidemics on the intranet. At the Brother Group facilities outside Japan, the industrial physicians and health nurses of the Health Management Center check the status of local infection epidemics and so forth during their annual visits.

When the risk of infection epidemics increases, BIL sets up an infection control committee composed of management personnel, members of the Human Resources Dept., industrial physicians, and so forth as a subcommittee of the Risk Management Committee to collect the latest information and discuss measures based on the information.

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

With Employees

Promotion of Health and Productivity Management



External Evaluation of Brother's Health and Productivity Management

BIL wins the best award at MHLW's first awards program to recognize the good use of healthcare services

In March 2020, BIL won the best award at the first awards program by Japan's Ministry of Health, Labour and Welfare (MHLW) to recognize the good use of medical care. The best award is given to an organization whose initiatives are recognized as the best among entries. MHLW for the first time held this awards program, aiming to encourage and promote superior initiatives that help people properly seek medical attention. In this way, this program strives to reduce out-of-hours medical care during the night or on weekends to allow healthcare professionals to prioritize emergency patients in need of immediate treatment and to avoid overwork.



BIL has been promoting various initiatives to enable employees to work securely based on the Brother Group Health & Productivity Management Philosophy. This award highly recognized some of the initiatives, such as equipping each workplace with an emergency response list for occupational injuries and sudden illnesses, creating an environment which allows employees to get medical attention during working time, and supporting the balance between treatment and work based on two internal guidelines, "the balance between disease treatment and work" and "the balance between fertility treatment and work."

The Brother Group will remain committed to advancing its efforts to maintain and promote employees' health.

With Employees

Promotion of Health and Productivity Management



External Evaluation of Brother's Health and Productivity Management

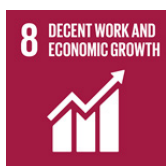
The 2020 Health & Productivity Stock Selection Program and the 2020 Certified Health & Productivity Management Outstanding Organizations Recognition Program

In March 2020, BIL was included in the 2020 Health & Productivity Stock Selection, a program jointly conducted by Japan's Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange. In addition, BIL and ten Brother Group companies were recognized under the 2020 Certified Health & Productivity Management Outstanding Organizations Recognition Program, designed by METI and operated by the Nippon Kenko Kaigi. Under this program, BIL was certified as a "White 500" enterprise, ranking among the top 500 companies.

▶ For more details, please refer to the link: "Evaluation by External Entities".
<https://global.brother/en/csr/stakeholder/shareholder/evaluation>

* : The term "health and productivity management" is a registered trademark of the Workshop for the Management of Health on Company and Employee, a non-profit organization.

With Business Partners Promoting CSR Procurement



Promoting CSR Procurement with Suppliers

The Brother Group publishes its "Procurement Policy" and "CSR Procurement Standards"

The Brother Group makes its "Procurement Policy" and "CSR Procurement Standards" publicly available to share its CSR procurement concept with parts and materials suppliers. The policy and standards cover a wide range of fields, including human rights and labor, the rights to organize and bargain collectively, safety and health, global environmental protection, fair trade and ethics, product quality and safety, raw materials, information security, and social contribution. The Brother Group complies with local laws and regulations and supports workers' collective bargaining rights by conducting collective negotiations and respecting communication between management and employees on working conditions and management practices. In addition, in January 2019, the Group joined the Responsible Business Alliance (RBA) to better correct and assess risks such as human rights and labor, safety and health, the reduction of environment impacts in its supply chain. At suppliers explanatory meetings in Japan and abroad, we explained the "CSR Procurement Standards" for the Brother Group to our suppliers in FY2020. We are also asking suppliers to sign a consent form that confirms their intent to adhere to the CSR Procurement Standards.

In addition, we request that suppliers regularly cooperate by partaking in our CSR questionnaire, a questionnaire survey on slave (forced) labor with the goal of preventing forced labor, and a conflict minerals survey to confirm whether a supplier is using minerals that are mined by smelters in war zones and are confirming whether this is being reflected in our shared "Procurement Policy" and "CSR Procurement Standards."

The Brother Group remains committed to promoting CSR procurement 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.

With Business Partners Promoting CSR Procurement



Promoting CSR Procurement with Suppliers

The Brother Group publishes its "Procurement Policy" and "CSR Procurement Standards"

CSR procurement standards

The Brother Group procures products and services from business partners that adhere to the following guidelines:

Labor

- Respect for Human Rights and Prohibition of Discrimination
Respect fundamental human rights of all people, and do not discriminate by race, nationality, gender, religion or creed.
- Prohibition of Child Labor and Forced Labor
Do not enforce unfair labor practices and illegal labor of children at any production stage.
- Appropriate Management of Working Conditions and Prevention of Overwork
Appropriately manage employees' working conditions including working hours in accordance with local labor laws and regulations, and prevent overwork with consideration for employees' health such as by providing adequate rest days.
- Guarantee of Minimum Wage
Pay wages higher than the legal minimum in accordance with local labor laws and regulations, and do not reduce wages unfairly.
- Guarantee of Freedom of Association and Support for Collective Bargaining Rights
Respect the rights of employees to associate freely with others and join or not join the association as a means to facilitate consultation between labor and management over working conditions, working environment, wage levels, etc. In addition, support collective bargaining rights and hold sincere consultations and discussions with employees.

Safety and Health

- Health and Safety Conscious working Environment
Ensure the safety and health of employees and act to create a comfortable working environment.

Environment

- Environmental Consciousness
Take proactive measures to protect the global environment. Comply with the Brother Group Green Procurement Standard.

With Business Partners Promoting CSR Procurement



Promoting CSR Procurement with Suppliers

The Brother Group publishes its "Procurement Policy" and "CSR Procurement Standards"

Ethics

- Legal Compliance
Respect the rules and spirit of laws, and act fairly with the highest integrity.
- Adequate Information Management
Have a framework for managing information in place, and keep personal information and confidential information secure.
- Responsible Minerals Procurement
To promote responsible minerals procurement, try to avoid using unrightfully mined minerals from conflict zones as raw materials in reference to the Conflict Minerals Response Policy.

Management System

- Provision of Superior Quality
Work on building a framework for delivering safe, high quality products and services to customers who use our products and services.
- Continuous Improvement of Activities
Use CSR procurement questionnaires, surveys and others that we provide you and try to make continuous, PDCA-conscious improvements in responding to social requirements.

Contribution to Sustainable Society

- Social Contribution in Consideration of Communities and the Environment
Make efforts to become a good corporate citizen through social contribution activities while sharing our social, economic and cultural resources in communities and considering the global environment.

Request for Cooperation to Business Partners

- Request for Cooperation to Your Business Partners
Request your business partners to cooperate with our efforts to fulfill our social responsibilities from the viewpoints of legal compliance, human rights, labor, safety and health, environment, ethics, management system, etc. stated in these CSR Procurement Standards.

▶ 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/229KB]
<http://download.brother.com/pub/com/cn/csr/partner/policy-cn.pdf>

With Business Partners Promoting CSR Procurement



Conflict Minerals Response Policy

A part of minerals (tantalum, tin, gold and tungsten) produced in the Democratic Republic of the Congo and neighboring countries in Africa are some sources of funds for local armed groups, and there are concerns that transactions for such minerals may promote conflicts and involve matters such as human rights violations, labor issues and environmental destruction problems.

These minerals are called "conflict minerals," and the Brother Group recognizes the issue regarding them as an important issue from a corporate perspective to fulfill its corporate social responsibility (CSR).

The Brother Group makes efforts to avoid the use of those minerals by means such as carrying out a use survey and, in cooperation with suppliers, will steadily carry out such efforts.

State of Efforts to Deal with Conflict Minerals in the Brother Group

The Brother Group has examined systems and methods to deal with the issue of conflict minerals since 2014 and established a working group in which related business units including units in charge of purchasing, law or CSR affairs participate. Currently, the Group deals with this issue in a comprehensive manner.

The Brother Group has been carrying out a conflict minerals survey once a year since 2016 targeting suppliers that supply raw materials or parts used in the Group's products. In this survey, the Group uses the Conflict Minerals Reporting Template (CMRT) provided by the Responsible Minerals Initiative (RMI)* to verify the content of conflict minerals, identify smelters and refiners in the supply chain of the Brother Group, and confirm the state of efforts made by each supplier toward the issue of conflict minerals.

The Brother Group also requests that suppliers understand what the Group thinks through means such as the CSR Procurement Standards and work on procurement activities to avoid the use of conflict minerals.

In 2019, the Brother Group carried out the survey and obtained answers from more than 95% of the targeted suppliers. The Group will make ongoing efforts to obtain answers from all of such suppliers. The Group also appropriately answered and dealt with inquiries from customers about the conflict minerals survey by means such as the submission of CMRT.

* : Responsible Minerals Initiative (RMI): An organization that promotes the responsible procurement of minerals globally in cooperation with companies. Brother Industries, Ltd. is a member of this organization.

With Business Partners Promoting CSR Procurement



Brother Is Committed to Building a Trusting Relationship with Its Suppliers

Brother offers feedback on CSR questionnaire

The Brother Group implements CSR questionnaire activities over a three year cycle for suppliers in China, Vietnam and the Philippines, where the manufacturing facilities of the Printing & Solutions Division (P&S) are located. In the first year, we request suppliers to take and return the questionnaire. In the second year, we make a close inspection of the results collected and provide feedback to suppliers and request they develop improvement plans. In the third year, we conduct on-site confirmation of improvements performed in line with the improvement plans. Through these undertakings, the Brother Group and its suppliers make an effort to comply with "Procurement Policy" and "CSR Procurement Standards."

In the FY2018 CSR questionnaire, we confirmed the activities of our suppliers with regards to healthy working environment, workplace safety, environmental conservation, ethical business activities, product quality and safety, social contribution, and the establishment of in-house frameworks. The questions about environmental conservation efforts ask respondents to provide numerical values, such as the greenhouse gas emissions produced by their company (in terms of CO₂-equivalent emissions) and the amount of water withdrawal. Some suppliers also set their reduction targets in these categories and report on the degree of achievement of the targets.

In FY2019, we tallied and analyzed the completed questionnaires collected from around 500 suppliers who responded to our CSR questionnaire, and provided information on the standards, trends, supplier activity level and other data for each region. In addition, we had these suppliers establish improvement plans in areas in the questionnaire where they answered "not implemented." In FY2020, we plan to check manufacturing facilities, including visiting suppliers, to confirm the progress being made in their respective improvement plans.

With Business Partners Promoting CSR Procurement



Brother Is Committed to Building a Trusting Relationship with Its Suppliers

Make revised version of CSR Procurement Standards(RBA compliance) common knowledge at the supplier explanatory meeting in FY2020

In June FY2020, we held an explanatory meeting for suppliers, including an online meeting, at P&S manufacturing facilities in Japan and Vietnam. There were 217 people from 129 companies that participated in the meeting. We are working to thoroughly make the revised version of our CSR Procurement Standards common knowledge among our suppliers. In China, the Philippines and other areas where we did not hold explanatory meetings, we used communication tools, including email, to contact suppliers and share information.

At the explanatory meetings in Japan and Vietnam, we requested that suppliers "fully comply with laws and ordinances," "comply with the revised version of CSR Procurement Standards," "revise the CSR questionnaire in FY2021," and take a "questionnaire survey on forced labor." In addition, we explained the fortification of risk management response while reviewing the handling of COVID-19.

Suppliers that participated in the policy explanatory meeting voiced their consent of the Brother CSR Procurement Policy. These are some of the comments we received—"Brother's policy on social issues, including the strengthening of SDG initiatives, resonate with us;" "Regarding compliance with laws and ordinances, our company also advocates compliance management and corresponds with the Brother's targets;" "We understand the background for the revision to CSR Procurement Standards, as a part of Brother's SDG initiatives;" and "As a supplier, we aim to respond to Brother's expectations."

The Brother Group aims to grow together with its suppliers while remaining committed to establishing a good relationship with them through communication.

With Business Partners Promoting CSR Procurement



Brother Is Committed to Building a Trusting Relationship with Its Suppliers

Brother holds training sessions to familiarize its suppliers with the Brother Group CSR Procurement Standards

In FY2019, Brother hosted training sessions on the Brother Group CSR Procurement Standards in its main manufacturing facilities outside Japan to share the standards with its suppliers. These sessions, which were attended by a total of 37 partner companies and 67 individuals, helped the participants understand the Brother Group CSR Procurement Standards by providing an explanation on them. In addition, the participants were engaged in group discussions on social themes, such as human rights, occupational safety and health, and local society, and on other themes, such as the environment, legal compliance, and ethics, while sharing their findings and best practices.

Brother will continuously strive to familiarize more suppliers with the Brother Group CSR Procurement Standards through this type of study sessions.



Training session on the CSR Procurement Standards at an overseas facility

With Business Partners Promoting CSR Procurement



Promoting CSR Activities at Suppliers in Part Through Workplace Visits and the Selection of Outstanding CSR Activities

Implementing questionnaires on supplier CSR activities and visits to supplier companies at each manufacturing facility; Selected three Outstanding CSR Suppliers in China from submitted entries

Aiming to further promote the CSR activities of its suppliers, the Brother Group has been conducting questionnaire surveys about their CSR efforts and, selecting and honoring excellent ones since 2015 at its three manufacturing factories of the Machinery business, including Kariya Factory, Brother Machinery Xian Co., Ltd., and Brother Machinery Vietnam Co., Ltd.

In FY2019, questionnaire surveys and audits were conducted in Japan, China and Vietnam.

In Japan, questionnaire surveys on CSR activities were implemented in two rounds and responses were received from a total of 86 supplier companies. In the questionnaire survey, emphasis was placed on reviewing previous CSR activities and confirming current conditions of suppliers with the goal of further improving and reinforcing CSR activities at suppliers going forward.

We also carried out a questionnaire survey at suppliers in China as well. We received responses from 74 companies. Furthermore, we asked suppliers to submit examples of their CSR activities. Of the submissions we received from 50 companies, we divided our suppliers into three categories based on scale, and selected one outstanding CSR company per category. We actually conducted on-site inspections for each supplier that was selected to confirm conditions. The award-winning suppliers were actively engaging in various activities, including enthusiastically training their employees, employing the physically impaired and maintaining the labor environment.

In addition, in Vietnam we conducted fact-finding investigations and audits related to CSR procurement activities at 22 suppliers. Of these, at suppliers where we audited compliance to the Brother Group Green Procurement Standards, we requested improvement in those areas that were not in conformance with these standards. At nine suppliers we conducted an electrical safety audit accompanied by the Japanese staff member in charge of electrical facilities. We aimed to strengthen follow-ups where needed.

The Brother Group continually strives to develop relations of mutual trust with its business partners and grow together with them to quickly deliver superior value to customers.



Electrical facilities audit in Vietnam

FY2019 award-winning company BROTHER MACHINERY XIAN CO., LTD., Outstanding CSR award

- C&U XIAN ELECTROMECHANICAL CO., LTD. (Large scale)
- ZHANGJIAGANG JINCAIYANG MACHINERY CO., LTD. (Medium scale)
- XI'AN QING'AN PACKAGING INDUSTRY CO., LTD. (Small scale)

With Shareholders IR Communication

Communication with Shareholders and Investors

Proactive information disclosure

Brother Industries, Ltd. (BIL) is committed to building long-term trusting relationships with its shareholders and investors by continuing to provide them with timely and fair information.

For shareholders, BIL provides the Brother Group's business performance reports and latest information through convocation notices of shareholders' meetings, the corporate website, and so forth.

For institutional investors and securities analysts, BIL explains the group's financial results through quarterly briefings. In addition, the company actively makes investor visits and takes part in interviews.

In FY2019, BIL held a briefing on the Machinery business in response to requests from many investors, and a progress briefing on CS B2021, the group's medium-term strategy which began in FY2019. Through these opportunities, the company was able to communicate with a lot of institutional investors and securities analysts.

On Wednesday, June 24, 2020, BIL held the 128th ordinary general meeting of shareholders at the hall of the Mizuho Factory, located in Nagoya City, with the attendance of 48 shareholders, and reported the Brother Group's business results for FY2019, and the issues to be addressed during FY2020. Various measures were taken due to the meeting being held in the midst of the COVID-19 pandemic. Among others, the number of attendees was reduced, shareholders were requested to avoid attending in person and recommended to exercise their voting rights in advance, questions were accepted via email in advance, some executives participated in the meeting online, the temperatures of attending shareholders were measured at the entrance, and social distancing was maintained in the reception area, elevators, and the like. All items on the agenda were approved and passed as drafted by a majority of the shareholders.



The 128th ordinary general meeting of shareholders

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

With Shareholders

Evaluation by External Entities

FTSE4Good Index Series / FTSE Blossom Japan Index

Brother Industries, Ltd. Included in "FTSE4Good Index Series" and "FTSE Blossom Japan Index" for the First Time

In June 2020, Brother Industries, Ltd. (BIL) has been included for the first time in the ESG investment* stock indexes "FTSE4Good Index Series" and "FTSE Blossom Japan Index" established by London Stock Exchange Group company FTSE Russell.



FTSE4Good



**FTSE Blossom
Japan**

The FTSE4Good Index Series is a globally renowned series of ESG investment indexes consisting of companies that have met standards for ESG practices. The FTSE Blossom Japan Index is an index specific to the Japanese stock market. It was adopted as an ESG index by Japan's Government Pension Investment Fund (GPIF), which manages the largest pool of funds in the world.

The inclusion of BIL in these indexes is evidence that its various ESG initiatives to date are held in high regard.

The Brother Group remains committed to building long-term trusting relationships with all stakeholders by developing its business and fulfilling its social responsibilities.

* : ESG investment is investment that prioritizes and selects companies based on environmental, social, and governance (ESG) practices

- ▶ Click to view about FTSE4Good Index Series (the link to the site of "FTSE4Good Index Series")
<https://www.ftserussell.com/products/indices/ftse4good>
- ▶ Click to view about FTSE Blossom Japan Index (the link to the site of "FTSE Blossom Japan Index")
<https://www.ftserussell.com/products/indices/blossom-japan>

With Shareholders

Evaluation by External Entities

MSCI Japan Empowering Women (WIN) Select Index

BIL Included in "MSCI Japan Empowering Women (WIN) Select Index" for the First Time

In November 2019, BIL has been included for the first time in the ESG investment stock index "MSCI Japan Empowering Women (WIN) Select Index" calculated and provided by Morgan Stanley Capital International Inc. (MSCI) of the United States.

2020 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

The MSCI Japan Empowering Women (WIN) Select Index consists of leading companies that are actively promoting and advancing women in the workplace. Selection is based on corporate disclosures and on ratios of female employees and managers and other data in the Database on Promotion of Women's Participation and Advancement in the Workplace*, which is a database of gender diversity according to the Act on the Promotion of Female Participation and Career Advancement in the Workplace.

The inclusion of BIL in this index, which was adopted by Japan's Government Pension Investment Fund (GPIF), is evidence that its various initiatives to date are held in high regard. They include support for diverse work styles, formulation of the "Commitment to Promotion of the Success of Women" and the "Action Plan to Support the Success of Women," and various systems and measures for promoting and advancing women in the workplace.

Going forward, the Brother Group will continue efforts to strengthen relationships of trust with all stakeholders and achieve further business development by building a robust organizational structure and fulfilling its social responsibilities while respecting the diversity of its employees.

▶ Click to view about MSCI ESG Research (the link to the site of "MSCI ESG Research")
<https://www.msci.com/esg-integration>

* : Click to view the Database on Promotion of Women's Participation and Advancement in the Workplace
(the link to the site of Japan's Ministry of Health, Labour and Welfare)
https://positive-ryouritsu.mhlw.go.jp/positivedb/en_index.html

DISCLAIMER

THE INCLUSION OF BROTHER INDUSTRIES, LTD. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF BROTHER INDUSTRIES, LTD. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

With Shareholders

Evaluation by External Entities

The SOMPO Sustainability Index

Brother Industries, Ltd. is selected as a member of the SOMPO Sustainability Index for the ninth consecutive year

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



Sompo Sustainability Index

"The SOMPO 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 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 Sompo Asset Management Co.,Ltd., and which has led to BIL's ninth 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 medium-to long-term perspective.

With Shareholders

Evaluation by External Entities

The 2020 Health & Productivity Stock Selection Program and the 2020 Certified Health & Productivity Management Outstanding Organizations Recognition Program

BIL is recognized under the Health & Productivity Stock Selection Program for the third time and the second consecutive year, and under the Certified Health & Productivity Management Outstanding Organizations Recognition Program for the fourth straight year

In March 2020, BIL was recognized as one of the enterprises in the Health & Productivity Stock Selection, a program jointly conducted by Japan's Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE). This marked the third time and the second consecutive year that BIL has been selected under this program. BIL has also been certified for four straight years as a "White 500" enterprise with outstanding health and productivity management under the Certified Health & Productivity Management Organizations Recognition Program, designed by METI and operated by the Nippon Kenko Kaigi.



The Health & Productivity Stock Selection Program recognizes outstanding TSE-listed enterprises that have been strategically managing their employees' health from a management perspective. BIL was selected by this program for its efforts to increase the rate of employees with adequate sleep and the cancer screening rate among employees, reduce stressful departments, and so forth based on the Brother Group Health & Productivity Management Philosophy.

The Certified Health & Productivity Management Organizations Recognition Program honors organizations which particularly excel at implementing health and productivity management. In addition to BIL, ten Brother Group companies, including Xing Inc., Nissei Corporation, Betop Staff, Ltd., Brother Sales, Ltd., Brother Living Service Co., Ltd., Brother International Corporation, Brother Enterprise, Ltd., Brother Real Estate, Ltd., Brother Logitech Ltd., and Mie Brother Precision Industries, Ltd. were also certified under this program.

The Brother Group will remain committed to strategically maintaining and promoting employees' health.

* : The term "health and productivity management" is a registered trademark of the Workshop for the Management of Health on Company and Employee, a non-profit organization.

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's Basic Policy on Social Contribution Activities

The Brother Group Global Charter stipulates that the Brother Group must always be a good corporate citizen, sharing our social, economic and cultural resources in all the communities where the Brother Group operates, and that the Brother Group help society achieve sustainable development by positively and continuously considering the environmental impact of all aspects of our business operations.

Based on this idea, the Brother Group has been globally promoting social contribution activities that further enhance a sense of unity within the entire group, especially focusing on the following activities:

- (1) Activities that meet the following conditions and lead to business growth*
 - Utilizing Brother's resources
 - Not only responding to requests and expectations from stakeholders but also taking them as opportunities and proactively getting involved
 - Employees can sympathize with and take pride in them.
- (2) Eco-conscious activities
- (3) Activities involving communities and personal development
- (4) Support activities for incidents with major impacts on society

* : Factors that lead to business growth includes:

Brand image enhancement, Learning and growth of employees, Smooth business implementation in each area, Securing of excellent human resources, and Understanding of social needs and future customers

The Brother Group's eco-conscious activities, which are promoted under the slogan of "Brother Earth," include creating eco-conscious products, reducing environmental impact in business facilities, supporting environmental organizations which work on biodiversity conservation in collaboration with the Eco Point Program participated by employees, and conducting environmental conservation activities with employees.

As its activities for communities and personal development, the Brother Group, for example, has been cosponsoring the Tokai Young Entrepreneur Seminar in Japan since 2008 to assist young entrepreneurs who address local challenges. Regarding this seminar as one of the activities that utilize its resources, the group has been promoting employees' participation in it and involving three or four employees as pro bono workers every year.

In addition, many activities to improve children's education and healthcare have been implemented at various group facilities. The Brother Group also has been increasing opportunities to enhance employees' awareness of volunteer activities. For example, employees at various group facilities have been participating in worldwide charity activities to support cancer patients.

As its support activities for incidents with major impacts on society, the Brother Group, for example, has been supporting areas devastated by the Great East Japan Earthquake through the Kizuna Fund, a fund to collect donations from employees, in Japan.

Furthermore, Brother Industries, Ltd. has been continuously donating to registered not-for-profit organizations addressing social challenges.

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's Basic Policy on Social Contribution Activities

Social contribution activities in different countries and regions

Social Contribution Category	Activity	Relationship with Business Strategy	Facility
Eco-conscious activities	<ul style="list-style-type: none"> • Creating eco-conscious products and reducing environmental impact in business facilities • Supporting environmental groups which work on biodiversity conservation in collaboration with the Eco Point Program participated by employees • Conducting environmental conservation activities with employees 	<ul style="list-style-type: none"> • Business expansion with eco-conscious products • Smooth business implementation in each area • Improvement of employees' environmental awareness 	Brother Industries, Ltd. The Brother Group's manufacturing and sales facilities in respective countries and regions
Activities involving communities and personal development	Cosponsoring the Tokai Young Entrepreneur Seminar designed to assist young entrepreneurs who address local challenges and employees' participation in the seminar as pro bono workers	Learning and growth of employees	Brother Industries, Ltd.
	Supporting activities to improve children's education and healthcare	Improvement of employees' awareness of volunteer activities	<ul style="list-style-type: none"> • Brother Industries, Ltd. • Brother International (Vietnam) Co., Ltd. • Brother International Corporation (Canada) Ltd. • Brother International (Gulf) FZE and others

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's Basic Policy on Social Contribution Activities

Social contribution activities in different countries and regions

Social Contribution Category	Activity	Relationship with Business Strategy	Facility
Activities involving communities and personal development	Participating with employees in charity activities which aim to support cancer patients and conquer cancer	Improvement of employees' awareness of volunteer activities	<ul style="list-style-type: none"> • Brother Industries, Ltd. • Brother International Corporation (U.S.A.) • Brother International (NZ) Ltd. and others
Support activities for incidents with major impacts on society	Supporting areas devastated by the Great East Japan Earthquake through the Kizuna Fund, a fund to collect donations from employees	Improvement of employees' awareness of volunteer activities	<ul style="list-style-type: none"> • Brother Industries, Ltd. • Brother Group companies in Japan

With Local Communities

Social Contribution Activities on a Global Scale



Golden Ring Project

Globally promoting participation in charity events to support cancer patients

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 FY2019, employees and their families at 23 group facilities all over the world participated in this project.

Many of the facilities working on the "Golden Ring Project" have taken part in the charity event "Relay For Life (RFL)." 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.

Teams of employees in many of the Brother Group's facilities are currently participating in RFL on a voluntary basis to expand this ring of support, with continuous participation by the U.S. subsidiary from 1999 and by the New Zealand subsidiary from 2006. In Japan as well, employees and related individuals of the Brother Group, predominantly from Brother Industries, have been participating voluntarily every year since 2010 as "Brother Team Japan." Including independently organized talks by cancer survivors at RFL venues, a range of activities have been conducted to raise awareness of cancer. In recognition of this long-running cancer awareness activity, the Brother Group received the 2020 Japan Cancer Society award (Organization Category)*.

* : Awarded to individuals and groups who have made outstanding achievements in anti-cancer activities. Established in 1968 by the Japan Cancer Society, the award aims to encourage the fight against cancer.

Golden Ring Project video



*: This video is from YouTube. (three-minute English video)
<https://www.youtube.com/watch?v=Ra4EPrBdxS4&feature=youtu.be>

With Local Communities Social Contribution Activities on a Global Scale



Golden Ring Project

Main facilities which joined "Golden Ring Project" in FY2019



New Zealand



China



United States (New Jersey)



United States (Tennessee)



Germany



Slovakia



United Kingdom
(Manchester/regional headquarters)



United Kingdom
(Manchester/sales facility)



Singapore



Malaysia



United Kingdom (Wrexham)



Japan



France



Indonesia



South Africa



South Korea



Brazil



Australia



Vietnam



Taiwan



India



Thailand



Philippines

With Local Communities

Social Contribution Activities on a Global Scale



Brother's Response to Large-scale Disasters

Collaborative support between the company and employees

The Brother Group has been working with its employees to provide support to the areas affected by large-scale disasters around the world.

Brother's main support includes the following two ways:

1. Monetary donations from the Brother Group
2. Donations and volunteer activities by employees

Monetary donations from the Brother 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 devastated area.

Brother establishes a fund to collect donations from employees and expands support

Brother Industries, Ltd. (BIL) has established the Kizuna fund, a fund that the Brother Group employees can easily donate to through payroll deduction, bank transfer, etc., and has sent the donations from employees to devastated areas every year.

In FY2019, BIL made donations to Shichigahama-machi, Miyagi Prefecture, which BIL has been supporting since the aftermath of the Great East Japan Earthquake, Onagawa Kogakukan (managed by Katariba, an authorized NPO) in the tsunami-devastated town of Onagawa-cho, Miyagi Prefecture, Shinsei, the Fukushima-based NPO, and the Sanriku Railway in Iwate Prefecture.

The donations were used in Shichigahama-machi for ohajiki (tiddlywinks) seawall artwork, to provide educational guidance and support mental care for disaster-stricken children in Onagawa Kogakukan, for the Fukushima-based NPO Shinsei to support the independence of the physically impaired who suffered severe damage mainly during the Great East Japan Earthquake, and for the Sanriku Railway "Sanriku Smile" campaign. The mayor of Shichigahama Town expressed his appreciation to BIL for its consideration to the town, saying that BIL has kindly acted as if it were the town's relative in a distant place.



Sewing and embroidery machine used at Shinsei



Sanriku Railway's "Sanriku Smile" campaign

With Local Communities

Social Contribution Activities on a Global Scale



Brother's Response to Large-scale Disasters

To remember the Great East Japan Earthquake

With the aim of preventing employees from forgetting the Great East Japan Earthquake and helping them prepare for disasters, BIL held a photo exhibition for post-earthquake reconstruction assistance in 2018 and the "Tohoku lecture" in 2019.

The photo exhibition showcased current conditions of devastated areas, and the Tohoku lecture provided participants with an opportunity to listen to various experiences during and after the quake by victims that were invited to talk. These events gave employees a chance to think about what they can do as members of society and how they should prepare for disasters.

Employees who attended these events offered their impressions. One employee said, "I was impressed by the victims' stance to take action, rather than lament over what they had lost." Another said, "I feel much closer to the devastated areas and victims after listening to their firsthand accounts."



Photo exhibition



Tohoku lecture

Brother will continue to value close communication with those living in the devastated areas.

With Local Communities

Social Contribution Activities in Various Regions



Brother Supports Young Entrepreneurs Who Address Social Challenges and Community Revitalization

Brother participates in the launch of Tokai Young Entrepreneur Seminar and provides continued support to entrepreneurs

Brother Industries, Ltd. (BIL) participated in the launch of the "Tokai Young Entrepreneur Seminar" to assist young social entrepreneurs who address social challenges and community revitalization through their businesses in the Tokai area, where BIL's headquarters are located, and started cosponsoring the activity in 2008.

This seminar has been offering such entrepreneurs support in business strategy formulation, service development, and other business activities to put their businesses on a growth trajectory. It had supported a total of 46 entrepreneurs engaged in nursing care and welfare work, employment support for persons with disabilities, the creation of learning spaces for children, childcare support, and so forth as of 2018.

In FY2019, five entrepreneurs, who were addressing social challenges, such as support for foreign laborers and career development for women, joined as members of the twelfth seminar.

Brother establishes a system in which employees can address social challenges as pro bono workers

Since 2012, Brother has been recruiting pro bono workers from among BIL's employees and assisting entrepreneurs by using their skills and experience gained from work, and also has been providing opportunities to learn about solutions to social challenges through business.

The employees who involved in the seminar as pro bono workers are allowed to spend a total of 50 working hours in six months on the activity. While using time outside of working hours as well, they taught these entrepreneurs how to narrow down goals, calculate profits and losses, formulate strategies to enhance the value of the services they provide, and perform market studies, by utilizing their skills and experience.

At the briefing on the pro bono activities held for BIL employees in March 2019, the pro bono employees reported that they had gained a wider perspective by supporting the entrepreneurs and had been motivated by interacting with people with different values. They also said that the pro bono experience was a valuable opportunity to test their ability in a wide range of areas.

The briefing was scheduled for March 2020, but was postponed in order to help combat the spread of COVID-19. We plan to hold the briefing together with the FY2020 Tokai Young Entrepreneur Seminar.

With Local Communities Social Contribution Activities in Various Regions



Brother Supports Young Entrepreneurs Who Address Social Challenges and Community Revitalization

Brother establishes a system in which employees can address social challenges as pro bono workers



Right: a pro bono employee talking with an entrepreneur



Briefing on pro bono activities(March, 2019)

BIL will continue to cosponsor this seminar, which aims to support young entrepreneurs who tackle social challenges and community revitalization through their businesses, and contribute to society through pro bono work by employees, and at the same time, increase opportunities for employees to learn and grow further to address social challenges through business.

With Local Communities Social Contribution Activities in Various Regions



Brother Helps Reduce Food Waste and Support People in Need in Australia

Brother takes part in the "Cooking for a Cause" event by OzHarvest

Brother International (Aust.) Pty. Ltd. (BIA) took part in the "Cooking for a Cause" event at food rescue charity OzHarvest in August 2019 to prepare and deliver meals to vulnerable people.

In Australia, four million tonnes of food are wasted each year, yet two million people still rely on food relief every year.

OzHarvest is the first food rescue organization in Australia collecting quality excess food from commercial outlets and delivering it, direct and free of charge, to 600 charities across the country. Rescued ingredients are either close to or at the best before date and perfectly edible and safe. OzHarvest collects these ingredients and makes meals for the underprivileged, thereby reducing waste to landfill and helping people.

BIA staff and their families volunteered to take part in the food rescue program. After a few hours of cooking under the guidance of the OzHarvest Chefs, 150 delicious and nutritious meals were delivered the same day to a homeless refuge and crisis center.



Participants in the "Cooking for a Cause" event



Meals delivered to the homeless refuge and crisis center

BIA's marketing coordinator said: "It was great to have experienced chefs work with us to create delicious meals for those in need - out of food that would otherwise have been thrown away. Volunteering for OzHarvest has certainly made me stop and think about what I can do to minimize food wastage."

This is the seventh OzHarvest social contribution event that BIA has taken part in and it has prepared over 1,000 meals during this time.

BIA will continuously support people in need, always considering how to solve social challenges and contribute to its local community.

With Local Communities Social Contribution Activities in Various Regions



Brother Supports Welfare Centers for the Elderly

Xing delivers fun and health to elderly people by using its musical healing content

Xing Inc. (Xing) has been supporting "Nijinokai*," a public interest incorporated association, since 2014. Nijinokai was established in 1979 jointly by many entertainers and intellectuals with the aim of promoting healthy living for the elderly and the healthy development of children. The "rainbow caravan" is its main activity in which Nijinokai staff visit welfare facilities for the elderly across Japan and enjoy dance and music with residents to make them feel more alive. As of March 2020, the rainbow caravan had visited more than 4,550 facilities since its launch in 1987.

Xing employees have traveled with this caravan to help provide an enjoyable time for the elderly, bringing "Kenko Okoku," Xing's musical healing content that combines songs, dances, and exercises and assisting with set up and operation of audio equipment. A resident who enjoyed this content said: "Nostalgic songs make me feel at ease, energetic and young again. I hope Xing continues this activity."

Nijinokai has launched a presymptomatic disease control program designed to help prevent dementia and also been developing health welfare and music therapists who give tailored guidance to each elderly person on how to avoid developing dementia or being in need of care. As of March 2020, more than 400 qualified health welfare and music therapists were actively working in nursing homes or as welfare counselors throughout Japan. To assist these efforts, Xing has been cooperating with the management of Nijinokai's health welfare and music therapist training seminar by selecting venues and receiving applications in local communities, and data collection and research to verify the medical effectiveness of the program.



Rainbow caravan visiting a senior welfare center



Health welfare and music therapist training seminar

Xing will continually help solve social challenges to improve the quality of life for the elderly and extend healthy life expectancy.

* : Official website of Nijinokai: <http://www.nijinokai.or.jp/> This website is available only in Japanese. (External site)

* : As of March 2020, the schedule for these activities has been postponed or adjusted in consideration of preventing the spread of COVID-19.

With Local Communities Social Contribution Activities in Various Regions



Brother Helps Disadvantaged Youth Find Employment in the Republic of South Africa

Brother sponsors the Youth Employment Service program and provides job training

The Republic of South Africa has been promoting the Broad-Based Black Economic Empowerment (B-BBEE) policy, which aims to empower historically disadvantaged South Africans, by enhancing their economic participation, providing them with equal economic opportunities, and restoring their status.

Brother International S.A. (PTY) Ltd. (BI S.A.) has been supporting the Youth Employment Service (Y.E.S) program, a B-BBEE initiative, providing young people disadvantaged in the labor market with job training for 12 months at BI S.A. offices and various other institutions. The company absorbs those recognized for their excellence as permanent employees. In FY2019, BI S.A. accepted 14 interns aged from 18 to 35 and they were trained in finance, sales and marketing, warehouse management and other operational aspects.

Through this internship, BI S.A. has been helping the country develop socioeconomically and underprivileged young people acquire skills because, according to research, a 12-month work experience gives a person an 80% chance of finding employment elsewhere.



14 participants in the FY2019 course and BI S.A. employees

In addition, BI S.A. has been actively promoting historically disadvantaged South Africans in management positions, and now they comprise 50% of the company's managers.

PDF BI S.A.'s B-BBEE targets and Broad-Based BEE Verification Certificate [PDF/484KB]
<http://download.brother.com/pub/com/en/csr/pdf/bbbee.pdf>

BI S.A. will continue to help solve the social challenge of boosting the employment of underprivileged youth.