

# Brother's CSR

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

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# Message on CSR from the Management

## To gain trust from the stakeholders

### Brother Group's CSR Management

I think it is important for a business entity to ensure a long, successful future. To achieve this, it is vital to promote Corporate Social Responsibility (CSR) management on a global basis, which continues to fulfill social responsibility seriously, as well as to achieve business growth.

As stated in the Brother Group's Global Charter, CSR management is to predict environmental changes surrounding us, such as social requirements and technological advances, to build trusting relationships with all stakeholders, and then to create new products, services and solutions for customers and society. In short, CSR management means to provide superior value, which is the mission of the Brother Group.



### Evolution of CSR Management

The Brother Group has evolved as a corporation through developing businesses in accordance with changes in the business environment of the times.

However, rapid changes in external environment and business circumstances have been underway, including the sluggish GDP growth rate around the world, decreased opportunities for printing with the spread of mobile terminal devices, and volatility of exchange rates, stock prices and resource prices, resulting in great managerial impacts on the entire Brother Group. Now that we are in such an uncertain situation, we must urgently strengthen management foundations by accelerating three kinds of transformation, "Business Transformation," "Operational Transformation" and "Talent Transformation" specified in the Mid-Term Business Strategy "CS B2018".

Toward these purposes, the Brother Group has been committed to various issues such as development of a new business and creation of a new product that reflects diverse opinions of customers, improvement of manufacturing capabilities through these processes, development of global talent, promotion of diversity including support for women's performance, contribution to the preservation of the global environment, community-based social contribution activities and enhancement of corporate governance.

Sharing the values stated in the Brother Group Global Charter, all of the Brother Group's employees will behave with the motto "At your side." to improve the CSR management of the Brother Group.

### Pursuit of Trust from Stakeholders

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

The Brother Group continues to try as a global team to deliver management that builds trusting relationships with all stakeholders toward the future.

Brother Industries, Ltd.  
Representative Director & President  
**Toshikazu Koike**  
September, 2016

# Brother Group's CSR

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

## Brother Group's CSR Management

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

## Corporate Governance

- The Fundamental Ideas of Brother's Corporate Governance
- BIL Corporate Governance
- Risk Management

## Compliance

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

## CSR Targets by Brother Group

- CSR Management Targets by Brother Group based on the Brother Group Global Charter
- Action Plans for FY2015 and Achievements in FY2015, and Action Plans for FY2016

## The Brother Group Principles of Social Responsibility

- Introducing the Brother Group Principles of Social Responsibility

## Internal Control System

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

## Information Security

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

## Third-party Opinion

- Third-party Opinion on Brother Group's CSR Activities in FY 2015

# Brother Group's CSR

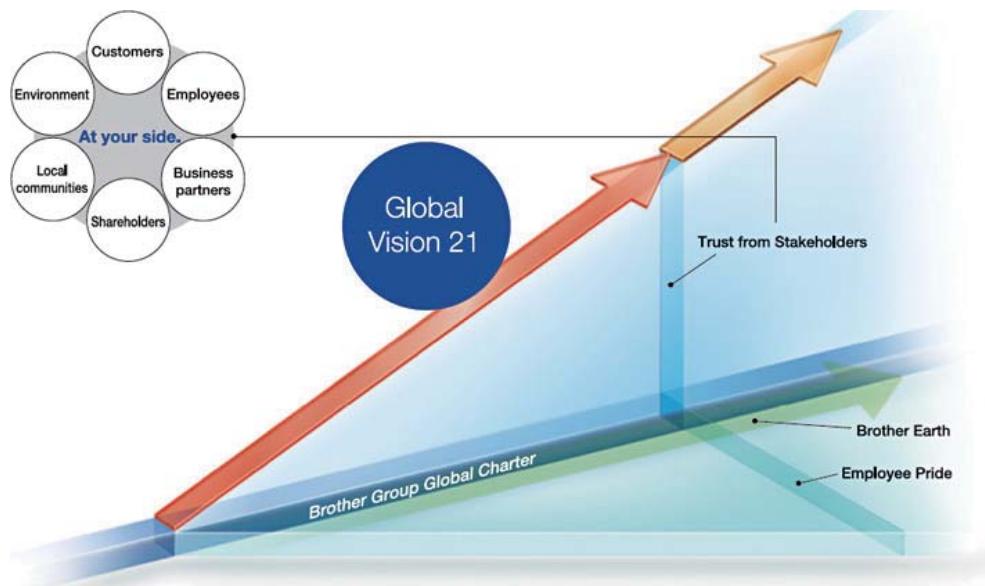
## Brother Group's CSR Management

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

### Growing continuously by gaining deeper trust of stakeholders

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

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



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

In 1999, the Brother Group adopted the Brother Group Global Charter consisting of Basic Policies and Codes of Practice that guide and govern the daily decision-making and actions of group companies and employees.

The Brother Group Global Charter shows that our mission is to create new products and services, or superior values, for our customers and the society, by anticipating any changes of the environment surrounding us, such as social demands and technological revolutions, and by enhancing the trust of all stakeholders.

We have been committed to offering superior values as a whole group, and have thus built our business. That has expanded our influence on various stakeholders including customers, thereby increasing their demands and expectations to us.

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

# 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.  
Representative Director & President  
Toshikazu Koike  
January 27, 2012

### The Brother Group Principles of Social Responsibility

#### A. Fair working conditions

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

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

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

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

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

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

# Brother Group's CSR

## The Brother Group Principles of Social Responsibility

### Introducing the Brother Group Principles of Social Responsibility

#### 3. Freedom of association

The Brother Group respects the rights of employees in each country in which we operate to associate

freely with others, join or not join labor unions, seek representation and join workers' councils in accordance with local laws and regulations.

#### 4. Child and forced labor

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

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

#### 5. Clearly defined disciplinary policies

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

#### 6. Whistleblowing system

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

## B. Health and Safety

### 1. Health and safety at work

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

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

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

# Brother Group's CSR

## The Brother Group Principles of Social Responsibility

### Introducing the Brother Group Principles of Social Responsibility

#### 2. Sanitation, food and housing

The Brother Group will provide Associates and any third parties who work at our premises with clean toilet facilities and clean water, and where provided, food preparation and eating facilities will be sanitary.

Where provided, dormitories shall be well maintained, clean and safe, and equipped with appropriate emergency exits, hot water for showering, adequate heat and ventilation and personal space, all according to applicable local standards.

#### C. The Environment

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

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

#### D. Ethical and respectable business practices

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

##### 1. Fair dealing

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

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

##### 2. Proper advertising

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

##### 3. Improper advantage

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

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

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

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

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

# Brother Group's CSR

## The Brother Group Principles of Social Responsibility

### Introducing the Brother Group Principles of Social Responsibility

#### 5. Information management

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

#### 6. Protection of personal information

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

#### 7. Policy against insider trading

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

#### 8. Protection of intellectual property rights

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

## E. Management System to implement these Principles

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

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

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

# Brother Group's CSR

## Corporate Governance

### The Fundamental Ideas of Brother's Corporate Governance

Develop long-Term Trustful Relationships Using the Brother Group Global Charter as the Basis of All of Our Activities

Brother Industries (BIL) has established the Brother Group Global Charter as the basis of all of the Brother Group's activities conducted worldwide, and sets enhancement of its corporate value over the long term by optimizing management resources and creating customer value, development of long-term trustful relationships with its shareholders by enhancing corporate transparency through active provision of corporate information to shareholders, and so forth, as the fundamental ideas of BIL's corporate governance.



General Meeting of Shareholders

►[For the Brother Group Basic Policies on Corporate Governance, click here.](https://global.brother/en/corporate/governance/policy)  
<https://global.brother/en/corporate/governance/policy>

#### BIL Governance Structure (As of April 1, 2016)



# Brother Group's CSR

## Corporate Governance

### BIL Corporate Governance

#### Statutory Auditor System and Executive Officer System

BIL's Board of Directors consists of 11 directors (including five outside directors). They decide important management matters and oversee executive operations. BIL also adopts a board of auditors system (five auditors, including three outside auditors) as the basis of its corporate governance, and has an entrenched mechanism in which auditors audit directors' job executions. It is a structure of oversight by multiple independent outside directors who possess a variety of knowledge and experience to strengthen management oversight. This has been adopted as a function for objective and neutral oversight of management by outside individuals, in addition to the oversight of management by auditors. Meanwhile, BIL introduces an executive officer system as an internal organization, whereby executive operations and supervision are separated in an effort to ensure swift decision-making and strengthen governance. Executive officers are elected by the Board of Directors, and oversee the operations of businesses, respective departments, and group subsidiaries under their supervision.

►[For a list of directors, click here.](#)

<https://global.brother/en/corporate/profile/executive>

#### Establishment of the Nomination Committee and Compensation Committee

In order to enhance independence and objectivity of the board of directors meeting's functionality concerning appointment and compensation of directors and executive officers, BIL has established the Nomination Committee and Compensation Committee as arbitrary advisory committees of the board of directors meeting. The respective committees consist of six directors, and of these, five are outside directors.

The Nomination Committee creates the standard for appointment of directors and executive officers, selects candidates, and develops a CEO succession plan, and so forth, and reports them to the board of directors.

The Compensation Committee creates policies and a system of compensation for directors and executive officers, reviews the compensation standard and remuneration amount of respective individuals, and reports on them to the board of directors.

#### Risk Management System

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

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

# Brother Group's CSR

## Corporate Governance

### BIL Corporate Governance

#### Compliance Committee

The Compliance Committee makes the workforce aware of the importance of complying with laws and business ethics and prevents violations and recurrences through education programs and activities.

#### Committee of Security Trade Control

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

#### Product Liability Committee

The Product Liability Committee is held periodically to ensure product safety in every stage including R&D, design and production, sale and use, repair and service, and disposal with coordinated efforts.

#### Information Management Committee

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

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

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

#### Environmental Committee

The Environmental Committee is chaired by the environmental officer and includes executive officers and above who are in charge of development, technology, production, and general affairs fields. The committee regularly discusses and determines measures for environmental issues that must be dealt with by the whole Brother Group.

# Brother Group's CSR

## Corporate Governance

## Risk Management

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

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

In FY2015, the Risk Management Committee met twice to review major risks, and reported the status of subcommittee activities to the Board of Directors. The committee will continuously address the improvement of the risk management system.

# Brother Group's CSR

## Internal Control System

### Improving the Framework and Providing Continuous Support

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

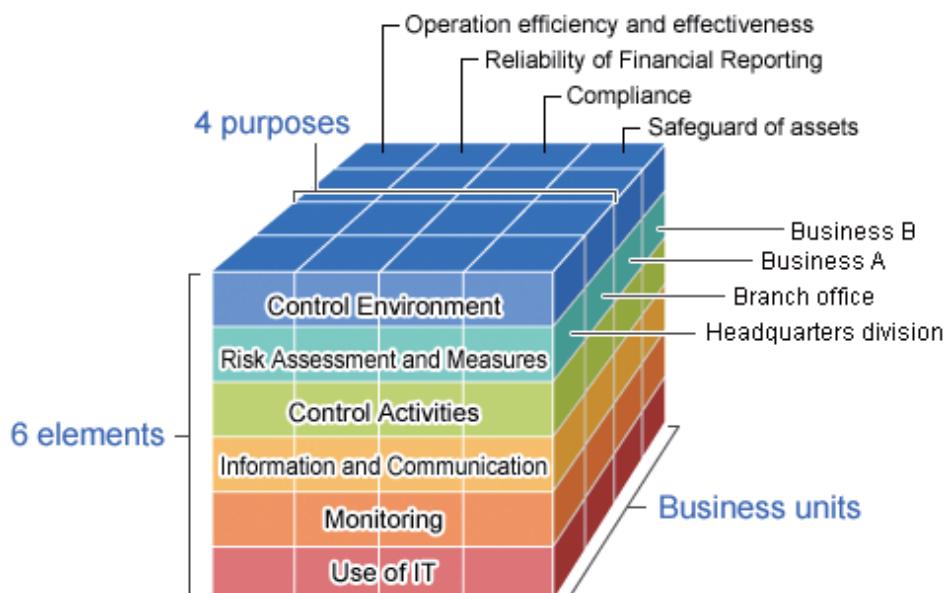
As is evident from the May 2006 enforcement of the Company Law of Japan and the requirement placed on businesses to submit reports of their internal controls from the fiscal year ending March 2009, society is demanding that businesses be more transparent and reliable about that financial reporting. The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

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

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

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

#### Internal Control Framework



# Brother Group's CSR

## Internal Control System

### Conducting Internal Audits in Collaboration with Regional Headquarters

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

In FY 2015, the Brother Group conducted internal audits of eighteen groups outside of Japan and four groups in Japan. Internal audits are intended to ensure the PDCA cycle of internal control, increase the transparency and efficiency of business activities, and upgrade risk response capabilities. The internal auditing departments of Brother Industries and its regional headquarters in the Americas, Europe and Asia work closely with one another, which enables to facilitate audits of the Brother Group that properly reflected the situation of local companies much more.

The global internal audit meeting, the 7th one since 2010, was held with an aim for enhancing internal audit functions which will become increasingly important in global operations.

This meeting was attended by about 20 individuals in total from regional headquarters, BIL's Internal Audit Dept., Finance & Accounting Dept. and MIS Dept.

Aiming to realize the new Mid-Term Business Strategy "CS B2018," we will maintain and improve the internal control functions of the Brother Group by: (i) establishing internal control systems more suitable to the Group, (ii) making a PDCA cycle for internal control of the departments self-sustaining, and (iii) ensuring coordination and sharing information to increase efficiency of audits among audit functions in the Group, while dealing with changes like M&A.



Global internal audit meeting

# Brother Group's CSR

## Compliance

### Compliance at the Brother Group

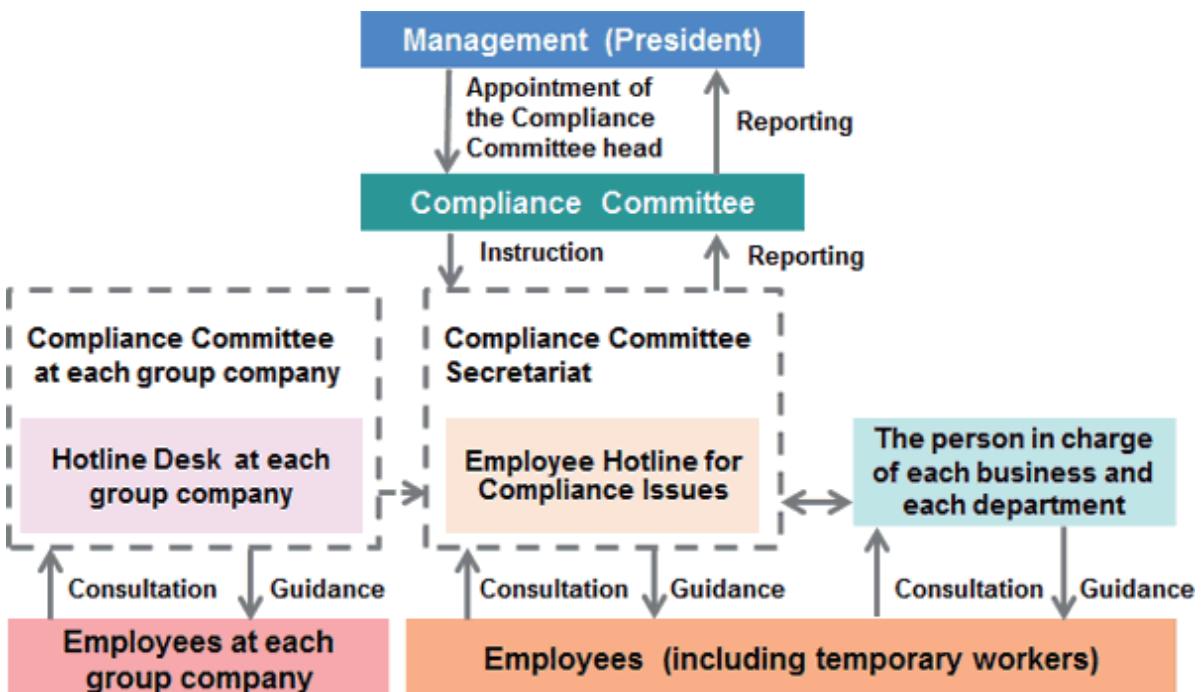
#### Absolute compliance with laws and ethics as the basis of CSR management

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

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

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

Compliance promotion structure



# Brother Group's CSR

## Compliance

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

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

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

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

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

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

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

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

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

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



Compliance Joint Training

# Brother Group's CSR

## Information Security

### To Properly Manage and Protect Information

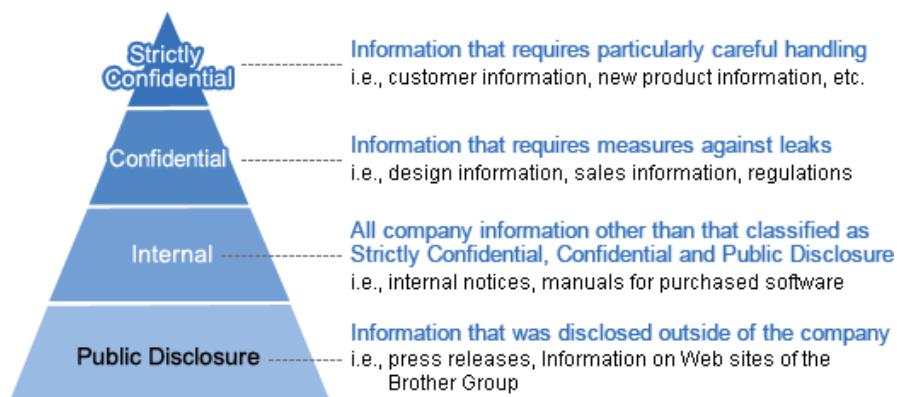
#### Developing the Brother Group Information Security Regulation

The Brother Group considers the proper management and protection of information as the foundation of maintaining management quality. In FY 2014, the Brother Group Information Security Regulation has been put in place in response to the expansion of the Brother Group by M&A. Consequently, information management in the Group has been unified by the regulation in compliance with the information security management system (ISMS), which has also enhanced security of information sharing within the Group.

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

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

#### Four information management levels based on confidentiality



# Brother Group's CSR

## Information Security

### Strengthening Measures to Prevent Information Leakage

#### Measures against unauthorized access from outside

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

For example, against the targeted attack by e-mail, suspicious e-mails are deleted at the entrances from the Internet. On corporate networks, malicious programs like computer viruses are monitored and deleted. At the exit to the Internet, communication is blocked to prevent information leakage when the partner of communication is found to be a dangerous server.

#### Measures against internal wrongdoing

The rules for the handling of information in the company are set and informed to the employees of the Brother Group through e-learning, etc. The employees are thus prevented from conducting risky behavior by mistake. If there's any improper behavior, violation of rules is spotted by checking the records of information handling via security tool installed in each PC and reported to the person in charge of the department where the wrongdoing is spotted. In addition, by informing employees of the governance of each PC through this system, wrongdoing is prevented.

# Brother Group's CSR

## CSR Targets by Brother Group

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

#### Voluntary efforts in respective regions

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

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

# Brother Group's CSR

## CSR Targets by Brother Group

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

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

# Brother Group's CSR

## CSR Targets by Brother Group

### Action Plans for FY2015 and Achievements in FY2015, and Action Plans for FY2016

Stakeholder	Action Plans for FY2015	Achievements in FY2015
Customers	<ul style="list-style-type: none"> <li>• Increase Brother brand recognition</li> <li>• Increase brand recognition by utilizing SNS</li> <li>• Customer satisfaction survey</li> <li>• Reinforce and expand the dealer network (China)</li> <li>• For important qualities of main products, establish new evaluation technologies based on customer perspective, set target for them and validate the reasonability</li> </ul>	<ul style="list-style-type: none"> <li>• Conducted brand recognition improving activities by utilizing social media at each region</li> <li>• Conducted customer satisfaction survey by utilizing the Internet at each region</li> <li>• Expanded and reinforced the dealer network compared to the previous year (China)</li> <li>• Established new evaluation technologies based on customer perspective for the most important four kinds of quality of the main products of the P&amp;S business: paper feeding, image quality, usage quality, and sound quality, and validate the effectiveness</li> </ul>
Our employees	<ul style="list-style-type: none"> <li>• Penetration activities of the Global Charter and promotion of cooperation among facilities</li> <li>• Develop a corporate culture with a spirit of challenge and enhance international cooperation</li> <li>• Develop human resources for global business (cultivation of human resources for the executives of facilities outside Japan, global recruitment)</li> <li>• Promote women's success</li> <li>• Promote safety and health</li> <li>• Conduct employees survey</li> <li>• Develop young human resources: "Look to the Future"even (Europe)</li> <li>• Develop the next generation leaders (Asia)</li> </ul>	<ul style="list-style-type: none"> <li>• Conducted the Global Charter penetration activities themed on "building a culture of challenge" at each facility</li> <li>• Conducted educations, which are common in global, for candidates for executive positions and carried out specialized educations responding to local characteristics</li> <li>• Carried out the programs for female employees and managers such as in-house lectures and carrier support, responding to the suggestions by the working group for promoting women's success</li> <li>• Selected as one of the "New Diversity Management Selection 100" by the Ministry of Economy, Trade and Industry (Japan)</li> </ul>
Business partners	<ul style="list-style-type: none"> <li>• Conduct CSR study sessions with business partners</li> <li>• Ask business partners to conduct CSR questionnaire and collect it</li> </ul>	<ul style="list-style-type: none"> <li>• Conducted study sessions for CSR procurement, etc. with business partners at each facility, and conducted questionnaires</li> </ul>

# Brother Group's CSR

## CSR Targets by Brother Group

### Action Plans for FY2015 and Achievements in FY2015, and Action Plans for FY2016

Stakeholder	Action Plans for FY2015	Achievements in FY2015
Local community	<ul style="list-style-type: none"> <li>• Support for reconstruction from the Great East Japan Earthquake</li> <li>• Respective facilities participate in Relay for Life or similar events for a social contribution activity to feel a sense of unity on a global basis</li> <li>• Promote social contribution activities connecte with respective regions</li> <li>• Promote social contribution activities coupled with business</li> </ul>	<ul style="list-style-type: none"> <li>• Continuously supported for the reconstruction activities from large-scale disasters including the Great East Japan Earthquake</li> <li>• Respective facilities around the world participated in the social contribution activities (Relay for Life or its similar events) on a globally shared awareness, including the original charity marathon event conducted in the Thailand</li> <li>• Supported educational institutions and conducted cleanup activities in the local communities where the Brother Group exists</li> <li>• Developed embroidery technologies with educational institutions, cooperated with them in human resource development, and donated sewing machines to a vocational training school (China)</li> <li>• Continued the pro bono activities (Tokai Young Entrepreneur Seminar) using the skills acquired through business (Japan)</li> </ul>
Environment	<ul style="list-style-type: none"> <li>• Promote reduction in CO<sub>2</sub> emissions among the Brother Group in accordance with reduction plans and targets</li> <li>• Promote collection of used cartridges</li> <li>• Collect the data of CO<sub>2</sub> emission during product transportation</li> <li>• ISO 14001 activities</li> <li>• Conduct one-click donation activities and enhance environmental consciousness through the special site for environmental activities "brotherearth.com"</li> <li>• Conduct tree planting</li> <li>• Brother Group Eco Point activities</li> <li>• Promote water conservation activities</li> </ul>	<ul style="list-style-type: none"> <li>• Conducted energy saving activities by setting target value of CO<sub>2</sub> emissions by each facility</li> <li>• Globally conducted tree planting activities in cooperation with local communities by each facility</li> <li>• Globally developed the collection of used toner and ink cartridges by donating according to the amount of collection and etc.</li> <li>• Reduced and recycled wastes arising from business activities by setting target value of waste generation by each facility</li> <li>• Supported the environmental preservation activities through one-click donation at the special site for environmental activities "brotherearth.com"</li> </ul>

# Brother Group's CSR

## CSR Targets by Brother Group

### Action Plans for FY2015 and Achievements in FY2015, and Action Plans for FY2016

#### Action Plans for FY 2016

The following is typical action plans by stakeholder extracted from each region's action plans for FY 2016 for CSR management targets

Stakeholder	Action Plans for FY2016
Customers	<ul style="list-style-type: none"> <li>• Improve customer values by conducting a door-to-door survey of customers directly connected to the development of various products and services</li> <li>• Improve the ability to respond to increasingly diverse inquiries from customers</li> <li>• Innovate new evaluation technologies of product reliability based on customer perspective, and establish the system to assure shipping liability aiming at eradicating quality problems</li> <li>• Improve the communication with customers by utilizing SNS</li> <li>• Improve usage quality emphasizing on comfort</li> </ul>
Our employees	<ul style="list-style-type: none"> <li>• Promote activities for penetration of the Global Charter and cooperation among facilities</li> <li>• Build a cooperative culture to achieve the Brother Group mid-term strategy "CS B2018"</li> <li>• Develop human resources for global business (cultivation of human resources for the executives of facilities outside Japan, global recruitment)</li> <li>• Promote women's success support</li> <li>• Promote safety and health activities</li> <li>• Foster the next generation of leaders</li> <li>• Improve satisfaction of employees by conducting awareness survey</li> </ul>
Business partners	<ul style="list-style-type: none"> <li>• Conduct CSR study sessions with business partners</li> <li>• Introduce the Brother Group's CSR activities to business partners</li> <li>• Commend superior business partners</li> </ul>
Local community	<ul style="list-style-type: none"> <li>• Support for reconstruction from a large-scale natural disaster</li> <li>• Employees participate in the social contribution activities on a globally shared awareness (Relay for Life or its similar events)</li> <li>• Promote social contribution activities connected with respective regions</li> </ul>
Environment	<ul style="list-style-type: none"> <li>• Conduct energy saving activities to achieve the target of reducing CO<sub>2</sub> emissions as whole Brother Group</li> <li>• Promote collection of used cartridges</li> <li>• Promote ISO14001 activities</li> <li>• Enhance environmental consciousness through "brotherearth.com", environmental special website</li> <li>• Promote Brother Group Eco Point activities</li> <li>• Conduct tree planting activities</li> <li>• Promote water conservation activities</li> <li>• Environmental preservation activities in cooperation with local communities</li> <li>• Publicize the Aichi Biodiversity Targets</li> </ul>

# Brother Group's CSR

## Third-party Opinion

### Third-party Opinion on Brother Group's CSR Activities in FY 2015

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

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

#### Highly evaluated points

- Sharing the the Brother Group Global Charter (the Global Charter): The Global Charter, which serves as Brother's guiding principle in CSR, has been translated into 27 languages. To promote the Global Charter, about 580 of the Global Charter promotional leaders have been appointed and acting around the world. The president and top management commit to practice the Global Charter. Seven facilities in China jointly hold "Cross-functional meeting for the Global Charter promotional leaders in China." In Vietnam, "Commitment Card" that helps employees consider their daily in light of the corporate philosophy and the code of conduct is prepared and always carried by all of them. In China, in particular, picture-card show style tools that can be introduced to factory workers during morning assemblies are created on the initiative of locals to share the Global Charter among them. These ongoing practices of sharing the Global Charter among regions and departments at a high level are equivalent to global benchmarks. Brother should set challenging action assignments for 2020s and continue to globally share the activities and unique ideas that are mainly promoted by promotional leaders along with the Brother Group Basic Principles of Social Responsibility.  
Especially on human rights and environmental impact reduction, Brother is strongly and continuously expected to share them not only in respective regions and divisions but also throughout the value chain including business partners.
- Increase in diversity and utilization of human resources : Through seminars based on the development plan for executive and managerial positions (facility succession plan) and so on, in China where Brother's main facilities are located, more than half of executive and managerial positions are occupied by locals. Seminars have also been conducted at group companies in Vietnam and Philippines. Further enhancement of the bases for global development and utilization of human resources is expected according to mid- to long-term global human asset portfolio strategies. Regarding the employment of the disabled, the employment rate reaches 2.11%. Brother is strongly and continuously expected to make relations and environments that enable the disabled, and non-Japanese employees working in Japan to interact and consult with employees of same attribution each other.



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

川嶋　徳人

## Brother Group's CSR

### Third-party Opinion

#### Third-party Opinion on Brother Group's CSR Activities in FY 2015

- Involvement of suppliers : Brother requested suppliers to self-evaluate their own activities by "CSR Tools" consisting of 80 questions regarding the environment, human rights, labor, health & safety, fair trade, corporate ethics, information security, and social contributions, and received answers from 428 suppliers. Brother then gave superior cases "CSR Award" and introduced the award-winning companies while requesting some low score suppliers to take corrective actions. These are highly evaluated. With a view to ISO 20400 that will be issued soon, Brother is expected to address to secondary suppliers and promote to accurately grasp suppliers' progress of activities in a quantitative way on safety, the environment and human rights and to persuade suppliers to take improvement measures referring to the feedback of the survey results either by type or scale of business.

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

- Reduction of environmental impact: Following twos, (i) the efforts to cut greenhouse gas total emissions in the manufacturing facilities and sales companies in and outside of Japan and (ii) the implementation of heat insulations in Japan that will lead to the enhancement of employees' satisfaction by restricting the influence of external temperature by windows and paints are recognized. Along with making efforts to achieve long-term objectives with an eye to the future beyond 2030, just-in-time energy consumption by the collaboration of whole production sites including facilities administration departments and, for addressing Scope 3 also, encouraging the use of universal design fonts, reducing environmental impact during use such as defaulting toner saving and 2 in 1 printing for shipping are strongly and continuously expected.
- Improving quality control and customer satisfaction : Circumstances are assessed with Brother's unique index, product returns and servicing rate, and systematic efforts have been made from responses to defects to prevention of quality problems. These activities are highly valued. Brother is expected to analyze factors of defects and to strive for optimization of the quality of products when used by customers through communication with them.
- Creation of workplaces where employees can easily continue to work : A nursing care seminar has been held 50 times up to now; the number of attendees of the seminars has reached 45% of employees at age 40 or over; support tools for making care plan were provided; and a comprehensive care center for a community was invited. These activities are particularly noteworthy. Respective workplaces should identify and resolve issues to increase the system utilization rate of leave, leave of absence, and short-time working for child care, family care, and nursing care (8.93% at Brother Industries including those who are still on leave). In terms of the general consultation desk to help employees cope with their anxieties and problems, while the enhancement of the activities by the counterparty of labor union is recognized, further activities to facilitate use of consultation, such as introducing more case examples relevant to family-related problems, are expected.

# Brother Group's CSR

## Third-party Opinion

### Third-party Opinion on Brother Group's CSR Activities in FY 2015

- Business continuity plan (BCP) : Stipulating "local contribution" in the basic principle of business continuity that places the security of human life first and conducting evacuation drills with a neighboring nursery school are recognized. Promoting the cooperation for the security of employees' family members is expected.
- Social contribution activities : More than 20,000 employees (over half of Brother Group's global workforce) have joined the Brother eco point program to reduce environmental impact on a day-to-day basis. Brother employees also have voluntarily involved in activities based on local needs. These efforts, which reflect Brother's spirit and involve its business operations, are highly evaluated. Brother should continue to systematically promote these activities as part of social investment under a global vision.

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

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

**IIHOE**

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

## With Customers

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

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

- A Framework for Quickly and Comprehensively Reflecting Customer Feedback in Our Products
- Setting Quality Standards in Accordance with Customer Needs

### Safe and Secure Product Design

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

### Minimizing "Product Returns and Servicing"

- Based on Brother's Unique Concept from the Viewpoint of Customers
- Quality Improvement through Making Customer Visits

### Distribution, Sales and Service

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

# With Customers

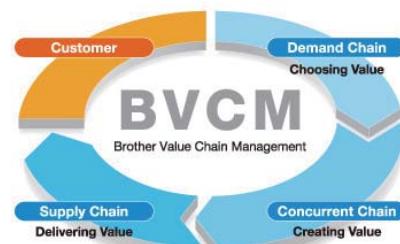
## Developing Products with "Customers First" in Mind

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

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

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

In the planning phase for a new product in particular, those in charge of planning and development visit customers, organize group interviews, and conduct web-based surveys. These extensive, in-depth surveys are designed to identify the environments in which products are used and to analyze impressions and requests so that potential needs --- which even customers are not aware of --- are identified and reflected when developing the next models. This process helps to ensure that the functions, sizes, designs, and prices of products perfectly match customers' needs. This is all part of the Brother Group's commitment to providing customers with new values and satisfaction.



Framework for reflecting customer feedback in product development

#### Setting Quality Standards in Accordance with Customer Needs

##### Clarifying quality standards for SMB market to reflect them to developments and evaluations of products

Comparing to customers in SOHO(Small Office Home Office) market, which is the target for product development until now, customers in SMB(Small and Medium Business) market sometime have different demands for products.

For this reason, we worked to investigate customer demands for laser printers and All-in-Ones in SMB market to clarify the quality they expect.

In particular, we visited customers and dealers in SMB market to investigate status of installation and usage of printers and All-in-Ones. In addition, demands for products from customers and dealers were directly heard. Based on the usage conditions and demands, the points that our users and dealers place importance came to be recognized. Stiffness of products, sounds after printing, air from fans and so on, which are felt through the five senses, as well as reliability and operability of products turned out to be important points.

For this reason, regarding external appearances including stiffness and operability of products, we worked on quantifying the feelings, which customers get when they actually use products, by hearing investigations through questionnaires. Thanks to the quantifying, as we can objectively show the comparison with our competitors' products, we came to be able to clarify superior and inferior points of our products. By doing this, we improve products and confirm and verify the effects of the improvement by product evaluations for the shipment of products that satisfy customers more. By making customer visits and working from a customer' viewpoint to grasp the quality they expect, we can set new quality standards and reflect them to product evaluations.

Always placing its customers first everywhere, every time, the Brother Group wishes to provide them with superior value and services.



Quality verification through the five senses(Stiffness)



Quality verification through the five senses(Operational feeling)

# With Customers

## Minimizing "Product Returns and Servicing"

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

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

At the Brother Group, the percentage of products returned from customers for repair or return is defined as "product returns and servicing rate." We believe that the time and effort suffered by customers due to trouble with the products, no matter how small, is an inconvenience for them. To reduce the number of returned products close to zero, we are working to find out the causes of the trouble. And together with all departments from development design, manufacture, logistics, sales to services, we promote the across-the-board activity to pursue improvement of product quality for reducing "product returns and servicing rate."

#### Quality Improvement through Making Customer Visits

##### Identifying causes of troubles through making customer visits to know more about customers

The Brother Group aims to provide customers with products that impress or satisfy them. To achieve this goal, it's crucial for us to grasp customers' usage conditions of our products. Based on the daily repair requests and information of call on our printers and all in ones from our customers, if we can't reproduce declared trouble, we visit the customer who declared it to investigate under what environment and how the customer uses our product.

For example, some troubles of telephones and fax machines arise from the installation environment or usage condition of customers not from the problems of the product itself. In one case of making a customer visit who uses MFC-J870N, inkjet All-in-One designed for the Japanese market, error occurred only when sending faxes to some destinations although no error occurred when receiving faxes. Installation environment and connection of our customer's product were recorded, whether the error occurs or not by replacing the product to verification equipment was tested, and some measurements were conducted under customer's usage environment. Then it became clear that according to the positions of MFC-J870N and lines (Fig.1), tone signals of number 1 and 7 were not detected due to the effects of external noise. (Fig.2) By measuring line voltage and frequency level in detail, the trouble turned out to be a matching problem between modem (modulator and demodulator) built in MFC-J870N and external PBX (private branch exchange) not product breakdown. By attaching noise filter to reduce surge and changing the position of line cord, the trouble was resolved.

By exploring the root cause of trouble through making customer visits like this, we can realize various elements that cause troubles, which can't be known by simply collecting products to repair them. We lead the findings to product improvement as well as utilizing them for future solutions and advices to our customers. In addition, we reflect them to our "evaluation standards" corresponding to various usage environments and conditions of use to utilize for the evaluation of our newly-developed products.

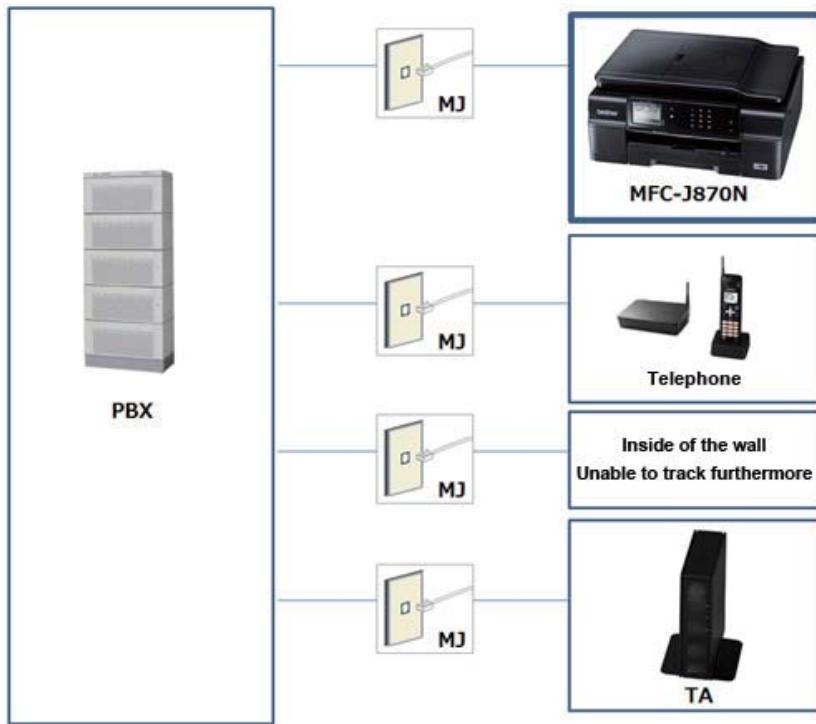
The Brother Group keeps exploring such case one by one and ensuring the product development and service from customer's standpoint to minimize "product returns and servicing rate."

# With Customers

Minimizing "Product Returns and Servicing"

Quality Improvement through Making Customer Visits

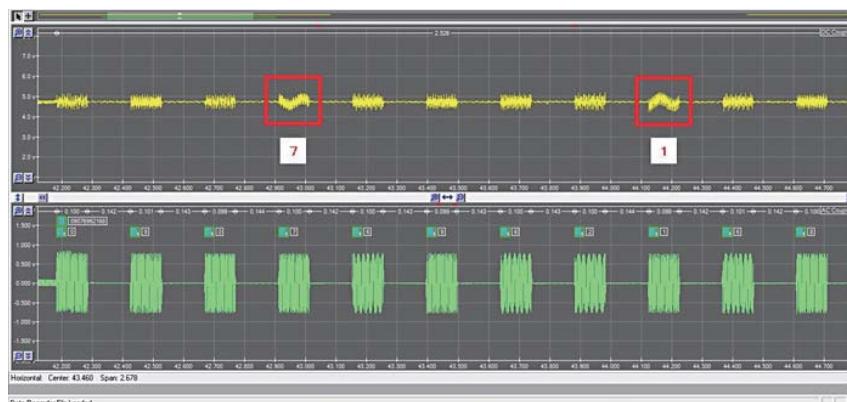
Fig.1:Customer's product connection



Connection status of MFC-J870N, PBX, telephone, and so on that the customer we visited this time was using.  
MFC-J870N was connected to one of the outlet via PBX.

\*: PBX: Private Branch eXchange, MJ: Modular Jack, TA: Terminal Adaptor

Fig.2:Waveform of tone signal (DTMF) measured under customer's usage environment



Waveform of tone signal (DTMF)  
 top (yellow waveform):Waveform measured under customer's usage environment  
 middle (green waveform):Normal waveform  
 bottom (yellow waveform):Enlarged waveform of number 1 (left) and 7 (right)  
 Tone signals of both number 1 and 7 are surging due to effect of noise.

# With Customers

## Safe and Secure Product Design

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

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

Brother products are used in different countries and regions around the globe, in diverse environments and in various ways. In addition, customers' expectations for our products have been changing day by day according to the changes in customers' lifestyles. The quality assurance department compiles trouble-related information from the market into a database, evaluates new products of our competitors, and establishes quality standards and evaluation methods for products by analyzing the information and evaluation results. Furthermore, to enable customers use our products with secure feelings, countermeasures to the troubles are built into products in the design phase to make customers feel Brother's characteristic product developments. Customer-oriented quality standards set quality target values reflecting "At your side." (the motto of the Brother Group) to our product development.

Customer-oriented quality standards are constantly reviewed by closely examining repair requests and call center inquiries or responding to the changes in customers' expectations to products.

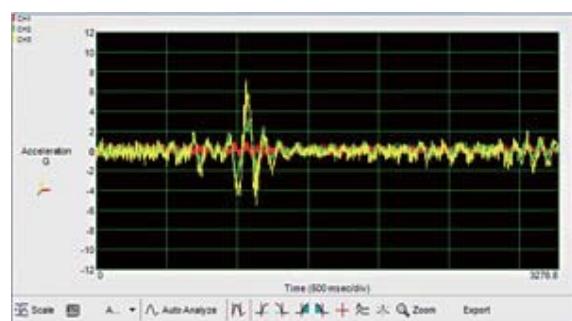
## Promoting Customer Verification

#### **Assuming customers' product usage scenes to reflect them to product development**

As customers' usages differ in response to product category, assuming customers' product usage scenes to reflect them to product development is important.

For example, mobile products are used by customers after being carried freely to where they want to use them. There are various transportation methods for customers not only cars but also motorbikes, bicycles and so on.

Although we expect customers to carry products face up and gently with them, some customers actually transport products upside down in their bags and so the products are subjected to big shocks repeatedly. For this reason, we measured the vibration during real transports by setting measuring instrument on bicycles, motorbikes, and cars to record vibrating conditions and reflected results of the measurements to the conditions of vibration test of mobile products.



Vibration waveform of a carrier of motorbike

Meanwhile, we introduced a new vibration testing system which enables us to evaluate mobile products close to real use conditions and can generate various vibration conditions when the products are mounted on vehicles at a time. This enabled us to conduct highly reproducible evaluation of products in a short period of time and bring products into completion by overcoming specific problems only for mobile products.

The Brother Group sticks to delivering customers safe and secure products one by one through investigating customers' product usage conditions to develop products in response to them.

# With Customers

## Distribution, Sales and Service

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

#### Brother (China) Ltd. started a support service using the SNS WeChat

Brother (China) Ltd. (BCN), a sales facility in China, established a call center and has been dealing with customers' inquiries about the breakdown of their products and how to use them. However, as the users of Brother products increased, BCN faced a necessity to build a more desirable support system. Therefore, to improve service quality, in May 2014, BCN launched an online customer service that enables customers to inquire in the form of chat via the Internet. BCN has been making efforts to improve the quality of this online service, and more and more customers are recently using it. They can, for example, immediately obtain URL links for downloading printer drivers or user's manuals and get faster support through this service. In China where more than 80 languages or dialects exist, communication by characters has the merits of being easy to understand each other and share knowledge compared to telephone conversation that is hard to pick up the words of customers.

As the number of smartphone users rapidly increases, the SNS service WeChat is getting widely used in China. The statistics made by Baidu, the major search engine in China, shows that 90 percent or more of the smartphones used in China already use WeChat in the first quarter of 2015, with 549 million people using it actively per month.

To cope quickly with this change of the times, BCN decided to launch a customer support system using SNS WeChat in 2015. BCN then created its new official account for WeChat, Brother China Service, in April 2016. That easily enables users to purchase materials and consumables they need or obtain the information of repair/support shops via the functions of WeChat.

In case customers are in troubles with their Brother products or related services, they can use the shooting and transmitting function of WeChat to detect a cause in a moment, and thus be guided to a solution speedily and successfully.

BCN is planning to provide customers with more solutions, including support videos that help customers learn intuitively how to operate Brother products.

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



Top page of Brother China Service

## With Employees

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

### Ensuring Diversity of Human Assets

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

### Developing Human Resources at Each Regions

- Development of Human Assets Placing the Right Person in the Right Place
- "Takumi Dojo" to Hand Down the Essence of "Manufacturing"
- Encouraging challenges by individual employee

### Workplace Safety

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

### Promoting Activities to Enhance Employee's Pride

- To Carry on "Brother's Uniqueness"
- Brother Industries, Ltd. Ranked Record-high 17th in the 2016 JAPAN BEST COMPANIES TO WORK FOR®

### Supporting Diverse Work Styles

- Promoting Diverse Working Styles
- Activities to Support the Success of Women
- Supporting Work-Life Balance

### Developing Human Resources for Global Business

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

### Sharing the Global Charter

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

# With Employees

## Ensuring Diversity of Human Assets

### Basic Policy on Employment and Benefits

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

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

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

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

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

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

## With Employees

### Ensuring Diversity of Human Assets

### Ensuring a Diversified Human Assets

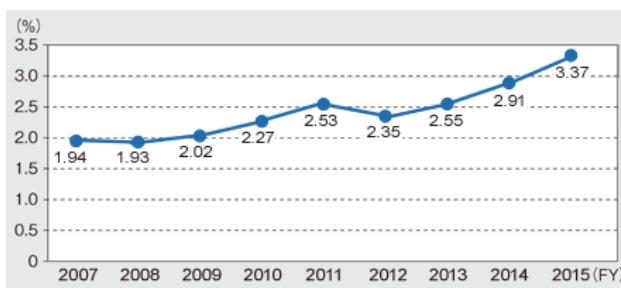
#### Promote the appointment of female employees in managerial positions

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

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

Company (Country)	March 2015		March 2016	
	Number	Percentage	Number	Percentage
Brother Industries, Ltd. [Japan]	24	2.9%	27	3.4%
Brother Sales, Ltd. [Japan]	2	2.5%	2	2.4%
Brother Technology (Shenzhen) Ltd. [China]	23	29.5%	25	31.3%
Brother Industries (Shenzhen) Ltd. [China]	13	32.5%	16	36.4%
Zhuhai Brother Industries, Co., Ltd. [China]	14	58.3%	15	57.7%
Brother Sewing Machine Xian Co., Ltd. [China]	3	12.5%	2	8.3%
Brother Industries Technology (M) Sdn. Bhd. [Malaysia]	9	29.0%	9	30.0%
Brother International Corporation (U.S.A.) [U.S.A.]	78	39.0%	87	39.0%
Brother International Europe Ltd. [U.K.]	7	15.9%	7	15.6%
Brother U.K. Ltd. [U.K.]	12	34.3%	14	37.8%
Brother (China) Ltd. [China]	9	28.1%	9	28.1%
Brother International G.m.b.H. [Germany]	1	9.1%	5	16.1%
Brother France S.A.S. [France]	14	41.7%	14	41.7%
Brother Industries (Vietnam) Ltd. [Vietnam]	29	32.2%	34	36.6%

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



## With Employees

### Ensuring Diversity of Human Assets

### Ensuring a Diversified Human Assets

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

In Japan, the law stipulates that businesses of a certain size and larger must fill a minimum of 2.0% of the total workforce with disabled persons. The Brother Group is hiring persons with physical disabilities, and those employees are engaged actively in positions assigned in accordance with their qualifications and performances. Even after the rise of the legal requirement for employment of disabled persons in April 2013, the employment rate by Brother Industries (BIL) has continued meeting the required rate, with 2.11% in FY 2015.

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



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

The amendment of the Handicapped Person's Employment Promotion Act was enforced in April 2016. In response to it, BIL has been actively implementing e-learning to understand the outline and concept of the law as well as workshops supported by the employees certified as job coaches by BIL Human Resource Dept. to stimulate concrete actions.

## With Employees

### Supporting Diverse Work Styles

#### Promoting Diverse Working Styles

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

Last year, in recognition of these efforts, Brother Industries, Ltd. (BIL) won the FY 2015 New Diversity Management Selection 100, the Minister of Economy, Trade and Industry's award. We will continue providing employees with a working environment where they can fulfill various kinds of potential as well as the opportunity of taking on a challenging job, regardless of gender or nationality, with or without a disability.



Logo and awarding ceremony of the New Diversity Management Selection 100



### Activities to Support the Success of Women

#### A working group named "Team Ajisai" clarified issues and recommended necessary measures

In FY 2014, aiming to create a workplace environment where every woman working in BIL can fully exercise their abilities and perform well, a working group named "Team Ajisai" ("Team Hydrangea"), consisting of female employees, was formed. Team Ajisai clarified issues for the support of the success of women, and presented necessary measures.

BIL has been positively responding to their suggestions, by devising the Commitment to Promotion of the Success of Women, formulating the Action Plan to Support the Success of Women, introducing a homeworking system, and holding lectures by experts. Since the team also raised the need of experience working abroad to shape their career, BIL is expanding a trainee system with which young employees can work outside Japan.

In FY 2014, a training course started in which female employees expected to become leaders develop mutual understanding and specific career plans with their superiors.



Members of "Team Ajisai"



President speaking at the lecture held to raise awareness of employees

# With Employees

## Supporting Diverse Work Styles

### Activities to Support the Success of Women



#### Opinion of an employee who utilized a trainee system

A valuable experience --- I realized how important it is to approach an issue while developing mutual understanding

Personnel Dept., Brother Industries, Ltd.

**Mami Tomida**

In the third year since I joined Brother, I worked as a trainee for a sales company in Shanghai for three months from November 2015. I worked on the planning of an in-house training while learning the present status and personnel management in China. Through such experiences, I recognized some common issues between China and Japan although our way of or attitude toward working is sometimes different from each other. We eventually completed our plan after a great deal of trial and error. That gave me a valuable experience to learn how important it is to approach an issue by developing mutual understanding through conversations, seeing things from the same perspective even in a different culture. I will continue working making use of a diversity of insight and a sense of balance I obtained as a trainee, valuing a relationship with those I met there.

#### Main measures

FY 2014	<ul style="list-style-type: none"><li>• "Team Ajisai", a working group aiming at the success of women was launched</li><li>• A meeting with the president to discuss the successful performance of women</li><li>• A new training course was started to support women's career development for female employees and their superiors</li><li>• A seminar to support those aiming at returning to work after taking childcare leave</li><li>• A lecture for managers on promoting the success of women</li><li>• "Career Rainbow", a site to feature the career of female managers was created on the intranet</li></ul>		Discussion with the president about the success of women
FY 2015	<ul style="list-style-type: none"><li>• A homeworking system was introduced</li><li>• A meeting with executives to discuss the successful performance of women</li><li>• A lecture for managers to develop the ability of female subordinates</li><li>• A lecture for female employees to support their career development</li><li>• A networking event with other companies for female skilled workers to consider their career development</li></ul>		Lecture to support career development

# With Employees

## Supporting Diverse Work Styles

## Supporting Work-Life Balance

### Expand systems and create an atmosphere that allows employees to use them

BIL has developed many kinds of systems to support work-life balance, including a flextime system, childcare leave, family-care leave, a short-time working system, and nursing care leave so that employees can continue working vigorously free from anxiety. Meanwhile, BIL has been making efforts to make the systems easier to use and to create an atmosphere sympathetic to those using such systems, listening to the opinions of employees.

A seminar to consider how to cope with both work and family-care has been held since 2011, in preparation for the society with serious family-care problems anticipated in the near future. A seminar to support those aiming at returning to work after taking childcare leave was also started in 2015. Both are held during work hours so that employees can find it easier to attend them. A homeworking system has been introduced in October 2015 for the employees engaged in childcare or family-care. We now thus have more flexible ways of working.



Seminar to support those returning to work

### Number of employees who use various systems of BIL<sup>\*1</sup>

	FY2013	FY2014	FY2015
Childcare leave <sup>*2</sup>	44(6)	45(9)	57(12)
Family-care leave <sup>*2</sup>	5(3)	3(0)	0(0)
Short-time working for childcare	114(3)	130(5)	155(11)
Short-time working for family-care	0(0)	1(1)	1(1)
Nursing care leave	21(8)	27(11)	29(7)
Homeworking	-	-	29(6)

\*1: The number in parentheses indicates that of male employees

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



#### Opinion of an employee who is utilizing the homeworking system

Carrying out my work systematically with intense concentration

Development Planning Dept., Brother Industries, Ltd.

**Yumiko Kawazoe**

I have been working one day a week at home since the introduction of the homeworking system. As my husband has been transferred abroad alone, I have to work and take care of our two children by myself. I could not do this without BIL's homeworking system. I must carry out my work at home systematically with intense concentration. Therefore, I usually make an effort to maintain more communication with my superiors and colleagues than ever.

## With Employees

### Developing Human Resources at Each Regions

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

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

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

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

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

#### "Takumi Dojo" to Hand Down the Essence of "Manufacturing"

**Handing down the knowledge and skills which support the quality of products, thereby improving the workplace of "Manufacturing"**

The Machinery Business Division started "Takumi Dojo" (translates into artisan workshop) in 2006 in which knowledge and skills supporting the quality of products are handed down so as to develop the ability to create customer value with Brother's technologies.

In Takumi Dojo, senior employees serve as instructors and teach knowledge about parts, knowledge about the influence of accuracy of assembling and processing to products, technical skills, attitude to work, safety awareness, etc. to young employees through the curriculum in a year. The school develops human resources who would be able to initiate reform in a workplace with a perspective of finding out issues by themselves as well as sufficient knowledge about the essence of manufacturing that supports our products.

Not only the young employees learning at Takumi Dojo, but also senior employees serving as instructors realize their own growth, saying, "To train students effectively, I need to learn by myself, too. That improves my knowledge and skills."

The Machinery Business Division started production in a factory in China in 2011. We have been searching for the best way to pass on knowledge and skills about manufacturing while respecting diversity in a different culture. In the factory in China, local employees who are in charge of human resource development serve as instructors to teach employees in accordance with Chinese cultures. The Japanese instructors at Takumi Dojo train local employees to become instructors who could teach the essence of manufacturing.

The Brother Group will continue to improve our employees' ability and skills so that we could create excellent values and provide customers with them swiftly as a manufacturing company.



Young employees learning filing at Takumi Dojo

# With Employees

## Developing Human Resources at Each Regions

### Encouraging challenges by individual employee

**Enhancing employees' spirit of challenge and encouraging their actions by holding meetings with the management continuously and sharing examples of actions**

Brother (China) Ltd. (BCN), one of the sales sites in China, has been developing human resources in many ways so that employees could share corporate culture to realize their own growth.

On every Monday, the management send a message to all employees on business situations or ideas about CSR. At a morning meeting held on every Monday, employees report the daily cases in which they used their inventiveness, and are given approval or advice by the management, aiming to share information between them.

Moreover, there is an occasion where the top management and employees can talk face to face with the purpose of consulting on employees' concern and gaining some insight. There were twelve such occasions in 2015, participated in by more than 100 employees.

In addition, a presentation called the Global Charter SHOW is held. Employees present the result of their efforts along with its process in association with the content of the Brother Group Global Charter. One of the employees, for example, reported a successful effort to meet a customer's request within 24 hours in cooperation with a manufacturing facility in China. Excellent cases are commended by the company so as to enhance the spirit of challenge of individual employee and to recommend further positive actions. This presentation was held for eleven times in FY 2015, participated in by 242 employees.

In hierarchical training courses, special programs are respectively developed for "supervisors" who are to bring out maximum ability of individual employees toward our objectives by encouraging many of them and the "managers" who control their groups and the whole team to create innovative processes and results. BCN has thus been committed to enhance employees' ability to facilitate and support the challenges by them.

In 2015, BCN was awarded with "Talent resource strategy Innovation Award" at 2015 Labour Forum, sponsored by a daily newspaper "Labor Daily" founded in 1949.

The main features that are highly evaluated and regarded as facilitating growth of employees include: sharing corporate culture; enhancing employees' awareness of CSR; and encouraging challenges by employees.

The Brother Group will continue to respect diversity of employees and to provide them with the work environment where they can exercise various skills as well as the opportunity to be involved in a challenging work.



A dialogue between the top management and employees



The shield for Talent resource strategy Innovation Award

# With Employees

## Developing Human Resources for Global Business

### Developing Human Resources for Global Business

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

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

We will promote human resource development into global, well-structured and long-term programs, by sharing information on human resources development in each country and region.

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

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

In Brother Industries (Vietnam) Ltd. (BIVN), manager fostering training courses have been conducted since 2014. It aimed to cultivate next candidates for managers early. These training courses were started with the support of Brother Industries in response to BIVN's request for fostering Vietnamese managers who will have a key role in autonomous factory operations. In FY 2015, Vietnamese manager candidates were selected as the second and third batches of trainees (nine for the second, ten for the third) to participate in the training courses.

At the creation of the curriculum for the training courses, hearings to both the participants and their superiors and 360-degree surveys were conducted to grasp the managerial worries of the participants and expectations from their superiors to them.

The training courses were focused on especially needed managerial abilities, "reporting, contacting, and consultation", "team management" and "interdepartmental cooperation".

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

The same training course was also conducted in Brother Industries (Philippines), Inc. in FY 2015, with 15 manager candidates participating in workshops and management classes. The participants are enhancing their consciousness of leading their companies as managers by awaking that their small changes in behavior and mind make the communications with people around them smooth although they are feeling the gaps between "understanding" and "practice".

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



Participants working on group work



Result presentation to superiors

# With Employees

## Workplace Safety

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

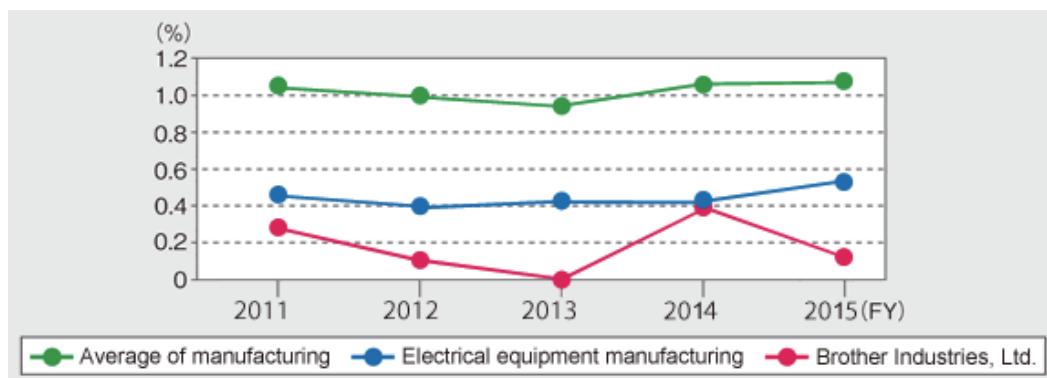
#### Management systems built and run on a basic policy of safety first

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



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

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



Work accident frequency rate represents the frequency of work accident by the number of work accident with 1 or more lost work days per 1 million total working hours and calculated by the following calculating formula.

Both the data of electrical equipment and manufacturing are the data of "work accident trend survey" by Ministry of Health, Labour and Welfare.

Work accident frequency rate = (total number of accidents / total number of man hours worked) x 1,000,000

## With Employees+

### Workplace Safety

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

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

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

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

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

Regarding disaster prevention, in order to minimize damage if accidents occur, activities including improvement of the disaster prevention organization, disaster prevention training (evacuation drills, primary firefighting trainings, lifesaving seminars using AED, etc.) and legal inspections of fire protection facilities have been conducted at each factory.

In 2015, memoranda concerning support and collaboration in case of a large-scale disaster have been exchanged between local communities or administrative bodies and us, in order to reinforce the ability to prevent disasters in local communities with mutual aid. We have conducted evacuation drills with local communities to build cooperative relationships with residents. We are thus committed to disaster prevention activities to meet the expectations of local communities.



Evacuation drill collaborated with a neighboring nursery school

## With Employees

### Workplace Safety

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

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

Since FY2006, the Workplace Safety and Disaster Prevention Group of BIL's Personnel Dept. has been working with manufacturing facilities outside Japan to promote workplace safety, health, and disaster prevention activities. By the end of FY2009, the evaluation by original internal audit at major manufacturing facilities outside Japan had been raised almost up to the levels in Japan. Since FY2010, further efforts have been made to help manufacturing facilities outside Japan develop activities on their own.

In FY2013, Brother Industries (Philippines), Inc. (BIPH) and Brother Industries Saigon, Ltd. (BISG) were newly added to the destination of the support. In FY2014, Brother Machinery Vietnam Co., Ltd. (BMV) was also included in the scope of support, and the activities for the improvement of the level of safety, health and disaster prevention have been proactively developed.

BMV has been certified with the OHSAS 18001, the international standard for industrial health and safety, and achieved zero disaster in FY2015.

Meanwhile, since 2008, the Brother Group has been holding "Global Safety Convention" that concerned personnel of manufacturing facilities both in Japan and outside Japan attends to interact with one another. By commanding the factories with less work accident, factories conducting excellent safety activities and long-standing contributors and sharing case examples of factories' activities at the convention, we aim to let all the participants work on safety, health and disaster prevention activities proactively.



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



Floor without oil spot (BMV)

# With Employees

## Workplace Safety

### Maintaining and Improving Mental and Physical Health

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

Employee health is a major theme in building an active organization. BIL has set up the Health Management Center, and been committed to the health management, mental healthcare and health enhancement of the Group's employees.

The Brother Group's facilities of respective countries and regions assign physicians specialized in industrial medicine, or work with hospitals and clinics to maintain and improve the mental and physical health of employees. In FY 2015, Brother Industries Vietnam Ltd. (BIVN) and BMV, both manufacturing facilities in Vietnam, received a visit by a physician specialized in industrial medicine and a health nurse. During the visit, they provided the employees who are transferred from Japan with health interviews, health educations and hearing of living environment, and paid a visit to medical institutions in the vicinity of the plant to exchange medical information. They also had a meeting with the medical staff of BIVN and BMV to start building a cooperative system with the Health Management Center.



Medical institution near BIVN



BMV's medical staff and the industrial doctor

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

BIL established the second 5-year plan of the Brother Mental Health Plan in FY 2011 to continue conducting mental health education to the employees. The purpose of the education includes: employees become aware of their own stress by themselves and are able to take appropriate measures (primary prevention); and those with mental health problems can be detected and supported early (secondary prevention).



Self-care training

All employees must attend the self-care training, which is especially effective as primary prevention measures, and consider how to control their health and to cope with stress referring to the examples occurred in-house. In accordance with the amendment of the Industrial Safety and Health Law in 2014, "stress check" was started to encourage them to become aware of their stress. We are making effort to support those started to suffer from a mental problem so that they will be able to continue working in their own way (tertiary prevention, rehabilitation) in collaboration with their workplaces. In the future, we have to develop a corporate culture and a comfortable workplace in which employees are not likely to suffer from a mental problem as well as detect suffers early and continue supporting them. That can be called as a "proactive health management" beyond the requirements of laws and regulations. Contrary to a conventional disease control model, such measures are based on a human asset strategy model encompassing human resource development, carrier development, and the creation of a workplace where employees enjoy working. Employees, their workplaces and the Health Management Center will work together to continue and enhance measures that help every one of them stay mentally healthy and enjoy working satisfied with their jobs.

# With Employees

## Workplace Safety

### Maintaining and Improving Mental and Physical Health

#### Supporting employees' health control

The Health Management Center sets every October and November as the "Brother Healthy Life Months" and has made various efforts in cooperation with the health insurance society, the labor union, and the Personnel Department's Workplace Safety and Disaster Prevention Group.

In FY2015, we held "Shoulder Care Training" using the JOY BEAT system of Xing Inc., one of the Brother Group's subsidiaries in Japan. This not only helped attendees prevent or treat shoulder stiffness, but also contributed to increasing communication in a workplace and improving their relationships with the Health Management Center's staff. The number of those participating in this training has been increasing year by year, raising employees' awareness to their health.

We are also taking measures to support prevention of metabolic syndrome and other diseases, help smoking cessation, and avoid passive smoking. We will start moving a smoking room outdoors from FY2016 in order to prevent passive smoking of all employees. Furthermore, we will enhance support measures for smoking cessation so that smoking can be banned in all areas.



Shoulder Care Training



Smoking area outdoors

## With Employees

### Sharing the Global Charter

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

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

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

As steps to building an environment in which the entire global workforce can share a common understanding of the Global Charter, a portable pocket-size version of the Global Charter (in 27 languages) and promotional posters are distributed to business sites around the world. Moreover, on the group's intranet, explanations of the Global Charter, action plans of each department, specific practices, and commitments of the layers of management and managers are posted to share with. To encourage employees to get concrete ideas on their own actions, opportunities for dialogues are also afforded.

At the Global Charter Sharing Meeting held in March 2016, the achievements in FY 2015 were confirmed such as enhanced direct communication between management and employees (269 times in FY 2015) and the progress of "Terry's Challenge Academy" in which the president himself gives several lectures.

In addition, all of the executive officers including the president discussed about:

- How to realize "a corporate culture in which transformation tends to be readily brought about"
- How to facilitate effective communication with the speech and behavior of top management with the purpose of promoting the "Talent Transformation" aimed at in the Brother Group's mid-term business strategy CS B2018 and encouraging each employee's behavior and growth by the penetration of the Global Charter underlying the CS B2018.



Translated into 27 languages for worldwide distribution



Discussions between the president and employees (on a global basis)

## With Employees

### Sharing the Global Charter

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

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

The existence of the promotional leaders of each organization plays important roles for the Global Charter promotional activities. About 560 promotional leaders in the world take the central role in organizational activation by creating action plans that meet the situations of each facility or department and conducting in-house training courses and case report meetings of the promotional activities. For example, in China, a cross-functional meeting for the Global Charter promotional leaders in China, in which promotional leaders from 7 facilities of production, sales, and development get together, has been held periodically since June 2014. For developing a culture of challenge, they autonomously promoted planning, practice and improvement of their actions. In December 2015, a presentation meeting for sharing "challenge case examples" was held.

Meanwhile, in Brother Industries Saigon, Ltd., original activities have been carried out to respond to the surge in the number of employees due to the growth of its business by associating the Global Charter with their daily actions. In November 2015, a training course for the employees working in manufacturing processes was held. They discussed how to correlate each keyword of the Global Charter with daily case examples, and created a "behavior card" with which each employee promises three behaviors. These kinds of action cases are distributed globally on the in-house website and shared among the Brother Group in three languages, Japanese, English and Chinese.

The Brother Group has been working for developing an organizational culture in which transformation leading to the realization of a vision tend to be readily brought about through these various promotional activities. This is because the Brother Group has to act with a spirit of challenge to confidently face challenges for the further growth as a group as well as continuous creation of social values. All the employees' activities with "At you side." spirit described in the Global Charter also firmly lead not only to the growth of the Brother Group but also to the activities that meet the social demands and persistent social contribution activities.

The Brother Group will continue improving these activities by sharing values among all Brother employees to steadily gain trust of stakeholders and to realize the company that generates a strong sense of pride among its employees.



Employees working in manufacturing processes engaged in discussion

# With Employees

## Promoting Activities to Enhance Employee's Pride

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

#### "Team Brother Project"

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

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

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



At a regular meeting

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

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

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

We have been making efforts to create a proactive atmosphere in which everybody can challenge and an environment in which everybody can engage in at ease.

## With Employees

### Promoting Activities to Enhance Employee's Pride

#### Brother Industries, Ltd. Ranked 17th in the 2016 JAPAN BEST COMPANIES TO WORK FOR®

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

BIL was ranked 17th in a questionnaire survey of the 2016 JAPAN BEST COMPANIES TO WORK FOR® under the auspices of Great Place to Work® Institute Japan (GPTW Japan). This is the seventh consecutive year that BIL has been chosen as one of the top companies in Japan since 2010 when the company enrolled in this survey.

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

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

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

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



A certification logo awarded to the top companies

## With Business Partners

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

### Promoting CSR Procurement

- Promoting CSR procurement with suppliers
- Procurement policy
- Working with Suppliers to Enhance Commitment to CSR
- Commending Excellent CSR Activities of Suppliers

### Voice of Business Partners

- Prospering with the Brother Group
- Comments from suppliers

# With Business Partners

## Promoting CSR Procurement

### Promoting CSR procurement with suppliers

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

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

#### <Procurement policy>

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

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

#### <CSR procurement standards>

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

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

►Japanese version procurement policy and standards <https://global.brother/ja/csr/stakeholder/partner/csr#c02>

►Chinese version of the procurement policy and standards [PDF/111KB]

<http://download.brother.com/pub/com/en/csr/partner/policy-cn.pdf>

# With Business Partners

## Promoting CSR Procurement

### Working with Suppliers to Enhance Commitment to CSR

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

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

In 2011, a CSR questionnaire was prepared to launch a program to "visualize" levels of commitment to CSR. In 2013, questionnaire responses were collected from more than 300 companies through B'snet Portal (Brother's proprietary information sharing network) and by other methods. The latest CSR questionnaire has provided in-depth explanations about the CSR-based procurement standards set by Brother. Thus, the questionnaire has helped further promote CSR-based procurement. By identifying the levels of commitment to CSR by respective suppliers, Brother Group's CSR staff in different parts of the world will be able to work on improvement and promotion activities depending on the progress made by suppliers. This effort is expected to raise the group's overall level of commitment to CSR.



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

#### Commending Excellent CSR Activities of Suppliers

##### Commending excellent cases, and establishing the system to share information with suppliers

In July 2015, we requested the suppliers of Kariya Manufacturing facility, Brother Machinery Xian Co., Ltd. (BMX) and Brother Machinery Vietnam Co., Ltd. (BMV), where industrial sewing machines and other products for the machinery business are produced, to answer the questionnaire asking on seven issues such as compliance, environment and safety, and conducted the inspection of their sites.

In FY2016, aiming at improving our CSR activities, we will raise the examples of activities of suppliers, commend excellent cases, and share them with other suppliers.

Suppliers are expected to present their CSR activities carried out so far, including improvement of working environment, reduction of waste, acquisition of ISO 14001 certificate and the efforts made based on it, activities planned in the future and issues they are faced with, and their policies as a CSR declaration. The presentations will be accepted from July through August 2016. We will review them, conduct on-site inspection of suppliers if necessary, and commend excellent ones in February 2017.

The Brother Group will continue making effort to grow with our business partners by building mutual trustful relationships, with the purpose of speedily delivering superior values to customers.



Interview with a supplier

# With Business Partners

## Voice of Business Partners

### Prospering with the Brother Group

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

#### Comments from suppliers



##### Realizing a company in which employees feel a sense of belonging

ZhongShan Dynamic Plastic Products Co., Ltd.  
**Mr. Zhang Hong Da**

##### Our CSR activities up to now

- 1.The labor union and the company hold events and encourage employees to join in.
- 2.We hold an event at least once a year in which all employees participate to become more cohesive (e.g., a trip, a barbecue and hill climbing).
- 3.We celebrate employees' birthday every month by giving them birthday presents or throwing a birthday party to cheer up them.
- 4.We award a prize to employees when production exceeds plans with the purpose of motivating them to improve productivity. In addition, we pay an allowance in cash when the goal of gross production has been reached.
- 5.We provide employees with various opportunities to enjoy basketball, badminton, table tennis, etc. We also lend them exercise equipment and books, and let them use a TV room.

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

We will realize a company in which employees feel a sense of belonging.

- 1.We will establish a continuous and systematic communication system.
- 2.We will regularly hold an event and gather employees.
- 3.We will make efforts to pay attention to employees.

# With Business Partners

## Voice of Business Partners

### Comments from suppliers



#### Cooperation - Confidence

KTC (Ha Noi) Co., Ltd.

**Ms. Tran Thi Dung**

#### Our CSR activities up to now

- Each month we often give presents to those who have birthdays on that month to help them have a memorial day at the company.
- On every Wednesday, all managers, supervisors and leaders together collect rubbish around the company not only to clean the company but also aim to improve the good habit of keeping a clean working among the workers.
- "one silent hour" campaign with the participation of all employees has been implemented successfully for months.
- Besides, we often join in activities especially voluntary programs organized by local organizations; donate by cash and other forms such as buying goods to raise money for charity; attend employee's festival, sports competition held by Van Lam district, regularly meet and exchange work experience and knowledge with other companies., etc.

#### Future targets and efforts relating to CSR

Increase innovation and renewal activities, learn from each other and enhance the united power.

# With Business Partners

## Voice of Business Partners

### Comments from suppliers



#### Promoting "Nidec Way" and 3Q6S

NIDEC(SHENZHEN)CO.,LIMITED

**Mr. Vino**

#### Our CSR activities up to now

1. Promoting the Nidec Group's code of conduct "Nidec Way"
2. Promoting 3Q6S:  
3Q=Quality Worker, Quality Company, Quality Products  
6S=Seiri(Sorting), Seiton(Straightening), Seiso(Systemic cleaning), Seiketsu(Standardizing),  
Shitsuke(Service), Saho(Behavior)
3. Regular medical checkups, safety education, improvement of equipment, recreational programs, etc.
4. Reduction of materials used and waste. Environmental measurement.

#### Future targets and efforts relating to CSR

1. Individual employees will improve their ability and cooperativeness, conduct their jobs efficiently without error, try to make a creation, and raise efficiency of their jobs without fear of changes.
2. We will make employees more aware of service, strengthen our competitiveness and optimize a working environment to raise job efficiency.
3. While emphasizing the management of the physical and mental health of employees, we will enhance the control of their safety awareness to make our workplace safer and healthier.
4. We will strengthen education and activities aimed to raise employees' sense of environmental safety.

# With Business Partners

## Voice of Business Partners

### Comments from suppliers



#### Enhancing activities based on international rules

ROHM Semiconductor (Shenzhen) Co., Ltd.

**Mr. Tomoyuki Taniguchi**

#### Our CSR activities up to now

The ROHM Group has been implementing CSR activities by embodying our corporate objectives and basic management policies since its foundation. We are also making efforts as a whole group to enhance CSR activities in response to the international rules such as the United Nations Global Compact, ISO 26000, and EICC (Electronic Industry Citizenship Coalition) Code of Conduct.

"Action guidelines" based on the corporate objectives and international rules are given to all employees of ROHM Semiconductor (Shenzhen) Co., Ltd. so that each of them would be able to implement CSR activities through their daily jobs.

Besides, the major manufacturing facilities of the group located inside and outside of Japan, including China, undergo an audit based on the EICC Code of Conduct so that they could verify CSR practices to gain trust of stakeholders.

#### Future targets and efforts relating to CSR

With importance of sustainability acknowledged around the world, the notion of CSV (Creating Shared Value), which means implementing corporate activities while solving various social issues, is also prevailing.

Since its foundation, ROHM has been making efforts to contribute to the progress and improvement of cultures by quality-oriented manufacturing, according to our "corporate objectives." From now on, we will aim to contribute to the realization of a sustainable society by solving social issues with our products.

## With Shareholders

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

### IR Communication

- Communication with Shareholders and Investors
- Actively Organizing Company Information Sessions to Appeal to Private Investors
- Evaluation by an External Entity

# With Shareholders

## IR Communication

### Communication with Shareholders and Investors

#### Strengthen information disclosure

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

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

On Friday, June 24, 2016, BIL held the 124th annual shareholders meeting at Nagoya Marriott Associa Hotel (Nagoya City, Aichi Prefecture) with the attendance of 755 shareholders, to present the Brother Group's results for FY 2015 and to explain the business outlook for FY 2016. All items on the agenda were approved and passed as drafted, by a majority of the shareholders. The shareholders meeting was followed by a communications meeting where shareholders could talk with Brother's executive officers. BIL will continue to create opportunities for communicating with as many shareholders and investors as possible, and will actively disclose information.



124th annual shareholders meeting

# With Shareholders

## IR Communication

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

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

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

Recently, the interest of private investors has been increasing more and more due to a booming stock market. Against this backdrop, Brother has been working to increase its "supporters" so that private investors will have a greater affinity for the company and hold their stocks for a long period of time. In FY2015 (April 1, 2015-March 31, 2016), presentations were held at branches of securities companies in Sapporo, Sendai, Kanazawa, Tokyo, Gifu, Nagoya, Kyoto, Osaka, Amagasaki, Himeji, Hiroshima and Matsuyama (seventeen locations in total). These events were attended by more than 2,500 private investors in total. At each venue, a space was secured to exhibit products, providing valuable opportunities to respond to many questions from investors and directly introduce Brother Group's manufacturing capabilities. A number of encouraging words and expectations toward Brother's future were received from investors who attended the events: this was a solid step forward in increasing the number of "supporters".

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



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



Explanation to private investors who visited the product exhibition space

# With Shareholders

## IR Communication

### Evaluation by an External Entity

#### Brother Industries selected as an MS-SRI index company for the eighth consecutive year

On January 4, 2016, companies that make up the Morningstar Socially Responsible Investment Index (MS-SRI) (calculated by Morningstar Japan K.K.) were announced. BIL was again selected as an index company, for the eighth consecutive year since 2008.

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

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

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



\*: The information is valid as of January 4, 2016, and is subject to change without notice

## With Local Communities

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

### Social Contribution Activities on a Global Scale

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

### Social Contributions Activities in the Americas

- BIC (USA) Making Contributions to the United Way Donation Campaigns

### Social Contributions Activities in Asia / Oceania

- Supporting an Elementary School in the Philippines with Poor Educational Facilities

### Social Contributions Activities in Japan

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

### Social Contributions Activities in Europe

- Participating in the Activities to Protect Cultural Sites Italy

### Social Contributions Activities in China

- Creating a Better Educational Environment in Cooperation with a School

# With Local Communities

## Social Contribution Activities on a Global Scale

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

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

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

(1) Activities related to eco-conscious efforts

(2) Activities focusing on "communities" and "personal development (including employees)"

#### Efforts in FY 2015

"Brother Earth" was chosen as the logo and slogan that symbolize the Brother Group's environmental activities. Based on this slogan, the Brother Group positively and continuously considers the environmental impact of all aspects of its business operations. As part of such efforts in FY2015, development of energy-saving products, reduction of energy consumption in factories, supports for environmental groups and environmental conservation activities involving employees were developed globally.

Regarding activities for communities and personal development, Brother has been cosponsoring the Tokai Young Entrepreneur Seminar since 2008 to assist young entrepreneurs in Japan who are keen to revitalize local communities.

The Brother Group has also been working on globally coordinating volunteer activities. For example, at 18 facilities in total including in Japan, the U.S., New Zealand and others, Brother employees joined volunteer activities to support cancer patients around the world.

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

Category	Activity	Facility working on activity
Activities related to eco-conscious efforts	Based on the slogan, "Brother Earth," supporting environmental groups and promoting environmental conservation activities involving employees	Brother Industries, Ltd. The Brother Group facilities countries and regions
Activities focusing on "communities" and "personal development"	Tokai Young Entrepreneur Seminar: assisting young entrepreneurs who aims at revitalizing communities	Brother Industries, Ltd.
	Promoting volunteer activities to support cancer patients by employees	•Brother Industries, Ltd. •Brother International Corporation (U.S.A.) •Brother International (NZ) Ltd. and 18 sales facilities outside Japan including the foregoing

# With Local Communities

## Social Contribution Activities on a Global Scale

### Employees' Participation in the Golden Ring Project

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

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

\*: One of the charity events for cancer patient support in which participants raise money by walking all night long, passing a Japanese TASUKI (a sash) to each other and taking turns to walk as a team. Relay For Life has been held in more than 40 countries in the past.

#### Think about the Value of Human Life through "Relay For Life Japan"

The Brother Group facilities in Japan have started to join Relay For Life Japan in 2010. While 103 Brother Group employees and their families participated in this event at the first time, the number of participants in Relay For Life Japan held in Okazaki City of Aichi Prefecture in September 2015 reached a record high of 300.

At the event, they took turns walking around a track for 24 hours while enjoying a concert held at the venue or conversation with other participants.

Brother also set up an original opportunity to hear about the actual experiences of survivors (those suffered from a cancer) and caregivers (families or supporters of cancer patients). One of the employees attended this session said, "I paused to think about a cancer and the value of life. I would like to talk to my kids and those close to me about the children who cannot live even though they want to and the importance of human life."



Employees listening to personal experiences

## With Local Communities

### Social Contribution Activities on a Global Scale

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

##### Held an Original Charity Marathon Event "Brother Run & Share Event" in Thailand

As there had been neither RFL nor its similar events in Thailand, Brother Commercial (Thailand) Ltd. (BCTL) started holding its original charity marathon event called "Brother Run & Share Event" in Bangkok, capital of Thailand in 2014. In January, 2016, BCTL held this event in the two courses using public roads, 5km and 10.5km across the bridge over Chao Phraya River.

Participation to the event was widely called on not only employees of BCTL and their family members but also BCTL's customers, business partners, and local residents, and in total, 1,433 people participated in the event. Wearing original running shirts distributed as the prize for participation, runners consisted of wide range of age groups from children to adults enjoyed marathon. The participation fee and donations gathered at the event, THB 640,000 (approx. JPY 2.20 million), was donated to the Ramathibodi Foundation operated by the Ramathibodi Hospital, an affiliated hospital to a national university in Bangkok, with the purpose of supporting cancer patients.

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



Make a start at once

# With Local Communities

## Social Contribution Activities on a Global Scale

### Employees' Participation in the Golden Ring Project

The facilities which participated in the "Golden Ring Project" in FY2015



The United States



U.K.



Germany



Indonesia



Singapore



Taiwan



Japan



Malaysia



South Korea



South Africa



U.A.E.



Australia



France



Hong Kong



Vietnam



Thailand



New Zealand



Philippines

## With Local Communities

### Social Contribution Activities on a Global Scale

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

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

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

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

Donations and volunteer activities by employees are provided to maintenance of a park or a library, production of fishing equipment, etc. as required by those in afflicted areas.

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

In response to the Kumamoto Earthquake occurred on April 14, 2016, the Brother Group also made monetary donations of JPY 3 million to Japan Platform, an authorized NPO. Brother also raised donations from its employees, offered special repair service of Brother products, and placed donation boxes at a cash register counter of karaoke bars and the Internet cafés operated by Standard Corp., a subsidiary company of Xing Inc. which belongs to the Brother Group.

We would like to express our heartfelt sympathy to the sufferers, and hope that the afflicted areas will be soon restored.

## With Local Communities

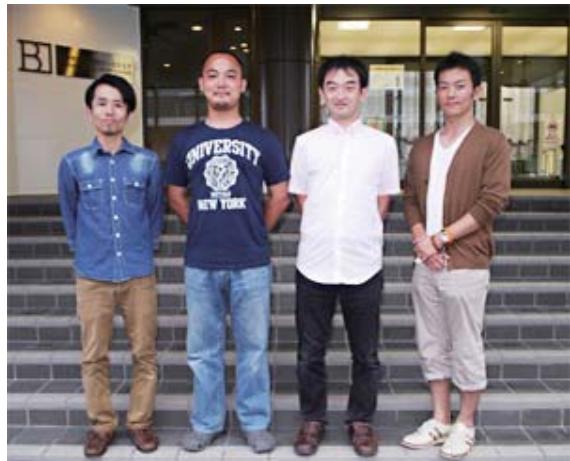
### Social Contributions Activities in Japan

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

##### Started the Tokai Young Entrepreneur Seminar

There has been a recent increase in young people working on business to solve a diversity of social issues and to revitalize local areas in Japan. Yet, because they lack business experiences and the network of contacts needed to grow a business, they cannot always find solutions to the plethora of management problems. On that note, in 2008 Brother Industries started sponsoring the Tokai Young Entrepreneur Seminar to offer support to young business-minded people in the Tokai area where the company has its headquarters. Through the seminar which consists of a number of entrepreneurial support NPOs in Japan, Brother has supported 38 entrepreneurs in total by March 2016. The seminar offers a number of activities for helping would-be entrepreneurs get their business on track via business strategy workshops, product development opportunities together with consumers, etc.

In May 2016, in the ninth year of the seminar, applications for the seminar were accepted from young entrepreneurs seeking support for their projects. After the final screening process in August, selected entrepreneurs will be guided by the Executive Committee of the Tokai Young Entrepreneur Seminar for the improvement of the quality of their business models and strategies for seven months, until a debriefing session of final results in March 2017.



Young people taking part in the Tokai Young Entrepreneur Seminar

## With Local Communities

### Social Contributions Activities in Japan

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

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

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

In FY 2015, three selected employees worked on the supportive activities for respective entrepreneurs as escort runners.

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

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



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

##### Successfully helping young entrepreneurs and building a regional culture willing to take up a challenge

One of the entrepreneurs supported through the Tokai Young Entrepreneurs Seminar won the Nikkei Woman of the Year. Another entrepreneur participated in this seminar, who realized the release of a new product in collaboration with agricultural, forestry and fisheries workers, was selected as one of the 30 Best Practices in Agriculture, Commerce, and Industry, coordinated jointly by the Ministry of Economy, Trade and Industry and the Ministry of Agriculture, Forestry and Fisheries. More and more entrepreneurs have stabilized their business operation and increased revenue, taking advantage of practical experience and human network needed for business growth which they had acquired in the Tokai Young Entrepreneurs Seminar.

In 2015, the entrepreneurs supported by the seminar launched their original association, and have in turn advised the entrepreneurs who are enrolled in the seminar. The employees who had taken part in this seminar as the pro bono also started to help solve social issues and revitalize local communities. The achievement of the seminar in these eight years has thus extended beyond the framework of the Tokai Young Entrepreneur Seminar.

## With Local Communities

### Social Contribution Activities in the Americas

#### BIC (USA) Making Contributions to the United Way Donation Campaigns

##### Employees at each region donate food or open a charity bazaar

Employees of the offices of Brother International Corporation (U.S.A.) (BIC (USA)) located in various places in the United States have, over the years, been involved in many ways in the donation campaigns launched by the United Way.

The United Way is the largest non-profit organization in the U.S., which delivers donations and relief goods raised in various regions to charity groups.

BIC (USA) carried out a matching gift program in which the company donates the same amount of money as the donations provided by its employees, and contributed 156 thousand dollars in total to the United Way.

The New Jersey office of BIC (USA) also participated in the Food Drive program operated by the Food Bank, a non-profit organization providing food aid to the underprivileged, and donated food gathered from employees from October 28 through November 8, 2015, as a part of the donation campaigns of the United Way.

The food contributed to the Food Bank has been distributed to the residents of more than 24,000 households in Somerset County, the state of New Jersey.

The Tennessee office of BIC (USA) held a charitable bazaar and a Halloween costume party where Brother products were sold to employees. They contributed \$530, including the profits of the bazaar and the party admission, to the United Way.

BIC (USA) will continue to make efforts to improve our communities, working together with our employees.



Food donated from the New Jersey office

## With Local Communities

### Social Contributions Activities in Europe

#### Participating in the Activities to Protect Cultural Sites in Italy

##### Taking care of the garden of an old monastery located in the suburbs of Milan

FAI - Fondo Ambiente Italiano, an Italian NPO established in 1975, has been promoting the activities to protect the cultural assets and the roots of the Italian people, including natural, artistic, historical and traditional heritage.

Brother Italia S.p.A.(Brother Italia), a sales subsidiary located in Milan, participated in the FAI - Fondo Ambiente Italiano program in May 2015, and contributed to maintenance of the garden of an old monastery, Monastero di Torba, in the suburbs of Milan.

Approximately 20 employees spent a whole saturday in cleaning of its garden and taking care of plants.

"It was a meaningful experience for me to take part in the activities to protect a remarkable cultural heritage of Italy. Collaborative work with the colleagues of Brother Italia strengthened our ties as well," one of the employees who joined this activity says.

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



Employees participated in the work

# With Local Communities

## Social Contributions Activities in Asia / Oceania

### Supporting an Elementary School in the Philippines with Poor Educational Facilities

#### Enhancing the quality of education to encourage pupils' motivation to study

The Brother Group has been involved in various social contribution activities in respective countries and regions, with the purpose of sharing our social, economic and cultural resources in all the communities.

Brother International Philippines Corporation (BIC (P)) has been supporting Inigan Elementary School in the province of Rizal since 2012. BIC (P) worked with an NGO called the Philippine Business for Social Progress to choose this school among those which had been operated without assistance or with a little aid.

BIC(P) employees regularly visit Inigan Elementary School to improve a studying environment for pupils by donating school supplies including notebooks and pencils as well as equipment such as chairs, blackboards and solar panels. BIC (P) also plans an educational trip in every December so that pupils would be able to have some social experiences. They donate its expenses and also accompany children on this trip. In 2015, they took pupils to an institution in Manila where visitors can experience many kinds of work. Children learned about the jobs of nurses, firefighters and others.

Besides, the employees of BIC (P) teach children about the environment, explaining the importance of the global environment and water resources, and the Brother Groups' effort to preserve them through 5R activities. Many of the children live in the neighborhood of a scenic reserve area, which makes it more meaningful for them to learn the significance of global environment conservation.

The pupils of Inigan Elementary School became highly motivated to study with the aid of BIC (P), and achieved the highest score at the academic examination implemented across the Philippines in March 2015, among 11 public elementary schools in the area where the school is located.

In response to the aid of BIC (P), one of the parents of the pupils says, "Your support is not only for us or the pupils but also for the environment. We usually produce coal to raise the money to buy school supplies for our children. Your help has made us refrain from cutting trees and causing destruction of the ozone layer, though. We are very grateful to you."

BIC(P) will continue to promote activities to contribute to local communities.



Employees giving a lesson about the environment

# With Local Communities

## Social Contributions Activities in China

### Creating a Better Educational Environment in Cooperation with a School

**Improving the skills of students as well as providing them with the opportunity to understand the meaning of working in society**

Brother Machinery Xian Co., Ltd. (BMX) has been supporting a vocational school in a rural community in the suburb of Xian since 2008. In the five years from 2008 to 2013, BMX had donated industrial sewing machines and repair parts once a year and aided superior students with a scholarship fund.

In 2014, BMX launched a new collaborative program with Xi'an Polytechnic University (XPU) in Xian City, where students study spinning and apparel. The Research Center of Clothing Engineering and Technology, a facility of XPU, has been using the sewing machines donated by Brother for the research and experiment of sewing and the study of sewing equipment. BMX also provides the students with sewing skill education and carries out a factory tour so that they could improve their skills and understand the meaning of working in society by putting skills and knowledge learned at school to practice.

In China, the China Association of Enterprises with Foreign Investment, an extra-government organization of the China's Ministry of Commerce, gives an award called Best CSR Practices of Foreign-Invested Enterprises in China with the purpose of fostering CSR activities of enterprises.

BMX was awarded with the 2015 Best CSR Practices of Foreign-Invested Enterprises in China, as a great partner for local communities. The following achievements were evaluated as ideal corporate collaboration and support programs: making use of their products and resources to challenge social issues such as improvement of the skills of young people in rural communities and the shortage of job and educational equipment for students; and having enough dialogue with XPU especially to consider specific supporting programs with a policy to offer appropriate aid by understanding the needs of educational sites.



At the awarding ceremony in Beijing on December 9, 2015  
(From left to right: Ms. Li Yan of BMX, the vice-chairman of  
the China Association of Enterprises with Foreign Investment,  
the general manager of Xian City Association of Enterprises  
with Foreign Investment, and Mr. Wang Peng of BMX)



A certificate given to an  
awarded company

BMX will continue promoting various activities as a good partner for local communities through building up trustful relationship with them.