

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.

INDEX

Message on CSR from the Management	1
Brother Group's CSR	2
To be trusted by all stakeholders	3
The Brother Group Principles of Social Responsibility	10
CSR Targets of the Brother Group	15
CSR Data	22
With Stakeholders	25
With Customers	
Developing Products with "Customers First" in Mind	26
Design Quality That Meets Customers' Expectations	28
Sales and Service System	30
With Employees	
Ensuring Diversity of Human Assets	32
Supporting Diverse Work Styles	35
Talent Development	39
Safety and Health/Disaster Prevention	42
Promotion of Health and Productivity Management	45
With Business Partners	
Promoting CSR Procurement	50
Voice of Business Partners	55
With Shareholders	
IR Communication	59
Evaluation by an External Entity	61
With Local Communities	
Social Contribution Activities on a Global Scale	64
Social Contribution Activities in Various Regions	70
Third-party Opinion	76

Scope of report: Brother Industries, Ltd. and its global group companies (including those in Japan)
 Covered period: April 1, 2016 to March 31, 2017
 Guideline used as a reference: GRI's "Sustainability Reporting Guidelines Version 4.0"

Message on CSR from the Management

To gain trust from stakeholders

Brother Group's CSR Management

I think it is important for a business entity to ensure a long, successful future. To achieve this, it is vital to 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 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 our 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 the volatility of exchange rates and stock prices, resulting in great managerial impacts on the entire Brother Group. Now that we are in such an uncertain situation, we aim to strengthen management foundations by further accelerating three types of transformation, "Business Transformation," "Operational Transformation" and "Talent Transformation" under 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 both reflect divers 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 "At your side." spirit 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 society.

The Brother Group continues to strive 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, 2017

Brother Group's CSR

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

To be trusted by all stakeholders

- To become a company that all stakeholders can trust and employees can take pride in working for
- A foundation for every activity: Sharing of the Brother Group Global Charter
- Stimulating each employee's actions

The Brother Group Principles of Social Responsibility

- Introducing the Brother Group Principles of Social Responsibility

CSR Targets of the Brother Group

- CSR Management Targets of the Brother Group Based on the Brother Group Global Charter
- FY2016 Action Plans and Achievements and FY2017 Action Plans

CSR Data

- Brother Group's CSR in Figures

Brother Group's CSR

To be trusted by all stakeholders

To become a company that all stakeholders can trust and employees can take pride in working for

Continuing to grow by enhancing the trust of stakeholders

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

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

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

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

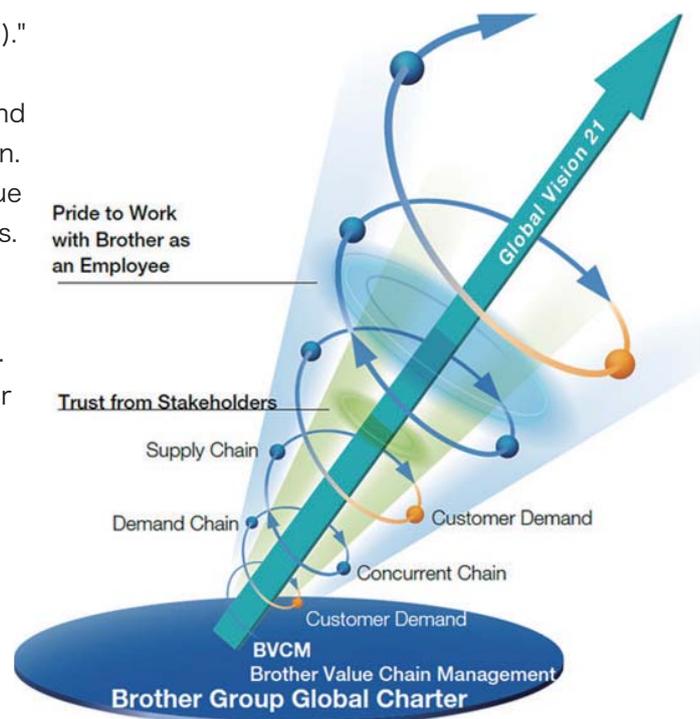
As set forth in the Global Charter, our mission is to create new products and services, or superior value, for our customers and society, by anticipating various changes in the environment surrounding us, such as social demands and technological revolutions, and by enhancing the trust of all stakeholders.

The Brother Group built its unique management system "Brother Value Chain Management (BVCM)."

It is a process for delivering superior value to customers, consisting of three chains - the Demand Chain, the Concurrent Chain, and the Supply Chain.

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

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



Brother Group's CSR

To be trusted by all stakeholders

A foundation for every activity: Sharing of the Brother Group Global Charter

Providing value to stakeholders by acting based on the Global Charter

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

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

"Group Management" stipulates that:

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

"Group Growth" stipulates that:

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

"Customers" in "Stakeholders" stipulates that:

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

"Our Associates" in "Stakeholders" stipulates that:

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

"Business Partners" in "Stakeholders" stipulates that:

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

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

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

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

Brother Group's CSR

To be trusted by all stakeholders

A foundation for every activity: Sharing of the Brother Group Global Charter

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

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

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

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

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



Handy-sized cards and posters

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

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

Brother Group's CSR

To be trusted by all stakeholders

A foundation for every activity: Sharing of the Brother Group Global Charter

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

We place importance on delivering messages from the top management (in ten languages) and creating an opportunity for employees to have a face-to-face talk with the top management, with the purpose of raising each employee's awareness on his/her own actions and thus leading them to take new actions. During FY2016, we issued 71 messages from the top management and had more than 700 face-to-face talks with the top management (a threefold year-on-year increase).

At the Global Charter sharing meeting for the top management held in January 2017, our president and executive officers discussed how to foster a corporate culture that encourages transformation with the aim of promoting "Talent Transformation" targeted in the Brother Group mid-term business strategy "CS B2018" and what top management messages and actions are required to facilitate effective communication.

We annually conduct an employee awareness survey to grasp the sharing level of the Global Charter. In the survey conducted in January 2017 with the participation of more than 30 thousand employees, the level of the Global Charter understanding marked 4.33 points, and the level of actions based on the Global Charter marked 4.43 points, while the level of employees' pride to work with Brother reached 4.38 points (on a five-point scale).

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



A comment from an employee serving as a Global Charter promotional leader **Contributing to creating an environment where more employees can work with pride**

BROTHER MACHINERY XIAN CO., LTD.
Li, Yan

Brother Machinery Xian Co., Ltd. (BMX) conducts various activities with its employees, including the recognition of excellent initiatives tackled by employees, social contribution with BMX's business know-how and employees' skills, workplace visits of employees' family members, and environmental protection activities in the local community. In these activities, I saw many smiles on associates' faces and received encouragement and support. As one of the promotional leaders, I will evolve the Global Charter promotional activities and focus on fostering a culture that encourages transformation and allows employees to brightly and positively engage in the vigorous exchange of proposals and opinions, and thereby achieve our mission and vision. I will also contribute to creating an environment where more employees can work with pride.

Brother Group's CSR

To be trusted by all stakeholders

A foundation for every activity: Sharing of the Brother Group Global Charter

Our major promotional activities up to now

FY2008-FY2009	
Policy/Keyword	Promoting the dissemination and understanding of the Global Charter
Main activities	<ul style="list-style-type: none"> • Hold expert lectures • Organize training programs for managerial employees • Strengthen face-to-face dialogues with the top management • Enhance message delivery from the top management on Brother's intranet
Systems (Written in the years when they were established)	<ul style="list-style-type: none"> • Commitments • Appointed promotional leaders • Roadmap of promotional activities • The Global Charter sharing survey
Tools (Written in the years when they were created)	<ul style="list-style-type: none"> • Handy-sized cards (in 25 languages) • Promotional posters (in 27 languages) • DVDs (in five languages) • Intranet for information sharing (in three languages) • Case study book

FY2010-FY2011	
Policy/Keyword	Promoting autonomous Global Charter activities and facilitating dialogues
Main activities	<ul style="list-style-type: none"> • Strengthen the sharing of excellent promotional activities
Systems (Written in the years when they were established)	<ul style="list-style-type: none"> • The Global Charter sharing meeting for the top management • The Global Charter meeting for Japanese promotional leaders • Distribution of top management's messages in Vietnamese on Brother's intranet
Tools (Written in the years when they were created)	<ul style="list-style-type: none"> • Top management's video messages for promoting dialogues • Manual list of promotional activities • e-Learning

Brother Group's CSR

To be trusted by all stakeholders

A foundation for every activity: Sharing of the Brother Group Global Charter

Our major promotional activities up to now

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

FY2014-FY2015	
Policy/Keyword	Building a culture of taking on challenges
Main activities	•Create an workplace that encourages employees to take on challenges
Systems (Written in the years when they were established)	<ul style="list-style-type: none"> •Cross-functional meeting for promotional leaders in seven Chinese facilities •Formulation of standards procedures for promotional activities •Establishment of an intranet page where employees can post their activities
Tools (Written in the years when they were created)	•"Action check sheet" to build a culture of taking on challenges

FY2016-	
Policy/Keyword	Fostering a culture that encourages transformation
Main activities	<ul style="list-style-type: none"> •Promote "Transform for the Future" •Create a culture that encourages transformation
Systems (Written in the years when they were established)	•Establishment of an intranet page where employees can post or view CSR plans and achievements
Tools (Written in the years when they were created)	<ul style="list-style-type: none"> •"Ideal vision sheet" for new promotional leaders •Video of CS B2018 "Transformation"

Brother Group's CSR

To be trusted by all stakeholders

Stimulating each employee's actions

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

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

In November 2016, Brother International (India) Private Ltd. (BIC(I)) ran a workshop with the aim of promoting actions toward transformation.

The participated employees learned the DNA of the Brother Group through the specific special initiatives tackled in the 108-year history of the Brother Group. They also shared "Transformation for the Future" activities in BIC(I) and declared their action plans for the transformation of each employee.

The BIC(I)'s "Transformation for the Future" activities shared among them included the opening of five showrooms, which also serve as service centers, within India in response to the customer demand that required opportunities to try out Brother products before purchasing, and the establishment of an IT system that realized the management and viewing of attendance management, salary statements, and regulations on BIC(I)'s intranet and thus contributed to operational efficiency improvement and rapid information sharing to employees.

In the action declarations for "Transform for the Future," one of the participants stated: "When facing challenging issues, including customer demands, I will first try to do or find what we can do to deliver value to customers, instead of giving up leading the company before I even begin." Another said: "I am not a salesperson and thus did not expect any opportunities to learn knowledge on our products. However, I have realized that I can get the information I want on my own. I will plan product training for all employees."

We stimulate each employee's actions by globally sharing "Transformation for the Future" activities conducted in respective facilities. As part of this, we established a new page where employees can freely post their pictures and comments on the intranet in 2014, and started inviting employees to post their "Transformation for the Future" activities in 2016. We received 240 "Transformation for the Future" postings from our facilities in various regions, including Japan, China, Vietnam, Australia, South Africa, Germany, and Slovakia.

The Brother Group will continuously conduct and improve the Global Charter promotional activities together with all Brother employees to gain the trust of all stakeholders and become a company that generates a strong sense of pride among its employees.



An employee making a presentation in the workshop

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.

rother 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.

Brother Group's CSR

The Brother Group Principles of Social Responsibility

Introducing the Brother Group Principles of Social Responsibility

4. Reporting and recording accurate corporate information

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

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

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

5. Information management

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

6. Protection of personal information

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

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.

Brother Group's CSR

The Brother Group Principles of Social Responsibility

Introducing the Brother Group Principles of Social Responsibility

E. Management System to implement these Principles

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

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

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

Brother Group's CSR

CSR Targets of the Brother Group

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

Autonomous efforts in respective regions

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

Stakeholder	Brother Group Global Charter	Target
Customers	<ul style="list-style-type: none"> Place our customers first everywhere, every time Quickly respond to the demands and expectations of the global marketplace Make the most of our limited resources in our chosen business domains Practice a customer-oriented, global strategy through close cooperation 	Promote customer-oriented marketing, product planning, development, and design (in respective business categories)
		Promote design quality that meets customers' expectations (in respective business categories)
		Ensure design quality that can reduce the rate of product return and servicing (in respective business categories)
		Ensure manufacturing quality that can reduce the rate of product return and servicing (in respective business categories)
		Build a customer-oriented sales and service system (in respective business categories)
Our employees	<ul style="list-style-type: none"> Respect diversity of associates Honor individuals and diversity, and act with trust and respect 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 	Ensure diversity of human assets
		Support diverse work styles
		Develop human assets in respective regions
		Develop global human assets who will lead the growth of the next generation
		Ensure safety and health/disaster prevention
	Promote health and productivity management	

Brother Group's CSR

CSR Targets of the Brother Group

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

Stakeholder	Brother Group Global Charter	Target
Our employees	<ul style="list-style-type: none"> • Provide associates with fair, attractive financial rewards • Expect associates to be positive members of society • Expect associates to share the Company's values 	Build an appropriate evaluation system
		Share the Global Charter
		Develop a workplace culture in which employees can work with pride
		Build the highest integrity
Business partners	<ul style="list-style-type: none"> • Act fairly with business partners Build strong, respectful working relationships for mutual growth 	Promote CSR procurement
		Cooperate with supply partners
		Cooperate with logistics partners
		Cooperate with distribution partners
Shareholders	<ul style="list-style-type: none"> • Develop long-term, trustful relationships with shareholders through regular, open communication 	Promote IR communication
		Become a component of socially responsible investment indices
Local community	<ul style="list-style-type: none"> • Share our social, economic and cultural resources in all the communities where the Brother Group operates 	Promote self-directed social contribution activities in respective regions mainly based on the themes of "activities related to eco-conscious efforts" and "activities focusing on 'communities' and 'personal development (including employees)'"
		Promote social contribution activities under a globally shared vision
Environment	<ul style="list-style-type: none"> • Help society achieve sustainable development, by positively and continuously considering the environmental impact of all aspects of our business operations 	Promote reduction in CO ₂ emissions and waste (to help prevent global warming)
		Promote collection and recycling of consumables and products (to build a recycling-oriented society)
		Ensure proper management of chemical substances and wastewater

Brother Group's CSR

CSR Targets of the Brother Group

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

Stakeholder	Brother Group Global Charter	Target
Environment	<ul style="list-style-type: none"> Help society achieve sustainable development, by positively and continuously considering the environmental impact of all aspects of our business operations 	Implement environmental and social contribution activities (while focusing on biodiversity as far as possible)
		Implement environmental communication (through "Brother Earth," events, education programs, and etc.)
Governance	<ul style="list-style-type: none"> Respect the culture, rules and spirit of laws, in all countries and regions where the Brother Group operates Act with the highest integrity 	Build a global governance framework
		Promote internal control
		Promote compliance
		Promote information security

FY2016 Action Plans and Achievements and FY2017 Action Plans

Action Plans and Achievements in FY2016

Stakeholder	Action Plans for FY2016	Achievements in FY2016
Customers	<ul style="list-style-type: none"> Improve customer value by conducting a door-to-door survey of customers directly connected to the development of various products and services Improve the ability to respond to increasingly diverse inquiries from customers Improve communication with customers by utilizing SNS and other tools Improve usage quality emphasizing on comfort 	<ul style="list-style-type: none"> Carried out a door-to-door survey of customers on a global scale and provided customers with value that suited their usage conditions Launched an online chat service (in China) Made group-wide efforts to collect and analyze information on where and how Brother products are used and establish realistic inspection/evaluation technologies and methods, and ensure product reliability not only by inspecting products in respective factories but also by selecting reliable raw materials and parts when designing products Focused on manufacturing products that provide customers with enhanced sensory comfort (FPOT*, image quality, silent operation, etc.) <p>*: First Print Output Time. It means the time required by a printer to print the first sheet after the print button is clicked.</p>

Brother Group's CSR

CSR Targets of the Brother Group

FY2016 Action Plans and Achievements and FY2017 Action Plans

Stakeholder	Action Plans for FY2016	Achievements in FY2016
Our employees	<ul style="list-style-type: none"> •Promote activities for sharing the Global Charter and cooperation among Brother facilities •Build a corporate culture to achieve the Brother Group mid-term business strategy "CS B2018" •Develop human resources for global business (cultivation of managers in Brother facilities outside Japan, global recruitment) •Promote supporting women's success •Promote safety and health activities •Foster the next generation of leaders •Improve the level of satisfaction among employees by conducting an employee awareness survey 	<ul style="list-style-type: none"> •Conducted the Global Charter promotional activities themed on "fostering a culture that encourages transformation" at each facility •Conducted education programs for manager candidates based on globally consistent standards and professional training tailored to local characteristics •Carried out measures to support women, such as supporting their careers and creating an environment where they can work healthily and effectively, based on suggestions from an in-house working group established for promoting women's success •Selected as one of the winners of the "FY2015 New Diversity Management Selection 100" by the Ministry of Economy, Trade and Industry (in Japan) •Established the Brother Group Health & Productivity Management Philosophy •Recognized as one of the enterprises in the "2017 Health & Productivity Stock Selection," which was jointly selected by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange (in Japan)
Business partners	<ul style="list-style-type: none"> •Conduct CSR study sessions with business partners •Introduce the Brother Group's CSR activities to business partners •Commend superior business partners 	<ul style="list-style-type: none"> •Conducted study sessions to learn CSR procurement and other subjects with business partners and questionnaires in respective Brother facilities •Posted business partners' CSR activities, future targets and plans on Brother's corporate website •Recognized excellent business partners at Brother's manufacturing facilities

Brother Group's CSR

CSR Targets of the Brother Group

FY2016 Action Plans and Achievements and FY2017 Action Plans

Stakeholder	Action Plans for FY2016	Achievements in FY2016
Local community	<ul style="list-style-type: none"> • Provide support for reconstruction after large-scale disasters • Participate with employees in social contribution activities with a sense of unity on a global scale (Relay For Life and other charity events that support cancer patients) • Promote community-based social contribution activities 	<ul style="list-style-type: none"> • Provided continuous support for reconstruction activities after large-scale disasters, including the Great East Japan Earthquake and the Kumamoto earthquakes • Involved 18 facilities around the world in the Golden Ring Project, which aims to contribute to society with employees and with a sense of unity on a global scale (Relay For Life or other charity events that support cancer patients) • Supported educational institutions and conducted cleanup activities in the local communities where the Brother Group facilities are located
Environment	<ul style="list-style-type: none"> • Conduct energy- saving activities to achieve the target of reducing CO₂ emissions in the whole Brother Group • Collect used cartridges • Promote ISO 14001 activities • Enhance environmental consciousness through the environmental special website "brotherearth.com" • Conduct tree-planting activities • Promote water conservation activities • Carry out environmental preservation activities in cooperation with local communities • Publicize the Aichi Biodiversity Targets 	<ul style="list-style-type: none"> • Conducted energy-saving activities while setting a target for CO₂ emissions at each facility • Collected used toner or ink cartridges on a global scale • Reduced and recycled waste arising from business activities while setting a target for waste generation at each facility • Supported environmental preservation activities through the environmental special website "brotherearth.com" • Conducted tree-planting activities in cooperation between respective Brother facilities around the world and their local communities

Brother Group's CSR

CSR Targets of the Brother Group

FY2016 Action Plans and Achievements and FY2017 Action Plans

Action Plans for FY2017

The followings, broken down by stakeholder, are key action plans extracted from each region's FY2017 action plans for CSR management targets.

Stakeholder	Action Plans for FY2017
Customers	<ul style="list-style-type: none"> • Provide stable products and services that are the basis of value for customers • Create new customer value in the SMB* and industrial fields • Enhance Brother's brand awareness by using showrooms, SNS, and websites • Improve customer value by conducting a door-to-door survey of customers directly connected to the development of various products and services <p>*: It stands for Small and Medium Business. It includes small offices, small- and mid-size businesses and a business that has offices in multiple dispersed locations.</p>
Our employees	<ul style="list-style-type: none"> • Promote activities for sharing the Global Charter and cooperation among Brother facilities • Build a corporate culture to achieve the Brother Group mid-term business strategy "CS B2018" • Develop human resources for global business (cultivation of managers in Brother facilities outside Japan, global recruitment) • Promote supporting women's success • Create a pleasant working environment and promote work-life balance • Promote activities for safety, health and disaster prevention • Foster the next generation of leaders • Develop a workplace culture in which employees can work with pride • Improve the level of satisfaction among employees by conducting an employee awareness survey
Business partners	<ul style="list-style-type: none"> • Promote CSR procurement • Conduct CSR study sessions with business partners • Share the Brother Group's CSR activities and those of business partners • Commend superior business partners
Local community	<ul style="list-style-type: none"> • Support reconstruction from large-scale disasters • Participate with employees in social contribution activities with a sense of unity on a global scale (Relay For Life and other charity events that support cancer patients) • Promote community-based social contribution activities

Brother Group's CSR

CSR Targets of the Brother Group

FY2016 Action Plans and Achievements and FY2017 Action Plans

Stakeholder	Action Plans for FY2017
Environment	<ul style="list-style-type: none"> • Conduct energy-saving activities to achieve the target of reducing CO₂ emissions in the whole Brother Group • Collect used cartridges • Promote ISO 14001 activities • Enhance environmental consciousness through the environmental special website "brotherearth.com" • Promote the Brother Group Eco Point activities • Conduct tree-planting activities • Carry out environmental preservation activities in cooperation with local communities • Publicize the Aichi Biodiversity Targets • Continue to create eco-friendly products

Brother Group's CSR

CSR Data

Brother Group's CSR in Figures

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

The Brother Group Global Charter

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

*: FY2016

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

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

Corporate Governance

Directors*	11 directors (including 5 outside directors)
Statutory auditors*	5 auditors (including 3 outside auditors)
Directors, Statutory auditors and Executive officers*	36 officers in total (including 1 non-Japanese officer)
The Brother Group Principles of Social Responsibility	Established in 2012
Global internal audit meeting	Started in 2010
Group Information Management Regulation	Established in 2015 (The information management regulation of Brother Industries, Ltd. was established in 2008.)

*: As of June 23, 2017

For other information, please see "Corporate Governance."

<https://global.brother/en/corporate/governance>

Customers

Manufacturing facilities and sales facilities	In more than 40 countries and regions	
Basic Product Safety Policies	Established in 2008	
Sales revenue*	Consolidated: ¥ 641,185 million	
Sales revenue by region*	Japan	18.6%
	The Americas	31.6%
	Europe	25.1%
	Asia & Others	24.6%

*: FY2016

For other information, please see "With Customers."

<https://global.brother/en/csr/stakeholder/customer/development>

Brother Group's CSR

CSR Data

Brother Group's CSR in Figures

Employees (Brother Industries, Ltd.)

Number of employees*1	Consolidated : 36,929 / Non-consolidated : 3,828
Employment rate of disabled persons*2	2.19%
Percentage of female managers*1	3.4% (28 managers)
Number of employees on childcare leave*3	60 employees (including 17 male employees)
Number of employees on family-care leave*3	5 employee (including 3 male employees)
Number of employees using the short-time working system for childcare*2	153 employees (including 5 male employees)
Number of employees using the short-time working system for family-care*2	2 employees (including 1 male employee)
Number of employees on nursing care leave*2	31 employees (including 8 male employees)
Number of employees using the homeworking system*3	41 employees (including 8 male employees)
The Brother Group Health & Productivity Management Philosophy	Established in 2016
Number of occupational injuries reported at manufacturing facilities*2	16
Incident rate ((number of incidents/number of employees) x1,000) at manufacturing facilities*2	0.65
Global Safety Convention	Held every year since 2008

*1: As of March 31, 2017

*2: FY2016

*3: This indicates the number of employees who started their leave or homeworking in FY2016.

For other information, please see "With Employees."

<https://global.brother/en/csr/stakeholder/employee/secure>

Business Partners

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

*: FY2015

For other information, please see "With Business Partners."

<https://global.brother/en/csr/stakeholder/partner/csr>

Brother Group's CSR

CSR Data

Brother Group's CSR in Figures

Shareholders*1

Financial results briefing	Held twice a year
Shareholder newsletter	Issued twice a year (A full year's issue is integrated with the notice of a shareholders meeting)
Company information session for private investors*2	Held 12 times in total
Morningstar Socially Responsible Investment Index	Included for the ninth consecutive year since 2008
SNAM Sustainability Index	Included for the fifth consecutive year since 2012
2017 Health & Productivity Stock Selection	Chosen for the first time in 2017
2017 Excellent Health & Productivity Enterprises (White 500)	Recognized in 2017

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

*2: FY2016

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

Local Communities

Tokai Young Entrepreneur Seminar	Supported by Brother Industries, Ltd. since 2008
Employees' participation in the Golden Ring Project*	At 18 facilities over the world

*: FY2016

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

Environment

Reduction of environmental impacts of business sites	
Target	Reduce CO2 emissions of Scopes 1 and 2 of the entire Brother Group by 3% from FY2015 levels by FY2018 (per unit of sales)
Achievements in FY2016	Achieved 7.4% reduction from FY2015
Target	Reduce CO2 emissions of business sites in Japan by 28% from FY1990 levels by FY2018 (absolute value)
Achievements in FY2016	Achieved 28.4% reduction from FY1990
Target	Reduce water consumption of manufacturing facilities by 30% from FY2010 levels by FY2018 (per unit of sales)
Achievements in FY2016	Achieved 16.7% reduction from FY2010 (Increased 8.0% from FY2015)

For other information, please see "Environmental Activities."
<https://global.brother/en/eco>

With Stakeholders

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

With Customers

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

With Business Partners

- Promoting CSR Procurement
- Voice of Business Partners

With Local Communities

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

With Employees

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

With Shareholders

- IR Communication
- Evaluation by an External Entity

With Customers

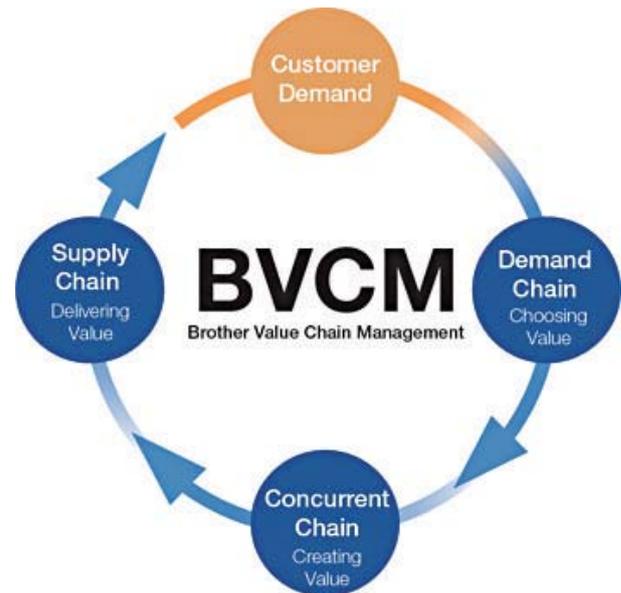
Developing Products with "Customers First" in Mind

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

Sharing information among departments to incorporate customer needs into our products

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

In the Concurrent Chain of BVCM, the product concepts created in the Demand Chain are given a concrete shape. Product simulations and focus group testing by intended users are run again and again before and after prototyping. Through this process, we develop and design our products speedily while ensuring high product quality. The production engineering department designs optimal production lines to deliver our products at the right time for our customers. Respective departments concurrently work toward the commercialization of products while sharing information with each other to swiftly address customer needs with our products.



Brother's unique management system to respond to customer needs

With Customers

Developing Products with "Customers First" in Mind

Group-wide Product Development

Building a structure that involves the largest-ever number of employees and allows them to undertake various development activities concurrently

With the key phrase "Do not stop business," we started the development of new business inkjet printers to bring them to the business market, which was mainly occupied by laser printers. The new inkjet printers were developed based on our product strategies that aimed at providing industry-leading printing quality suitable for business documents, the industry's fastest FPOT*, and a product life cycle of about 150 thousand sheets, which far exceeds that of Brother's existing models.

This project involved the largest-ever number of employees as a project for inkjet printer development and organized 14 working groups and their sub-working groups in an effort to build a structure capable of conducting various development activities concurrently.

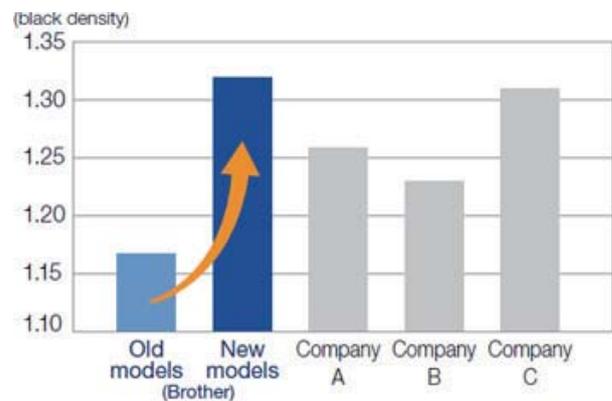
To grasp customer requirements for product quality, such departments as QM, Design, and Development worked together to thoroughly analyze the products against which we benchmarked our products, and set clear development targets and quantified them.

We decided to use pigment ink to pursue high printing quality, but this ink was worse in reliability, ink ejection, and adhesion to paper, compared to dye ink. To promptly solve these problems, staff engaged in ink development and those engaged in the development of mechanism, software, and hardware worked unitedly, and thereby realized printing quality with a high black concentration further exceeding that of other competitors' products. After the new products were launched, their "easy-to-read" clear printing was highly appreciated by customers.

The Brother Group will continue to deliver products and services that meet customer needs.



Young staff who participated in one of the working groups



The data were measured by an instrument under the conditions below.
-ISO 5-3 status T -D50 light source -2° standard observer (viewing angle)

Brother has realized printing quality with a deep black level.

*: First Print Output Time. It means the time required by a printer to print the first sheet after the print button is clicked.

With Customers

Design Quality That Meets Customers' Expectations

To Develop Products Valued and Chosen by Customers

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

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

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

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

With Customers

Design Quality That Meets Customers' Expectations

Special Efforts by Development Members to Make a Breakthrough

Brother's latest lockstitch sewing machine that has realized electronic feed control and an automatic material thickness sensor

A straight lockstitch sewing machine is the most popular industrial sewing machine used in sewing factories and so forth. Since this sewing machine was launched, no major improvements have been made to its mechanism.

It has been considered technically impossible for a lockstitch sewing machine to adopt an electronic feeding system because this machine moves the needle up and down at high speed and thus has difficulty in controlling needle motion and feeding motion by separate motors. Brother, however, started element technology research several years ago in an effort to achieve higher productivity, and has succeeded in equipping an electronic feeding system, which has full control of feeding motion, with its latest lockstitch sewing machine S-7300A by disconnecting the feeding system from the drive motor for needle motion and driving it by a single motor. Incorporating this technology, the S-7300A can provide high sewing quality tailored to each sewing material. In addition, it can also contribute to reducing the disposition process of thread ends in sewing factories by adopting a completely new thread trimming system that realizes short remaining thread length on the sewed material.

When sewing a cross-over seam where multiple pieces of fabric are overlapped, sewing operators slowed down sewing speed largely to prevent a needle breakage or clogging. This operation required a high degree of proficiency and caused productivity decline associated with sewing failures. To solve this problem, the S-7300A mounts a material thickness sensor, which can automatically detect cross-over seams, and thereby has realized the automatic slowdown of sewing speed at cross-over seams and the adjustment of feeding motion and stitch lengths. This control system prevents stitch shrinkage and needle breakages and also helps even unskilled operators realize stable and high-quality sewing.

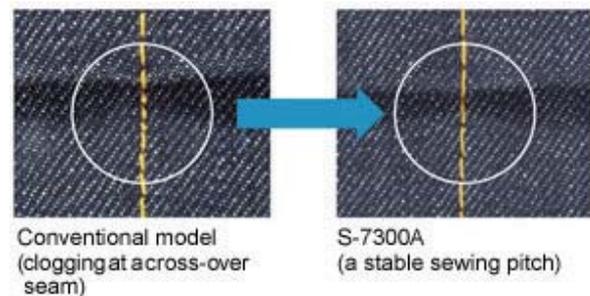
The Brother Group devotes itself to value creation by constantly thinking about what technologies it can apply to satisfy customers and what type of products will support customers.



Conventional model

S-7300A

The S-7300A contributes to productivity improvement by shortening the length of a remaining thread.



Conventional model
(clogging at cross-over seam)

S-7300A
(a stable sewing pitch)

The S-7300A reduces clogging in sewing operation.

With Customers

Sales and Service System

Flexibility and Cooperation Developed by Listening to Customers

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

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

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

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

New Market Development with Sales Subsidiaries

Building a system that enables designers to directly listen to customer requests and provide solutions instantly

Brother currently focuses on business for corporations. Requests from corporate customers vary widely because they are diverse in scale and business categories. In our traditional way, all types of customer requests were received mainly by the salespersons and other technical support staff of Brother Sales, Ltd. (Brother Sales), and then reported to designers in Brother Industries, Ltd. (BIL). This way, however, required a lot of time to incorporate customer requests in product specifications and sometimes led to failure in reflecting exact requests due to a lack of understanding of the background behind such requests.

Aiming to improve this situation, in 2016, we established a system to enable the designers of BIL, on the part of the manufacturer, to directly listen to customer voices and instantly propose an appropriate technical solution while working together with the technical support staff of Brother Sales, and thereby became able to provide a quick response to individual questions.

This system also works efficiently in reducing time to analysis and improvement when an unexpected defect is found by the customer who starts using a Brother product on a trial basis, allowing a designer to directly visit the site and confirm the defect.

The cooperation between Brother's sales subsidiaries and BIL in ensuring continuous communication with corporate customers has built a trusting relationship with these customers and also led to large-scale orders from them.



Salespersons and a designer have a meeting before they visit a customer



Designers visiting a customer to listen to his request

With Customers

Sales and Service System

Digital Marketing Promotion

Imagining customers for each product and service to whom we would like to show our value and providing a more comfortable digital experience tailored to each customer

Customer behavior in purchasing products and services is drastically changing with the development of digital technology, and companies are accordingly shifting their sales promotion activities to Internet marketing or marketing through digital devices, such as PCs and smartphones.

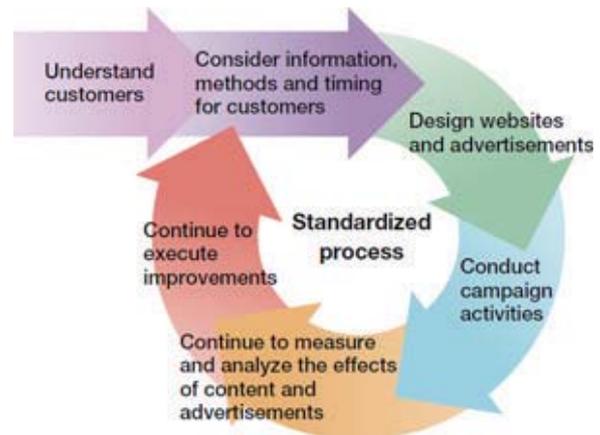
Under such circumstances, the Brother Group is promoting digital marketing activities more than ever in order to provide a more comfortable digital experience tailored to each customer and to build a long-term trusting relationship with customers. By launching a group to preside over global activities, we are sharing superior knowledge and formulating global strategies in cooperation with digital marketing promotion teams around the world.

The Brother Group considers it necessary to deeply understand customers so as to provide appropriate digital experience for them. We imagine customers for each product and service to whom we would like to show our value, and consider information that would satisfy them as well as appropriate communication methods and timing to deliver such information. To put such ideas into practice, we took several approaches, such as creating content in our corporate websites, designing user flows, and distributing advertisements on the Internet. Since the implementation of these approaches, we have been continuously measuring whether the value of products and services has successfully reached customers via the created websites or advertisements, and making improvements accordingly. This process has been standardized to be shared and used on a global basis.

The Brother Group will unitedly work to strengthen its digital marketing and promptly deliver comfortable digital experience to customers.



Digital content for customers who are concerned with the printing cost of inkjet printers (One scene of a movie on the website of Brother's sales company in the U.S.)



Digital marketing process

With Employees

Ensuring Diversity of Human Assets

Basic Policy on Employment and Compensation

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

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

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

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

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

Introducing a target management system to provide fair evaluation and compensation

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

With Employees

Ensuring Diversity of Human Assets

To Ensure Diverse Human Resources

Promoting the appointment of women in managerial positions

The ratios of female managers to all managers are different among the Brother Group companies because the history of women's social advancement and their lifestyles and main occupations vary depending on countries and regions. In FY2016 (as of March 31, 2017), the number of female managers increased at Zhuhai Brother Industries, Co., Ltd. in China.

Numbers and Percentages of Female Managers in the Brother Group

Company [Country]	March 2016		March 2017	
	Number	Percentage	Number	Percentage
Brother Industries, Ltd. [Japan]	27	3.4%	28	3.4%
Brother Sales, Ltd. [Japan]	2	2.4%	2	2.3%
Brother Technology (Shenzhen) Ltd. [China]*	25	31.3%	43	32.3%
Zhuhai Brother Industries, Co., Ltd. [China]	15	57.7%	22	62.9%
Brother Machinery Xian Co., Ltd. [China]	2	8.3%	2	6.9%
Brother International Corporation (U.S.A.) [U.S.A.]	87	39.0%	76	35.8%
Brother International Europe Ltd. [U.K.]	7	15.6%	7	15.6%
Brother U.K. Ltd. [U.K.]	14	37.8%	14	35.0%
Brother (China) Ltd. [China]	9	28.1%	9	28.1%
Brother International GmbH [Germany]	5	16.1%	6	18.8%
Brother France SAS [France]	14	41.7%	13	37.1%
Brother Industries (Vietnam) Ltd. [Vietnam]	34	36.6%	37	35.6%

*: In November 2016, the Brother Group consolidated Brother Technology (Shenzhen) Ltd. and Brother Industries (Shenzhen), Ltd.

With Employees

Ensuring Diversity of Human Assets

To Ensure Diverse Human Resources

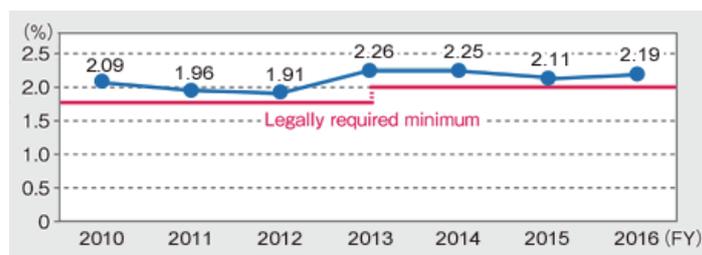
Changes in the percentage of female managers (Brother Industries, Ltd.)



Employment promotion and support for persons with disabilities

In Japan, companies beyond a certain scale are required by law to ensure that at least 2.0% of their total workforce is comprised of disabled persons. The Brother Group has been promoting the employment of persons with disabilities, and those employees are playing active roles in the positions and workplaces to which they have been assigned according to their aptitudes and abilities. Although the legally mandated employment rate for disabled persons was raised in April 2013, BIL has continuously met this legal requirement, with 2.19% in FY2016.

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



BIL continues to develop its policy to build a workplace environment where employees, with or without disabilities, can deepen mutual understanding and maximize their abilities by strengthening collaboration among them based on "Trust and Respect" stipulated in the Codes of Practice of the Global Charter. In accordance with the enforcement of the amended "Handicapped Person's Employment Promotion Act" in April 2016, BIL provides employees with e-learning programs designed to understand the outline and concept of the act as well as workshops by the Brother Group employees certified as job coaches to facilitate specific actions. In addition, BIL selects "work and life consultants for disabled people," who provide advice and other support for employees with disabilities, out of all employees in respective factories, and provides those consultants with a continuing educational program by an external teacher. In such ways, BIL builds a system that enables the entire workplace to understand and support employees with disabilities.

With Employees

Supporting Diverse Work Styles

To Promote Diversity

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

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



Logo of the New Diversity Management Selection 100

Activities to Support the Success of Women

A working group named "Team Ajisai" clarifies issues and proposes necessary measures

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

Based on the proposals from "Team Ajisai," BIL has been taking proactive approaches, such as the formulation of the "Commitment to Promotion of the Success of Women" and the "Action Plan to Support the Success of Women," the introduction of a homeworking system, and the holding of lectures by experts. BIL also introduces the career profiles of its female managers on the intranet and holds "Career Community," small-group discussion meetings in the company, in response to a request from "Team Ajisai" to share the careers of those who serve as role models in BIL. Furthermore, BIL promotes the active utilization of its trainee system designed

for young employees to have a chance to work outside Japan, accepting the team's proposal that it is necessary for employees to experience working abroad in order to shape their careers.



Members of "Team Ajisai"



Career Community

With Employees

Supporting Diverse Work Styles

Activities to Support the Success of Women



Voice of an employee who utilized the trainee system
Valuable experience to learn the importance of addressing challenges while developing mutual understanding

SMB and S&S Business Development Dept., Brother Industries, Ltd.

Mami Tomida

In my third year of joining Brother, I worked as a trainee for a sales company in Shanghai for three months from November 2015. I, belonging to Human Resource Dept. at that time, worked on the planning of an in-house training program while learning business conditions and personnel management in China. Through this process, I realized there existed some common issues between China and Japan while work processes and the way of thinking in China sometimes differed from those in Japan. I and the local staff eventually completed the plan after a great deal of trial and error, which was a valuable experience for me to learn the importance of approaching an issue by developing mutual understanding through conversations and seeing things from other people's eyes even when I am in a different culture. I will make use of the diverse knowledge, the sense of balance, and the relationship with many people that I obtained through this trainee system, for my work practices.

With Employees

Supporting Diverse Work Styles

Activities to Support the Success of Women

Main measures

<p>FY 2014</p>	<ul style="list-style-type: none"> • Launched "Team Ajisai," a working group for the success of women • Held meetings between female employees and the president to discuss the successful performance of women • Started a new training course to support women's career development for female employees and their superiors (This course has been held continuously.) • Held a seminar to support those aiming at returning to work after taking childcare leave • Held a lecture for managers on promoting the success of women • Established "Career Rainbow," a website to introduce the careers of female managers on the intranet 	 <p>Discussion with the president about the success of women</p>
<p>FY 2015</p>	<ul style="list-style-type: none"> • Introduced a homeworking system • Held meetings between female employees and executives to discuss the successful performance of women • Held a lecture for managers to develop their female subordinates • Held a lecture for female employees to support their career development • Had a networking event with other companies for female skilled workers to consider their career development 	 <p>Lecture to support career development</p>
<p>FY 2016</p>	<ul style="list-style-type: none"> • Held "Career Community," composed of theme-based discussion meetings between female employees and their senior colleagues in BIL • Organized a cancer seminar for women • Held an external lecture by the president on the success of women • Held a networking event with other companies to consider women's careers 	 <p>External lecture by the president</p>

With Employees

Supporting Diverse Work Styles

Supporting Work-Life Balance

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

BIL provides employees with various systems to support their work-life balance, including a flextime system, childcare leave, family-care leave, a short-time working system, and nursing care leave, so that they can continue working vigorously with no anxiety. In FY2015, BIL introduced a homeworking system for employees engaging in childcare or family care, thereby giving employees more flexible work style choices.

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



Cancer seminar for women

Since FY2011, BIL has held a seminar to consider how to strike a balance between work and family care in preparation for the arrival of an age with serious family-care problems in the near future, and since FY2014 it has also run a seminar to support those aiming at returning to work after taking childcare leave. In FY2016, BIL held "Career Community," theme-based discussion meetings between female employees and their senior colleagues in the company, and a cancer seminar for women aiming to help female employees have accurate cancer knowledge and continue to work vigorously for long years. These were held during work hours so that employees were able to attend more easily.

Number of employees who use BIL's systems*1

	FY2014	FY2015	FY2016
Childcare leave*2	45(9)	57(12)	60(17)
Family-care leave*2	3(0)	0(0)	5(3)
Short-time working for childcare	130(5)	155(11)	153(5)
Short-time working for family-care	1(1)	1(1)	2(1)
Nursing care leave	27(11)	29(7)	31(8)
Homeworking	-	29(6)	41(8)

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

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



Voice of an employee who is utilizing the homeworking system Carrying out my work in a concentrated and planned manner

Development Planning Dept., Brother Industries, Ltd.

Yumiko Kawazoe

I have been working at home once a week since the homeworking system was introduced. This system is very helpful for me because my husband is working abroad, and thus I have to work and take care of our two children by myself alone. I am making more efforts than ever to communicate with my superiors and colleagues to work at home in a concentrated and planned manner.

With Employees

Talent Development

Working toward Talent Development for Global Business

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

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

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

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

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

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

Globally Developing New Managers in Manufacturing Facilities outside Japan

Implementing training for manager candidates catering to respective local needs

Since 2014, Brother Industries (Vietnam) Ltd. (BIVN) has been conducting a management training program designed for new manager candidates to receive training at an early stage in their careers. This program started with the support of Brother Industries, Ltd. (BIL) in response to BIVN's request to foster Vietnamese managers who will take a leading role in factory operations.

The training program had its second class with nine selected employees and third class with ten in FY2015, which was followed by the fourth class with eight in FY2016.



Participants engaging in a discussion during the training course

In a half-year training course, participants receive a 360-degree survey, by which they understand their own strengths and weaknesses as well as their supervisors' expectations, and then learn team management, interdepartmental cooperation, and methods to coach subordinates. Meanwhile, to overcome their own challenges, the participants make efforts to improve their behavior by formulating action improvement plans and reflecting the plans in their work, and having many interviews with their supervisors.

With Employees

Talent Development

Globally Developing New Managers in Manufacturing Facilities outside Japan

A supervisor of one of the participants said that this management training program helped the participant grow to look at the bigger picture, including other departments. This training initiative has also been conducted in Brother Industries Saigon, Ltd. and Brother Industries (Philippines), Inc., and a total of 90 manager candidates in these two facilities and BIVN have participated in it so far. Despite feeling the difference between "understanding" and "practicing," the participants have realized that their small actions and positive mental attitudes can make communication with people around them smoother, and have increased their understanding in leading Brother's growth as managers.



Results presentation to supervisors

The whole Brother Group remains committed to developing human resources on a long-term basis.

Implementing the Global Leadership Program for Further Growth

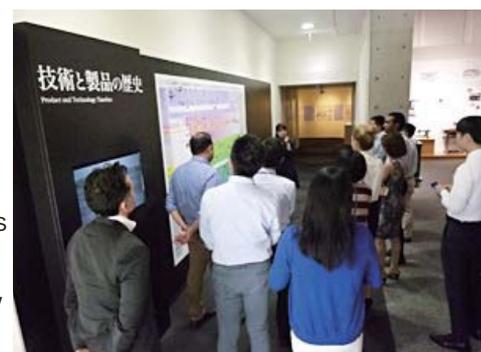
Establishing a structure where employees can learn continuously

In the Asia-Pacific (AP) region, where relatively many young Brother sales facilities are located, the Brother Group has been making efforts to maximize the group's power by increasing the opportunity for its employees to become aware of the history and culture of the Brother Group as well as the horizontal ties among the Brother facilities.

Brother International Corporation (BIC(J)), which is a regional headquarters in the AP region, has been taking the initiative in implementing the Global Leadership Program (GLP) since 2014 to develop human resources beyond the borders of counties and regions in the AP region.

The GLP is composed of a group training session and a pre-assignment thereof, and a project which each facility individually conducts several months after the group training. With these program components, the GLP aims to establish a structure where employees can continue to learn and accumulate experience.

In October 2016, a three-day group training session was held in Japan with the participation of 18 employees from seven facilities (Korea, Taiwan, Hong Kong, Japan, India, U.A.E., and Turkey). The participated employees, including many who visited the headquarters in Japan for the first time, learned about the history and DNA of the Brother Group, and products created with changes in the group's technologies. They also thought about the ideal status of an organization and actions to be taken to address a new challenge or exercise leadership.



Participants learning about the technologies and products of the Brother Group

With Employees

Talent Development

Implementing the Global Leadership Program for Further Growth

The participants, beyond the borders of countries and regions, had discussions, made presentations about the future vision of the AP sales facilities and proposals for its realization to the BIC(J) management, and also formulated and declared their own action plans. Through this three-day period, the participants enhanced their sense of unity as the members of the Brother Group. The after-training project individually conducted by each facility develops activities for enhancing Brother's organizational power beyond its departmental boundaries, involving a workshop for acquiring expertise in financial and other fields, and product training for employees in administrative departments.



Participants having a discussion beyond the boundaries of countries and regions

The GLP received favorable comments from the participants. Some of them said that the GLP served as an opportunity for them to interact with members in other countries and regions and to realize the ties among the global Brother Group. They also said that the pre-assignment and the after-training project helped strengthen the teamwork between superiors and subordinates and among colleagues.

The Brother Group will hand down its DNA and develop the next generation of human resources for its long, successful future. long, successful future.

With Employees

Safety and Health/Disaster Prevention

Building a Global Structure for Safety, Health and Disaster Prevention

Continuing to conduct activities led by the Central Safety, Health, and Disaster Prevention Committee

The Brother Group sets forth the basic policy 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 Brother Group continuously works to prevent work-related accidents or diseases and to create a comfortable workplace under the leadership of the Central Safety, Health, and Disaster Prevention Committee of Brother Industries, Ltd. (BIL).



Global Safety Convention
(All participants said, "Let's achieve zero disaster." in chorus.)

Promoting activities for safety, health and disaster prevention

The Workplace Safety and Disaster Prevention Group of BIL's Human Resource Department, serving as the secretariat of the Central Safety, Health, and Disaster Prevention Committee, promotes activities for safety, health and disaster prevention in cooperation with those who are responsible for such activities in respective manufacturing facilities.

The activities conducted for workplace safety and health include launching safety health committees, forming workplace safety and health patrols, developing measures to prevent the recurrence of the same accidents, and conducting risk assessment activities to systematically reduce potential risks in workplaces.

Meanwhile, disaster prevention activities are also carried out at respective factories to minimize damage in case of a disaster. They include the improvement of disaster prevention organizations, disaster drills (evacuation drills, initial firefighting training, and lifesaving seminars using AED) and legal inspection of fire protection equipment.

In 2007, BIL concluded a memorandum of understanding on support and collaboration in case of a large-scale disaster with its local community through the mediation of a local administrative body, in order to reinforce the community's ability to prevent disasters through mutual assistance. Since 2014, BIL has also been conducting evacuation drills jointly with a neighboring nursery school with which BIL signed another memorandum. In such ways, BIL is committed to building a cooperative relationship with the local people and engaging in disaster prevention activities that meet the expectations of the local community.



Evacuation drill conducted in collaboration with a neighboring nursery school

With Employees

Safety and Health/Disaster Prevention

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

Promoting activities mainly in new manufacturing facilities

Since FY2006, the Workplace Safety and Disaster Prevention Group of BIL's Human Resource Department has been working with manufacturing facilities outside Japan to promote safety, health, and disaster prevention activities.

At the end of FY2009, the standards for safety, health and disaster prevention at Brother's major manufacturing facilities outside Japan were raised almost up to the same levels with those of its Japanese facilities. Against such a background, in FY2010, the Workplace Safety and Disaster Prevention Group started helping the overseas manufacturing facilities develop safety, health and disaster prevention activities independently. In FY2013, this group newly added Brother Industries (Philippines), Inc. (BIPH) and Brother Industries Saigon, Ltd. (BISG), both of which started their operation in April of the year, to its support list, and has conducted employee training and safety patrols in workplaces, and also formulated safety rules for these factories. In FY2014, it also began proactive supporting activities to improve the level of safety, health and disaster prevention in Brother Machinery Vietnam Co., Ltd., the manufacturing facility which started its operation in May 2014. In FY2016, some Brother facilities, including BIPH and Brother Industries (Vietnam) Ltd., achieved zero disaster.

Meanwhile, since FY2008, the Brother Group has been holding the "Global Safety Convention," gathering the concerned personnel of Brother facilities both in and outside Japan. In this convention, the Brother Group recognizes factories with fewer work accidents, those that have conducted excellent safety activities, and long-standing contributors, and also shares activities carried out at respective factories, thereby striving to promote safety, health and disaster prevention activities.



On-site inspection by the chairperson of the Central Safety, Health, and Disaster Prevention Committee



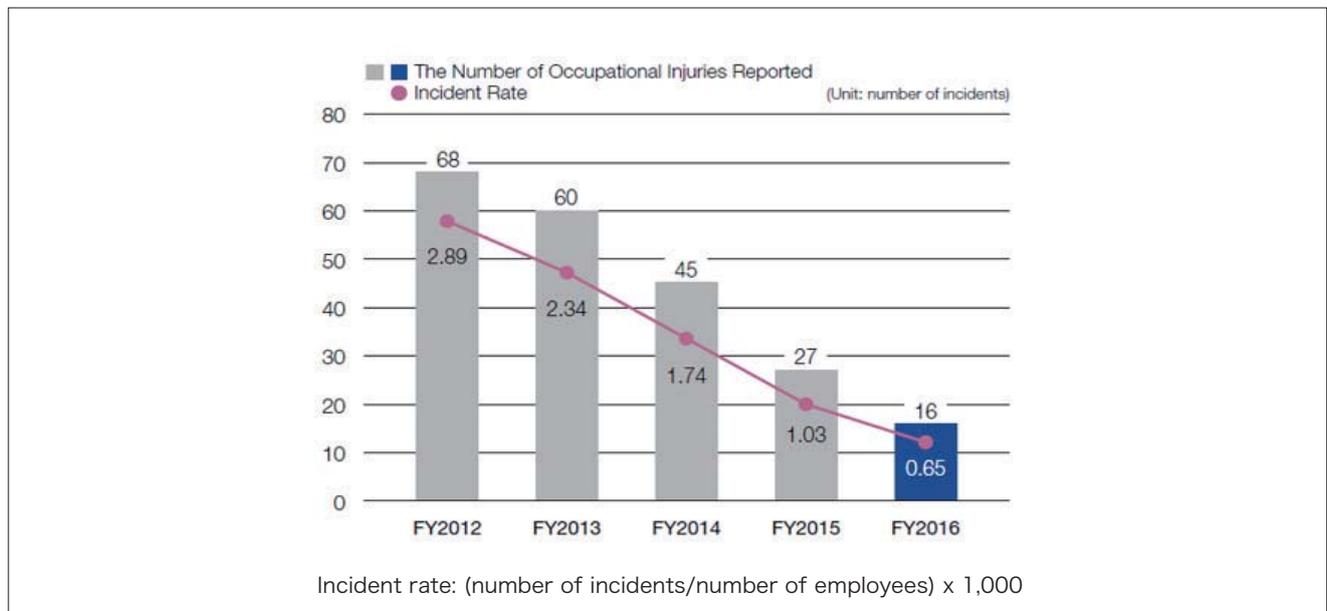
Completely organized factory(BISG)

With Employees

Safety and Health/Disaster Prevention

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

Number of occupational injuries reported at manufacturing facilities



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

With Employees

Promotion of Health and Productivity Management

Promoting employee health management by establishing the "Brother Group Health & Productivity Management Philosophy"

Establishing a framework for promoting health and productivity management

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

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

In September 2016, Brother Industries, Ltd. (BIL) established the Brother Group Health & Productivity Management Philosophy (Health & Productivity Management Philosophy).

Under the newly established Chief Health Officer (CHO), we will strategically undertake various activities based on the Health & Productivity Management Philosophy.

Brother Group Health & Productivity Management Philosophy

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

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

**Brother Industries, Ltd.
Representative Director and President
Chief Health Officer
Toshikazu Koike**

With Employees

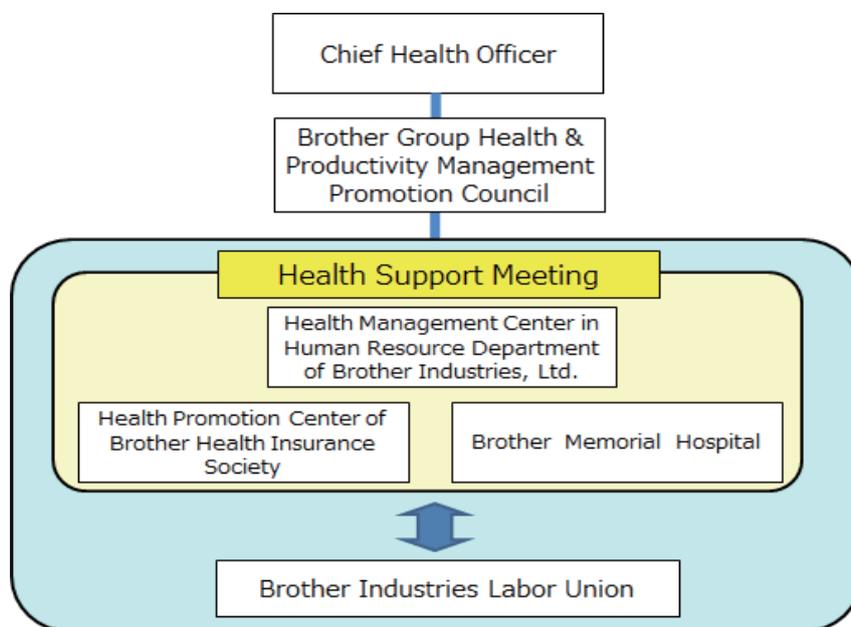
Promotion of Health and Productivity Management

Promoting employee health management by establishing the "Brother Group Health & Productivity Management Philosophy"

Health & Productivity Management Promotion Structure

The Brother Group will conduct employee health maintenance and promotion activities in a more effective and efficient way by constructing the Health & Productivity Management Promotion Structure and implementing the PDCA cycle. We will first start these activities in BIL and the Brother Group companies in Japan and then sequentially expand them to the Brother Group companies outside Japan.

Brother Group Health & Productivity Management Promotion Structure



Brother Group Health & Productivity Management Promotion Council

The safety and health managers in BIL and the Brother Group companies in Japan hold an annual meeting to identify issues about employee health and decide on an action policy for the next fiscal year. During FY2016, they had the meeting in March and set targets for respective issues, including lifestyle-related diseases prevention, mental healthcare, quit- smoking support, and health literacy improvement.

Health Support Meeting

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

With Employees

Promotion of Health and Productivity Management

Maintaining and Improving Mental and Physical Health

Aiming to maintain and improve the health of employees in the entire group

BIL established the Health Management Center and has been committed to the health management, mental healthcare and health enhancement of the Group's employees. The Brother Group's facilities in respective countries and regions assign physicians specialized in industrial medicine, or work with hospitals and clinics to maintain and improve the mental and physical health of employees. In FY2016, some industrial physicians and health nurses of the Health Management Center visited the manufacturing facilities Zhuhai Brother Industries, Co., Ltd., Brother Industries Saigon, Ltd. and Brother Industries (Philippines), Inc. (BIPH). During the visit, they conducted interviews with employees dispatched from BIL about their health conditions, mental health education, and hearings on living environments, and made a visit to medical institutions located near the facilities to exchange medical information with these institutions. In addition, they made arrangements for the dispatched workers to get medical attention, provided interpretation for these workers, and exchanged information with medical support services companies capable of offering support for severe diseases.



Local medical institution



BIPH's medical staff and industrial physicians

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

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

This education aims to help employees become aware of their own stress and take appropriate measures against it (primary prevention) and to help the company detect and support employees struggling with mental disorders at an early stage (secondary prevention). All employees must take self-care training, which is particularly designed for primary prevention, and consider how to control their health and how to cope with their stress referring to actual examples which have occurred within the company.



Self-care training

With Employees

Promotion of Health and Productivity Management

Maintaining and Improving Mental and Physical Health

In accordance with the amendment of the Industrial Safety and Health Act in 2014, BIL started conducting a "stress check survey" to encourage employees to become aware of their stress. BIL also helps employees who have developed mental disorders continue to work in their own ways, assisting such employees to return to work (tertiary prevention) in collaboration with their workplaces.

In FY2016, BIL formulated the "third 5-year plan on the Brother Mental Health." Based on this plan, it has been implementing positive mental health measures, which include building a corporate culture that discourages the occurrence of mental disorders, creating a comfortable workplace that allows employees to work with less stress, and enhancing motivation among employees so that they can work vigorously.

These measures are part of "proactive health management" beyond the requirements of laws and regulations. They are based on human resources strategy model which covers a larger scope than the conventional disease control model and encompasses human resource development, career development, and workplace creation. At BIL, employees, their workplaces and the Health Management Center will work together to continue and enhance their measures, aiming to help every individual stay mentally healthy and enjoy and feel satisfied with his/her job.

Supporting employees' health control

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

In FY2016, when BIL experienced a major reorganization, the center organized the health class titled "Communication skills to convey feelings---Let's create a vigorous workplace---" in respective worksites to facilitate workplace communication.

The Health Management Center undertakes such effort to adapt the health class to the company's situation and works toward disease prevention and health maintenance and promotion.

In addition, the center has been engaged in preventing the metabolic syndrome and other diseases, providing quit-smoking support, and preventing passive smoking. As part of these activities, it prohibited smoking in any BIL building in 2016 with the aim of protecting employees against passive smoking. The center will strengthen its quit-smoking support to realize a complete ban of smoking in all premises of BIL.

With Employees

Promotion of Health and Productivity Management

Maintaining and Improving Mental and Physical Health



Notice of Brother Healthy Life Months



Outdoor smoking area

In February 2017, in recognition of its health management activities, BIL was chosen as one of the enterprises of the "2017 Health & Productivity Stock Selection," the program jointly conducted by Japan's Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange, among 608 listed companies.



Logo mark of "2017 Health & Productivity Stock Selection" and announcement ceremony

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

With Business Partners

Promoting CSR Procurement

Promoting CSR Procurement with Suppliers

Publishing "Procurement Policy" and "CSR Procurement Standards"

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

Procurement policy

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

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

CSR procurement standards

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

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

▶ Japanese version of the procurement policy and standards

<https://global.brother/ja/csr/stakeholder/partner/csr#c02>

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

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

With Business Partners

Promoting CSR Procurement

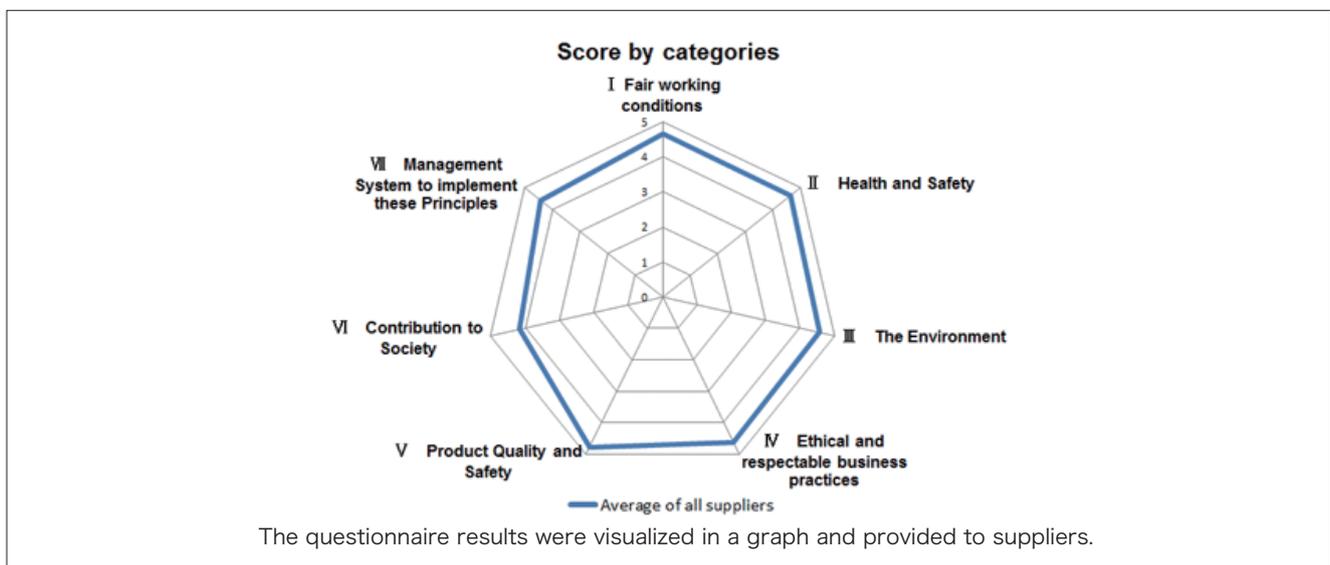
Working with Suppliers to Raise their CSR Levels

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

In FY2012, the Brother Group started a CSR questionnaire survey with the suppliers from which it purchases parts and materials in order to improve the standards of their CSR activities.

This questionnaire survey is conducted once every three years. The second survey carried out in FY2015 underwent revision to cover quantitative information, such as "the achievement ratio of energy-saving activities," "the number of misconduct reports," and "the age of the youngest employee" as a question relevant to the prohibition of child labor, while it retained the same about 80 items as the first survey, which were rated on a five-point scale and included "labor hours," "safety measures for mechanical equipment," and "the management conditions of chemical substances used in manufacturing processes." This revised survey, conducted with more than 500 companies, was able to gain more concrete information on their activities compared to the first survey.

The first survey gave only limited feedback, such as a request for the suppliers who had been found to have problems to formulate an improvement plan. However, this second survey provided about 500 suppliers out of all respondents with the information obtained by the summary and analysis of the questionnaire, including standards and trends by region and the levels of their activities, in order for these suppliers to utilize such information for their future activities.



During 2017, the Brother Group will make on-site inspections to confirm the progress of improvement plans formulated by the suppliers, aiming to work with them to make improvements that suit the realities of each supplier and to deepen their activities.

The Brother Group will continue to make efforts to build a mutually trusting relationship with its business partners and grow with them with the purpose of speedily delivering superior value to customers.

With Business Partners

Promoting CSR Procurement

Commending excellent CSR approaches by suppliers to promote their CSR activities

Selecting the best CSR company and three outstanding CSR companies

In 2015, Brother's three factories producing industrial sewing machines and other products for the Machinery business, including Kariya Factory, Brother Machinery Xian Co., Ltd., and Brother Machinery Vietnam Co., Ltd., launched an awards program to recognize excellent CSR activities with the aim of further promoting CSR activities among their suppliers.

This awards program involves investigation over two years. In the first year, it conducts a questionnaire survey and an on-site inspection of suppliers on seven categories, such as compliance, environment-friendliness, and safety. In the second year, it invites these suppliers to present their CSR activities, and then recognizes excellent suppliers among them.

This time, the program received entries from more than 30 companies. Among these entries, the most excellent CSR company and three excellent CSR companies were chosen after the evaluation by the representatives of the three Brother factories, from various perspectives, such as environment-friendliness, safety, and continuity.

The awards ceremonies were held in March 2017, at Aiden Vietnam Ltd., the company that won the best CSR award, and at the social event for suppliers held in China for the companies which received CSR excellence awards. Brother also presented testimonials to all suppliers who joined this program.



Awards ceremony at Aiden Vietnam Ltd.

This CSR awards program helped Brother know its suppliers' stances toward CSR and their activities, receiving many reports on CSR activities addressed by respective suppliers, including the improvement of working environment, the reduction of waste, and the acquisition of the ISO 14001 certificate and efforts made based on it. The factories intend to continue this program, which reportedly contributed to increasing motivation among the employees of some suppliers by giving them recognition. The three Brother factories will promote expanding and enhancing its suppliers' CSR awareness and their activities through this awards program.

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

With Business Partners

Promoting CSR Procurement

Commending excellent CSR approaches by suppliers to promote their CSR activities

Comment from the winner of the best CSR award



Aiden Vietnam Ltd
Mr. Masatoshi Ueki

We are truly honored to be able to act in line with the CSR philosophy of the Brother Group. At Aiden Vietnam Ltd., we consider it is essential to contribute to the development of local communities and the international community. We, together with all of our employees, aim to deepen and continue our CSR activities, bearing "the contribution to local communities and society" and "friendly to people including employees and the environment" in mind.

Comments from the winners of CSR excellence awards



Ningbo Beilun Wonip Mechanical Co., Ltd.
Mr. Peiguo Chen

I believe it is the conscience and responsibility of entrepreneurs to remember the origin of their success and to repay kindness when they become wealthy. We can create a peaceful atmosphere by giving love to society. Placing importance on "rewarding employees and contributing to society," Ningbo Beilun Wonip Mechanical Co., Ltd. strengthens its awareness of social contribution and its social responsibility and continues charity activities for the public interest.



Ningbo Xiangrui Machinery Co., Ltd.
Mr. Dexing Li

We are really proud of having been recognized for our CSR activity at the FY2016 gathering of business partners. We deeply appreciate Brother's long-term guidance and support provided to us. Considering this award-winning experience a good opportunity, we will promote and improve employee welfare, environmental protection, social responsibility, and workforce training.

With Business Partners

Promoting CSR Procurement

Commending excellent CSR approaches by suppliers to promote their CSR activities

Comments from the winners of CSR excellence awards



Shin Tech Engineering, Ltd.
Mr. Yueyong Xu

We are delighted to receive the CSR excellence award from Brother. We deeply appreciate it. Our company focuses on providing a working environment which can support the health and growth of all employees and people in the local community. We will continuously strive to become a people-oriented, clean company that can bring employees happiness, impress customers, and survive.

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



Promoting CSR activities for employees such as workplace improvement

SIK Vietnam Co., Ltd

Mr. Tran Quoc Khanh

Our CSR activities up to now

The CSR activities at SIK Vietnam Co., Ltd are always committed towards the employees, and we always improve the quality of the working environment and the surrounding environment. Through innovative activities, we have activities such as: To use led lamp reduce energy, to plant trees to reduce CO₂, to improve the quality of meals, to equip with adequate labor protection equipment, to have regular health check-ups. We also have social activities such as charitable activities, annual tourism for workers, support for workers in difficult circumstances.

Future targets and efforts relating to CSR

We always cooperate with customers and share CSR activities, our goal in the coming time is to improve the working environment, comply with the environmental laws

With Business Partners

Voice of Business Partners

Comments from suppliers



Aiming to build a better society by conducting CSR activities continuously

Bigmate Philippines Inc.

Ms. Mary Rose Cruz

Our CSR activities up to now

From the year theme "Expand Advantage, Improve Disadvantage", Bigmate Philippines Incorporated continuing the improvements and effectiveness of CSR activities to build a better society.

1. Conduct orientation/awareness every month for environment, health and safety related course to all employees.
2. Support and actively join industrial park activities such as Association of First Philippine Industrial Park Locators, Inc. -Fun Run, River Clean up, Tree Planting, Fire Prevention Motorcade and any activities related to safety, health and environment.
3. Provide program like Blood Donation Drive to save precious lives through blood donations.
4. Recognize the contribution of the employees to the successful operation of the Company by providing them additional benefit.
5. Organize Company Event like company outing, Christmas Party to provide relaxation, enjoyment and to promote camaraderie to each employees.
6. Promote healthy and safe work place by weekly monitoring of employees working condition.

Future targets and efforts relating to CSR

1. Promote Fitness Program.
2. To have more volunteers for CSR activities that the company joining in.
3. To expand every individual knowledge about CSR.
4. To continue improving our CSR activities every year.

With Business Partners

Voice of Business Partners

Comments from suppliers



Growing with the motto of being earth conscious

Minebea Electronics Motor(Zhuhai)Co.,Ltd.

Mr. PuHengguang

Our CSR activities up to now

1. Donate daily goods and fruit to a nursing home and a child welfare institution in Zhuhai when seasonal events, such as Chinese New Year celebrations and harvest moon festivals, take place
2. Make blood donations
3. Conduct a donation activity for employees suffering from serious disease
4. Raise money to support earthquake-affected areas
5. Actively participate in volunteer activities (We, for example, provided services to passengers in a station during Chinese New Year holidays, offered volunteer services when the Zhuhai International Marathon took place, and planted trees.)

Future targets and efforts relating to CSR

1. Continue the CSR activities which we have conducted until now
2. Ensure that we execute the company's management philosophy and grow with the motto of being earth conscious

With Business Partners

Voice of Business Partners

Comments from suppliers



Creating a company where employees feel a sense of belonging

Sunway Plastic & Electronic (Hongkong) Co., Ltd
Ms. Yu Xiao Qin

Our CSR activities up to now

1. Hold events, such as a trip and a BBQ, for all employees every three months or every six months to increase our cohesiveness as a team
2. Celebrate employees' birthdays every month
3. Organize a knowledge competition, such as a safety knowledge contest
4. Provide a variety of culture, sports, and leisure events, such as a basketball tournament, a badminton tournament, and book rental service
5. Present umbrellas and movie tickets and other gifts to employees on March 8, International Women's Day, every year
6. Give employees gifts, such as mooncakes and cakes wrapped in bamboo leaves, on the Harvest Moon Festival day and the Boys' day
7. Conduct an annual employee health check-up
8. Make donations to employees and their family members when they suffer from serious diseases
9. Give consideration to new employees and those who have worked for the company for long years

Future targets and efforts relating to CSR

1. Aim to create a company where employees feel a sense of belonging
2. Build a sustainable, well-organized communication structure

With Shareholders

IR Communication

Communication with Shareholders and Investors

Proactive information disclosure

Brother Industries, Ltd. (BIL) is committed to building a long-term relationship with its shareholders and investors based on trust by increasing opportunities to provide them with the latest information in a comprehensive way.

For shareholders, BIL publishes shareholder newsletters twice a year (A full year's issue is integrated with the notice of a shareholders meeting.) to keep them up to date with the Brother Group's business performance as well as the latest topics about the group.

For institutional investors and securities analysts, BIL holds a biannual financial results briefing, in which the president himself gives a presentation, and is also willing to arrange a visit to them individually and to accept their requests for an interview. For private investors, BIL explains the Brother Group's business activities and management strategies by corporate presentations mainly made at branch offices of securities companies across Japan.

On Friday, June 23, 2017, BIL held the 125th annual shareholders meeting at Nagoya Tokyu Hotel, located in Nagoya City, Aichi Prefecture, with the attendance of 390 shareholders, and presented the Brother Group's business results for FY2016 and its business outlook for FY2017. All items on the agenda were approved and passed as drafted by a majority of the shareholders. This shareholders meeting was followed by a social gathering, where the shareholders talked with Brother's executive officers face-to-face.



125th annual shareholders meeting

BIL will continue to create opportunities to communicate with as many shareholders and investors as possible and actively disclose information.

With Shareholders

IR Communication

Actively Organizing Company Information Sessions to Appeal to Private Investors

Holding many company information sessions for private investors across Japan

BIL actively discloses information to its shareholders and investors. In its efforts to build a trusting relationship with them, BIL has been publishing biannual shareholder newsletters (A full year's issue is integrated with the notice of a shareholders meeting.) and creating various communication opportunities, including company information sessions.

In recent years, the number of private investors has increased due to a favorable stock investment environment. Against this backdrop, BIL has been working to generate "Brother fans" so that private investors will have a greater affinity for the company and hold their stocks for a long period of time.

In FY2016, BIL held company information sessions 12 times in total at several securities companies' branches in Sapporo, Tokyo, Hamamatsu, Nagoya, Kyoto, Osaka, Hiroshima, Matsuyama, and Takamatsu, thereby being able to interact with more than 1,800 private investors. Each venue had an exhibition space for Brother products, which provided valuable opportunities to respond to many questions from private investors and directly introduce the Brother Group's manufacturing capabilities.

BIL considered that a number of encouraging words and expectations toward Brother's future from private investors who attended the events were surely positive results of its efforts to generate "Brother fans."

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



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



Explanation to private investors who visited the product exhibition space

With Shareholders

Evaluation by an External Entity

"The Morningstar Socially Responsible Investment Index"

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

On January 4, 2017, companies that make up the Morningstar Socially Responsible Investment Index (MS-SRI) (calculated by Morningstar Japan K.K.) were announced. Brother Industries, Ltd. (BIL) was again selected as an index company, for the ninth 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 ninth straight year based on a high evaluation of its corporate governance and compliance framework, commitment to various social issues (e.g., employment, health and safety, education, local community, and environment), and information disclosure, against the backdrop of growing investor interest in SRI.

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



*: The information is valid as of January 4, 2017, and is subject to change without notice.

With Shareholders

Evaluation by an External Entity

"The SNAM Sustainability Index"

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

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

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

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

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

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



"The 2017 Health & Productivity Stock Selection" "The 2017 Excellent Health & Productivity Enterprises" (White 500)

Selected for "the 2017 Health & Productivity Stock Selection" for the first time; certified as one of "the 2017 Excellent Health & Productivity Enterprises" (White 500)

In February 2017, BIL was chosen as one of the enterprises in "the 2017 Health & Productivity Stock Selection", whose program is jointly conducted by the Ministry of Economy, Trade and Industry (METI) of Japan and the Tokyo Stock Exchange (TSE). BIL was also recognized as one of "the 2017 Excellent Health & Productivity Enterprises" (White 500) under the Health & Productivity Enterprise Certification Program designed by METI and operated by Nippon Kenko Kaigi (Japan Health Council) to honor companies that implement outstanding health and productivity management.

With Shareholders

Evaluation by an External Entity

The 2017 Health & Productivity Stock Selection" "The 2017 Excellent Health & Productivity Enterprises" (White 500)



The Health & Productivity Stock Selection program selects, on a one-company-per-industry basis, outstanding TSE-listed enterprises focusing on and strategically carrying out efforts with regard to their employees' health from a management perspective. This program aims to promote health and productivity management by introducing the selected enterprises as an attractive investment option for investors who prioritize the improvement of corporate value from a long-term perspective.

The Health & Productivity Enterprise Certification Program honors large corporations and small and medium-sized enterprises which excel at implementing health and productivity management based on initiatives tailored to regional health issues and health promotion activities by Nippon Kenko Kaigi. This program intends to "visualize" outstanding enterprises in terms of health and productivity management and thereby creates an environment where such enterprises can be recognized by society, such as employees, job applicants, affiliated companies, and financial institutions, as "companies that focus on and strategically carry out efforts with regard to their employees' health from a management perspective."

BIL considers it important to manage every employee's health so that they can strive to achieve their goals, and ultimately, contribute to our success. It has been committed to maintaining and improving employees' physical and mental health by providing continuous mental health education and support to stop smoking or to prevent passive smoking.

In September 2016, with the aim of further promoting its health and productivity management, BIL established the Brother Group Health & Productivity Management Philosophy and installed its president as Chief Health Officer to build a stronger health & productivity management promotion structure.

The Brother Group will strategically strive to maintain and promote employees' health to realize health and productivity management.

With Local Communities

Social Contribution Activities on a Global Scale

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

The Brother Group carries out various social contribution activities in different countries and regions in accordance with the concept of the Brother Group Global Charter : "The Brother Group must always be a good corporate citizen, sharing our social, economic and cultural resources in all the communities where the Brother Group operates." The Brother Group, in particular, focuses on the following two activities and conducts them on a global scale in cooperation with the group facilities in respective countries and regions, aiming to globally promote social contribution activities that further enhance a sense of unity within the entire Brother Group.

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

Efforts in FY2016

The Brother Group positively and continuously considers the environmental impact of all aspects of its business operations based on " Brother Earth," the logo and slogan that symbolize the Brother Group's environmental activities. As part of such efforts, in FY2016, the Brother Group globally worked on developing energy-saving products, reducing energy consumption in factories, supporting environmental groups, and conducting environmental conservation activities with employees.

Regarding activities for communities and personal development, we have been cosponsoring the Tokai Young Entrepreneur Seminar in Japan since 2008 to assist young entrepreneurs who address local challenges. In addition, we have been promoting activities which provide us with a sense of unity on a global scale. In FY2016, our employees in 18 group facilities around the world, including Japan, the U.S., and New Zealand, participated in a worldwide charity activity aiming to support cancer patients and to fight against cancer.

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

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

With Local Communities

Social Contribution Activities on a Global Scale

Employees' Participation in the Golden Ring Project

The Brother Group has been encouraging its employees to participate in "Relay For Life" and similar charity events to support cancer patients, aiming to contribute to society with its employees and with a sense of unity on a global scale. In 2011, we named these support activities the "Golden Ring Project," which was derived from the idea that a ring of support is drawn on a world map when the activities conducted by respective facilities are connected. In FY2016, the Brother Group employees and their family members at 18 facilities all over the world participated in this project.

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

Many of the facilities which joined the "Golden Ring Project" took part in "Relay For Life." Relay For Life is an event in which participants make donations and also walk for 24 hours with their team members to encourage cancer patients, to raise cancer awareness, and to learn cancer knowledge. Donations collected through this event are used for new cancer treatment/medication development, young doctors' development, and activities to promote cancer screening and increase its rates, and so forth.

Since 2010, the employees of Brother Industries, Ltd. (BIL) and the Brother Group companies in Japan and their families have been participating in "Relay For Life Japan" held in Okazaki City, Aichi Prefecture. Since 2015, in the event venue, we have been independently organizing our own "meeting with cancer survivors (those who are fighting against cancer or have experienced cancer)," which leads to enhancing health awareness among participating employees and providing them with preparation for disease.

In addition, in 2016, BIL donated embroidered sashes to the Japan Cancer Society, the public interest incorporated foundation that organizes "Relay For Life Japan," commemorating the 10th anniversary of "Relay For Life Japan" since it was launched in 2007 in Hyogo Prefecture. The sashes were passed around among 49 venues from Hokkaido to Okinawa.



The sashes with messages written in the venues all over Japan

With Local Communities

Social Contribution Activities on a Global Scale

Employees' Participation in the Golden Ring Project

BCN Joins a Charity Marathon in Shanghai to Support Breast Cancer Patients

In May 2016, as part of the "Golden Ring Project," Brother (China) Ltd. (BCN), one of the sales facilities of the Brother Group in China, participated in a charity marathon conducted in Shanghai Century Park to support breast cancer patients. This charity race was hosted by "MORE THAN AWARE," a charity organization that supports patients with breast cancer, and also sponsored by Shanghai Cancer Recovery Club, which assists the recovery of cancer patients and interaction among them.



Participants who are warming up

From BCN, 26 employees came to take part in this event, and their participation fees were donated to Shanghai Cancer Recovery Club. BCN also contributed 250 hats with the embroidered Brother Logo to Changning District branch of Shanghai Cancer Recovery Club.

This event consisted of a 5-km marathon race and a 2-km walk race on the pathway around the lake in Shanghai Century Park. The BCN employees participated in the walk race, taking about 50 minutes to finish it.

One of the employees who joined the race said: "One of my friends who saw a picture of us walking on the course is interested in joining this event next year." Another commented: "I would like to join this race together with my family next year."

BCN will continue to join charity marathons and engage in social contribution activities that support cancer patients.

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 FY2016



The United States



Shanghai



Germany



Indonesia



Singapore



Taiwan



Japan



Malaysia



South Africa



South Korea



U.A.E



Australia



France



Hong Kong



Vietnam



Thailand



New Zealand



Philippines

With Local Communities

Social Contribution Activities on a Global Scale

Brother's Response to Large-scale Disasters

To respond to large-scale disasters which occur around the world, the Brother Group has been working together with its employees to provide support to the areas affected by such disasters, tailoring it according to the location where a disaster occurred and the extent of damage.

1. Support by monetary donations from the Brother Group
2. Support by "Kizuna Fund," which is composed of donations from employees, and volunteer activities by them

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

Support for Reconstruction after the Great East Japan Earthquake

Hoping the recovery and reconstruction of the area stricken by the Great East Japan Earthquake on March 11, 2011, the Brother Group is steadily and continuously committed to supporting this region based on three pillar concepts, including "activities which meet the needs of the affected area and produce visible results," "activities which help the sufferers find a purpose in life or create jobs," "proactive involvement of Brother employees."

The Brother Group, for example, used "Kizuna Fund" to provide support for building "Kizuna Park" as a playground for children in Shichigahama Town, Miyagi Prefecture in 2013, and for maintaining "Kizuna Library" as a place of learning for children in 2016. These efforts formed ties between the Brother Group and this town, and in October 2016, our president was invited to deliver a lecture in the commemoration of the start of the "global human resources development program," which was designed for children in Shichigahama Town, where internationalization is actively promoted, to be able to communicate in English.



Kizuna Park



Kizuna Library

With Local Communities

Social Contribution Activities on a Global Scale

Brother's Response to Large-scale Disasters

Support for the 2016 Kumamoto Earthquakes

In response to the Kumamoto Earthquakes occurred on April 14, 2016, the Brother Group made monetary donations of three million yen to Japan Platform, an authorized NPO.

The Brother Group also donated a car to Mifune Town, Kumamoto Prefecture through "Kizuna Fund" to meet this town's transportation needs, expecting the car to be used for transporting people and goods to temporary houses scattered over the area.

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



Ceremony to present a car

With Local Communities

Social Contribution Activities in Various Regions

"Tokai Young Entrepreneur Seminar" to Assist Young Entrepreneurs Who are Eager to Take on New Challenges

Tokai Young Entrepreneur Seminar

In recent years, more young people have started businesses for providing solutions to diverse social issues and for revitalizing local areas in Japan. However, they cannot always find solutions to various management problems due to the lack of business experiences and personal networks needed to grow their businesses.

Considering such circumstances, in 2008, Brother Industries, Ltd. (BIL) started sponsoring the "Tokai Young Entrepreneur Seminar," which is jointly managed by several Japanese NPOs engaged in offering support to entrepreneurs, to assist young entrepreneurs in the Tokai area, where the company has its headquarters. Through this seminar, BIL had supported a total of 41 entrepreneurs by March 2017. This seminar conducts activities for putting each entrepreneur on a track to success, such as interviews with entrepreneurs about their strategic business visions, a study on their strategic problems in cooperation with the Executive Committee of the seminar, and product development with those who might become users.

In 2017, the tenth year of the seminar, it recruited new participants in May. After the final screening process in August, the selected entrepreneurs will work with the Executive Committee of the Tokai Young Entrepreneur Seminar to improve their business models and the quality of their business strategies. They will have addressed these tasks for seven months until March 2018, when a final debriefing session is to take place.



Young entrepreneurs and NPO workers

With Local Communities

Social Contribution Activities in Various Regions

"Tokai Young Entrepreneur Seminar" to Assist Young Entrepreneurs Who are Eager to Take on New Challenges

BIL employees join to support the "Tokai Young Entrepreneur Seminar" and report their activities

In FY2012, BIL started activities in which its employees support entrepreneurs by "pro bono" work utilizing their skills acquired through their business experiences and are also given an opportunity to feel those entrepreneurs' enthusiasm to take on challenges. In FY2016, three selected employees worked on the pro bono activities.

In March 2017, a meeting to report the FY2016 pro bono activities was held in Museum Brother Communication Space with the participation of about 30 people, including BIL employees and NPO workers.

In the meeting, the employees who participated in the pro bono work reported how they had worked out challenges with entrepreneurs and what they had gained in supporting those entrepreneurs. One of them said: "I was motivated in various ways by meeting many individuals to help entrepreneurs fulfill their aspirations. I was able to realize both my weaknesses and my strengths, which was a precious asset for me to think about my career." This debrief meeting, including such pro bono employees' presentations about what they had learned through supporting entrepreneurs, provided an opportunity for the participants to deepen the understanding of and interest in "pro bono" activities.



BIL employees also joined support activities for entrepreneurs



An employee making his presentation in the debrief meeting of the pro bono activities

Contributing to the growth of entrepreneurs and building a regional culture of taking on challenges

One of the entrepreneurs supported by the Tokai Young Entrepreneurs Seminar won the Nikkei Woman of the Year. This seminar also produced an entrepreneur who was selected as one of the "30 Best Practices in Agriculture, Commerce, and Industry," organized 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 operations and increased revenue by gaining practical experiences and human networks needed for business growth through the Tokai Young Entrepreneurs Seminar.

The entrepreneurs who had received support from the seminar launched their own association in 2015, and in turn are serving as good advisers for the entrepreneurs who are now taking this seminar. In addition, the BIL employees who had taken part in this seminar as pro bono staff started to engage in activities for solving social issues and revitalizing local communities. As these achievements show, BIL's continuous efforts over the past nine years have led to generating activities beyond the framework of the Tokai Young Entrepreneur Seminar.

With Local Communities

Social Contribution Activities in Various Regions

Donating gift boxes to economically challenged families in Argentina

Making gift boxes for 15 families with donations from Brother International Corporation De Argentina S.R.L. and its employees

Brother International Corporation de Argentina S.R.L. (BIC(Argentina)) has been working with Fundación Caminando Juntos to provide food for families with fewer economic resources since 2015.

Fundación Caminando Juntos is a non-governmental organization that was established with the aim of resolving social problems in Argentina. It is one of the subordinate bodies of America's largest non-profit organization United Way Worldwide, which distributes donations and relief goods from various regions to charity groups.

In December 2016, BIC(Argentina)'s employees made gift boxes which contained food supplies and other items for celebrating Christmas and the New Year.

They this year completed 15 family gift boxes, using donations from the company and employees.

These boxes were delivered to a kindergarten in the Buenos Aires province on December 14th.

These gift boxes contained flour, oil, milk, mayonnaise, juice, candles, a Christmas tablecloth, and so forth.

BIC(Argentina), together with its employees, will continue to advance its efforts to make the local community that it belongs to a better place.



Employees making gift boxes



Participated employees

With Local Communities

Social Contribution Activities in Various Regions

Supporting a cross-country race event to promote the healthy growth of youth in Ireland

More than 2,000 students participate in "Brother Clonliffe Schools XC"

Brother Ireland DAC (Brother Ireland), one of the sales facilities in the Brother Group, hopes young people will grow in a healthy way and has been supporting the cross-country race event hosted by Ireland's premier athletics club Clonliffe Harriers A.C. since 2009. This race, named "Brother Clonliffe Schools XC," this year had the participation of more than 2,000 students from primary schools and secondary schools all over the province of Leinster, where Brother Ireland is located, and beyond. The students enjoyed cross-country races in several race groups, such as races for primary school girls or boys, and individual or team races for secondary school students.

On the event day, Brother Ireland's employees assisted in the venue management and also gave medals to winners in the presentation ceremony. One of the participated employees expressed his delight in seeing year-by-year increases in students' participation, saying: "The event is now part of the athletics school calendar and is widely anticipated by both students and teachers. This exemplifies Brother's 'At your side.' ethos best as being part of and close to the heart of this young thriving community of athletes."

Brother Ireland will continue to promote activities to always contribute to local communities.



Students who just started running



Presentation ceremony

With Local Communities

Social Contribution Activities in Various Regions

Supporting a vocational education center for students with disabilities in Turkey

Brother International (Gulf) FZE (Turkey Branch) donates sewing machines to help students learn sewing skills

Brother International (Gulf) FZE (Turkey Branch) (BICG-TR), one of the sales facilities in the Brother Group, donated printers in 2014 and five sewing machines in 2016 to a vocational education center for disabled students (center) in order to support this center.

This center, located in Küçükçekmece district, a suburb of Istanbul, Turkey, is a school established with governmental support. Students there learn the knowledge and skills required to work in society through practical lessons, such as a hairdressing class, a cooking class, a food service class, and a handicraft workshop. BICG-TR donated sewing machines at the request of the center, considering that acquiring sewing machine skills would help students go into the workforce.

Some BICG-TR employees visited the center and participated in lessons. They saw students, who did not even know how to write and read, beaming with excitement during the lessons and felt that BICG-TR's support to this center was really meaningful.

A student recital was held on May 11th, 2016, during the week of persons with disabilities in Küçükçekmece district. BICG-TR's employees were invited to attend this recital, along with other guests including the district governor, the mayor, school officials, teachers, and parents of students. Students performed dances, plays and songs, and the pictures they had drawn were displayed in the venue.

After the recital, Mike Hasegawa who is country director of BICG-TR delivered a speech that BICG-TR would provide as much support as possible to the center based on the Brother Group's "At your side." motto and also hoped the center's activities would bring happiness to young people.

BICG-TR will continue to promote activities to always contribute to local communities.



BICG-TR's employees visited the center and donated sewing machines



Students dancing in the recital

With Local Communities

Social Contribution Activities in Various Regions

Donating books to a Shanghai elementary school where the children of migrant farmworkers attend

BCN has donated approximately 3,000 books and some Brother products to elementary schools in Shanghai and near Beijing.

Under its motto "born in China and grow with China," Brother (China) Ltd. (BCN), one of Brother's sales facilities in China, donates books to elementary schools which have the children of migrant farmworkers with relatively few educational resources in Shanghai, and elementary schools where farmers' children go in farming villages near Beijing.

This activity has been conducted four times since 2011 with the aim of supporting children's growth and enhancing employees' awareness of social contribution. BCN has given about 3,000 books, which were contributed from the company and employees, to elementary schools. In 2015, BCN also started donating Brother products to help improve office environments for school staff.

On October 13th, 2016, a presentation ceremony was held at an elementary school in Shanghai, and 13 representatives from BCN handed over books to children and also donated a printer and a labeling system. They received a certificate of appreciation and a testimonial flag from the school principal.

The donated 750 books included 248 books from BCN's employees. BCN every year calls on its employees to donate books through its intranet website and morning meetings over six months from April.

One of the participated employees said: "I was impressed by the strength of these children, who study diligently in a severe environment. I hope our donated books help the children's further development. Also, I felt very proud to be involved in such a meaningful activity as a member of the Brother Group."

BCN will continue to promote activities to always contribute to local communities.



BCN's employees handing over books to children



The testimonial flag offered by the school



A comment from an employee responsible for the activity Let's deliver love through the donation of books.

Brother (China) Ltd.
Ke Xiaoling

In 2011, when this activity started, the employees of Taiwan Brother Industries, Ltd. also joined it along with BCN's employees. This activity marked its fourth year in 2016, and I sincerely appreciate the chairman and employees who have continued to take active roles in this activity.

I would like to donate books and Brother products not only to elementary schools in Shanghai and around Beijing but also elementary schools in inland China, which are more in need of support.

Third-party Opinion

Third-party Opinion on the Brother Group's CSR Activities in FY2016

The statement below is written based on the descriptions of the group's CSR efforts on Brother's corporate website and interviews with the company's staff responsible for the environment, production innovation, purchasing, quality, human resources and CSR.

The Brother Group has been properly and continuously committed to CSR activities, which include the proactive sharing of the Global Charter by both Brother's top management and employees in respective workplaces.

Highly evaluated points

- Sharing of the Brother Group Global Charter (Global Charter): The Global Charter, which serves as Brother's guiding principle in CSR, has been translated into 27 languages. To promote this Charter, about 560 Global Charter promotional leaders have been appointed and acting around the world. The president and top management have committed to practice this Charter. In China, seven Brother facilities jointly held the "Cross-functional meeting for the Global Charter promotional leaders in China," and in Vietnam, managers were given an opportunity to think about ideal interdepartmental cooperation through training programs for all employees. In addition, the number of dialogues between top management and employees in respective workplaces has reached 731. As seen from these efforts, at Brother, its fundamental management principles are not shared in a top-down fashion, but through voluntary efforts by both top management and employees in respective workplaces around the world. These commendable efforts have achieved a high level that should be used as a global benchmark. I continuously and strongly expect Brother to set challenging action assignments for the 2020s in line with the Brother Group Principles of Social Responsibility and to share its activities in the whole Brother value chain, including its business partners. Such activities to be shared include efforts and ingenious ideas in respective regions and departments under the leadership of the Global Charter promotional leaders, especially human rights and environmental impact reduction.
- Approaches to suppliers : Brother expanded its supplier self-assessment to include its business partners in the Philippines. This assessment was based on a "CSR questionnaire survey," composed of a total of 80 questions on working conditions, health and safety, environmental conservation, ethics, product quality and safety, social contribution, and management system. Brother also gave superior cases "CSR Awards" and introduced the award-winning companies on the corporate website while requesting some low score suppliers to take corrective actions. Going forward, Brother is expected to involve secondary suppliers, to deepen the quantitative and accurate grasp of suppliers' activities on safety, the environment and human rights, and to encourage suppliers to take improvement measures based on the feedback of the survey results either by business type or scale in reference to ISO 20400.



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

川北秀人

Third-party Opinion

Third-party Opinion on the Brother Group's CSR Activities in FY2016

Efforts that have shown progress but require more commitments

- Reduction of environmental impacts : I highly recognize Brother for its continuous efforts in reducing the total emission of greenhouse gases in the manufacturing and sales facilities in and outside of Japan, and also for its efforts in understanding SCOPE 3 and formulating long-term goals with a view to the future beyond 2020. In the future, Brother is strongly and continuously expected to establish a just-in-time energy system, in which the whole production sites including facilities administration departments collaborate with each other, to promote reducing environmental impacts in product usage by encouraging the use of universal design fonts and shipping products with the toner saving mode and the eco mode such as 2-in-1 printing set as default.
- Improvement in quality control and customer satisfaction : Brother's efforts that should be highly valued include grasping situations quantitatively by using its unique index, the rate of product return and servicing, and taking systematic approaches ranging from responses to defects to the prevention of quality problems based on technical assessments. Meanwhile, Brother is expected to further promote the collaboration between the development departments and the planning departments by establishing a system that ensures the position of safety and quality related issues in development and planning processes and emphasizing it as an advantage of Brother products.
- Increase in the diversity and utilization of human resources : Through training courses based on the company's plan to nurture executives and managers (facility succession plan) and other approaches, in China where Brother's main facilities are located, more than half of executive and managerial positions have been occupied by locals. Also, the training courses have been continuously conducted at the group companies in Vietnam and the Philippines. These show that Brother has advanced its efforts, and which deserves high recognition. Meanwhile, Brother is expected to enhance its basis of human resources development and utilization in accordance with its medium- to long-term global human resources portfolio strategies. Regarding the employment of disabled people, the employment rate of them has reached 2.11% at the group companies in Japan. Going forward, Brother is strongly and continuously expected to create relations and environments that enable the disabled and non-Japanese employees working in Japan to interact and consult with employees with the same attributes.
- Creation of workplaces where employees can easily continue to work : It is noteworthy that the family-care seminar for managers has been held 12 times up to now, and about 40% of all managers have attended it. In addition, Brother's efforts such as providing support tools for making a care plan and inviting a regional comprehensive care center deserve recognition. Brother is expected to more accurately identify and resolve the issues that workplaces are facing in order to further increase the ratio of the utilization of leave, leave of absence, and short-time working for childcare, family-care, and nursing care (9.65% at Brother Industries, Ltd. including those who are still on leave). As for a mental counseling service, although the fact that this service has been provided even by the Brother Industries Labor Union merits recognition, Brother is expected to promote the use of this service by actively introducing various case examples, including family-related problems.

Third-party Opinion

Third-party Opinion on the Brother Group's CSR Activities in FY2016

Efforts that Brother is expected to promote as a global company

- Communications with diverse stakeholders : Brother's top management including the president and officers keep employees informed and carry out a lot of dialogues with them in multiple languages, which should be highly evaluated. In the future, Brother is strongly and continuously expected to actively provide opportunities for communicating with NGOs and other external stakeholders especially in Europe, identify social issues to work on next, and seize opportunities to collaborate with these stakeholders. It is also expected to establish an assessment and commendation system that evaluates from the perspective of "At your side." in order to create a momentum for publishing superior activities inside and outside the company.
- Consideration and approaches to biodiversity and water resources issues : Considering the fact that there are only three years left until the meeting in which the progress of the "Aichi Targets" will be confirmed, Brother is expected to further deepen its understanding on the ecological risks posed by producing paper (indispensable for printing) and fabric (indispensable for sewing with sewing machines) and to share such understanding furthermore, and to enhance its conservation efforts including human resources development in association with Brother Earth.

IIHOE

Founded in 1994 as a NPO aiming "for balanced and democratic development for all the Lives on the Earth," IIHOE has been providing management support to citizen groups and social entrepreneurs, and also CSR support to many major corporations.