

Brother Group Sustainability Website



The Brother Group will continue to provide superior value contributing to a sustainable society by practicing management with an emphasis on sustainability.

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> ESG Information Index <https://global.brother/en/sustainability/esg-table>

Scope of report: Brother Industries, Ltd. and its global group companies (including those in Japan)
 Covered period: April 1, 2023 to March 31, 2024 and topics up until September 26, 2024
 Guideline used as a reference: GRI's "Sustainability Reporting Standards"

Sustainability

Message from the Management

Brother Will Contribute to Society and Help Protect the Earth by Refining Its Corporate Culture and Engaging in Dialogue with Its Stakeholders .



Representative Director & President **Kazufumi Ikeda**

Brother's corporate culture

Traditionally, Brother has had an open corporate culture in which the relationships between superiors and subordinates have not been so hierarchical. This open-mindedness and the spirit of "At your side," which puts customers first in every situation, are the very DNA of Brother that creates the Brother's strengths and the driving force behind its ability to change its business in response to changing times and environments without being afraid of transformation. Another strength of the Brother Group is its global network. As the global Team Brother, we are able to grow by building trust and sharing our knowledge base with each other. To realize a sustainable world, we will further refine this DNA and strengths and create unique Brother's value.

Contribute to society/Protect the earth

In the Brother Group Vision "At your side 2030 <https://global.brother/en/corporate/vision> " formulated for 2030, we declare Our Purpose as "By being 'At your side,' we enable people's productivity and

creativity, contribute to society, and help protect the earth." In addition to achieving our medium-term business strategy "CS B2024 <https://global.brother/en/investor/management/csb> " from FY2022 to FY2024, we will steadily implement initiatives to resolve the identified materiality in order to realize Our Purpose.

Contribute to society

- > "Supporting people's value creation" <https://global.brother/en/sustainability/csr/value>
- > "Realizing a diverse and active society" <https://global.brother/en/sustainability/social/diversified>
- > "Pursuing a responsible value chain" <https://global.brother/en/sustainability/social/supply-chain>

Protect the earth

- > "Reducing CO₂ emissions" <https://global.brother/en/sustainability/eco/co2>
- > "Circulating resources" <https://global.brother/en/sustainability/eco/resource-circulation>

We believe that the creation of social value through business necessary to "Contribute to society" can be achieved when all Group employees work together to create excellent value and promptly provide it, thereby satisfying our customers. When considering the development of talent for this purpose, we believe that diversity is essential. With the increasing uncertainty in the world, the range of options becomes limited if many people share the same opinions. While it is important to promote women and foreign nationals, diversity of thinking is more important than people's attributes, and we will promote value creation by aggregating various ideas from various ways of thinking.

Social responsibility in the value chain is also an important theme. Through the "Brother Group Human Rights Global Policy <https://global.brother/en/sustainability/social/human-rights> " and participation in the Responsible Business Alliance (RBA) <https://global.brother/en/sustainability/csr/initiative#i02> , we will respect the human rights of all workers, including those at suppliers and Group manufacturing facilities, and ensure a safe and secure working environment.

To "Protect the earth", we have set forth the "Brother Group Environmental Vision 2050 <https://global.brother/en/sustainability/eco/vision> " to address climate change, aiming to make all of our business activities carbon neutral and minimize CO₂ emissions throughout the value chain by 2050. With regard to resource circulation, we will continue to improve the system for resource circulation throughout the value chain and aim to achieve sustainable use of resources and minimize the environmental impact of waste by, for example, reducing the ratio of virgin materials used in our main products to 65% or less by FY2030.

Towards business portfolio transformation

Under "At your side 2030," we aim to expand sales in the industrial area to approximately 50% of total sales by FY2030.

In the Industrial Equipment Business, we have significantly strengthened our product lineup by

launching 11 new machine tool models since FY2022, and we have opened five technology centers and six business sites/sales offices in our priority regions of China, India and Japan. A new factory in India is also under construction. We will continue to further expand our business by delivering solutions that are useful to our customers in the field.

In the P&S Business, we will further strengthen measures to connect directly with customers and focus on acquiring customers with high print volumes by offering consumables and services on a pay-as-you-go basis, automatically delivering consumables and making proposals based on customer usage.

Message to our stakeholders

We will continue to actively engage in dialogue with our various stakeholders and sincerely listen to their candid opinions and even harsh criticism. We will continue our efforts to enhance corporate value from various perspectives by deepening two-way communication and making use of opinions from our stakeholders in our management.

Finally, I would like to emphasize the following three things:

1. The Brother Group will always be sincere in its dealings with customers and all other stakeholders.
2. All Group employees worldwide will be able to be proud of their work and have great hope for the future.
3. As a result, Brother will continue to grow as a trusted global company.

We will achieve these three things and continue to enhance our corporate value over the long term through dialogue with our stakeholders. We hope that you will support the future of the Brother Group.

Kazufumi Ikeda

Representative Director & President

Brother Industries, Ltd.

September 2024

Management with an Emphasis on Sustainability

Basic Policy on Sustainability

Basic Policy on Sustainability

Brother, which started its business by providing repair services for sewing machines, commenced production of sewing machines based on the ambition to turn the import-based industry into an export-based industry to create jobs for people who want to work.

The desire to create durable sewing machines has been passed down as the “At your side.” spirit that always places customers first in the Brother Group Global Charter, which provides the foundation for all Brother Group activities. The Charter states that the Brother Group enhances corporate value by expanding the value provided to customers and by returning economic performance generated through business to stakeholders and the global environment.

As in the past, the Brother Group will continue facing the issues of our customers and society, defining materiality (key social issues) to be undertaken, and solving them. By doing so, we will aim to achieve our “At your side 2030” vision and the Sustainable Development Goals (SDGs) identified by the United Nations.

The Brother Group Global Charter

The Global Charter serves as the basis of all operations conducted by Brother to globally create social value through businesses and promote management that focuses on sustainability.

> The Brother Group Global Charter

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

Management with an emphasis on sustainability

Promotion of Management with an Emphasis on Sustainability

Promotion Structure for Management with an Emphasis on Sustainability

Sustainability Committee

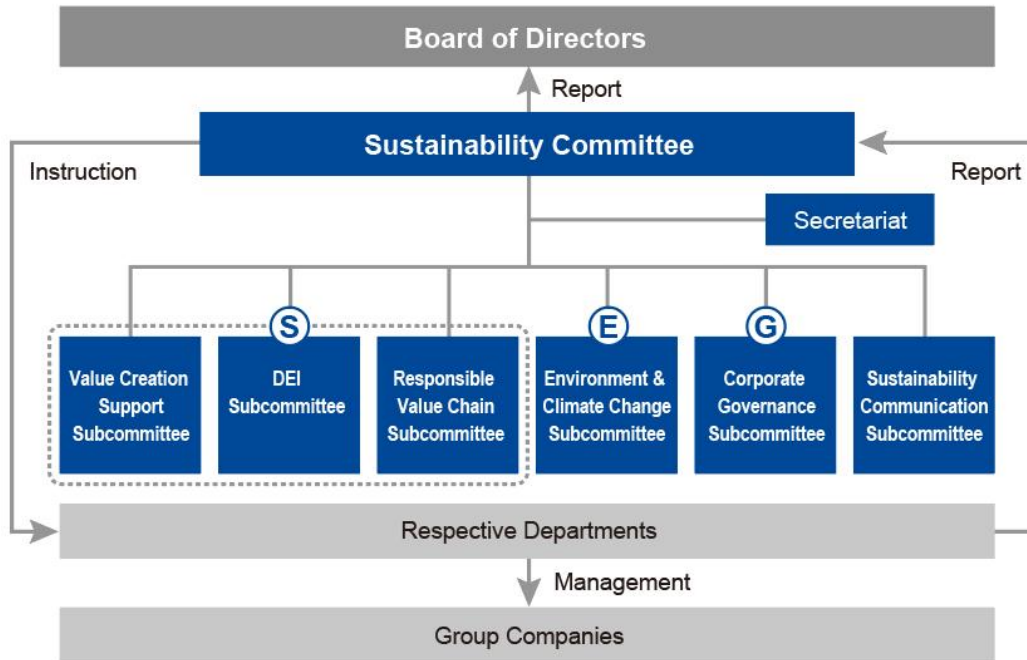
The Brother Group has established the Sustainability Committee based on the Basic Policy on Sustainability <https://global.brother/en/sustainability/csr/policy> . The purpose of the Committee is to globally promote management with an emphasis on sustainability such as by resolving the materiality <https://global.brother/en/sustainability/csr/materiality> through various activities.

The Sustainability Committee structure

The Sustainability Committee is chaired by the Representative Director & President. The Committee holds regular meetings and extraordinary meetings convened by the chairman as necessary, and consists of those in charge of each subcommittee, Executive Officers of managing executive level or higher, business Executive Officers, and other persons designated by the Representative Director & President as needed.

In addition, at the time of the Committee's establishment, we had three subcommittees under the Sustainability Committee with the aim of promoting various activities in their specific fields. Later, through their activities in FY2022, we revised the structure in order to promote more cross-departmental and management with an emphasis on sustainability, and reorganized it into the following six subcommittees in April 2023.

Promotion structure



<p>Value Creation Support Subcommittee</p>	<p>Promotes activities to help the Brother Group support its customers' value creation through the provision of products and services, and to gain the support of customers.</p> <ul style="list-style-type: none"> Person in charge of the subcommittee: Kazufumi Ikeda Representative Director & President
<p>DEI Subcommittee</p>	<p>Promotes activities to realize a society where everyone can energetically play an active role and to create a workplace where the Brother Group is filled with further diversity and engagement.</p> <ul style="list-style-type: none"> Person in charge of the subcommittee: Eiji Okada General Manager of Human Resources Dept.
<p>Responsible Value Chain Subcommittee</p>	<p>Promotes activities to create a safe and secure workplace for workers in the Brother Group's value chain, where the human rights of those involved in the business are respected.</p> <ul style="list-style-type: none"> Person in charge of the subcommittee: Toshihiro Itou Senior Managing Executive Officer

<p>Environment & Climate Change Subcommittee</p>	<p>Promotes activities to contribute to a decarbonized society and maximize resource circulation in accordance with the Brother Group Environmental Vision 2050.</p> <ul style="list-style-type: none"> Person in charge of the subcommittee: Shigeyuki Ota General Manager of Environment & Climate Change Strategy Dept.
<p>Corporate Governance Subcommittee</p>	<p>Promotes activities to establish corporate governance that facilitates the realization of the Brother Group's Vision and the effectiveness of management strategies to achieve the Vision.</p> <ul style="list-style-type: none"> Person in charge of the subcommittee: Shun Kanishima General Manager of Law, Environment & General Affairs Dept.
<p>Sustainability Communication Subcommittee</p>	<p>Promotes activities to build long-term, trusting relationships with stakeholders by responding to the demands of society and dispatching information in an appropriate manner.</p> <ul style="list-style-type: none"> Person in charge of the subcommittee: Yumie Tamaru General Manager of CSR & Corporate Communication Dept.

Sustainability Committee activities

The Sustainability Committee conducts ongoing discussions and decision-making on sustainability issues. In addition, the Representative Director & President regularly reports to the Board of Directors on the Committee's activity plans and results.

Key discussion points at the Sustainability Committee

Year of meeting	Number of times held	Key discussion details
FY2023	10	<ul style="list-style-type: none"> Reporting of results of each subcommittee and discussion of annual plans Deliberation and approval of proposals regarding the issuance of Integrated Report 2023 and the content of the report prior to disclosure, in accordance with the "Disclosure and Approval Process *" approved by the Committee in February 2023 Reporting of employee engagement survey results and cases of improvement measures Reporting of activities to support Businesses for formulating sustainability targets Deliberation regarding policies related to climate change <p>* The Disclosure and Approval Process is our unique process of obtaining Committee approval for the issuance of the company's Integrated Report at the two stages of planning and final disclosure in anticipation of future third-party assurance.</p>

Solving Social Issues through Business Activities

Contributing to CO₂ emissions reduction and resource recycling (Printing and Solutions Business)

To realize the goal of "contributing to society and help protect the earth" set forth in the Group Vision "At your side 2030," the P&S Business is developing and implementing environmentally friendly products and initiatives, including energy and resource conserving products/initiatives. One such example is the collection and recycling of used toner cartridges from laser printers and All-in-Ones, which are returned to customers. In FY2023, the "TN-3512 RE" toner cartridge, which is recycled at our factory in Slovakia, became the first recycled cartridge in the world to receive certification by Blue Angel*. By reusing cartridges and refilling them with toner, compared to producing new cartridges, we are able to achieve both effective use of resources and a reduction in CO₂ emissions. We will continue to strengthen our efforts to take the global environment into consideration.

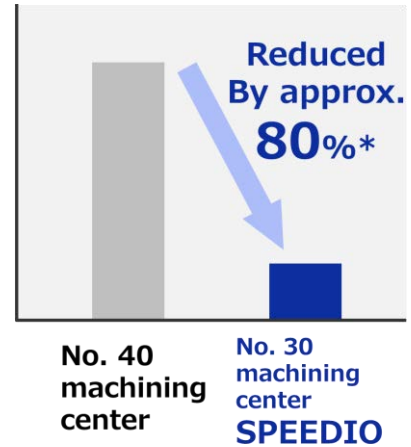


Awarding of the Blue Angel certification at BROTHER INDUSTRIES (SLOVAKIA)

*: A third-party eco-label issued by The German Environmental Agency (Umweltbundesamt – UBA) and the German Institute for Quality Assurance and Labeling

Contributing to CO₂ emissions reduction with compact size and energy-saving technology (Machinery Business)

The manufacturing sites where Brother products are delivered require both a reduction in environmental impact and high productivity. The SPEEDIO series of compact machining centers can machine with far less power consumption than other models from other manufacturers due to its compact design, as well as using various energy-saving technologies, such as power regeneration to convert kinetic energy into electrical energy for reuse, contributing to a significant reduction in CO₂ emissions and to achieving carbon neutrality of production sites of customers.



Power consumption per cycle

*: This is an example of operation with a machining program provided by BIL

Contributing to traceability* and food safety (Domino Business)

Food traceability is extremely important for demonstrating food safety. Domino’s coding and marking equipment achieves high-speed printing of best-before dates, expiration dates, lot numbers, production plant identification codes, and other requirements of traceability on such products as those packaged in cans and glass, plastic, and other containers. Retort pouch foods require inks to be resistant to heat, water, and alcohol so that this printed

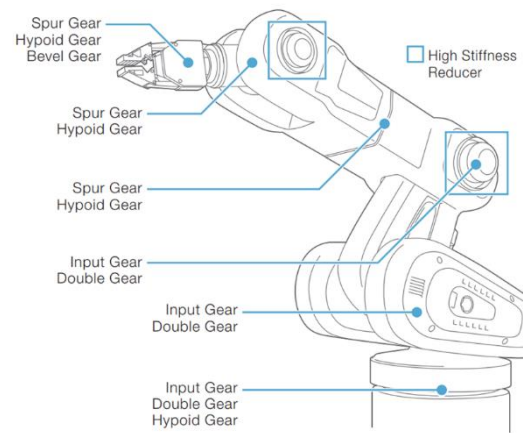


information is not removed by high-temperature sterilization or alcohol disinfection processes. By providing a range of inks to meet the needs of customers, the Domino Business contributes to the value creation of customers who want to provide security and safety to consumers through traceability.

*: Ability to clarify and maintain records of all food processes, from cultivation and breeding through to processing, manufacturing, and distribution.

Solving a labor shortage and improving productivity through automation and labor-saving(Nissei Business)

There is growing need for labor-saving and automation in the manufacturing, logistics, retail, and other industries. Gears and Reducers offered by the Nissei Business are installed in industrial robots, automated guided vehicles, machine tools, and other products to meet various needs of customers. Notably, the UXiMO High Stiffness Reducers* are lightweight and compact but are characterized by high stiffness. They not only solve labor shortages at production sites but also help improve productivity by contributing to miniaturization, higher accuracy, and faster operation of robots.



*: Reducers used in machines that require high stiffness and precise positioning

Promotion upcycling through Brother products(Personal and Home Business)

As we shift from the era of mass production and mass consumption to an era of sustainable manufacturing, upcycling has attracted much public attention around the world as a means of achieving the SDGs. Upcycling is the process of transforming materials, which would otherwise be disposed of, to create new value and recycle.

Regarding upcycling using Sewing Machines and Home Cutting Machines, the P&H Business has been advancing efforts to create a sustainable society by using our products through dissemination of information inside and outside the Company and provision of opportunities for experiencing them.

As part of this initiative, we held a workshop on upcycling based on the fact that education on the SDGs is promoted in junior high schools in Japan. At this workshop, students brought shirts, handkerchiefs, and other items, which were no longer being used, and created works of upcycling. The objective is to help students become more familiar with upcycling and raise awareness about contribution to the global environment and the SDGs. Sales facilities outside Japan also disseminate information and hold workshops about upcycling in an effort to spread the culture of upcycling as one of the methods of making effective use of limited resources.



Workshop on upcycling
(at BROTHER INTERNATIONAL (GULF) FZE)

Reducing workloads of staff at elderly care facilities (Network and Contents Business)

Music and exercise are attracting attention as ways to lead a healthy life as one ages. XING INC., which is a subsidiary, offers Kenko Okoku, which is music therapy content that helps promote health by moving the body to music. This content is used at long-term care facilities and other facilities. This program is used in nursing care and welfare facilities.



Kenko Okoku enables care staff to spend less time planning recreation by freely combining a wealth of content such as physical activities, watching/healing, playing, and singing to create individual recreation programs suitable for facility users, providing more time for staff to spend with facility users. In addition, facility users can enjoy a wide range of content, leading to improvements in their quality of life (QOL). And furthermore, the content of individual function training is extensive, contributing to improvement of nursing care conditions. Kenko Okoku provides opportunities for facility users to take enjoyable measures for the prevention of the need for nursing care and reduces the work burdens of caregivers, enabling them to focus on support.

Promoting the Global Charter and the Brother Group Vision

Toward the "Brother Group Global Charter," the basis of all our operations, and sustainable management

We are committed to internally sharing the [Global Charter](https://global.brother/en/corporate/principle) <https://global.brother/en/corporate/principle>, the basis of all operations conducted by the Brother Group to globally create social value through businesses, and to promote sustainable management that focuses on sustainability.

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

To become a trustworthy company, the Brother Group expects each of its nearly 40,000 employees to embody the Global Charter in their daily decision-making and actions and quickly create and deliver products and services that meet the needs of its stakeholders.

The Global Charter is translated into many different languages in the United States, Europe, and Asia so that all employees correctly understand and constantly keep the charter in mind. We also distributed portable handy-sized charter cards (in 27 languages) and posters (in 29 languages) to all our group facilities.



Handy-sized cards and posters

Promoting the Global Charter

The Brother Group is conducting the following activities globally to further promote each individual's actions based on the Global Charter.

Formulating and communicating the Global Charter commitments from top management

The top management in the group's respective facilities formulate their commitments every year based on the Global Charter and takes the initiative in embodying the charter principles, and also delivers messages and creates opportunities to dialogue with employees. In FY2023, they issued 53 messages, including video recordings, and had about 4,600 face-to-face talks with employees globally.

"Global Charter promotional leaders" and leaders' meetings

The Global Charter promotional leaders, of whom there are over 504, are appointed by the managers of each facility or department, formulate annual plans and reflect on their development results, and are engaged in promoting the charter-based behavior of each employee in a variety of ways tailored to each organization's role and challenges.

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

The Global Charter Survey

Since 2008, the Brother Group has been conducting an annual employee awareness survey called the "Global Charter Survey." The results of the survey are reported at a meeting attended by all executive officers, including the president of Brother Industries, Ltd. (BIL), where feedback is given and issues are clarified for each site. In addition, in order to address the issues identified from the survey and make improvements, each global base takes actions related to customer trust, response to social issues, strengthening cooperation with business partners, and employee growth and cooperation.

Linking the Promoting the Global Charter and Brother Group Vision "At your side 2030"

BIL has formulated the [Brother Group Vision "At your side 2030" \(Vision\)](https://global.brother/en/corporate/vision) <https://global.brother/en/corporate/vision> for the period from FY2022 to FY2030 with the aim of achieving further growth and increasing sustainable corporate value.

Hence, we have enhanced our actions to promote the Global Charter by incorporating the perspective of "How does the Global Charter link to the Vision?" to enable employees to consider their actions from the perspectives of both the Global Charter and the Vision.

Specifically, each department and group's facility is engaged in actions to globally develop activities to share a consistent Global Charter and Vision by utilizing mechanisms such as the "My commitment" and cross-organizational leaders' meetings. In addition, the top management has been delivering messages through video and other media to group employees on the intranet regarding the importance of initiatives to realize the Vision.

The "At your side." Top Meeting

Since FY2022, BIL has held an "At your side." Top Meeting with the participation of Director & Chairman, all Executive Officers, and Standing Corporate Auditors, with the aim of considering leadership for realizing the Global Charter and Vision.

At the FY2023 meeting, 18 Officers were divided into 4 teams and had discussions such as on the ideal talent development and product planning and development processes based on "What kind of actions will lead to the realization of 'At your side.?' " and each team presented their findings.

In the presentations, opinions were shared such as "In addition to providing products, it is important to provide solutions that enable customers to effectively use the products" and "It is necessary to create an organization that quickly shares information obtained in the field and promotes quick decision-making," becoming a time devoted to pursuing "At your side." by allowing one to reflect on their behavior through discussion.

Furthermore, in FY2023, in addition to team discussions, a presentation was given by the Group Managing Executive Officer and CEO of Domino Printing Sciences plc (Domino). In the presentation, good examples of Domino's initiatives to realize the Vision and talent development programs were shared, including the CEO's own experiences and thoughts, and it was a good opportunity for all management to reflect on the leadership to realize the Vision.



Team discussion



CEO of Domino giving a presentation

Personalizing the "Brother Group Global Charter" and our Vision

The Brother Group is making the Vision personal by engaging in activities to deepen understanding and alignment with our Vision so that it can be achieved.

Promoting Our Vision in Japan

Each year, the top management of each Brother Group facility formulated commitments based on the Global Charter, declared how they will act in accordance with the key words of the Global Charter, and reviewed their actions at the end of the fiscal year, repeating the PDCA cycle (Plan: Planning, Do: Execution, Check: Evaluation, and Action: Improvement activities).

In FY2022, in order to realize "At your side 2030," they changed their commitments to make the Vision a personal matter, and expanded the scope of the declaration to include those below the senior management level.

This initiative continued into FY2023 with approximately 800 executives and managers making their own commitments.

The content of the commitments, which focus on the two points below and allow them to clearly see the connection between the Vision and their own work, is shared entirely on the intranet.

1. My mission for achieving "At your side 2030"
2. Action goals to "enhance my own communication" and "promote the growth of my subordinates and colleagues" in order to achieve my mission

Additionally, at the new employee training each year, an opportunity is given for the new employees to think about the Global Charter, and from FY2022, a program has been held for new employees to think about the link between "At your side 2030" and the Global Charter. In April 2023, the program was held using the words "productivity" and "creativity," which appear in "At your side 2030," asking, "What productivity can I demonstrate?" and "What is my creativity?" and 129 new employees* participated. By having each new employee discuss what they will aim for in order to achieve our

Vision, it served as an opportunity for them to visualize the link between our Vision and their future actions.



New employee training program promoting the Global Charter and Vision (April 2022)

In addition, we promote activities to further deepen empathy for the Vision, including a forum held in FY2023 for sharing actions to realize the Vision with the participation of approximately 100 promotional leaders.

*: Total new employees of Brother Industries, Ltd., Brother Sales Ltd., Brother Logitech Ltd., and B.M. Industries, Ltd.

Promoting our Vision globally

The Brother Group is also expanding its efforts to discuss the Vision by relating it to their own work and linking it to their future actions globally.

One of the ways we share our Vision globally is with a workshop where teams make action declarations. In this workshop, participants first watch a video introducing the details of our Vision (the video is available in four languages: Japanese, English, Chinese, and Vietnamese). After that, the participants divide into teams to discuss the "you" in our Vision; "Our Purpose; By being 'At your side,' we enable people's productivity and creativity, contribute to society, and help protect the earth" based on the question; "Who is the 'you' in our business?" "What do we need to keep in mind in order to understand 'you' in the future?" "What are the problems that 'you' face, including us, and what are the possible solutions?" Based on the discussions, the teams then compose an action declaration as a team.

As of March 2023, approximately 8,200 employees have participated in these Vision-promoting workshops, and each facility is working autonomously.

Action declarations (excerpts)

- For us, "you" means not only the manufacturing site and subsequent processes, but also the members around us and the customers who use our products.
In order to find out problems that "you" have, we understand what is happening on the site, the members, and the products, and we value communication with you. And to provide value to "you," we gather information, improve our knowledge, raise our own level, and take on high-level challenges. (Manufacturing department)

- We will actively visit our customers and see their sites to notice their problems and develop the sensitivity to notice them. We will collect technical trends at online and offline exhibitions, academic conferences, and industry newspapers to improve product value. (Technical department)
- We consider "you" to be our team members and promote their growth by strengthening education of development skills. (Development department)

Brother International Philippines Corporation (BIC (P)), our sales facilities in the Philippines, also worked on a project to review their own Vision and mission based on the Brother Group Vision "At your side 2030." In this project, 28 employees, who will lead the next generation, participated, and they drew up a Vision of what they want to be in 2030 and put into words the significance of taking on challenges and the passion and aspirations they have. In July 2022, all BIC(P) employees had a chance to share their Vision with each other and to think about the future toward realizing the Vision across the company. The president of BIC(P) declared, "Our goal is to become a company that creates value for our customers and society by asking the question, 'What does this Vision mean to me?' then having them discover their own answers."



Promoting Our Vision (BIC(P))

This activity has continued since the first year the Vision was formulated, and we continuously promote the Vision globally. In China, seven sales and manufacturing facilities met together to delve into "best practices of promoting the Vision." Also, in Vietnam, leaders from three sales and manufacturing facilities gathered to hold the "Vietnam Cross-Company Meeting" to share examples of challenges they were taking on to realize the Vision.

The Brother Group will continue to personalize its Vision globally by expressing it in employees' own words and linking it to the daily actions of each employee.

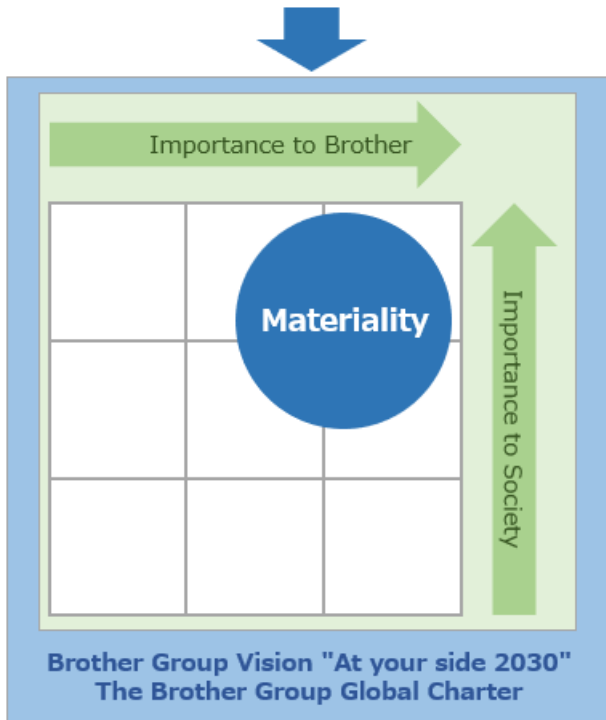
Management with an Emphasis on Sustainability

Materiality (Priority Social Issues)

Materiality Identification Process

The Brother Group has identified five materialities (priority social issues) in the medium-term business strategy, CS B2024 <https://global.brother/en/corporate/csb> in order to "contribute to society and help protect the earth" as "Our Purpose" in the Brother Group Vision "At your side 2030" <https://global.brother/en/corporate/vision> ." To identify these issues, final decisions were made after thorough discussions at management meetings and by the Board of Directors through the process outlined below.

Materiality Identification Process	
Step 1. Identify issues	<ul style="list-style-type: none"> Identify social issues based on the SDGs, Brother's focus
Step 2. Evaluate importance	<ul style="list-style-type: none"> Evaluate the importance of the issues to both society and for Brother The importance of the issues to society is evaluated based on the monetary scale and the level of interest of stakeholders The importance of the issues to Brother is evaluated based on the company's own intentions and strengths
Step 3. Draft materialities	<ul style="list-style-type: none"> Formulate a materiality draft, taking the significance of Brother's efforts and past activities into consideration
Step 4. Gather external opinions	<ul style="list-style-type: none"> Gather opinions on the draft from multiple organizations and ESG investors involved in environmental protection, human rights advocacy, and other related fields
Step 5. Make adjustments to materiality draft	<ul style="list-style-type: none"> Review the consistency of the materialities with the Brother Group Vision "At your side 2030" and the medium-term business strategy "CS B2024"
Step 6. Identify materialities	<ul style="list-style-type: none"> Identify materialities through discussions at management meetings and among the Board of Directors
Step 7. Set targets	<ul style="list-style-type: none"> Set 10 targets for the duration of CS B2024 related to the five materialities, focusing on the following aspects <ul style="list-style-type: none"> Are they consistent with the management policies and can the importance of the targets be explained? Can the targets, issues, and potential financial impact be told as a story? Are management and employees committed to the targets?



Materiality (priority social issues)		Relevant SDGs					
Contribute to society	Supporting people's value creation	3 GOOD HEALTH AND WELL-BEING	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	17 PARTNERSHIPS FOR THE GOALS
	Realizing a diverse and active society	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	17 PARTNERSHIPS FOR THE GOALS	
	Pursuing a responsible value chain	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES	17 PARTNERSHIPS FOR THE GOALS
Protect the earth	Reducing CO ₂ emissions	7 AFFORDABLE AND CLEAN ENERGY	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	17 PARTNERSHIPS FOR THE GOALS		
	Circulating resources	6 CLEAN WATER AND SANITATION	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	14 LIFE BELOW WATER	15 LIFE ON LAND	17 PARTNERSHIPS FOR THE GOALS

Brother Group Materiality

The Brother Group has identified the following five issues as our materialities (priority social issues): "supporting people's value creation," "realizing a diverse and active society," "pursuing a responsible value chain," "reducing CO₂ emissions," and "circulating resources." We consider addressing these materialities to be one of the key management issues for the duration of CS B2024, and set sustainability targets to promote company-wide efforts such as addressing sustainability through our business, environmental initiatives, and improving employee engagement.

Materiality

Supporting people's value creation

This materiality is linked to "Our Purpose" stated in the Brother Group Vision "At your side 2030." It expresses Brother's desire to contribute to the enriched and comfortable lifestyles of people around the world through our activities and value provided by Brother's diverse products and services.

Realizing a diverse and active society

This materiality aims to create an environment where diverse employees can play an active role in the Brother Group, and where diverse perspectives, knowledge, and values that are not based on any particular attribute are leveraged in creating innovation and decision-making of the organization.


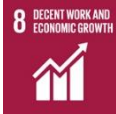




Pursuing a responsible value chain






We are committed to conducting assessments using appropriate methods and making continuous improvements to ensure that the human rights of all people involved in the value chain of Brother's business operations are respected and that the safety and security of all workers are protected.




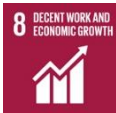






Reducing CO₂ emissions and circulating resources







Addressing environmental issues has become an imperative for all companies. At Brother, we announced the Brother Group Environmental Vision 2050, the Group's environmental vision, in March 2018, and have been engaged in the initiatives.

Materiality and Sustainability Targets

Materiality		Targets for FY2024	Progress	Relevant SDGs
Contribute to society	Supporting people's value creation	<ul style="list-style-type: none"> In the Industrial Equipment business, secure performance advantage of products that contribute towards improving customer productivity and reducing CO₂ emissions 	<ul style="list-style-type: none"> Launched a total of 10 new models in the SPEEDIO series, boasting high environmental performance and productivity, since FY2022 	     
		<ul style="list-style-type: none"> In P&S business, build platform to connect directly with customers towards improving LTV*¹ of customers 	<ul style="list-style-type: none"> Strengthened efforts to connect interactively with customers, including subscription services in each region 	

Materiality		Targets for FY2024	Progress	Relevant SDGs
	Realizing a diverse and active society	<ul style="list-style-type: none"> · Visualize employee engagement at the global level and improve engagement survey scores 	<ul style="list-style-type: none"> · Started an employee engagement survey at Brother Industries in FY2022; expanded survey scope to the entire Group in FY2023 	    
		<ul style="list-style-type: none"> · Enhance talent development and governance for encouraging the assignment of local employees to top management positions of facilities outside Japan 	<ul style="list-style-type: none"> · Promoted the development of core human resources and implemented succession plans based on the identified current status of HR measures and issues at major facilities outside Japan 	
		<ul style="list-style-type: none"> · Strengthen talent pipeline for healthy gender balance in management positions and establish environment for achieving diverse ways of working*² 	<ul style="list-style-type: none"> · Added/revise human resource systems to achieve more flexible work styles*² · Continued to implement Program to Develop Female Management Candidates*² · Implemented programs to promote understanding of health and nursing care to promote diverse work styles*² 	

Materiality		Targets for FY2024	Progress	Relevant SDGs
	Pursuing a responsible value chain	<ul style="list-style-type: none"> Expand the human rights risk assessment on suppliers 	<ul style="list-style-type: none"> Expanded the number of businesses and suppliers covered in supply chain human rights due diligence on primary suppliers and ensured its effectiveness Continued to conduct surveys for responsible mineral procurement 	 
		<ul style="list-style-type: none"> Attain RBA^{*3} Gold certification for three Group manufacturing facilities 	<ul style="list-style-type: none"> Following the RBA Gold Certification at the Vietnam Factory of P&S in FY2022, the Shenzhen Factory in China and Philippine Factory of P&S acquired RBA Platinum Certification in FY2023, achieving the target ahead of schedule Furthermore, the Hoshizaki Factory also acquired RBA Platinum Certification in FY2024 	   
Protect the earth	Reducing CO ₂ emissions	<ul style="list-style-type: none"> [Scope 1 and 2^{*4}] Achieve 47% reduction from the FY2015 level (9% reduction during the three-year period from 	<ul style="list-style-type: none"> [Scope 1,2] Implemented energy-saving and energy-creating measures such as more efficient use of electricity and introduction of solar power generation, and 	   

Materiality		Targets for FY2024	Progress	Relevant SDGs
		FY2022 to FY2024) Ref.) FY2030 Targets: 65% reduction from the FY2015 level	achieved the reduction target for FY2023	
		·[Scope 3*4] Take measures to reduce 150,000 tons through own effort Ref.) FY2030 Targets: 30% reduction from the FY2015 level	· [Scope3] Implemented measures centered on improving energy efficiency of new products as planned, and consider additional measures for FY2024	
	Circulating resources	·Achieve ratio of virgin materials used in products of 81% or less Ref.) FY2030 Targets: below 65%	· Achieved target for FY2023 by implementing measures such as using recycled materials in some products and changing to recyclable cushioning materials	     

*1. Lifetime Value (LTV)

Customer lifetime value, which is the value to customers and profits generated for companies over the entire usage period of products and services

*2. Brother Industries, Ltd.

*3. Responsible Business Alliance (RBA)

International organization to promote CSR, which establishes standards to ensure that working conditions are safe, that workers are treated with respect and dignity, and that business operations are conducted environmentally responsibly and ethically in the supply chains of the manufacturing industry

*4. Scope 1, 2, 3

Categories of greenhouse gas emission sources; Scope 1 refers to direct greenhouse gas emissions by business operators, Scope 2 refers to indirect greenhouse gas emissions resulting from use of electricity, heat, and steam supplied by other entities, and Scope 3 refers to indirect greenhouse gas emissions other than Scope 1 and 2 (emissions by other entities related to the activities of business operators)

As a member of society, the Brother Group has worked to solve priority social issues. Our sustainability initiatives also support the sustainable growth of the Brother Group's business itself.

As we have always done over the years, we aim to remain a company that continues to be trusted by society by continuing to respond to our customers' needs and concerns with the spirit of "At your side," and by addressing social issues, including environmental issues, with sincerity.

Management with an Emphasis on Sustainability

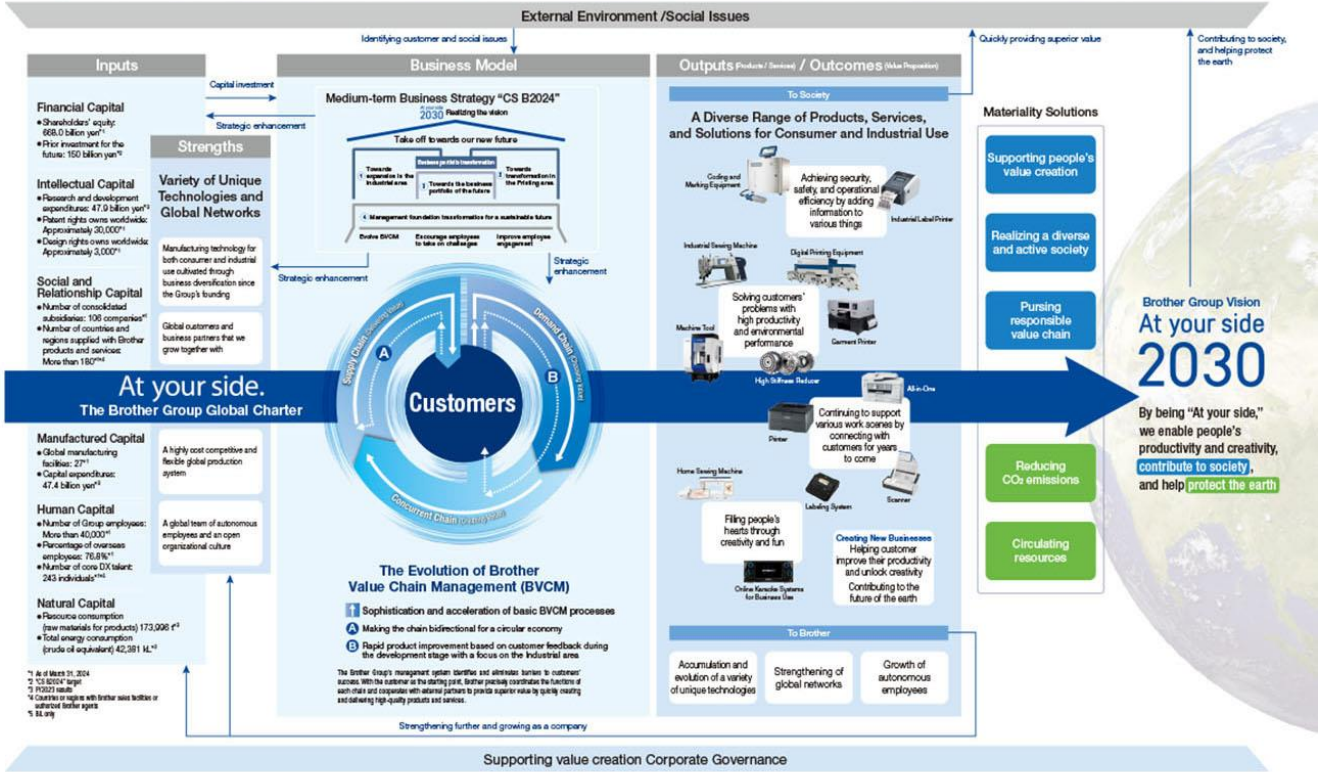
Value Creation Activities

Brother's Value Creation Process

The source of the Brother Group's value creation comes from the spirit of "At your side."—the company spirit that places our customers first in every situation, every time. Under this spirit, the Brother Group companies all over the world provide a diverse range of products, services, and solutions for consumer and industrial applications by investing the six capitals <https://global.brother/en/sustainability/csr/value#v04> and Brother's strengths, and by practicing Brother Value Chain Management (BVCM) <https://global.brother/en/sustainability/csr/value#v03> which is Brother's unique customer-centric management system based on our medium-term business strategy. By addressing the five materialities <https://global.brother/en/sustainability/csr/materiality>, we support the productivity and creativity of our customers closely, contribute to society, and help protect the earth. Through this expansion of customer value, we will achieve sustainable growth as a company.

Brother's Value Creation Process

We Seek to Contribute to Society, Help Protect the Earth, and Achieve Sustainable Growth by Expanding Customer Value Centered on the Spirit of "At your side."



The Story of Brother's Value Creation [PDF/718KB]
<https://download.brother.com/pub/com/en/csr/pdf/2024/vc-process-e.pdf>

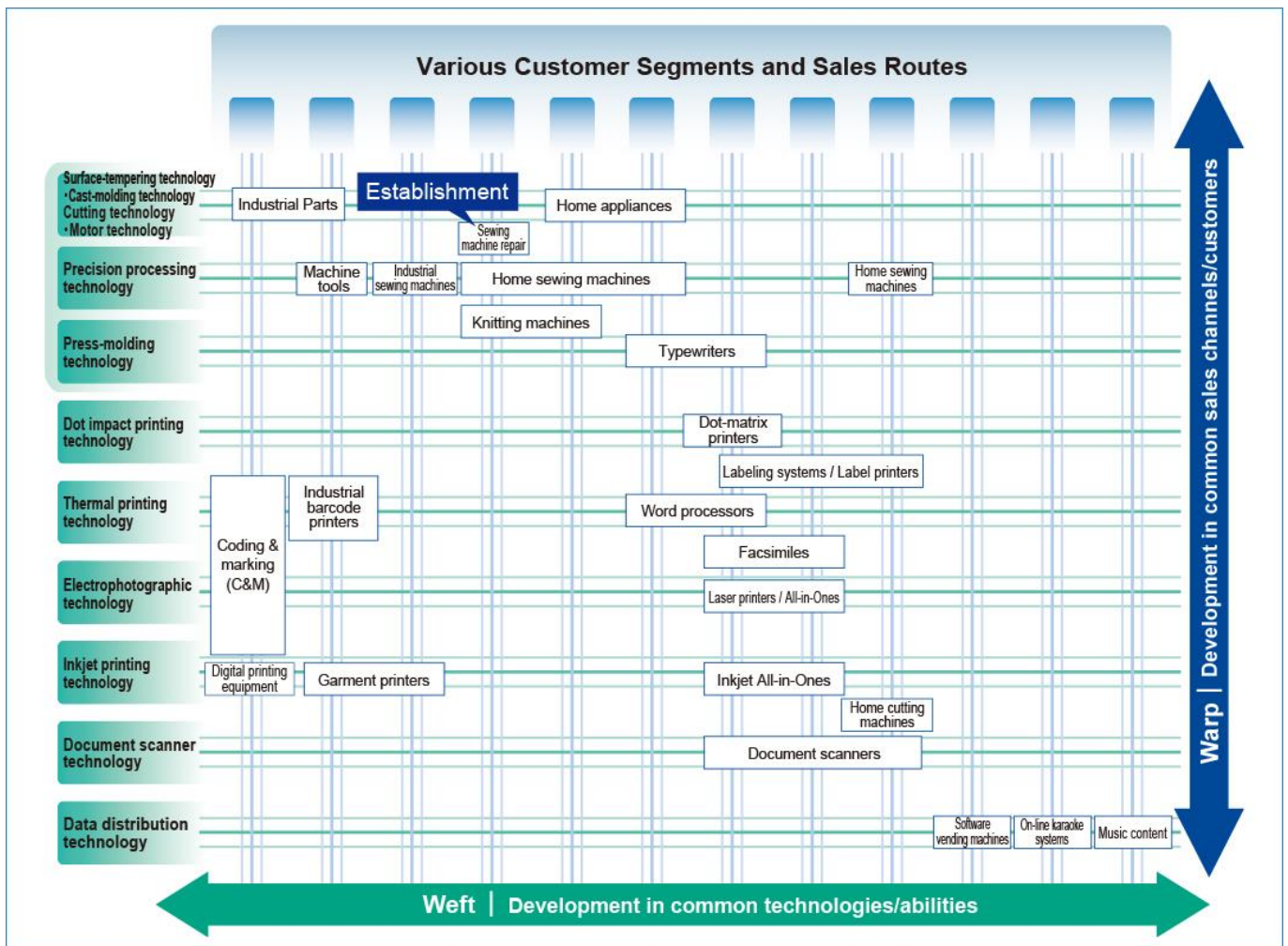
Brother's Strengths

Brother contributes to customers' ability to improve their productivity and unlock their creativity by making the most of a variety of unique technologies cultivated over its history of business evolution, as well as its global networks.

To support all those who wish to keep progressing, we will apply our strengths as a global company with multiple businesses, and while utilizing knowledge gained externally, we will create value, in addition to manufacturing products. In this way, we will help customers to realize their goals.

A Variety of Unique Technologies That Generate New Value

Since its foundation, Brother has generated new businesses by utilizing commonalities between various customer segments and sales routes and technologies and capabilities in order to meet the changing needs of customers and markets. We have used this continuity as the warp and weft and broadened our business scope by weaving the threads. This breadth, along with a corporate culture enabling collaboration across business domains and new value creation through the combination of technologies, are the unique strengths of Brother.





Various Customer Segments and Sales Routes [PDF/131KB]

<https://download.brother.com/pub/com/en/csr/pdf/2021/weft-warp-e.pdf>

Global Networks That Enable Us to Meet Needs and Provide Value Promptly

To date, Brother has expanded its facilities for development, production, sales, and services in more than 40 countries and regions. Utilizing these global networks, we have developed flexibility to meet customer needs, agility to provide products and services quickly, and cost competitiveness based on efficient networks. These are also part of our strengths. We will continue to leverage knowledge gained externally and collaboration with partners and provide outstanding value promptly through the collective efforts of the Brother Group companies in Japan and overseas.



Global Networks [PDF/224KB]

<https://download.brother.com/pub/com/en/csr/pdf/2021/g-map-e.pdf>

Brother's Capitals

Intellectual Capital



Integrated Report 2024_38 page [PDF/1.1MB]

<https://download.brother.com/pub/com/en/csr/pdf/2024/sel-5-e.pdf>

■ Capital status

Research and development expenditures: 47.9 billion yen

Number of patents owns worldwide: approx. 30,000

Number of design rights owns worldwide: approx. 3,000

*FY2023 results

■ Strengths

A variety of unique technologies

For the Brother Group, we consider true technical capabilities to refer to the utilization of Brother's variety of unique technologies to create products and services that customers demand. We give full attention to customers and devote ourselves to strengthening our intellectual capital for value creation by constantly thinking about what technologies can be made to satisfy customers and what kind of products will be helpful to customers. Also, by obtaining rights for the values created, we protect our unique technologies and contribute to improving profitability and maintaining our advantages. While effectively utilizing our proprietary technologies and intellectual property rights, we will enhance our brand value with our trusted technological capabilities that enable us to provide products, services, and solutions that are chosen by our customers.

Social and Relationship Capital



Integrated Report 2024_40-41 pages [PDF/1.1MB]

<https://download.brother.com/pub/com/en/csr/pdf/2024/sel-5-e.pdf>

■ Capital status

Number of consolidated subsidiaries: 106 companies*1

Number of countries and regions supplied with Brother products and services: More than 180*1,*2

*1 As of March 31, 2024


*2 Countries or regions with Brother sales facilities or authorized Brother agents

■ Strengths

Global customers and business partners that we grow together with

As for strengthening social and relationship capital, the Brother Group will continue to provide excellent customer experiences and value through the expansion of businesses that connect with customers and other efforts toward achieving "supporting people's value creation" as one of its materialities.

In pursuing another materiality, "pursuing a responsible value chain," the Group will ensure respect for human rights as well as safety and security for all people involved in the Group's business while co-creating value with business partners.

Manufactured Capital  Integrated Report 2024_39 page [PDF/1.1MB]

<https://download.brother.com/pub/com/en/csr/pdf/2024/sel-5-e.pdf>

■ Capital status

Global manufacturing facilities:

27 facilities*1

Capital expenditure:

47.4 billion yen*2

*1 As of March 31, 2024

*2 FY2023 result

■ Strengths

Highly cost-competitive and flexible global manufacturing system

The Brother Group has produced highly reliable products while developing a highly cost-competitive and flexible global manufacturing system involving multiple facilities. We are further strengthening our system to mitigate various risks and ensure a stable supply of products to our customers by building new factories, diversifying our manufacturing facilities, and expanding our inventory holding functions to realize the goals of “enhancing supply capability” and “enhancing the industrial inkjet technology foundation” that are part of “towards expansion in the industrial area,” as well as “building resilient and sustainable supply chains” under “management foundation transformation for a sustainable future,” as stated in our medium-term business strategy CS B2024.

Human Capital  Integrated Report 2024_32-33 pages [PDF/1.1MB]

<https://download.brother.com/pub/com/en/csr/pdf/2024/sel-5-e.pdf>

■ Capital status

Number of Group employees:

More than 40,000*1

Percentage of overseas

employees: 76.8%*1

Number of core DX talent :

243 individuals*1,*2

*1 As of March 31, 2024


*2 BIL only

■ Strengths

A global team of autonomous employees and an open organizational culture

The most important foundation for the Brother Group’s sustainable growth is its talent. The Brother Group has made “realizing a diverse and active society” its materiality and has established the following targets for FY2024: “improving employee engagement*,” “encouraging the assignment of local employees to top management positions of facilities outside Japan,” and “strengthening the talent pipeline for gender balance and establishing an environment for achieving diverse ways of working.” Toward the “management foundation transformation for a sustainable future” set forth in the medium-term business strategy “CS B2024,” the Group will continue to enhance its own productivity and creativity, as well as take actions to further strengthen its human capital such as by creating a comfortable working environment for each and every employee.

* Relationships in which employees and management are equal to each other and provide value to each other.

Natural Capital  **PDF** Integrated Report 2024_42-43 pages [PDF/1.1MB]
<https://download.brother.com/pub/com/en/csr/pdf/2024/sel-5-e.pdf>

■ Capital status

Resource consumption (raw materials for products) 173,996t*
 Total energy consumption (crude oil equivalent) 42,381kL*
 * FY2023 results

The Brother Group helps society achieve sustainable development by positively and continuously considering environmental impact in all aspects of our business operations.
 Safety and environmental impact shall be prime considerations at all stages of the product lifecycle to build a society capable of sustainable development. With this as the cornerstone, we seek to deploy environmental activities in accordance with the basic philosophy of the Brother Group’s Environmental Policy.

Brother Group’s Environmental Policy
<https://global.brother/en/sustainability/eco/policy>

Brother Value Chain Management

The Brother Group considers customer demands and expectations top priority as our guide for all of our business operations including product planning, development, design, manufacturing, sales, and service, and we have established and practice our unique Brother Value Chain Management (BVCM) system in order to deliver superior value quickly.

Brother achieves flexible and swift value creation through BVCM, a process for delivering superior value to customers, consisting of three chains - the Demand Chain, the Concurrent Chain, and the Supply Chain. After providing value, we quickly add enhancements while listening to feedback from customers and the market. Furthermore, we will continue to deliver better products, services and solutions by accelerating the value chain cycle based on a customer-oriented standpoint.

Evolution of BVCM

In order to realize the Brother Group Vision of “promotion of cyclical businesses” and “expansion in the industrial area,” we have added (A) Making the chain bidirectional for a circular economy and (B) A flow of rapid product improvement based on customer feedback during the development stage with a focus on the industrial area, to the basic BVCM process (solid white line). Along with the basic process, we will

further advance and accelerate the process.



⇒ Sophistication and acceleration of basic BVCM processes

- A** A flow to achieve resource circulation by collecting and reusing resources from cartridges such as ink and toner to a whole product in order to realize a circular economy
- B** A flow to have customers try prototypes as soon as possible and improve products quickly by obtaining feedback from customers in the industrial area and new businesses

Customer

"Value" chain starting with customers

The opinions of "existing" customers who have already purchased Brother products and "potential" customers who may purchase Brother products in the future are the starting point for all our business activities.

Our call centers, which serve as our important points of contact with customers, receive various inquiries and requests from them. We register such information in our database and share it globally across the entire Brother Group.

> Specific examples related to customer feedback

<https://global.brother/en/sustainability/csr/value/customer>

Demand Chain (Choosing Value)

- Understand the true needs of customers on a global basis and determine our unique value to provide
- Planning and development departments work together to determine the best way to create and deliver value

Based on opinions received by call centers around the world and information acquired through sales and service activities and marketing surveys, sales and design departments work together to analyze customer expectations and demands from various angles, such as "how product use environments will change," and "what improvements would satisfy more customers." Through these efforts, they formulate product concepts.

- > Specific examples related to product planning and research and development
<https://global.brother/en/sustainability/csr/value/demand>

Concurrent Chain (Creating Value)

- Development departments (for machinery, electricity & electronics, software, chemicals, etc.), manufacturing departments, and suppliers work in close collaboration
- Utilize an optimal combination of internal and external technologies

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.

- > Specific examples related to development design and production engineering
<https://global.brother/en/sustainability/csr/value/concurrent>

Supply Chain (Delivering Value)

- Refine cost competitiveness and adaptability to changes, and manufacture the best products in the best regions
- Provide detailed sales and services based on a thorough understanding of the characteristics of customers in each country and region

At the Brother Group's manufacturing facilities, we are working closely with partners, such as parts suppliers, and strengthening manufacturing processes and quality control systems, so as to produce high quality products. Products are delivered to customers through our sales facilities in countries and regions all over the world. We are also providing customers with swift, cordial support via online support over the Internet and call centers in order to make each individual satisfied.

- > Specific examples related to manufacturing, distribution, sales and service
<https://global.brother/en/sustainability/csr/value/supply>

Evolution of BVCM (Flow A)

Flow to achieve resource circulation by collecting and reusing

The Brother Group is helping society achieve sustainable development by positively and continuously considering the environmental impact in all aspects of our business operations. Concern for the environment shall be the cornerstone of all operations. Safety and environmental impact shall be prime considerations at every stage of a product's life cycle, from design, development, manufacturing, customer usage, and disposal, to reuse and recycling. With "the end of life" of products in mind, the Brother Group has been working to (i) increase reusability and recyclability of products and consumables and (ii) build recycling systems in accordance with laws and regulations in respective countries.

- > Collection and Recycling Efforts in Various Countries
<https://global.brother/en/sustainability/eco/product/recycling>

Evolution of BVCM (Flow B)

Flow to improve products quickly by obtaining feedback from customers (an example in the industrial area)

The Brother Group pursues greater possibilities for machine tools through product development based on customer demands and expectations. In the SPEEDIO series of machine tools, Brother responds quickly to customer feedback and societal changes, aiming to contribute to value creation on a greater level at manufacturing sites.

- > "Value" chain Starting with Customers
<https://global.brother/en/sustainability/csr/value/customer>

Flow to improve products quickly by obtaining feedback from customers (examples in new businesses)

There was a growing interest in safe and secure spaces during the COVID-19 pandemic, and a need for the rapid development of an easy-to-use air purifier. BIL employees visited the intended users, listened to their concerns and issues, and worked to develop a product that would solve those problems. Then in November 2020, BIL developed DF-1, a personal air purifier, utilizing the air flow analysis technology cultivated in its printer development. After test marketing the DF-1, BIL developed DF-2 in July 2021,

nine months after the launch of DF-1, now targeting the karaoke and food service industries as well as sales to the general public, based on feedback from customers using the DF-1.

The conventional stationary product, DF-1, draws air in from below and exhales it from above through a filter to purify the entire room. While it can purify a large space, it has proven difficult in some cases to completely prevent micro-droplets generated during face-to-face communication.

On the other hand, DF-2, with its unique double-fan structure, draws in air powerfully from three directions (front, back, and top) and quickly removes micro-droplets with its high-performance filter. By targeting the personal space between people, it creates a clean space around a person much faster than purification of the entire space. In improving DF-2, BIL focused on enhancing its vacuuming performance. DF-2 is now capable of more powerful vacuuming of micro-droplets while maintaining the same level of quietness. In addition, BIL has made detailed and quick improvements based on customer feedback, such as changing the opening/closing method of the lid to make it easier to change the filter.

> DF-2 Aerosol Cleaner (Japanese website)

<https://www.brother.co.jp/product/cleaner/df2/index.aspx>

Value Creation Activities

"Value" Chain Starting with Customers



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

Brother explores the further potential of machine tools through product development based on customer demands

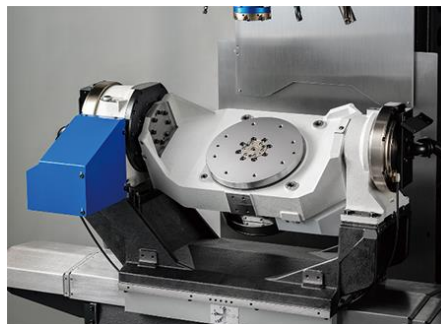
The Brother Group places customers first, demonstrating its "At your side." spirit in its approach to manufacturing. To contribute to even greater value creation at production sites, the Brother Group is responding quickly to customer demands and changes in the world including with the SPEEDIO series of machine tools.

With the recent shift to electric vehicles (EVs) in the automobile market, the need for machining EV-related parts has grown significantly in the machine tool industry. The demand for machining large parts such as motor cases is increasing among customers, and machine tools are required to adapt to the diversification and complexity of parts to be machined.

The U500Xd1 universal compact machining center, launched in May 2022, was developed to meet the needs of customers who want to machine large parts on a compact machine. By incorporating a large tilting rotary table capable of multi-face machining, the U500Xd1 can machine larger parts while maintaining the same unit size as the previous model. In addition, the number of tools that can be stored has been increased from the previous model's 21 tools to a maximum of 28 tools, which accommodates the increase in the number of tools used due to the growing complexity of parts machining and reduces the time required to change tools, contributing to labor savings.



U500Xd1



Tilting rotary table

The H550Xd1, released in April 2023, is another model developed by engineers in response to customer feedback. Demand for machining large parts for EVs has been increasing, and there has been a strong demand for horizontal machining centers, which have a larger machining space than vertical machining centers. In response to this demand, the H550Xd1, the first horizontal machining center in the SPEEDIO series, enables the machining of large parts by providing a large machining space, which is difficult to achieve with a vertical machining center.

There was a demand from customers for a compact machine capable of multi-face machining of large parts, a demand that could not be met by existing horizontal machining centers. In response to this demand, the new model maintains the compact body size that is one of the strengths of the SPEEDIO series, while using a total of 30 tools and incorporating a table that can handle multi-face machining at high speed, thereby helping to solve the problem of increasing complexity of parts machining.



H550Xd1

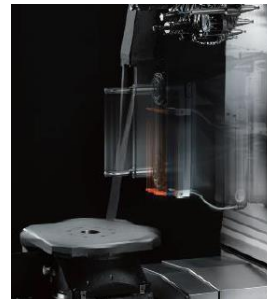


Table capable of multi-face machining

The Brother Group will continue to develop products by listening to customer demands in order to provide optimal products that meet their needs, while leveraging its own strengths and expertise.

Corporate commercial "The Essence of Manufacturing"

BIL has released the corporate commercial "The Essence of Manufacturing," a documentary film showing the journey of a young Brother engineer who gains hints for manufacturing through dialogue with customers.

Brother corporate commercial "The Essence of Manufacturing"



<https://www.youtube.com/watch?v=AgCR5tD15uA&t=1s>

*: This video is available only in Japanese

Value Creation Activities

Product Planning, Research and Development



To Develop Products Valued and Chosen by Customers

Incorporating customers' viewpoints into every aspect of products

At the Brother Group, we consider that true technical capabilities refer to the utilization of our unique technologies to create products and services that customers demand. This is because we believe that excellent technologies can provide value to people only when they are utilized in product design. In order to offer products valued and chosen by customers, the Brother Group's engineers give full attention and listen to customer opinions sincerely. They devote themselves to value creation by constantly thinking about what technologies they can apply to satisfy customers and what kind of products will support customers.

To Solve Customers' Problems Through Technology

Brother Industries, Ltd. developed PureDrive-FL, a spot cooler for forklifts which serves as a measure against hot weather while reducing CO₂ emissions through low power consumption—with the cooperation of Toyota Motor Corporation, which operates more than 3,000 forklifts in Japan.

Among the rising number of heatstroke patients recently, a majority of cases that occur during work are at work sites such as factories. Even though measures such as installing spot coolers have been tried on forklifts, they consume a lot of electricity and place a heavy burden on the environment. As such, achieving both heat reduction and energy conservation has long been an issue for forklift operators and managers.

Therefore, BIL used our thermal fluid analysis technology nurtured through product development so far to develop a spot cooler that has low power consumption while achieving adequate cooling effect even in extreme working environments during summer. Powered by the vehicle's battery, the low power consumption keeps electricity drawn from the battery to a minimum and therefore has almost no impact on the forklift's operating hours. Furthermore, we succeed in miniaturization using our simulation technology. This allows the spot cooler to be installed on the forklift's overhead guard, ensuring safety by maintaining good visibility for the driver. In addition, it contributes toward improving

the working environment of forklift operators by having resistance—conforming to JIS standards—against strong shocks and vibrations during forklift operations.

The Brother Group will continue to use our diverse technologies—developed over our long history—to keep providing products best suited to our customers' needs while staying committed to solving social issues.

To Continue Leading Print Innovation by Identifying Potential Needs from Customers' Perspectives

CUTFIT, the industry's first automatic cutting printer that can automatically make A5 copies from A4 paper

The CUTFIT* DCP-J1800N automatic cutting printer, launched in Japan in 2022, is an A4 inkjet printer that can automatically cut the loaded A4 paper in half when printing, enabling printing in A5 size. A survey among printer users revealed that many users cut printed A4 paper in half when copying small items such as driver's licenses or printing data with a small print area, indicating that there is a constant need for printing on small paper such as A5 size paper. This identification of needs led to the creation of the industry's first printer capable of automatic cutting, with a cutter built into the small space within the already compact inkjet printer. The printer can print in either A4 or A5 size as needed, eliminating the need for users to cut the paper in half themselves and saving paper and ink, thereby reducing printing costs and environmental impact.



CUTFIT DCP-J1800N

BIL will continue to carry out product planning that accurately identifies potential needs from the customer's point of view, thereby realizing the goal to "continue leading print innovation and pioneering new offerings," as stated in the Brother Group Vision "At your side 2030."

*: Product name for Japan only

Value Creation Activities

Development Design, Production Engineering



Brother Maximizes Synergies through Joint Development with Domino

Brother incorporates its own print head with proprietary inkjet technology into the Domino brand products

The N730i digital label printer is a product jointly developed by Brother Industries, Ltd. ("BIL") and its subsidiary, Domino Printing Sciences, plc ("Domino Printing"). The N730i is equipped with BIL's own BITSTAR™ print head, which utilizes the inkjet technology that BIL has cultivated over the years. In addition to a high resolution of 1200 dpi, the combination of the industry's smallest ink droplet sizes improves print quality and achieves a print speed of 70 m/min, including white printing. Furthermore, as the main unit, print head, and ink are all developed by the Brother Group, Brother also focuses on providing prompt maintenance service from the customer's point of view.



N730i digital label printer



BITSTAR™ print head developed by Brother

Since BIL made Domino Printing its wholly-owned subsidiary in 2015, it has been striving to maximize synergies through group-wide business operations. The joint development of products between BIL and Domino Printing is a synergy that Brother has been aiming for since the acquisition of Domino Printing, and their knowledge was applied to N730i. Brother Group will continue to work as one to achieve further development in the industrial printing area.

Brother Tackles the Simultaneous Development of Four Models

Brother quickly addresses parts shortage and continues to provide value to customers

In the concurrent chain <https://global.brother/en/sustainability/csr/value#v06> the development department, manufacturing department, and suppliers work closely together to give concrete shape to the product concept created in the demand chain <https://global.brother/en/sustainability/csr/value#v05> so that it can be produced in the supply chain <https://global.brother/en/sustainability/csr/value#v07>. Brother promotes the concurrent chain by forming concurrent teams across divisions for product development. In FY2022, the COVID-19 pandemic caused a critical shortage in the supply of major components. In response, a concurrent team was formed to maintain the production of four major products in the labeling business that used parts that were in short supply, by changing the design to replace them with parts from other suppliers.

Upon sharing wisdom among the concurrent team to review the process using accumulated know-how, the concurrent team implemented various initiatives while ensuring that quality was maintained, including simplifying processes such as prototyping and meeting bodies, and strengthening collaboration among the team through clarification of the workflow. By efficiently developing and manufacturing products that accommodated changes in parts in a short period of time, Brother was able to deliver products to its customers without interruption.



Four major products in the labeling business that underwent design changes

The concurrent team has accumulated expertise in product development. Brother will utilize the knowledge and experience gained through this initiative in future development and carry out various initiatives to ensure stable procurement of parts.

Brother Develops Industrial Thermal Printer to Expand Sales in Asian Markets

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

Thermal transfer* (thermal) printers are typically installed in food production lines because they do not use liquid ink for printing, and therefore, there is no risk of ink migration. Brother has developed the Vx150i industrial thermal printer, which is used to print expiration dates and barcodes on plastic film packaging materials, by utilizing the thermal transfer technology used in its P-touch label makers. With this product, Brother aims to expand sales in Asia, which is the most important market for Domino Printing's thermal printer business.

By enhancing product quality and reliability, Vx150i has achieved stable high-speed continuous printing even in the harsh environment of Asia, with its high temperature, high humidity, and dust, while significantly reducing the frequency of parts replacement compared to previous models. The Vx150i basic model also features the cassette loading system for ink ribbons that was previously available only on higher-end models. This system makes it easier to replace ink ribbons, reducing the workload when replacing ink ribbons and contributing to improved productivity of customers. Furthermore, in addition to the low cost achieved by combining resin and metal in its design, the use of more resin to reduce product weight also reduces CO₂ emissions during transportation. Vx150i has been highly rated in the Asian market as a basic model that offers productivity and reliability comparable to higher-end models.



High-speed continuous printing performance



Print samples

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

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

Brother Ensures Stable Procurement of Cost-Competitive Parts

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

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

The parts exhibition in FY2022 at manufacturing facilities of P&S business in Vietnam, the Philippines, and China had approximately 400 visitors from more than 150 partner companies and provided a productive opportunity to exchange various opinions.

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

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



Printer parts on display



Participating suppliers in a parts exhibition

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

Value Creation Activities

Manufacturing, Distribution, Sales and Service



Flexibility and Cooperation Developed by Listening to Customers

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

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

We cope with such changes by listening to customers, taking advantage of the technologies, expertise and know-how we have developed, and working in proper cooperation with partners in new fields such as new businesses.

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

Brother Holds the Global Service Summit to Further Improve Its Product and Service Quality

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

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

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

From FY2020 to FY2022, the summit has been held online with the various regions to prevent the spread of COVID-19. At the FY2022 Summit, we explained our medium-term business strategy "CS

B2024 ", and shared our "quality strategy, " which was set as one of the goals during the period of CS B2024. Under the quality strategy, there are two themes and activities: "Zero Defects," which aims for zero defects in product quality, and "Circular Economy," which is aimed at responding to a circular economy. In addition to sharing these topics, we discussed with participants from each region the identification of issues to be addressed and the promotion system to achieve them.



A participant reporting on service activities
(FY2019 summit)



Participants exchanging opinions
(FY2019 summit)

The aspirations of P&S's Quality Management and Customer Satisfaction Department are to identify customer needs based on market information and incorporate them into future products and services, and to contribute not only to customers but also to the global environment by providing products and services that can be used for even longer periods of time. To this end, it has set forth its quality strategy to achieve zero defects in product quality through an original management system called the "Brother Value Chain Management" (BVCM) <https://global.brother/en/sustainability/csr/value> and to respond to the circular economy through product and quality manufacturing that reflects the needs of customers and society so that customers will continue to use Brother's products over the long term.

P&S will continue to ensure that all of its facilities share their activities and strive to effectively and promptly deliver products and services that always satisfy customers around the world.

Promotion of Logistics*¹ Operations that Improves Working Environments and Productivity

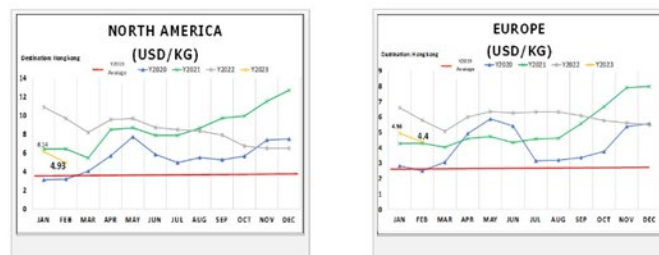
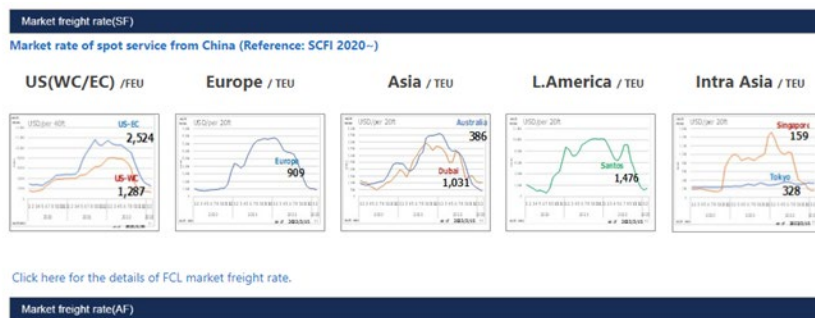
Aiming to achieve the SDGs through logistics together with stakeholders

The Brother Group is promoting activities to ensure that the human rights of people involved in its business are respected and to provide a safe and secure workplace for workers as part of "pursuing a responsible value chain," one of the five materialities <https://global.brother/en/sustainability/csr/materiality> identified for achieving the Group Vision "At your side 2030."

BROTHER INTERNATIONAL CORPORATION (BIC(J)), which oversees the Brother Group's global logistics, has identified its own priority issues for the Sustainable Development Goals (SDGs) based on the Brother Group's Management Policy with an emphasis on sustainability. Various efforts—such as the optimization of logistics and work style reform—are being undertaken together with group companies and partners toward achieving Goal 17 "Partnerships for the goals."

When loading containers during transportation, while there is the benefit of loading efficiency to directly load cartons without using pallets, significant time and effort are required when unloading and moving into warehouses. This places significant workloads on warehouses and also lead to port congestion and worsening of working environments. Therefore, in recent years, the government and transportation industry are working on the White Logistics Movement*². Including proposing the use of sheet pallets which save space compared to traditional pallets, BIC(J) is working with partners to pursue efficient palletization*³ and improve the working environment.

In addition, we also seek to optimize and visualize logistics by using a dashboard*⁴ to share information with companies in the Brother Group. The dashboard contains the latest information regarding logistics, freight charge trends, a section for information exchange within the Group, and other information. It enables the immediate sharing of fluctuating information within the Group and allows timely information to be provided to customers. Entering information such as product origin, destination, and weight on this dashboard allows simulation of factors such as the optimal transportation method, route, and freight charges. This removes the past practice of inquiring with shipping and airline companies each time, therefore leading to improvements in operation efficiency. The use of the dashboard also leads to more efficient transportation, and we are working with other companies and businesses to optimize group-wide operations in transportation methods, information-sharing methods, and trade management enhancement.



Some information being shared on the dashboard

BIC(J) will continue to provide logistics of even higher quality that meets the expectations and requirements of global stakeholders while always being aware about contributing toward the achievement of the SDGs.

*1 : This is an overall efficient system regarding the distribution of goods. It goes beyond the distribution of goods and includes raw material procurement, business management, and cost management.

*2 : In response to a worsening shortage of truck drivers, this is a movement that is aimed at the stable logistics operations needed for domestic life and industrial activities while also contributing to economic growth. It seeks to improve productivity in truck transportation, create greater logistical efficiency, and achieve more conducive working environments in the logistics industry.

*3 : The final stage of the production line, in which cargo such as boxes, bags, and cases are stacked on pallets.

*4 : This is a data visualization tool that allows various data to be understood at a glance using diagrams, graphs, and other means.

Data About Manufacturing and Sales Facilities

		FY2019	FY2020	FY2021	FY2022	FY2023
Manufacturing facilities and sales facilities		In more than 40 countries and regions				
Sales revenue(Consolidated)		637,259 million yen	631,812 million yen	710,938 million yen	815,269 million yen	822,930 million yen
Sales revenue by region	Japan	19.2%	15.7%	14.8%	14.2%	14.2%
	The Americas	31.4%	31.8%	31.3%	33.8%	34.4%
	Europe	27.4%	28.2%	27.3%	25.7%	27.7%
	Asia & Others	22.1%	24.3%	26.6%	26.3%	23.8%

Management with an Emphasis on Sustainability

The Brother Group Principles of Social Responsibility

The Brother Group Global Charter

"The Brother Group Global Charter," originally published in 1999, provides the foundation for all Brother Group activities in the global marketplace. All Group companies - and all our employees - must base their decisions and actions on the Charter's "Basic Policies" and "Codes of Practice."

For details, please see the site for "Corporate Information - The [Brother Group Global Charter](https://global.brother/en/corporate/principle)."
<https://global.brother/en/corporate/principle>

Introducing the Brother Group Principles of Social Responsibility

The Brother Group Global Charter (Global Charter) was established in 1999 and lays the foundation for the Brother Group'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, the Brother Group has implemented an active management program with an emphasis on sustainability.

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, The Brother Group 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 the Brother Group meets its social responsibilities in the countries and regions where we operate and will enhance management with an emphasis on sustainability.

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

Brother Industries, Ltd.
Originally published on January 27, 2012
Revised on October 1, 2023

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.

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 the 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 will clearly define disciplinary policies and procedures and communicate these policies and procedures to its employees.

6. Whistleblowing system

Each Brother Group company will 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, will ensure the anonymity of any whistleblowers.

Related Documents

> Brother Group Human Rights Global Policy

<https://global.brother/en/sustainability/social/human-rights#policy>

> Brother Group Global Policy for Helpline for Compliance Issues

<https://global.brother/en/sustainability/governance/compliance#c02>

B. Health and Safety

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.

Related Documents

- > Safety, Health and Disaster Prevention
<https://global.brother/en/sustainability/social/safety>

C. The Environment

The Brother Group helps society achieve sustainable development by positively and continuously considering the environmental impact in all aspects of our business operations.

Related Documents

- > Brother Group's Environmental Policy
<https://global.brother/en/sustainability/eco/policy>

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, the Brother Group will select suppliers impartially and upon fair conditions.

2. Proper advertising

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

4. Reporting and recording accurate corporate information

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

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

Related Documents

> Promoting CSR Procurement

<https://global.brother/en/sustainability/social/supply-chain#csr>

> Policy on the Responsible Procurement of Minerals

<https://global.brother/en/sustainability/social/supply-chain#cmpolicy>

> Brother Group Competition Law Global Policy

<https://global.brother/en/sustainability/governance/compliance#c06>

> Brother Group Anti-Corruption Global Policy

<https://global.brother/en/sustainability/governance/compliance#c05>

> Corporate Governance Report

<https://global.brother/en/sustainability/governance/corporate#c02>

> Disclosure Policy

<https://global.brother/en/investor/management/disclosure>

> Integrated Report PDF Download

<https://global.brother/en/sustainability/report-archive/bir>

> The Brother Group Information Management System

<https://global.brother/en/sustainability/governance/security#information-management>

> General Privacy Policy of Brother Industries, Ltd.

<https://web.global.brother/aa/privacy-us-en.html>

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 will 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 will, according to its organization, clarify the department responsible for implementation of its code of conduct;
3. each Brother Group company will give regular training to its employees with respect to compliance with its code of conduct;
4. each Brother Group company will perform periodic auditing to ensure conformity with these Principles; and,
5. each Brother Group company will correct in a timely fashion any deficiencies identified by periodic audits.

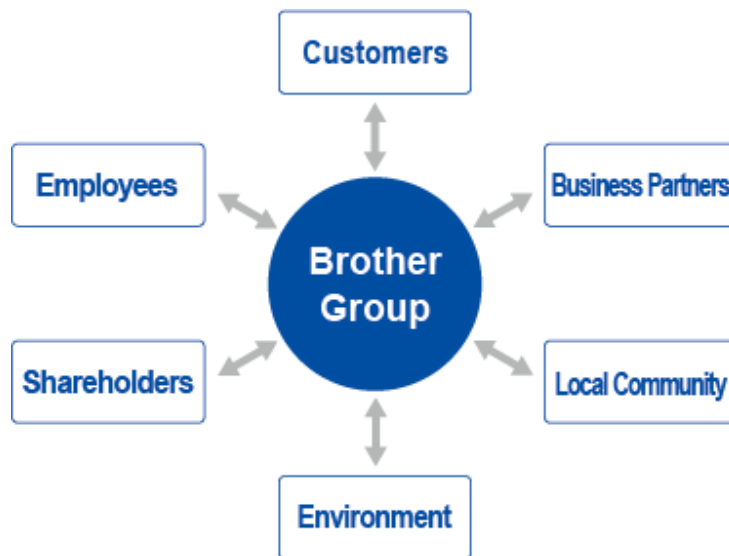
The senior management in charge of the legal section at Brother Industries, Ltd will be responsible for ensuring implementation of these Principles by each company of the Brother Group and the management systems as well as reviewing the status of the management system on a regular basis.

Management with an Emphasis on Sustainability

Stakeholder Engagement

Establishing Long-Term Trusting Relationships With Our Stakeholders

Based on the "At your side." spirit, Brother aims to create social value through business activities. The foundation of this is the building of long-lasting, trustful relationships with our stakeholders that put the customers first. This is contained in the [Brother Group Global Charter](https://global.brother/en/corporate/principle) <https://global.brother/en/corporate/principle> . All employees of the Brother Group act with this sense of value to continue to evolve Brother's management with an emphasis on sustainability.



Customers

Brother Group Global Charter	Efforts to Build Long-Term Trusting Relationships
<ul style="list-style-type: none"> Place our customers first everywhere, every time, and provide them with superior value, by quickly creating and delivering high-quality products and services Quickly respond to the demands and expectations of the global marketplace 	<ul style="list-style-type: none"> Take customer opinions as the starting point of our business activities and deliver products and services that meet customer needs Establish quality standards and evaluation methods for products and create reliable products Call the percentage of products sent back from customers for repair or return the "rate of product return and servicing," and pursue product quality improvement to reduce

Brother Group Global Charter	Efforts to Build Long-Term Trusting Relationships
	<p>product defects close to zero</p> <ul style="list-style-type: none"> • Work in proper cooperation with partners to flexibly respond to diversified business tools, markets, and changes in customers' behavior • Expanding business that connects with customers, including contract-based services

Please see below for details of specific initiatives

- > "Value" chain Starting with Customers
<https://global.brother/en/sustainability/csr/value/customer>
- > Product Planning, Research and Development
<https://global.brother/en/sustainability/csr/value/demand>
- > Customer Satisfaction and Product Responsibility
<https://global.brother/en/sustainability/social/product-security>

Employees

Brother Group Global Charter	Efforts to Build Long-Term Trusting Relationships
<ul style="list-style-type: none"> • Respect diversity, provide a working environment that enables our associates to utilize their talents and abilities to the fullest, and give them great opportunity through challenging work assignments • Provide our associates with fair, attractive financial rewards 	<ul style="list-style-type: none"> • Introduce a new human resources system to implement the Human Resource Policy of "true autonomy and effort" • Introduce new compensation and evaluation systems to implement the Human Resource Policy of "properly reward achievements and contributions" • Establish talent development mechanisms, such as manager development training and trainee programs • Introduce systems and implement measures to support diverse work styles, such as homeworking and childcare/elderly care leave • Have been conducting "Employee Awareness

Brother Group Global Charter	Efforts to Build Long-Term Trusting Relationships
	Surveys" since 2008 and "Employee Engagement Surveys" since FY2022

Please see below for details of specific initiatives

- > Basic Policy (Brother Group Principles of Social Responsibility)
<https://global.brother/en/sustainability/social/human-rights#h01>
- > Talent Development
<https://global.brother/en/sustainability/social/training>
- > Comfortable Working Environment
<https://global.brother/en/sustainability/social/workplace>
- > Respect for Diversity
<https://global.brother/en/sustainability/social/diversified>
- > Safety, Health and Disaster Prevention
<https://global.brother/en/sustainability/social/safety>
- > Promotion of Health and Productivity Management
<https://global.brother/en/sustainability/social/health>

Improving employee engagement

In order to realize the transformation necessary to achieve the Brother Group Vision and encourage employees to take on challenges, the Brother Group has set visualizing employee engagement on a global level and improving engagement survey scores as sustainability targets for FY2024 with the aim of building relationships in which employees and the company contribute to one another's growth. In addition to an employee awareness survey that has been conducted annually since 2008, BIL conducted a new employee engagement survey in FY2022. The results of the survey revealed that about half of the employees felt "support for their growth" from the organization, with a high level of "alignment with the organization" and "sense of contribution," indicating that engagement was high overall. In addition, in FY2023 we conducted an employee engagement survey at more than 90% of our locations globally to gain an understanding of the status of employee engagement. Alongside activities to share the Global Charter, the Brother Group plans to improve engagement across the Group by implementing initiatives to enhance the quality of each employee's target setting and to promote self-directed career development, as well as by promoting a global engagement survey.

Business Partners

Brother Group Global Charter	Efforts to Build Long-Term Trusting Relationships
<ul style="list-style-type: none"> Act fairly with business partners and build strong, respectful working relationships for mutual growth 	<ul style="list-style-type: none"> Make the Brother Group's "Procurement Policy" and "CSR Procurement Standards" publicly available to share the group's CSR procurement concept with suppliers Implement CSR Procurement Level-up Program. Continue to require suppliers to understand and comply with the RBA Code of Conduct, conduct CSR surveys, and request and monitor improvements based on survey results Recognize outstanding CSR efforts by suppliers Proceed with audits of Brother Group sales facilities by an RBA-approved third-party auditor and receive certification from the RBA

Please see below for details of specific initiatives

> Responsible Supply Chain

<https://global.brother/en/sustainability/social/supply-chain>

> Participation in External Initiatives-Responsible Business Alliance

<https://global.brother/en/sustainability/csr/initiative#i02>

Shareholders and Investors

Brother Group Global Charter	Efforts to Build Long-Term Trusting Relationships
<ul style="list-style-type: none"> Effectively utilize capital from shareholders to drive sustainable growth in corporate value and have regular, open communication 	<ul style="list-style-type: none"> Provide the latest information to shareholders and investors through general meetings of shareholders and financial results briefings Conduct meetings with institutional investors and securities analysts in and outside of Japan

Dialogue with shareholders and investors

The Brother Group actively engages in fair and highly transparent information disclosure, as well as constructive dialogue with capital markets throughout the year, with the aim of sustainably improving corporate value. On our website, we disclose the latest information including the Integrated Report. We also provide information for institutional investors and securities analysts in and outside of Japan through quarterly financial results briefings, small meetings, individual interviews, and other means.

Results of meetings with institutional investors and securities analysts in FY2023

Corresponding persons	Number of meetings	Main themes of dialogue
<ul style="list-style-type: none"> • BIL Directors (internal and external), Executive Officers, General Managers, and persons in charge of IR • President of a Group Company 	<ul style="list-style-type: none"> • Institutional investors / securities analysts in Japan: 196 • Institutional investors / securities analysts outside of Japan: 58 <p>Total: 254</p>	<ul style="list-style-type: none"> • Brother Group Vision "At your side 2030" • Outline and update of the medium-term business strategy "CS B2024" • Capital policy / capital allocation • Approach to business portfolio • Growth strategies for each business • ESG efforts • Materiality identification process and progress • Overview of quarterly financial results

Opinions received through dialogues are reported at the quarterly management meetings and reviewed annually by the Board of Directors. This leads to them being reflected in our medium-term business strategy and the strengthening of our ESG disclosure.

The 132nd ordinary general meeting of shareholders

As for the general meeting of shareholders, BIL held the 132nd meeting at the hall of the Mizuho Factory, located in Nagoya City, on Tuesday, June 25, 2024, with the attendance of 135 shareholders. In addition, a live webcast (virtual general meeting) was held so that those unable to attend could view the meeting online.

At the general meeting of shareholders, we explained the following:

- Performance in FY2023 and outlook for FY2024, and shareholder return
- Updates on the medium-term business strategy "CS B2024"

and other matters

All items on the agenda were approved and passed as drafted by a majority of the shareholders during the deliberation.

The meeting was followed by a social gathering between shareholders and BIL executives. With approximately 60 shareholders in attendance, we were able to further deepen our dialogues with them by directly obtaining their valuable opinions on future management.



The 132nd ordinary general meeting of shareholders

Disclosure policy

The Brother Group has published the Brother Group Global Charter as its foundation for all Brother Group activities in the global marketplace. It proactively discloses information in a fair and highly transparent manner to build a long-lasting relationship of trust with all of its stakeholders, including customers, employees, business partners, shareholders, and local communities, and to stay environmentally responsible. The Company also strives to enhance its corporate value continuously through various communications with its stakeholders.

> Disclosure Policy

<https://global.brother/en/investor/management/disclosure>

Data related to shareholders and investors

Financial results briefing	Held four times a year
Medium-term report (only in Japanese)	Issued twice a year (The full-year newsletter is integrated with the convocation notice of a general shareholders' meeting, and the second-quarter newsletter is published only in Japanese.)
FTSE4Good Index Series	Included since June 2020
FTSE Blossom Japan Index	Included since June 2020
FTSE Blossom Japan Sector Relative Index	Included since March 2022
MSCI Nihonkabu ESG Select Leaders Index	Included since June 2023
MSCI Japan Empowering Women (WIN) Select Index	Included since November 2019
Morningstar Japan ex-REIT Gender Diversity Tilt Index	Included since 2022
S&P/JPX Carbon Efficient Index	Included since 2018
The SOMPO Sustainability Index	Selected since 2012
Health & Productivity Stock Selection Program	Recognized in 2017, 2019, 2020, 2021 and 2024
Certified Health & Productivity Management Outstanding Organization	Certified since 2017

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

Local Community

Brother Group Global Charter	Efforts to Build Long-Term Trusting Relationships
<ul style="list-style-type: none"> Share our social, economic and cultural resources in all the communities where the Brother Group operates 	<ul style="list-style-type: none"> Globally promote social contribution activities with a sense of unity, especially focusing on eco-conscious activities and activities involving "communities" and "personal development (including employees)" Support recovery from large-scale disasters and pandemic response

Please see below for details of specific initiatives

> Social Contribution

<https://global.brother/en/sustainability/social/contribution>

> Examples of Social Contribution Activities

<https://global.brother/en/sustainability/social/contribution/local>

Environment

Brother Group Global Charter	Efforts to Build Long-Term Trusting Relationships
<ul style="list-style-type: none"> Help society achieve sustainable development, by positively and continuously considering the environmental impact of all aspects of our business operations 	<ul style="list-style-type: none"> Create eco-conscious products Recover and recycle consumables and products Promote CO₂ emissions and waste reduction Properly manage chemicals and discharged water Implement environmental communication

Please see below for details of specific initiatives

> Environment(E)

<https://global.brother/en/sustainability/eco>

Management with an Emphasis on Sustainability

Participation in External Initiatives

United Nations Global Compact

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



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

The 10 Principles of the UN Global Compact

Human Rights	<p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and</p> <p>Principle 2: make sure that they are not complicit in human rights abuses.</p>
Labour	<p>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p> <p>Principle 4: the elimination of all forms of forced and compulsory labour;</p> <p>Principle 5: the effective abolition of child labour; and</p> <p>Principle 6: the elimination of discrimination in respect of employment and occupation.</p>

Environment	<p>Principle 7: Businesses should support a precautionary approach to environmental challenges;</p> <p>Principle 8: undertake initiatives to promote greater environmental responsibility; and</p> <p>Principle 9: encourage the development and diffusion of environmentally friendly technologies.</p>
Anti-corruption	<p>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.</p>

Responsible Business Alliance

The Responsible Business Alliance (RBA) is a non-profit organization that supports the rights and well-being of workers and communities that are affected by global supply chains.

Since BIL joined the RBA in January 2019, it has been conducting audits of Brother Group facilities through third-party organizations certified by the RBA. As a result, in FY2020 and the following years, 4 Manufacturing facilities received RBA certification.

RBA Certified Facilities in the Brother Group (as of October 2024)

Facilities	Main Business	Status	Date of Acquisition
BROTHER INDUSTRIES (VIETNAM) LTD.	Manufacturing of printers and All-in-Ones	Platinum	October 29, 2024
BROTHER TECHNOLOGY (SHENZHEN) LTD.	Manufacturing of printers and All-in-Ones	Platinum	October 3, 2023
BROTHER INDUSTRIES (PHILIPPINES), INC.	Manufacturing of printers, All-In-Ones and labeling systems	Platinum	November 18, 2023
BROTHER INDUSTRIES, LTD. (Hoshizaki Factory)	Manufacturing of inkjet printheads and related components, etc.	Platinum	May 3, 2024

The RBA Code of Conducts sets out standards to ensure that working conditions are safe, that workers are treated with respect and dignity, and that business operations are conducted environmentally

responsibly and ethically. The organization requests its members to pursue compliance with the respective standards through their management systems.

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

The RBA Code of Conduct Version 8.0 (2024)

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

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

> Click to view about RBA (the link to the site of "RBA")

<http://www.responsiblebusiness.org>

> Click to view of the RBA Code of Conduct Version 8.0 (2024) (the link to the site of "RBA Code of Conduct 8.0 (2024)")

<http://www.responsiblebusiness.org/code-of-conduct>

*: Founded in 2004 as the Electronic Industry Citizenship Coalition (EICC), and renamed RBA in 2017

TCFD Recommendations

In February 2020, the Brother Group expressed our support for the recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD).



In FY2021, based on the TCFD's recommendations, we analyzed the risks and opportunities that climate change brings to our business and disclosed relevant information for our Printing & Solutions Business, Machinery Business, Personal & Home Business, and new business. In the future, we will work to enhance our information disclosure and promote further measures for mitigating climate change to contribute toward creating a carbon-free society.

> Climate Change Response (Disclosure Based on TCFD Recommendations)

<https://global.brother/en/sustainability/eco/cc>

> To visit TCFD website (the link to the site of "TCFD")

<https://www.fsb-tcfid.org>

Japan Climate Initiative

In February 2020, BIL joined the Japan Climate Initiative* in support of its declaration: "Joining the front line of the global push for decarbonization from Japan."

*: The Japan Climate Initiative is a network designed to strengthen the exchange of information and opinions among corporations, municipalities, NGOs, and others actively addressing climate change in Japan.



> Climate Change Response

<https://global.brother/en/sustainability/eco/cc>

Japan Partnership for Circular Economy (J4CE)

In August 2022, BIL joined the Japan Partnership for Circular Economy (J4CE)* founded by the Japanese Ministry of the Environment, Ministry of Economy, Trade and Industry, and Keidanren (Japan Business Federation), in support of its purpose.



*: J4CE is an organization founded for the purpose of strengthening public and private partnerships, with the aim of further fostering understanding of the circular economy among a wide range of stakeholders, including domestic companies, and promoting initiatives in response to the accelerating global trend toward a circular economy.

> Resource Circulation and Waste Reduction

<https://global.brother/en/sustainability/eco/resource-circulation>

Circular Partners

In March 2024, BIL joined Circular Partners* (an industry-government-academia partnership for a circular economy) launched by the Japanese Ministry of Economy, Trade and Industry so as to promote activities to realize a circular economy.

*: Circular Partners is an alliance of organizations for a circular economy (CE) across Japan, including the national government, local governments, universities, companies, industry associations, and relevant institutions and organizations, to discuss and explore measures necessary to achieve a CE in Japan.



Green x Digital Consortium

In October 2021, BIL participated in the Green x Digital Consortium established by the Japan Electronics and Information Technology Industries Association (JEITA). The Green x Digital Consortium promotes corporate carbon neutrality and optimization activities coordinated with the times of industry and society. BIL is demonstrating leadership within the industry by serving as a sub-leader of the Methodology Sub-Working Group, which establishes a framework for CO₂ data calculation and sharing methods.



> Green x Digital Consortium website (a link to the Green x Digital Consortium website) (in Japanese only)

<https://www.gxdc.jp/activities/>

30by30 Alliance for Biodiversity

In October 2023, BIL joined the 30by30 Alliance for Biodiversity^{*1}, a coalition of volunteers launched by the Ministry of the Environment (MOE) to actively develop initiatives for biodiversity conservation. At the same time, the MOE has recognized BIL's "Brother Forests in Gujo", which BIL has been operating since 2008 as part of its environmental protection activities, as a "Nationally Certified Sustainably Managed Natural Site"^{*2} (first half of 2023) to achieve the 30by30 target. In August 2024, "Brother Forests in Gujo" was also registered in the World Database on OECMs^{*3}, one of the international databases managed by the United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC), as an OECM.

BIL will continue to actively deploy initiatives to conserve biodiversity and contribute to the achievement of the 30by30 target.



*1: 30by30 is a target to effectively conserve at least 30% of the land and sea in healthy ecosystems by 2030, aiming to achieve the goal of becoming "nature positive" to halt the loss of biodiversity and restore it, which was agreed at the G7 Summit in 2021.

*2: Nationally Certified Sustainably Managed Natural Sites are areas where biodiversity is being conserved through private initiatives and other means as part of actions taken in Japan to achieve the 30by30 target, and the government has begun certifying them since FY2023.

*3: OECMs stands for "Other Effective area-based Conservation Measures," referring to areas that are not designated as national parks or similar protected areas but where biodiversity can be effectively conserved.

> Click here for the 30by30 Alliance website (Link to 30by30 Alliance website)
<https://www.env.go.jp/en/headline/2608.html>

> "Brother Forest in Gujo" special site (Brother SDGs STORY)
<https://sdgsstory.global.brother/e/environment/453/>

CDP

BIL has been responding to the Climate Change and Water Security Questionnaires by CDP* since 2015.

*: CDP is a British NGO that operates a global disclosure system to help investors, companies, cities, states and regions manage their environmental impacts.

> Reduction of CO₂ Emissions
<https://global.brother/en/sustainability/eco/co2>

> Resource Circulation and Waste Reduction
<https://global.brother/en/sustainability/eco/resource-circulation>

Eco-First Commitments



BIL is certified under the Eco-First Program.

The Eco-First Program is a certification program by the Minister of the Environment. Under this program, companies make voluntary promises regarding environmental conservation—such as global warming measures and measures related to waste and recycling—to the Minister of the Environment, who certifies these companies as companies conducting business activities that are advanced, unique, and industry-leading in the environmental field.

> To visit Eco-First Program website (the link to the site of the Ministry of the Environment)

https://www.env.go.jp/guide/info/eco-first/assets/pdf/eco-first_en.pdf

Management with an Emphasis on Sustainability

Evaluation by External Entities

FTSE4Good Index Series / FTSE Blossom Japan Index / FTSE Blossom Japan Sector Relative Index

Since 2020, Brother Industries, Ltd. (BIL) has been included in the ESG investment^{*1} stock indexes "FTSE4Good Index Series" and "FTSE Blossom Japan Index" established by London Stock Exchange Group company FTSE Russell.



FTSE4Good



**FTSE Blossom
Japan Index**

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

In March 2022, BIL was selected for inclusion in the ESG investment stock index "FTSE Blossom Japan Sector Relative Index."



**FTSE Blossom
Japan Sector
Relative Index**

FTSE Blossom Japan Sector Relative Index is an index that reflects the relative performance within sectors of Japanese companies that are excellent in their ESG measures, and is designed to be sector neutral*2. In addition, to encourage the transition to a low-carbon economy, specifically for companies with high greenhouse gas emissions, only those companies evaluated for their improvement initiatives based on the Management Quality score of the Transition Pathway Initiative (TPI) are included in the index. FTSE Blossom Japan Sector Relative Index was adopted by Government Pension Investment Fund (GPIF) as an ESG index on March 30, 2022.

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

*2 : An investment method for obtaining stable income using a neutral position in the sector

> Click to view about FTSE4Good Index Series (the link to the site of "FTSE4Good Index Series")

<https://www.ftserussell.com/products/indices/ftse4good>

> Click to view about FTSE Blossom Japan Index (the link to the site of "FTSE Blossom Japan Index")

<https://www.ftserussell.com/products/indices/blossom-japan>

> Click to view about FTSE Blossom Japan Sector Relative Index (the link to the site of "FTSE Blossom Japan Sector Relative Index")

<https://www.ftserussell.com/products/indices/blossom-japan>

FTSE Russell (a registered trademark of FTSE International Limited and Frank Russell Company) hereby certifies that Brother Industries, Ltd. has been included in FTSE Blossom Japan Sector Relative Index after meeting the criteria for inclusion as a result of third-party assessment. FTSE Blossom Japan Sector Relative Index is widely used in the creation and evaluation of sustainable investment funds and other financial products.

MSCI Nihonkabu ESG Select Leaders Index

BIL has been selected for the "MSCI Nihonkabu ESG Select Leaders Index," an investment index that selects Japanese companies with superior ESG measures since 2023.

2024 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

The MSCI Nihonkabu ESG Select Leaders Index is one of the ESG investment indexes adopted by GPIF, the largest pension management institution in the world.

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MSCI Japan Empowering Women (WIN) Select Index

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

2024 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

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

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

> Click to view about MSCI ESG Research (the link to the site of "MSCI ESG Research")

<https://www.msci.com/our-solutions/sustainable-investing>

*: Click to view the Database on Promotion of Women's Participation and Advancement in the Workplace (the link to the site of Japan's Ministry of Health, Labour and Welfare)

https://positive-ryouritsu.mhlw.go.jp/positivedb/en_index.html

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Morningstar Japan ex-REIT Gender Diversity Tilt Index

BIL has been selected for the "Morningstar Japan ex-REIT Gender Diversity Tilt Index," an ESG index developed by Morningstar, Inc. in the United States.

The Morningstar Japan ex-REIT Gender Diversity Tilt Index is an index that focuses on companies that

have strong gender diversity policies embedded in their corporate culture and that ensure equal opportunities to employees, irrespective of their gender. It is adopted as an ESG investment index by the GPIF.

S&P/JPX Carbon Efficient Index

BIL has been selected for inclusion in "S&P/JPX Carbon Efficient Index"—a stock index by S&P Dow Jones Indices LCC and Tokyo Stock Exchange Inc. focusing on the environmental aspect of ESG—since 2018.



Selecting its constituents from companies in the Tokyo Stock Price Index (TOPIX), which is a leading stock index that represents the trend of Japan's market, the S&P/JPX Carbon Efficient Index is an index that focuses on the disclosure of environmental information and level of carbon efficiency (carbon emissions per unit of revenue) when determining the ratio of its constituents. It has been adopted by the Government Pension Investment Fund (GPIF) as a global environmental stock index from among ESG indices.

The SOMPO Sustainability Index

BIL has been selected for inclusion in "Sompo Sustainability Index"—an index independently established by Sompo Asset Management Co., Ltd.—since 2012.



"Sompo Sustainability Index" was established in 2012 and selects approximately 300 companies every year that excel in ESG, and it is used in "Sompo Sustainable Investment," an investment product focusing on ESG that has been adopted by multiple pension funds and institutional investors.

Being selected since the index's establishment is seen as a result of continued recognition of BIL's ESG initiatives.

EcoVadis Sustainability Assessment

BIL has received a Silver Medal from EcoVadis (headquartered in Paris, France), which implemented a sustainability assessment of our company since 2020. During this assessment, Domino Printing Science plc., a Brother group company, also obtained a Silver Medal from EcoVadis.



EcoVadis' sustainability assessment surveys and evaluates the SDG alignment of global supply chains. EcoVadis assesses around 130,000 companies across 180 countries and 220 industries. Companies are scored in accordance with 4 themes-Environment, Labor & Human Rights, Ethics and Sustainable Procurement-, which are based on international sustainable development standards.

Science Based Targets

The medium-term target for FY2030 under Reduction of CO₂ emissions in the Brother Group Environmental Vision 2050 has been certified by the Science Based Targets initiative (SBTi^{*1}) as 1.5°C target based on scientific evidence.



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

The medium-term target for FY2030 was certified as a 2°C target in July 2018, and following the achievement of Scope 1^{*2}, 2^{*3} targets in FY2020, this target was revised upward and certified as a 1.5°C target in April 2022.

*1 : SBTi is an international initiative established to promote the achievement of greenhouse gas emission reduction targets.

*2 : Direct greenhouse gas emissions by businesses themselves

*3 : Indirect emissions from the use of electricity, heat, and steam supplied by others

> Brother Group Environmental Vision 2050

<https://global.brother/en/sustainability/eco/vision>

"Asia-Pacific Climate Leaders" Survey

In May 2023, BIL has been selected, for the second consecutive year, as one of the top companies in the "Asia-Pacific Climate Leaders" survey conducted jointly by Nikkei Asia—the English media arm of the Nihon Keizai Shimbun—and the UK's Financial Times, along with the German research firm Statista.

The survey, targeting companies headquartered in the Asia-Pacific region, investigates the changes in greenhouse gas emissions intensity* (in terms of Scopes 1 and 2 emissions) relative to a company's revenue from 2016 to 2021. The survey selects the top companies from those with the highest reduction rates.

*: Greenhouse gas emissions per unit of economic activity

Clarivate Top 100 Global Innovators


BIL was selected by Clarivate, a global information services firm in the United Kingdom, for "Clarivate Top 100 Global Innovators 2024" as one of the 100 companies positioned at the top of the global innovation ecosystem. This marks the seventh time that BIL has received this award since its first time in 2012.



Clarivate Top 100 Global Innovators is a list of the world's top 100 innovative companies and institutions, which are selected once annually based on patent data that Clarivate holds. In the selection, four factors of registered patents were used for score calculation: influence, success, investment, and rarity, in addition to quantity. Among these factors, Brother achieved a particularly high score for "success," which led to this award.

Evaluation Related to Health and Productivity Management







Evaluation	Description of certification and reasons for award/certification
<p>2024 Health & Productivity Stock Selection</p>	<p>Recognizes outstanding Tokyo Stock Exchange (TSE) - listed enterprises with outstanding health and productivity management that are strategically engaged in the health management of their employees from a management perspective, and introduce the selected enterprises as attractive investment options to investors who prioritize the improvement of corporate value from a long-term perspective.</p> <p>BIL has been selected for it five times since 2017.</p> <p>In 2021, Brother Group company NISSEI CORPORATION was also recognized as one of the enterprises in the Health & Productivity Stock Selection.</p> 
<p>The 2024 Certified Health & Productivity Management Outstanding Organizations Recognition Program</p>	<p>Honors organizations which particularly excel at implementing health and productivity management based on their efforts to address regional health issues and health promotion efforts promoted by the Nippon Kenko Kaigi.</p> <p>BIL has been certified eight times since 2017 as a "White 500" enterprise with outstanding health and productivity management.</p> <p>Brother Group companies that have been certified by MEIT: NISSEI CORPORATION^{*1}, XING INC.^{*1}, BROTHER SALES, LTD., BETOP STAFF, LTD., BROTHER LIVING SERVICE CO., LTD., BROTHER INTERNATIONAL</p> 



Evaluation	Description of certification and reasons for award/certification
	<p>CORPORATION, BROTHER ENTERPRISE, LTD., BROTHER LOGITEC LTD., MIE BROTHER PRECISION INDUSTRIES, LTD., SHOWA SEIKI CO., LTD., B. M. INDUSTRIES, LTD., MIZUHO SEWING MACHINE CO., LTD., BROTHER REAL ESTATE, LTD., BROTHER INDUSTRIAL PRINTING (JAPAN), LTD.</p> <p>* The term "health and productivity management" is a registered trademark of the Workshop for the Management of Health on Company and Employee, a non-profit organization.</p> <p>*1 : Certified as a "White 500" enterprise, a certification that is given only to the top 500 companies in the Large Enterprise Category.</p>
<p>The best award at MHLW's first awards program to recognize good use of healthcare services</p>	<p>Won the best award at the first award program by Japan's Ministry of Health, Labour and Welfare (MHLW) in recognition of good use of medical care in March 2020.</p> <p>< Reasons for award ></p> <ul style="list-style-type: none"> Promoting various initiatives to enable employees to work securely based on the <u>Brother Group Health & Productivity Management Philosophy</u> https://global.brother/en/sustainability/social/health#philosophy . Equipping each workplace with an emergency response list for occupational injuries and sudden illnesses. Creating an environment which allows employees to get medical attention during working time. Supporting the balance between treatment and work based on two internal guidelines, "the balance between disease treatment and work" and "the balance between fertility treatment and work." 

Evaluation	Description of certification and reasons for award/certification
<p>Physical Fitness National Conference Chair Award</p>	<p>An award presented by the Minister of Education, Culture, Sports, Science and Technology and the Physical Fitness National Conference Chair to local communities and workplaces that have made outstanding achievements in improving health and nutrition as well as promoting the physical fitness movement^{*1}.</p> <p>The Brother Health Insurance Society, which consists of 20 business sites centered around BIL, won it for FY2021.</p> <p>< Reasons for award ></p> <ul style="list-style-type: none"> The Brother Health Insurance Society, together with individual Brother Group companies and the Brother Industries Labor Union, was been recognized for its efforts to strategically promote the health and fitness of employees and their families by working as one to achieve the "<u>Healthy Brother 2025</u> https://global.brother/en/sustainability/social/health#data ^{*2}," a set of long-term targets for employee health. <p>< Specific initiatives ></p> <ul style="list-style-type: none"> Providing a variety of walking events such as the "Family Walk" that families can enjoy, and the "Team DE Walk" in which employees form teams to compete in the number of steps that they take. Holding Online health classes that help alleviate a lack of exercise caused by continued telecommuting and staying at home due to COVID-19. Production and distribution of the Brother Group's unique "Brother Gymnastics." <p><small>*1 : A movement to popularize sports and recreation *2 : In addition to BIL, 20 business sites in Japan such as BROTHER SALES, LTD., XING INC. and NISSEI CORPORATION are targeted</small></p>
<p>Sports Yell Company 2024</p>	<p>A program where the Japan Sports Agency certifies companies that actively engage in initiatives to improve the health of employees for those in the prime of their lives, who tend to lack exercise due to office work, housework, and raising children.</p> <p>BIL has been certified as a Sports Yell Company six times since 2019.</p> <p>The Bronze certification was awarded to BIL for being certified a total of five times or more, for the second time following 2023.</p> <div data-bbox="1161 1644 1401 2074" data-label="Image"> </div>

Evaluation	Description of certification and reasons for award/certification
	<p>< Reasons for certification ></p> <ul style="list-style-type: none"> Implementation of the <u>Active Challenge</u> (an <u>age management measure</u>) https://global.brother/en/sustainability/social/health#effort , which provides an opportunity to participate in exercise for two months in order to develop an exercise habit. Production of the Brother Group's original "Brother Gymnastics" video that incorporates the movements of sewing and opening the printer covers, etc., to express Brother's identity. The video starring the President himself was shared in Japanese, English, Chinese, and Vietnamese and distributed to Brother's facilities. Provision of employees with opportunities for walking, such as the "Team DE Walk," an event in which employees form teams with coworkers and family members and compete with each other and within their teams for the number of steps they have walked.
<p>Cancer Control Partner Award (Information Provision Category)</p>	<p>An award to recognize companies that promote cancer control under the Action Plan for Promotion of Cancer Control*, a project commissioned by the Ministry of Health, Labour and Welfare of Japan.</p> <p>BIL has won it at the FY2021.</p> <p>< Reasons for award ></p> <ul style="list-style-type: none"> To increase the cancer screening rate, one of the long-term targets of "Healthy Brother 2025" for employee health, by launching the "<u>Cancer Prevention Stamp Rally</u>" https://global.brother/en/sustainability/social/health#effort " in FY2020 to provide cancer-related information to a large number of employees. <p>*: A project commissioned by the Ministry of Health, Labour and Welfare that promotes the importance of cancer screening in cooperation with companies, with the aim of increasing the national rate of people undergoing cancer screening to over 50%.</p>

Evaluation Regarding the Promotion of the Success of Women, Support for Child-rearing, etc.

Activity field	Description of certification Reasons for award	Certification/award logo	
Promotion of the success of women	Company that, toward promoting the success of women, in addition to declaration by top management, expansion of recruitment, expansion of job areas, development, and appointment to managerial positions, undertakes initiatives such as promoting work-life balance and creating environments that allow working while taking care of children/family	 <p>あいち女性輝き カンパニー</p> <p>Aichi Prefecture's "Aichi Women's Brilliance Company"</p>	 <p>Nagoya City's "Company promoting the advancement of women"</p>
Support for child-rearing	Company that supports child-rearing and is conducive to work by establishing working environment for after marriage and childbirth	 <p>子育てをサポートしています 2011年認定事業者</p> <p>"Kurumin" certified enterprise (Ministry of Health, Labour and Welfare)</p>	 <p>Love All Children City of Nagoya</p> <p>Nagoya City's "Company supporting child-rearing"</p>
Balance between work and childcare/family care	Company that undertakes initiatives such as having a variety of systems and creating workplace environments that allow workers to choose diverse and flexible working styles so that it is possible to balance between work and childcare/family care	 <p>Aichi family-friendly company</p>	 <p>Working environment favorable for balancing work with long-term care (Ministry of Health, Labour and Welfare)</p>

Activity field	Description of certification Reasons for award	Certification/award logo	
Balance between work and medical treatment	Company that supports balance between medical treatment and work so that workers with illnesses—such as cancer, brain or heart problems, and diabetes—or facing infertility issues can work with peace of mind while continuing with treatment	 <p>Aichi Prefecture's "Company promoting work and treatment balance"</p>	 <p>1st award program to recognize good use of healthcare services (Ministry of Health, Labour and Welfare)</p>

Environment(E)

Brother Group's Environmental Policy



Brother Group's Environmental Policy

The Brother Group helps society achieve sustainable development by positively and continuously considering the environmental impact in all aspects of our business operations.

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. To fulfill the mission, it is essential to help society achieve sustainable development, by positively and continuously considering the environmental impact in all aspects of our business operations. This is the basic philosophy of the Brother Group Environmental Policy, and is set out in the Brother Group Global Charter, originally established in 1999, that provides the foundation for all Brother Group activities in the global marketplace. The charter has been translated into 28 languages and been shared with all our employees in order to create a system that is appropriate for a global company transcending differences in culture and customs.

Guidelines and Development of environmental activities

Concern for the environment shall be the cornerstone of all operations. Safety and environmental impact shall be prime considerations at all stages of the product lifecycle to build a society capable of sustainable development.

With this as the cornerstone, we seek to deploy environmental activities in accordance with the action guidelines given below.

Guidelines	Development of environmental activities
1. We will set environmental targets in all areas (manufacturing, production, and service) and continuously improve their environmental aspects.	Both manufacturing and sales facilities work to acquire ISO 14001 certification, and strive to reduce environmental impact, such as reducing CO ₂ emissions.

<p>2. We will recognize the importance of reducing energy consumption in all areas (manufacturing, production, and service) and strive to make energy consumption efficient and reduced in the entire Value Chain.</p>	<p>Improve energy-saving performance in products, energy saving at business sites, promote energy consumption reduction and efficiency, including more efficient distribution.</p>
<p>3. We will not limit our activities to the observation of laws and regulations in all countries where we conduct business, but will also act with a strong moral responsibility to prevent pollution and reduce environmental impact.</p>	<p>A rigorous management framework ensures compliance with environmental laws and regulations in respective countries, prevents oversight and omissions, and enables a quick response.</p>
<p>4. We will always consider waste reduction by more efficient use of resources and recycling of products, and will also avoid creating contamination by hazardous substances when designing and developing both technologies and products.</p>	<p>In developing products, eco-consciousness is considered in various aspects (e.g. resource conservation, use of hazardous chemical substances, and ease of recycling).</p>
<p>5. While respecting voluntary activities by each company of the Brother Group, we will also exercise our environmental duties as a united group.</p>	<p>Activities are promoted based on the Brother Group Medium-term Environmental Action Plan, which is the plan for the entire group.</p>
<p>6. We will enhance the environmental understanding and awareness of all employees through activities such as environmental education and PR.</p>	<p>Various educational opportunities are offered to enhance eco-consciousness (including training programs for new employees, technical training programs for engineers, and e-learning programs for all employees).</p>
<p>7. We will actively disclose our environmental efforts to our customers, local communities, and other interested parties to further foster understanding.</p>	<p>Proactive efforts are made to publicize Brother's activities, such as touring facilities with environmental features, participating in exhibitions, offering lessons at elementary schools and other educational institutions, and planting seedlings.</p>
<p>8. We will endeavor to reduce our impact on the ecosystem and to conserve biodiversity in all our operations.</p>	<p>Biodiversity conservation activities include the procurement of biodiversity-conscious raw materials and the use of FSC-certified paper. Projects for the restoration/conservation of forests or other natural habitats are promoted.</p>

Brother Group's Biodiversity Conservation Policy

Basic Policy

To help build a sustainable society, the Brother Group will endeavor to reduce the impact of its operations on biodiversity and ensure biodiversity conservation through environmental and social contribution activities.

1. Challenges in management
 - The Brother Group recognizes biodiversity conservation as an important challenge for corporate survival, and works on environmental management.
2. Business operations
 - The Brother Group identifies the impact of all its operations (including procurement of raw materials) on biodiversity, and constantly endeavors to reduce the impact.
3. R&D activities
 - The Brother Group gathers information and acquires technologies regarding conservation and sustainable use of biodiversity, and promotes technological development.
4. Social contribution activities
 - The Brother Group works on biodiversity conservation activities in collaboration with stakeholders including government organizations, local residents, and NGOs.
5. Activities involving all employees
 - Actions are led by top management, and measures are taken throughout the company to help all employees increase their knowledge about biodiversity and encourage them to work voluntarily on conservation activities.
6. Communication
 - Details of activities are actively disclosed in and outside the company to raise awareness of biodiversity conservation activities.

Brother Group's Paper Product Procurement Policy

Basic Policy

As a company that uses forest resources, the Brother Group considers it important to avoid any negative impact on the natural environment and local communities through its business activities. Accordingly, it sets forth a paper product procurement policy as follows in June 2024.

1. Conventions, international laws and regulations, social norms, and the laws and regulations at the place of production of forest resources is observed.
2. The human rights of local residents and indigenous population at the place of production of forest resources is respected. Human rights as defined by international norms is respected, occupational health and safety are maintained, and the human rights of workers are protected.
3. Appropriate land use and forest management toward "zero deforestation" is conducted.
4. Due diligence is performed at each company to clarify the absence of any serious destruction of the natural environment and human rights infringement.
5. Relevant information regarding the activities and management from manufacturing to use of paper products is disclosed, so that the traceability can be verified.

Environmental Slogan "Brother Earth"

To boost our environmental activities, the Brother Group created the "Brother Earth" logo and slogan in 2010 to symbolize our efforts. Under Brother Earth, each Brother Group employee has been further committed to various activities based on a unified message of "Working with you for a better environment."

In 2012, the Brother Group Principles of Social Responsibility were established to define the responsibilities that group companies are expected to assume and the fundamental concept of action for environmental conservation.

Brother SDGs STORY <https://sdgsstory.global.brother/e/> , a special website on SDGs activities, introduces Brother Group's environmental conservation activities under this slogan.



Working with you for a better environment

"5R" Concept - the Key to Reducing Environmental Impact

From 1999, the Brother Group has been conducting environmental activities based on the "5Rs," which adds "Refuse" and "Reform" to the 3Rs of "Reduce," "Reuse" and "Recycle" as the basis for establishing a sound material-cycle society. "Reform" in particular is an original idea from the Brother Group for creating value by introducing novel approaches and ideas for changing the state of a waste material.

"5R" concept



- **Refuse:** Avoid purchase of environmentally burdensome materials whenever possible
- **Reduce:** Reduce waste material
- **Reuse:** Reuse waste material without processing
- **Reform:** Reuse materials in a different form
- **Recycle:** Reuse materials as resources

Environment(E)

Environmental Management Framework

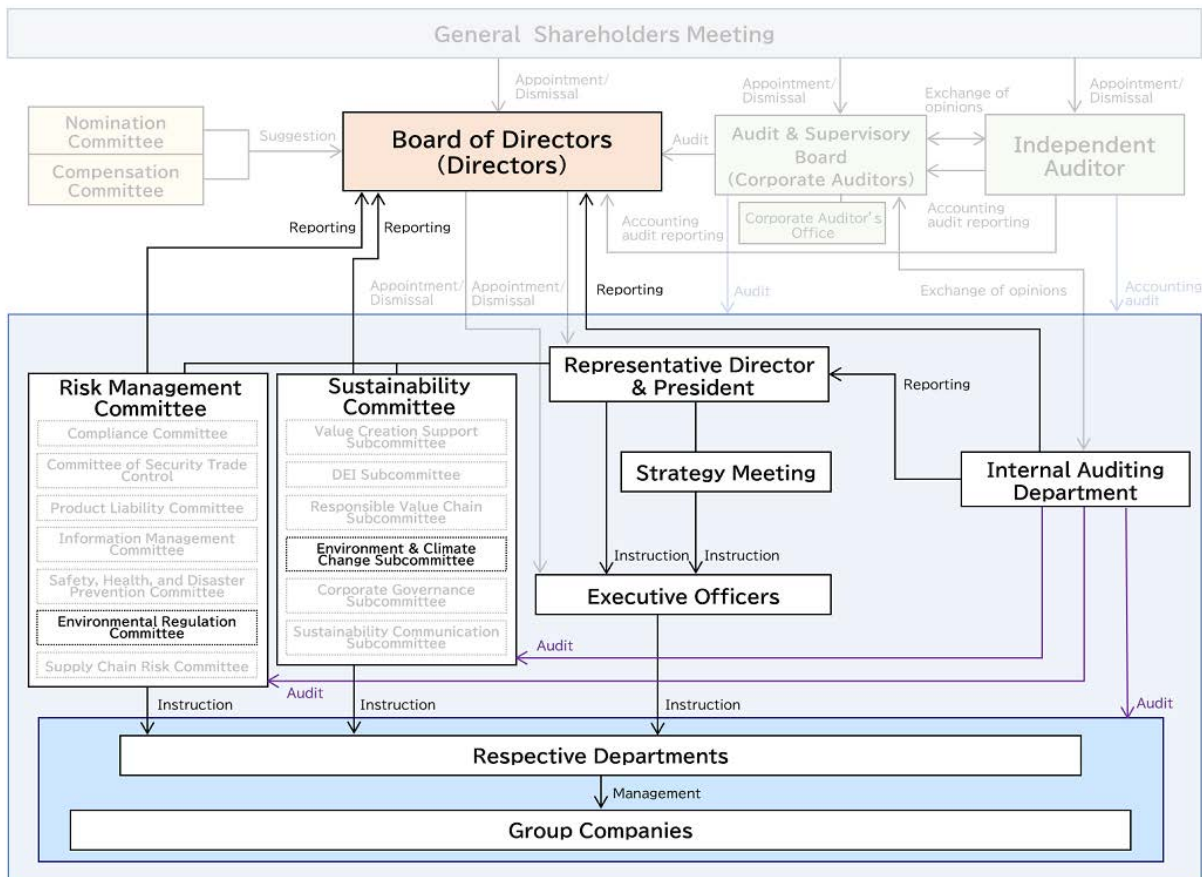


Environmental Management Framework

Globally managing environmental issues throughout the group

The Brother Group promotes global environmental conservation according to the Brother Group Environmental Policy. To do so, the officer in charge of environmental affairs instructs respective departments at the head office as well as divisions and function centers through the Environment & Climate Change Subcommittee (a subcommittee that promotes materiality resolution under the Sustainability Committee) and the Environmental Regulation Committee (a committee that works on environment risk reduction under the Risk Management Committee) to determine policies and implement measures.

Brother Group environmental management framework (As of June 25, 2024)



Environment & Climate Change Subcommittee

The Environment & Climate Change Subcommittee is an organization responsible for managing progress and promoting activities related to each goal of the Brother Group Environmental Vision 2050. It is chaired by the head of environmental department, and composed of the related departments and other persons concerned. Subcommittee meetings are held three times a year, and extraordinary meetings are held as necessary. Serious environmental issues raised at the Environment & Climate Change Subcommittee are reported to the Sustainability Committee chaired by the representative director & president. In addition, top priorities are reported to the Board of Directors for instructions and supervision from management. In FY2023, the subcommittee reported on CO₂ emissions reduction and resource circulation targets, which are the top priorities related to climate change.


Environmental Regulation Committee

The Environmental Regulation Committee is an organization responsible for managing and addressing environmental risks such as environmental laws and regulations. It is chaired by the executive officer in charge of environmental affairs, and composed of the heads of related departments and other persons concerned. Committee meetings are held three times a year, and extraordinary meetings are held as necessary. Serious environmental risks related to environmental laws and regulations raised at the Environmental Regulation Committee are reported to the Risk Management Committee chaired by the representative director & president. In addition, top priorities are reported to the Board of Directors for instructions and supervision from the management.

No serious environmental accidents occurred in FY2023. However, regarding VOC emissions, Chinese authorities inspected our manufacturing facilities in China on site and found nonconformity to legal and regulatory requirements for equipment in some areas, resulting in the payment of administrative penalties. We took immediate action and have already completed a permanent measure.

> Brother Industries, Ltd. Governance Structure

https://global.brother/en/sustainability/governance/structure#org_chart

 Environmental Accounting [PDF/634KB]

<https://global.brother/pub/com/en/eco/pdf/2024/accounting.pdf>

Environmental Communication Promotion Framework


The Brother Group established "working on activities to enhance the environmental brand image under the environmental slogan 'Brother Earth'" as the basic policy for environmental communication in the Brother Group Environmental Action Plan 2024 (2022-2024). The CSR & Corporate Communication Department takes the initiative to promote environmental activities at facilities around the world.

 Brother Eco Point Program [PDF/353KB]

<https://global.brother/pub/com/en/eco/pdf/2024/eco-point.pdf>

 Internal Environmental Commendation System [PDF/507KB]

<https://global.brother/pub/com/en/eco/pdf/2024/award.pdf>

 [Timeline for Environmental Milestone Achievement \[PDF/301KB\]](https://global.brother/pub/com/en/eco/pdf/2024/history.pdf)
<https://global.brother/pub/com/en/eco/pdf/2024/history.pdf>


Environmental Management System

Under our medium-term management plan, the Brother Group creates the Brother Group Environmental Action Plan every three to five years, based on which Brother Industries, Ltd. (BIL) and manufacturing and sales facilities in respective countries set annual plans and carry out environmental activities as part of their business operations. The progress and performance (results) of plans are checked based on reports from and internal audits on each facility, and the findings are then reflected when planning for the following year.

Practicing the PDCA cycle in line with ISO 14001

In operating the environmental management system for environmental conservation activities, compliance with laws, regulations, and standards is ensured, and the ISO 14001-based PDCA (Plan - Do - Check - Act) cycle is practiced.

ISO 14001 certification has been obtained by the main group manufacturing facilities, with Brother Industries (U.K.) Ltd. being the first to be certified in 1996. Brother U.K. Ltd., a sales facility in the U.K., obtained certification in 2005, followed by other many sales facilities.

 [List of ISO 14001-Certified Facilities \[PDF/453KB\]](https://global.brother/pub/com/en/eco/pdf/2024/iso14001.pdf)
<https://global.brother/pub/com/en/eco/pdf/2024/iso14001.pdf>

Internal audit and external review

The Brother Group annually conducts internal audits to confirm that manufacturing facilities in and outside Japan effectively follow the environmental management system in conformance with ISO 14001. The Brother Group is also subject to external review for ISO 14001 (environmental management system) certification.

For facilities in Japan, internal audits are conducted by the Environment & Climate Change Strategy Department of BIL. For overseas facilities, internal audits are conducted by departments in charge of environmental affairs at the respective facilities. Internal audits are conducted to check compliance with relevant laws and regulations, the progress of annual plans, the effectiveness of the environmental management system, and consistency with ISO standards. Corrective measures are implemented immediately when any nonconformance is found, and the effectiveness of such corrective measures is checked by follow-up audits. Audit results in Japan, together with the status of legal compliance and performance (results), are presented to the Environment & Climate Change Subcommittee.

In the annual internal audit and external review, it was confirmed that the PDCA cycle is being practiced properly.

Environmental training for employees

The Brother Group's ISO 14001-certified facilities offer environmental training programs for all employees as well as job specific training related to specific tasks and functions.

Examples include environmental training programs for all new recruits joining Brother; environmental training programs for employees such as e-learning-based materials, internal seminars and workshops; training programs for production and procurement staff at manufacturing facilities in and outside of Japan, for example, the management of chemical substances contained in products, process control guidance and auditing at suppliers. Essential environmental training is periodically provided to raise eco-awareness and facilitate operations.

Environment(E)

Brother Group Environmental Vision 2050



Brother Group Environmental Vision 2050

Formulated on March 19, 2018 and revised on January 24, 2022

"The Brother Group Environmental Vision 2050" recognizes the key social issues of climate change, resource depletion, environmental pollution, and destruction of the ecosystem as business risks for the Brother Group and clearly states the group's continuous commitment toward solving these issues over the long term as a company that uses energy and resources to provide products using bio-based items such as paper, thread and cloth.

Three key issues undertaken by the Brother Group



Reduction of CO₂ emissions

The vision aims to support the Paris Agreement and contribute toward creating a carbon-free society with zero greenhouse gas emissions.

Medium-term target for FY2030

- [Scopes 1 and 2] Achieve 65% reduction from the FY2015 level
- [Scope 3] Categories 1, 11, and 12 Achieve 30% reduction from the FY2015 level

*: The medium-term target for FY2030 has been recognized as a target based on scientific evidence (1.5°C target) by the Science Based Targets initiative (SBTi), an international initiative established to help achieve greenhouse gas emission reduction targets.

2050 Vision: Contribution for decarbonized society

The Brother Group will aim to achieve carbon neutrality* in all business operations and minimize CO₂ emissions from the entire value chain by 2050 so as to contribute toward creating a carbon-free society.

*: Achieve overall zero CO₂ emissions from the Brother Group

Main efforts: Introduction of solar power generation, renewal of air conditioning facilities, renewal and adoption of energy-saving for production facilities, etc.

> Climate Change Response (Disclosure Based on TCFD Recommendations)

<https://global.brother/en/sustainability/eco/cc>

> Reduction of CO₂ Emissions

<https://global.brother/en/sustainability/eco/co2>



Resource Circulation

The vision aims to ensure sustainable use of resources in business operations and minimize the environmental impact due to wastes.

Medium-term target for FY2030: Reduction in use of virgin materials

- Reduce the ratio of virgin materials used in products*¹ to 65% or less*² by FY2030 through the expansion of circular-economy-based businesses and materials recycling.
- The group's manufacturing facilities continuously endeavor to ensure efficient use of water resources and proper treatment of wastewater.

*1: Including packaging materials

*2: Applies to the Printing and Solutions Business, Machinery Business, and Personal and Home Business

2050 Vision: Maximize resource circulation

Toward 2050, the Brother Group will maximize resource circulation to ensure the sustainable use of resources and to minimize the environmental impact due to wastes.

Main efforts: Expansion of circular-economy-based businesses, reuse of products and parts, use of recycled materials, etc.

> Resource Circulation and Waste Reduction

<https://global.brother/en/sustainability/eco/resource-circulation>



Biodiversity conservation

The vision aims to minimize the environmental impact of business operations and promote activities to restore and conserve the ecosystem beyond the impact.

Medium-term target for FY2030: Reduction of environmental impact on the ecosystem

- The Brother Group assesses the environmental impact of its business operations on the ecosystem and the effectiveness of restoration and conservation activities, and works to avoid and reduce the environmental impact on the ecosystem.
- The manufacturing and sales facilities of the entire group work on ecosystem restoration and conservation activities on a voluntary basis depending on the situation in each region.

2050 Vision: Positive net gain for biodiversity

By 2050, the Brother Group will minimize the environmental impact of business operations on the ecosystem and promote activities to restore and conserve the ecosystem beyond the impact.

Main efforts: Biodiversity conservation activities, partnerships with external organizations engaged in nature conservation activities, reduction of CO₂ emissions, and promotion of resource circulation

> Biodiversity Conservation

<https://global.brother/en/sustainability/eco/biodiversity>

> Brother Group Environmental Action Plan 2024

<https://global.brother/en/sustainability/eco/vision/action-plan#a02>

Brother Group Environmental Vision 2050

Brother Group Environmental Action Plan



Brother Group Environmental Action Plan 2024

Brother Group Environmental Action Plan 2024 (2022-2024)

Basic policy

To realize the Brother Group Environmental Vision 2050, the following initiatives will be actively promoted together with stakeholders.

- Reduce CO₂ emissions in the whole value chain
- Expand sustainable business by promoting resource circulation
- Reduce the business impact on the ecosystem and increase biodiversity conservation
- Create eco conscious products
- Comply with environmental laws and regulations

1. Activities at Brother facilities

1-1 Reduction of CO₂ emissions (Scope 1 and 2)

- (1) Reduce CO₂ emissions by 47% from the FY2015 level (9%* reduction over the three-year period from 2022–2024)

1-2 Reduction of water consumption

- (1) Reduce quantity of water intake more than previous year at manufacturing facilities (based on sales)

1-3 Waste reduction

- (1) Reduce waste volume more than previous year at manufacturing facilities (based on sales)

1-4 Biodiversity conservation

- (1) Evaluate environmental load and restoration/conservation efforts of all business activities on ecosystems by using a biodiversity assessment method that meets leading international standards

(2) Expand biodiversity conservation activities for the entire group based on the international guidelines for biodiversity

*: From FY2015

Environmental targets*1	Achievements in FY2023	Self-evaluation
1-1	Achieved a 45.1% reduction from FY2015. (Absolute value)	Achieved
1-2	Achieved a 10.7% reduction from the previous fiscal year. (Per unit of sales)	Significantly achieved
1-3	Achieved a 14.2% reduction from the previous fiscal year. (Per unit of sales)	Significantly achieved
1-4	<p>Preparations were made to evaluate natural capital such as water, land, and forests, which are closely related to biodiversity, and the amount of environmental impact caused through procurement, use, and disposal of Brother products was examined.</p> <p>A partnership was formed with the World Wide Fund for Nature Japan ("WWF Japan"), and contributions were made to biodiversity conservation through donations to WWF Japan's forest conservation activities.</p> <p>Furthermore, more than 22,000 participants took part in the "zero ocean waste activities*2" targeting all Brother Group locations in Japan and overseas.</p> <p>The Ministry of the Environment has recognized "Brother Forests in Gujo," which BIL has been operating since 2008 as initiatives for biodiversity conservation, as a "Nationally Certified Sustainably Managed Natural Site (first half) in FY2023".</p>	Achieved

*1 : The numbers in the chart correspond to the numbers in the "Activities at Brother facilities" section above.

*2 : To further promote the Brother Group's activities, the Group has been supporting World Oceans Day since FY2021.

> Reduction of CO₂ Emissions

<https://global.brother/en/sustainability/eco/co2>

> Resource Circulation and Waste Reduction

<https://global.brother/en/sustainability/eco/resource-circulation>

> Biodiversity Conservation

<https://global.brother/en/sustainability/eco/biodiversity>

2. Activities related to products

- 2-1** Reduction of CO₂ emissions (Scope 3 — C1, C11, and C12)
 - (1) Implement measures to reduce CO₂ emissions by 150,000 tons^{*1}
- 2-2** Circular economy (resource circulation)
 - (1) Achieve a ratio of virgin materials used in products of 81% or less^{*2} by FY2024 (recycled resources ratio of 19% or more)
 - (2) Expand circular economy business
- 2-3** Strengthen eco conscious product development
 - (1) Provide eco-conscious products that meet higher environmental standards in each market region
- 2-4** Rebuild risk management system
 - (1) Rebuild foundation of activities to ensure compliance with environmental laws and regulations related to products
- 2-5** Contribute to reducing CO₂ emissions for society at large
 - (1) Establish a process to calculate the contribution toward reducing CO₂ emissions for society at large, and calculate/disclose the amount of contribution toward reducing the CO₂ emissions of the entire Brother Group.
- 2-6** Promote innovation
 - (1) Identify promising new environmental technologies and implement them in business

*1: Total amount of CO₂ emissions reduced by FY2024 through new product environmental measures compared to the business activities in FY2021.

Examples: Reduction of product size and weight, increase in the use of recycled materials, reduction of standby power consumption, etc. Applies to Printing & Solutions Business, Machinery Business, Nissei Business, Personal & Home Business.

*2: Applies to Printing & Solutions Business, Machinery Business, Personal & Home Business.

Environmental targets	Achievements in FY2023	Self-evaluation
2-1	100% of the measures, such as downsizing of new products and improvement of energy-saving performance, planned for FY2023 were implemented. To achieve the FY2024 target of "150,000 tons reduction in CO ₂ emissions," activities to reduce CO ₂ emissions during parts manufacturing have been initiated in collaboration with suppliers.	Achieved
2-2	We are on track with the targets by implementing measures, such as expanded use of recycled materials mainly in new products and changing to recyclable cushioning materials. The ratio of virgin materials has been confirmed to be 79.2% through verification of the amounts of virgin materials used in our products by a third party. Therefore, the target for FY2024 has been achieved one year ahead of schedule.	Achieved

Environmental targets	Achievements in FY2023	Self-evaluation
2-3	<p>In the product group of Communications and Printing Equipment, environmentally friendly designs were promoted from the initial stages of product planning and development, and management complying with environmental labeling standards was carried out. As a result, Brother was able to acquire and register for the standards with stricter requirements, such as the "Blue Angel" in Germany, "Eco Mark" in Japan, and "EPEAT" in the United States.</p> <p>EPEAT is currently under consideration for major revision. We have joined a group that is studying a draft of revised standards for sustainable use of resources, less use of chemical substances of concern, responsible supply chains, and consumables, initiating activities so that the revision will ensure more eco-friendly product design and fulfillment of corporate social responsibility.</p> <p>In order to meet the social requirements introduced in the "Blue Angel," three manufacturing facilities for the subject products has acquired RBA certification. Other manufacturing facilities have also started activities to obtain certification.</p>	Achieved
2-4	<p>Functions required for systematization have been determined based on our new management system for chemical substances contained in products. Also, regarding some of the operations for chemical substance management, we have developed trial operation methods and plans to optimize such operations.</p>	-
2-5	<p>Brother disclosed the avoided CO₂ emissions by energy-saving performance and productivity improvement of machine tools on the "Reduction of CO₂ Emissions" page. In addition, we disclosed the reduction of waste cartridges and packaging materials used in inkjet printers and garment printers by increasing the capacity of consumables as avoided CO₂ emissions.</p> <p>We have also initiated new discussions for disclosure of the CO₂ reduction value by joining an external organization.</p>	Achieved
2-6	<p>Brother has been introduced to new technologies by venture capital fund investees, and started consideration of cases where they can be implemented in its factories.</p>	-

> Reduction of CO₂ Emissions

<https://global.brother/en/sustainability/eco/co2>

> Resource Circulation and Waste Reduction

<https://global.brother/en/sustainability/eco/resource-circulation>

- > Creating Eco-Conscious Products
<https://global.brother/en/sustainability/eco/product>
- > Environmental Compliance of Products
<https://global.brother/en/sustainability/eco/product/regulation>
- > Contribution to the Reduction of CO₂ in Products
<https://global.brother/en/sustainability/eco/co2#c07>

3. Environmental communication

3-1 Information disclosure

- (1) Strengthen engagement with stakeholders through the Integrated Report and disclosure of sustainability information
- (2) Promote global branding through the special SDGs website "Brother SDGs STORY"

3-2 Environmental education

- (1) Maintain/increase group employees' environmental awareness through eco point activity which is a participatory initiative
- (2) Strengthen environmental education for employees for the promotion of group-wide environmental efforts

Environmental targets	Achievements in FY2023	Self-evaluation
3-1	On our special SDGs website "Brother SDGs STORY," special content has been released, which summarizes our activities in "Brother Forests in Gujo," a representative initiative for biodiversity conservation in Japan. The website also introduces in an easy-to-understand manner the results of these activities as well as the recognition of Brother Forests in Gujo as a "Nationally Certified Sustainably Managed Natural Site" by the Japanese Ministry of the Environment.	Achieved
3-2	The Brother Eco Point Program continued to be carried out within the Brother Group. Measures to raise environmental awareness among employees were continued through the use of an internal commendation system, information dissemination via the intranet and newsletters, e-learning programs, internal seminars, and workshops.	Achieved

- > Collaboration with Suppliers
<https://global.brother/en/sustainability/eco/product/supplier>

- > Environmental-Related Data (E)
<https://global.brother/en/sustainability/data#eco>
- > Special Website on SDGs Activities (Brother SDGs STORY)
<https://sdgsstory.global.brother/e/>

Environment(E)

Climate Change Response (Disclosure Based on TCFD Recommendations)



Response to Climate Change

Brother Group, as a global company, has placed the highest priority on efforts to prevent global warming. To reduce CO₂ emissions, we have been implementing a diverse range of eco-friendly activities and environmental technology development in all manufacturing processes, including development, procurement, production, sales and logistics. What we emphasize in carrying out those actions is the basic philosophy behind our environmental activities: "The Brother Group shall positively and continuously act to decrease the environmental impact of all aspects of our business operations so that society can achieve sustainable development." This is proclaimed in the "Brother Group Global Charter" established in 1999. This philosophy has remained in action since BROTHER INDUSTRIES LTD. (BIL) formulated the "Basic Environmental Policy" in 1993, and we as the Brother Group have set medium-term environmental goals and promoted ongoing activities to meet them. Thanks to the efforts of each Group member, we have made steady headway toward achieving these goals.

In 2018, the Brother Group formulated "the Brother Group Environmental Vision 2050," which made reducing CO₂ emissions a key item. We have also set the milestone "Medium-term Target for 2030" keeping in mind the "Paris Agreement," which is a global framework for controlling climate change (global warming). In October 2021, we revised the CO₂ emissions reduction targets in "the Brother Group Environmental Vision 2050," and the revised medium-term target has been recognized by the "Science Based Targets initiative (SBTi)," an international initiative, as reduction targets based on scientific evidence to achieve the "1.5°C target" of the Paris Agreement. The Brother Group will continue to make various efforts to contribute to the solution of global climate change issues toward the construction of a carbon-free society.

History of our climate change countermeasures

1993	Brother's First Environmental Action Plan (Voluntary Plan) is formulated.
1999	The Brother Group Global Charter is formulated.
2009	Brother's "Medium-term Target for FY2020," the CO ₂ reduction targets to be achieved by FY2020, is established, and efforts to reduce CO ₂ emissions are initiated.

2013	The scope of CO ₂ emission reduction activities is expanded to the entire Group, and CO ₂ emission calculations and reductions not only from Brother but also throughout the entire product supply chain are started.
2018	The "Brother Group Environmental Vision 2050" is established, and the "Medium-term Target for 2030" is set as a milestone for this vision. CO ₂ emissions reduction targets in "Medium-term Target for FY2030" under the Environmental Vision receive certification as "2.0°C Target" by "Science Based Targets initiative (SBTi)," an international initiative.
2020	Brother Industries, Ltd. supports the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD). Brother analyses the risks and opportunities of climate change for key businesses based on the recommendations by the TCFD.
2021	Disclosure of relevant information based on TCFD recommendations. Targets for CO ₂ emission reductions in "the Brother Group Environmental Vision 2050" are revised.
2022	The CO ₂ emissions reduction targets in "Medium-term Target for 2030" under the revised Environmental Vision receive certification as "1.5°C Target" by the international initiative "Science Based Targets initiative (SBTi)." Targets for resource circulation in "the Brother Group Environmental Vision 2050" are revised.

Compliance with the TCFD Recommendations and Further Promotion of Climate Change Countermeasures

The Brother Group has identified the reduction of CO₂ emissions as one of the materialities (priority social issues to be solved) in order to contribute to society and protect the earth, and has set sustainability targets. In February 2020, the Brother Group expressed our support for the recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD).



Based on these TCFD Recommendations, the risks and opportunities of climate change with regard to our Printing & Solutions Business, Machinery Business, Personal & Home Business, and new businesses were analyzed, and relevant information was disclosed. We will expand the scope of businesses subject to analysis and strive to enhance our information disclosure as well as further stepping up our climate change countermeasures in order to contribute to the formation of a decarbonized society.

> To visit TCFD website (the link to the site of "TCFD")

<https://www.fsb-tcfid.org>

vTCFD Recommendations: Strategy (scenario analysis)

<https://global.brother/en/sustainability/eco/cc#c04>

vTCFD Recommendations: Metrics and Targets

<https://global.brother/en/sustainability/eco/cc#c06>

TCFD Recommendations: Governance

The Brother Group has established the Sustainability Committee, chaired by the Representative Director & President, to promote materiality initiatives globally, and the Environment & Climate Change Subcommittee, which specializes in addressing the materialities related to the future of the Earth, particularly climate change, under the Sustainability Committee.

The Sustainability Committee is strengthening company-wide management with a focus on sustainability by having the President (or a person assigned by the President), who chairs the committee, report on activity plans and results of activities, including climate change measures, three or more times a year at committee meetings and one or more times a year at the Board of Directors' meetings. Furthermore, to ensure that the efforts are effective, executive remuneration is linked to the progress of major climate change-related targets.

As for the Environment & Climate Change Subcommittee, it is chaired by the General Manager of the Environment & Climate Change Strategy Department and aims to manage the progress of sustainability goals and promote activities related to the environment, particularly climate change, and regularly reports on the status of these activities to the Sustainability Committee.

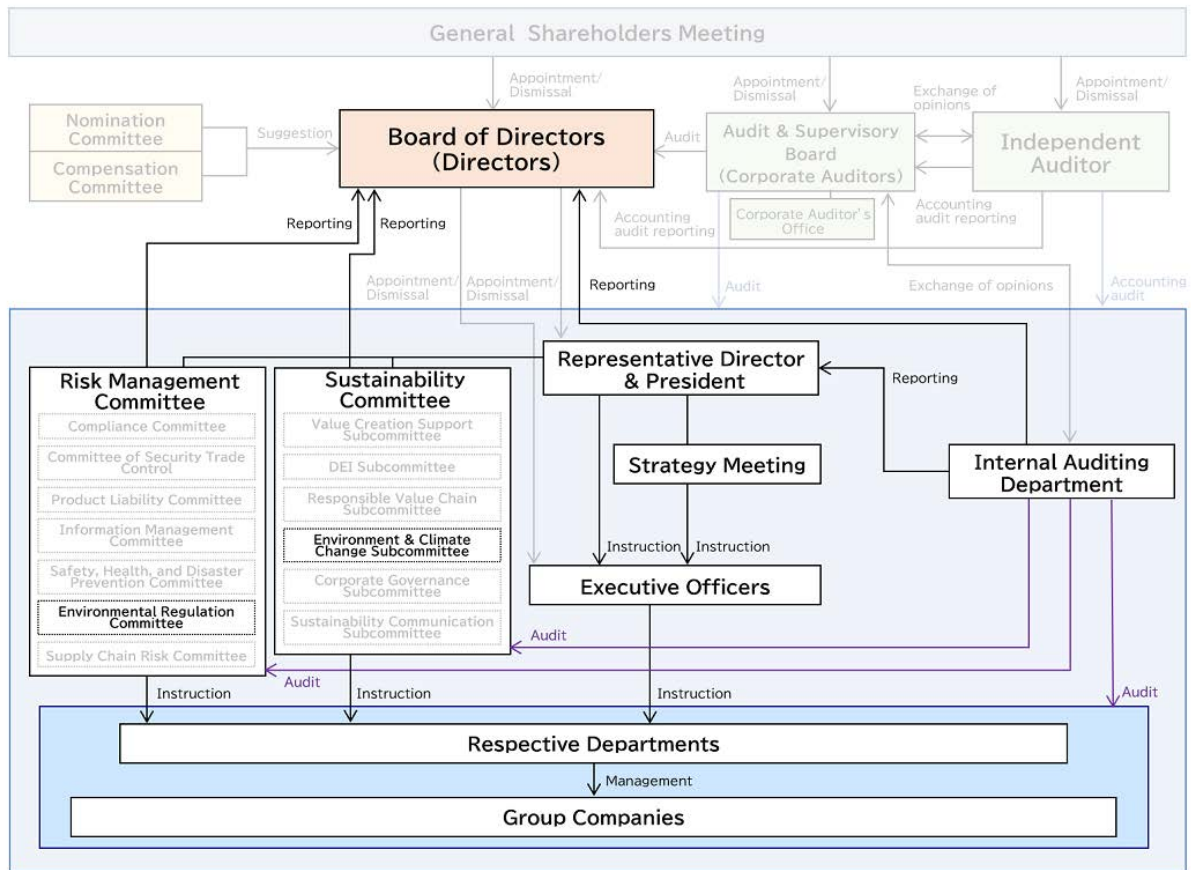
When formulating and revising important matters such as environmental risks and environmental issues, they are reviewed by the Sustainability Committee or the Environment & Climate Change Subcommittee, then deliberated at the Strategy Meeting, finalized by the Board of Directors, and directed and supervised by the management.

The Environment & Climate Change Subcommittee held four meetings in FY2023. The Sustainability Committee held ten meetings, and reported the results of the discussions made by the Environment & Climate Change Subcommittee at four of those ten meetings. At the Board of Directors meeting, the Sustainability Committee reported on its activities once.

> Promotion of Management with an Emphasis on Sustainability

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

Brother Industries, Ltd. Governance Structure (as of June 25, 2024)

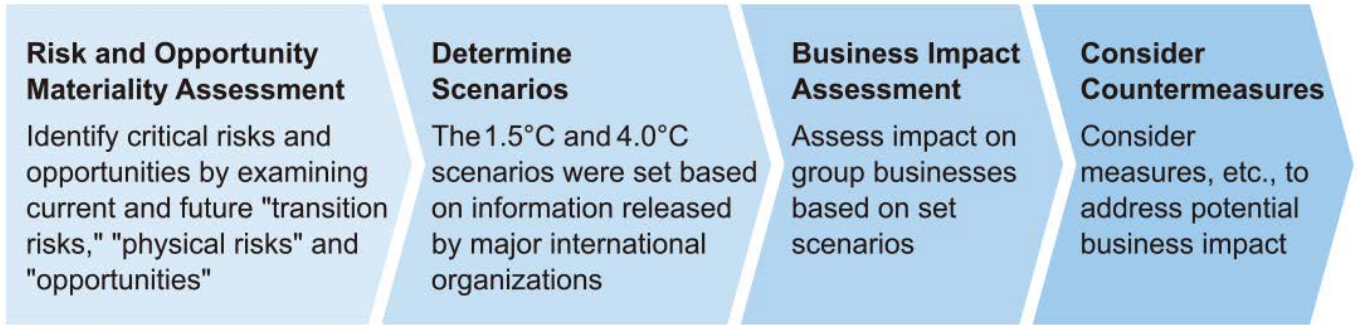


- > Environmental Management Framework
<https://global.brother/en/sustainability/eco/management>
- > Brother Industries, Ltd. Governance Structure
<https://global.brother/en/sustainability/governance/structure>

TCFD Recommendations: Strategy (scenario analysis)

The "Brother Group Environmental Vision 2050" places the reduction of CO₂ emissions as an important matter for the Brother Group. Together with recognizing that climate change, which is becoming more serious around the globe, is an important social issue, we regard climate change as a business risk and opportunity for the Brother Group and are striving to resolve it on a long-term and continuous basis. In FY2020, the Brother Group identified seven key risks and opportunities based on the "1.5°C scenario"^{*1} and the "4.0°C scenario"^{*2} for its major businesses and evaluated their impact on its own operations and finances^{*3}. As a result of this analysis, it was determined that efforts toward carbon neutrality^{*4}, especially in addressing the circular economy, are important for the Brother Group in terms of both risks and opportunities. In order to incorporate this into its business strategies and activities, the Brother Group has included "undertake environmental efforts toward carbon neutrality" in the "management foundation transformation for a sustainable future" section of its medium-term business strategy "CS B2024," has set sustainability goals related to CO₂ emission reduction and resource circulation, and is carrying out activities to achieve these goals as priority management issues.

- *1: Scenario in which global warming countermeasures are implemented and a decarbonized society is closer to being realized.
- *2: Scenario in which global warming countermeasures are not taken beyond the current level and temperatures continue to rise further.
- *3: Based on IEA (International Energy Agency) SDS (Sustainable Development Scenarios), IPCC (Intergovernmental Panel on Climate Change) RCP8.5 scenario, Aqueduct (water risk assessment tool), etc.
- *4: Achieve overall zero CO₂ emissions from the Brother Group



Climate-related risks

Transition risks (Policy and legal risk, changes in the market)

Changes in the external environment	Financial impact	Estimated time	Impact on the Brother Group	Countermeasures
Carbon neutral				
Introduction of carbon tax or increase in carbon tax rate	Medium	Medium-term	Increases in product and service costs due to introduction of carbon tax or increase in carbon tax rate	<ul style="list-style-type: none"> • Reduce CO₂ emissions in offices*¹ Conduct energy-saving measures at each facility and utilize renewable energy sources • Reduce CO₂ emissions in products*² Improve energy efficiency of products Reduce the number of parts and packaging materials • Participate in industry activities to promote corporate carbon neutrality Participate in the Green x Digital Consortium of the Japan Electronics and Information Technology Industries Association (JEITA)

Shift from gas/diesel vehicles to electric vehicles	Medium	Short-term	Falling demand for metalworking parts for internal combustion engines	<ul style="list-style-type: none"> Develop compact machine tools for electric vehicles (EVs) *3 Develop new products in the SPEEDIO series that boast high energy-saving performance and productivity
Circular economy <ul style="list-style-type: none"> Strengthening of environmental regulations Growing market demand 	-	Short to Medium-term	Sales opportunity losses owing to lag in meeting environmental regulations and market demand in the communications and printing equipment sectors	<ul style="list-style-type: none"> Reduce waste and virgin materials *4 Use recycled and reused materials in products Use recyclable cushioning materials for packaging materials Research future regulatory trends Gather information on environmental regulation trends in Europe and reflect these in product development

Physical risks (Acute)

Changes in the external environment	Financial impact	Estimated time	Impact on the Brother Group	Countermeasures
Intensified damage from extreme weather events such as cyclones and floods	Medium	Short to Long-term	Production could be suspended due to floods	<ul style="list-style-type: none"> Ensure parts inventories that can withstand temporary production halts Implement risk countermeasures through multi-site production for some models Strategically consider parts suppliers and their upstream suppliers

Financial Impact Low: 1 billion yen or less Medium: 1 to 10 billion yen Large: Over 10 billion yen -: Consider in the future
 Estimated Time Short-term: Within 10 years Medium-term: 10-50 years Long-term: Over 50 years

Climate-related opportunities

Opportunities (Products and services)

Changes in the external environment	Impact on the Brother Group	Countermeasures
Carbon neutral		
Increasing need for customers to cut CO ₂ emissions	Increased demand for energy-efficient products and low-carbon products	<ul style="list-style-type: none"> Expand sales of products compliant with International ENERGY STAR Program standards Invest to collect information on future environmental technologies Invest in the Mirai Creation Fund III and WiL Ventures III
Shift from gas/diesel vehicles to electric vehicles	Rising demand for machine tools to increase new manufacturing workpieces for electric vehicle-related parts, etc.	<ul style="list-style-type: none"> Develop compact machine tools for EVs ^{*3} Develop new products in the SPEEDIO series that boast high energy-saving performance and productivity
Circular economy	Secure business opportunities through the expansion of circular-economy-based businesses	<ul style="list-style-type: none"> Expand circular business, such as through subscriptions ^{*4}

*1 > Efforts to Reduce CO₂ Emissions in Offices

<https://global.brother/en/sustainability/eco/co2#c04>

*2 > Efforts to Reduce CO₂ Emissions in Products

<https://global.brother/en/sustainability/eco/co2#c08>

*3 > Initiatives for the shift from internal combustion engines to electric vehicles (EVs)(Machine Tools to Improve Productivity and Reduce CO₂ Emissions)

<https://sdgsstory.global.brother/e/customer/398/>

*4 > Resource Circulation and Waste Reduction Initiatives

<https://global.brother/en/sustainability/eco/resource-circulation#r02>

TCFD Recommendations: Risk Management

The Brother Group regards important social issues such as climate change, resource depletion, environmental pollution, and ecosystem destruction as business risks. As such, the Brother Group Environmental Vision 2050 makes it clear that we will strive to resolve these issues on a long-term, ongoing basis.

In FY2022, the Brother Group established a Sustainability Committee chaired by the president to promote sustainability and risk management, including climate change response, to identify and assess priority climate change risks and opportunities and provide appropriate response instructions. The Environment & Climate Change Subcommittee, established under the Sustainability Committee, identifies key issues such as climate change, determines and implements appropriate countermeasures. In addition, the subcommittee sets ambitious targets for climate change response and monitors progress on a regular basis.

> Risk Management

<https://global.brother/en/sustainability/governance/control#c04>

TCFD Recommendations: Metrics and Targets

Under the Brother Group Environmental Vision 2050, in the reduction of CO₂ emissions, the Brother Group will aim to achieve carbon neutrality in all business operations and minimize CO₂ emissions from the entire value chain by FY2050. In addition, the medium-term target for FY2030—which serves as a milestone—is set as achieving, by FY2030, 65% reduction in CO₂ emissions from the Brother Group from the FY2015 level for Scopes 1 and 2, and 30% reduction from the FY2015 level for the stages of product procurement, use, and disposal (categories 1, 11, and 12 of Scope 3), which emit particularly significant amounts of CO₂ in the value chain. This medium-term target for FY2030 regarding the reduction of CO₂ emissions has been certified as "1.5°C target" by the "Science Based Targets initiative (SBTi)," an international initiative.

Similarly, the resource circulation section of the Brother Group Environmental Vision 2050 states that the Brother Group aims to maximize resource circulation to achieve sustainable use of resources and minimize the environmental impact caused by waste toward the year 2050.

The medium-term target for FY2030, the milestone for this vision, sets a goal of reducing the ratio of virgin materials used in products to less than 65% by FY2030 through the expansion of circular-economy-based businesses and the recycling of resources.

Furthermore, short-term targets for 2024 are set in CS B2024 and the Brother Group Environmental Action Plan 2024 as milestones toward achieving the medium-term target for FY2030. They are then broken down into targets for each fiscal year, and the progress and results are reported to the Environment & Climate Change Subcommittee and the Sustainability Committee.

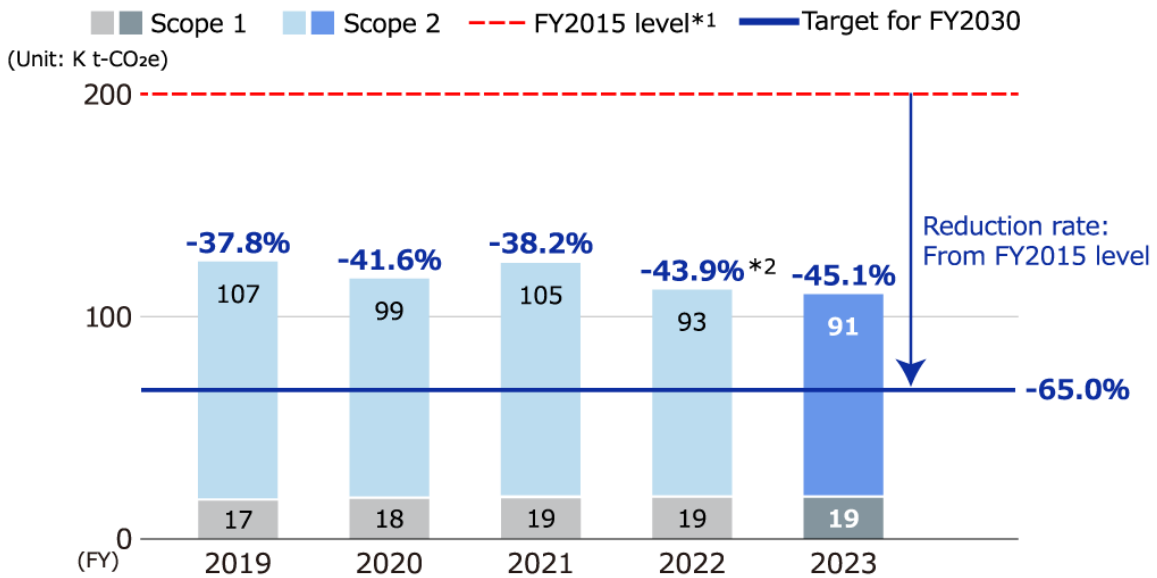
Issue	Targets for FY2024	Progress
Reducing CO ₂ emissions	[Scope 1,2] Achieve 47% reduction (from FY2015 level) (9% reduction over the three-year period from FY2022 to FY2024)	Implemented energy-saving and energy-creating measures through own efforts, such as more efficient use of electricity and the introduction of solar power systems. Procured the necessary amount of CO ₂ -free electricity accordingly, and made steady progress toward achieving the target.
	[Scope 3] Take measures to reduce 150,000 tons* through own effort	Implemented measures centered on reducing the size and improving the energy efficiency of new products as planned. In cooperation with suppliers, new measures were implemented to reduce CO ₂ emissions during the manufacture of parts.
Resource circulation	Achieve ratio of virgin materials used in products of 81% or less	Implemented measures such as expanding the use of recycled materials and changing to recyclable cushioning materials, mainly for new products, and made steady progress toward the 2024 target.

*: Total amount of CO₂ emissions reduced by the environmental measures for products newly implemented by FY2024 in comparison with the operations in FY2021. Examples: smaller and lighter products, increased use of recycled materials, reduced standby power consumption, etc.

Progress in CO₂ emission reduction

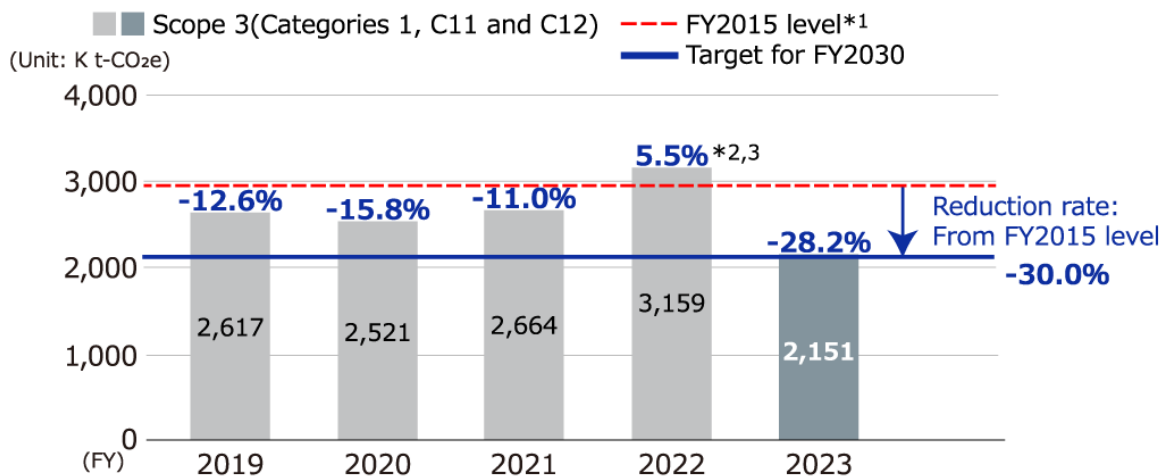
Progress up to FY2023

Medium-term target for FY2030 [Scope 1 and 2]
Achieve 65% reduction from the FY2015 level



*1: FY2015 level [Scope 1] 75, [Scope 2]125
*2: Corrections were made for standardization by rounding off numbers.

Medium-term target for FY2030 [Scope 3]
Achieve 30% reduction from the FY2015 level



*1: FY2015 level 2,994
*2: The numerical value has been changed because the Domino Business was added to the scope of aggregation for Scope 3.
*3: The numerical value has been changed because the CO₂ emissions from purchased goods and services other than products and parts were added to C1 (Purchased goods and services). However, the additional CO₂ emissions in FY2022 (about 2% of the entire Scope 3) are not included in the auditing for ISO 14064.

Environment(E)

Reduction of CO₂ Emissions



Brother Group Environmental Vision 2050

The vision aims to support the Paris Agreement and contribute toward creating a carbon-free society with zero greenhouse gas emissions.

GOAL

The Brother Group will aim to achieve carbon neutrality* in all business operations and minimize CO₂ emissions from the entire value chain by 2050 so as to contribute toward creating a carbon-free society.

*: Achieve overall zero CO₂ emissions from the Brother Group

Main efforts: Introduction of solar power generation, renewal of air conditioning facilities, renewal and adoption of energy-saving for production facilities, etc.

Progress Towards CO₂ Emission Reduction Targets

Two medium-term targets for FY2030 regarding CO₂ emission reduction are set in the Brother Group Environmental Vision 2050. To achieve these targets, we are working to reduce CO₂ emission with supplier collaboration in our manufacturing and production activities.

Medium-term target for FY2030

1. [Scopes 1 and 2] Achieve 65% reduction from the FY2015 level
2. [Scope 3] Categories 1, 11, and 12 Achieve 30% reduction from the FY2015 level

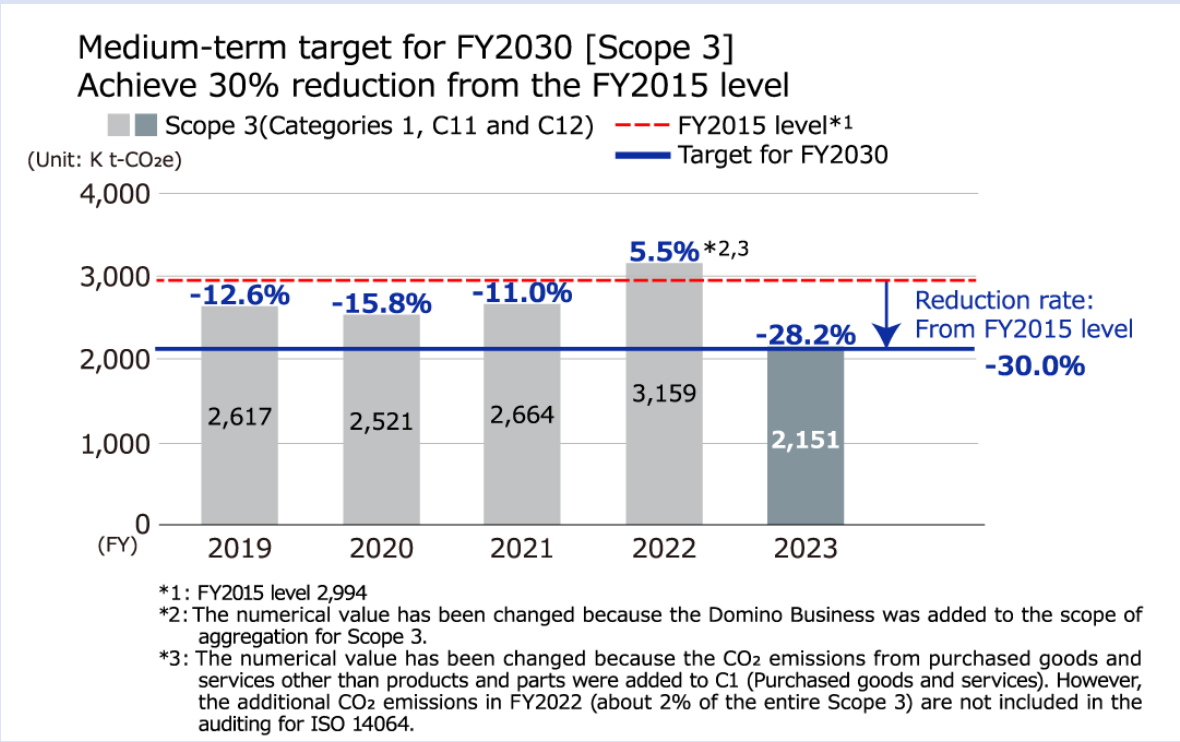
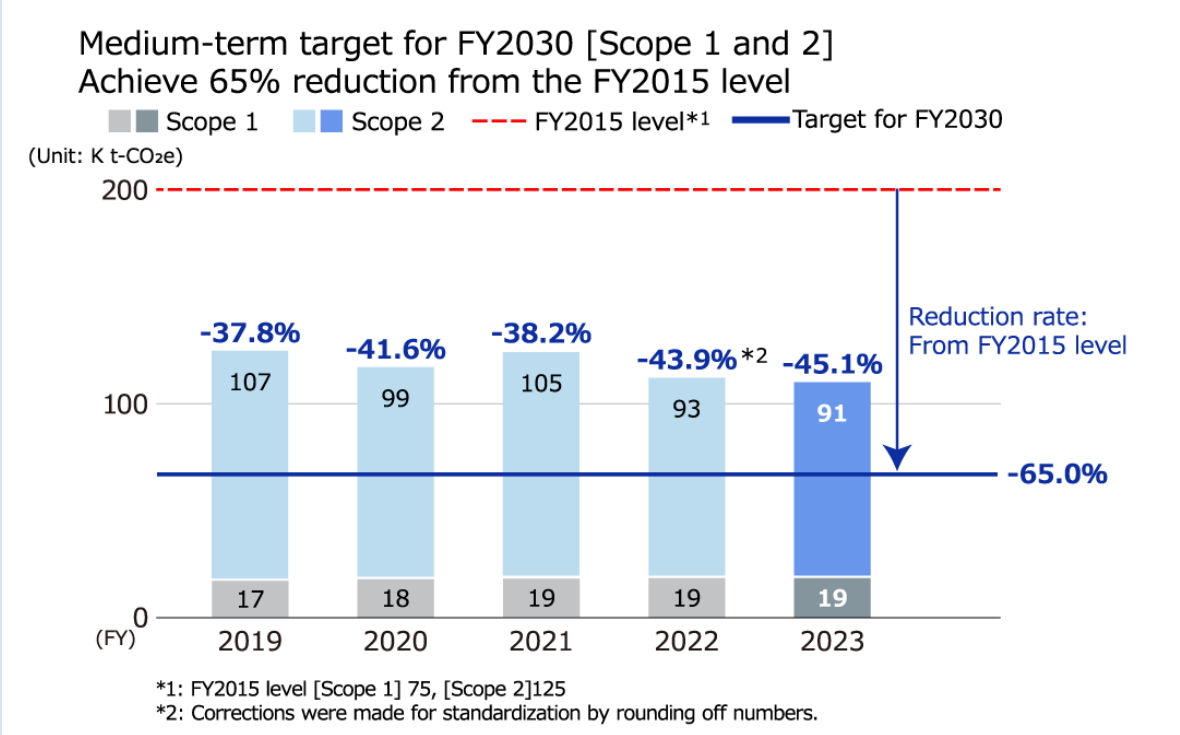
*: The medium-term target for FY2030 has been recognized as a target based on scientific evidence (1.5°C target) by the Science Based Targets initiative (SBTi), an international initiative established to help achieve greenhouse gas emission reduction targets.

We are working to promote reduction of CO₂ emissions by 47% from the FY2015 level for Scopes 1 and 2 and implement measures to reduce CO₂ emissions by 150,000 tons for categories 1, 11, and 12 of Scope 3, which are the targets for FY2024 set in CS B2024.

In FY2023, we achieved a 45.1% reduction in Scope 1 and 2 from the FY2015 level. Regarding Scope

3, sales of new products, whose environmental performance is higher than that of conventional products, were launched. CO₂ emissions in the parts procurement phase were reduced in collaboration with suppliers. In addition, due to a decrease in the sales volume of products, emissions were reduced by 28.2% from the FY2015 level for Categories 1, 11, and 12 of Scope 3.

Progress up to FY2023



Scopes 1, 2, and 3 Greenhouse Gas (GHG) Emissions

The Brother Group calculates and reports Scope 1, 2, and 3 greenhouse gas (GHG) emissions in accordance with ISO14064-1, the international standard for GHG calculation and reporting, in order to properly calculate and report its GHG emissions. The results are disclosed to the public after undergoing third-party verification based on the ISO14064-3 standard to verify the validity of the calculation results.

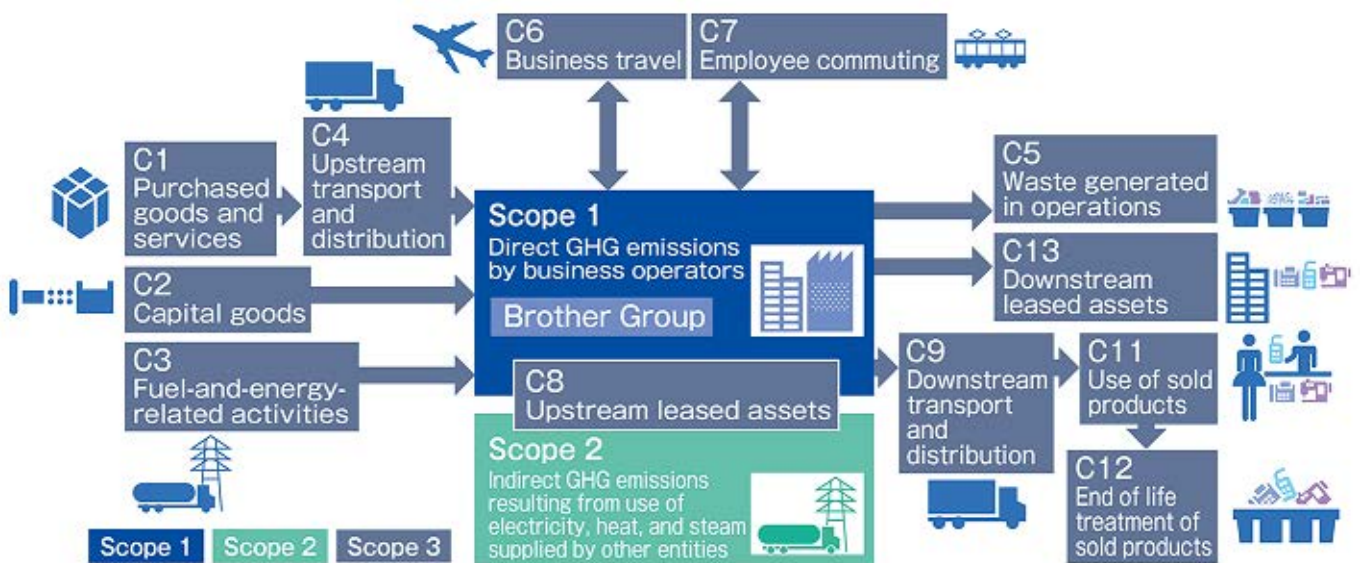
Scope 1, 2, and 3

These are components making up greenhouse gas (GHG) emissions in the supply chain. Dividing into three categories minimizes overlapping calculations and allows specific emissions to be identified.

Scope 1: Direct GHG emissions by business operators

Scope 2: Indirect GHG emissions resulting from use of electricity, heat, and steam supplied by other entities

Scope 3: Indirect GHG emissions other than Scope 1 and 2 (emissions by other entities related to the activities of business operators)



Scope 1, 2, and 3 greenhouse gas (GHG) emissions according to ISO 14064 from FY2019 through FY2023

Category		CO ₂ emissions in t-CO ₂ equivalent				
		FY2019	FY2020	FY2021	FY2022	FY2023
Scope 1: Direct emissions		17,363	18,356	18,724	19,040	18,840
Scope 2: Indirect emissions from energy use Market-based		107,285	98,685	105,099	93,409 ^{*1}	91,228 ^{*1}
Scope 3: Other indirect emissions		2,809,046	2,752,567	2,942,352	3,439,056 ^{*2,3}	2,431,462 ^{*1}
C1	Purchased goods and services	1,351,272	1,302,661	1,404,939	1,671,015 ^{*2,3}	1,253,780 ^{*1}
C2	Capital goods	56,658	75,897	86,955	123,562	126,268
C3	Fuel- and energy-related activities	10,955	10,987	11,838	12,062	11,899
C4	Upstream transportation and distribution	80,691	103,148	138,978	99,236 ^{*2}	95,109
C5	Waste generated in operations	3,680	4,138	2,849	3,257	3,991
C6	Business travel	3,663	1,558	1,887	4,023	6,502
C7	Employee commuting	14,247	14,698	14,819	14,768	15,553
C8	Upstream leased assets	5,176	4,642	4,101	3,827	4,588
C9	Downstream transportation and distribution	15,312	14,671	15,366	17,825 ^{*2}	14,762
C10	Processing of sold products	-	-	-	-	-
C11	Use of sold products	998,441	968,174	995,115	1,183,284 ^{*2}	670,148
C12	End of life treatment of sold products	267,207	250,107	263,618	305,036 ^{*2}	227,291
C13	Downstream leased assets	1,742	1,886	1,886	1,160	1,168
C14	Franchises	-	-	-	-	-
C15	Investments	-	-	-	-	402 ^{*4}
Total of Scopes 1, 2, and 3 Market-based		2,933,694	2,869,608	3,066,176	3,551,505 ^{*1,2,3}	2,541,530 ^{*1}


*1 : After using renewable energy electricity certificates from external sources

*2 : The numerical value has been changed because the Domino Business was added to the scope of aggregation for Scope 3.







*3 : The numerical value has been changed because the CO₂ emissions from purchased goods and services other than products and parts were added to C1 (Purchased goods and services). However, the additional CO₂ emissions in FY2022 (about 2% of the entire Scope 3) are not included in the auditing for ISO 14064.

*4 : Emissions from related companies have been added since FY2023.

Scope

-  **PDF** History of auditing for ISO 14064 [PDF/504KB]
<https://global.brother/pub/com/en/eco/pdf/2024/iso14064.pdf>

External Assurance

-  **PDF** BSI Independent Assurance Statement 2023 [PDF/811KB]
<https://global.brother/pub/jp/eco/pdf/2024/bsi-assurance.pdf>
-  **PDF** BSI Independent Assurance Statement 2022 [PDF/705KB]
<https://global.brother/pub/jp/eco/pdf/2023/bsi-assurance.pdf>
-  **PDF** LRQA Independent Assurance Statement 2021 [PDF/141KB]
<https://global.brother/pub/com/en/eco/pdf/2022/lrqa-assurance.pdf>
-  **PDF** LR Independent Assurance Statement 2020 [PDF/570KB]
<https://global.brother/pub/com/en/eco/pdf/2021/lrqa-assurance.pdf>
-  **PDF** LR Independent Assurance Statement 2019 [PDF/566KB]
<https://global.brother/pub/com/en/eco/pdf/2020/lrqa-assurance.pdf>
-  **PDF** LR Independent Assurance Statement 2015 [PDF/524KB]
<https://global.brother/pub/com/en/eco/pdf/2016/lrqa-assurance.pdf>

Efforts to Reduce CO₂ Emissions in Business Sites

Amid rising international interest in achieving a society that balances economic development and environmental conservation, the Brother Group aims to contribute toward a sustainable society by creating and promoting a virtuous cycle of business growth and environmental harmony.

Realization of carbon neutrality

BROTHER INDUSTRIES (U.K.) LTD. and BROTHER INDUSTRIES (SLOVAKIA) s.r.o.

BROTHER INDUSTRIES (U.K.) LTD. and BROTHER INDUSTRIES (SLOVAKIA) s.r.o., which are manufacturing facilities of the Brother Group, attained carbon neutrality and completed PAS 2060:2014* verification. They received verification in 2021 and 2022, respectively, and continue to receive verification each year. They have achieved carbon neutrality by offsetting remaining emissions with carbon credits in addition to promoting energy-saving activities and fully utilizing renewable energy. The Brother Group will aim to achieve carbon neutrality in all business operations and minimize CO₂ emissions from the entire value chain by attaining carbon neutrality in accordance with the standards.

*: PAS 2060 (Publicly Available Specification 2060): International standard that certifies the achievement of carbon neutrality

BROTHER INDUSTRIES, LTD. Kariya Factory




In October 2024, Kariya Factory, one of the manufacturing factories of the Machinery business, achieved carbon neutrality in FY2023 and completed the verification of compliance with the ISO 14068-1:2023 standard*. This is the first time that the Brother Group has achieved carbon neutrality in accordance with the ISO 14068-1:2023 standard, and is also the first time it has been achieved in the manufacturing industry in Japan.



Solar panel in Kariya Factory

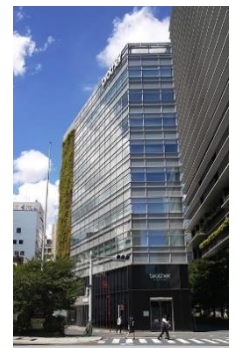
To achieve its carbon neutrality, Kariya Factory is working to reduce GHG emissions under a policy to place top priority on both actively introducing renewable energy and improving energy consumption efficiency through energy conservation. Furthermore, the in-production compact machining center SPEEDIO boasts industry-leading energy-saving performance and significantly alleviates the burden on the environment by reducing the four wastes (time, resource, energy, and space) found in customers' parts machining processes.

*ISO 14068-1:2023 standard: An international standard (issued on November 30, 2023) that provides principles, requirements, and guidance for achieving and demonstrating carbon neutrality through quantification, reduction, and offsetting carbon footprints in organizations and products

-  [Kariya Factory's Carbon Neutral Report \(Executive Summary\) \[PDF/493KB\]](https://global.brother/pub/com/en/eco/pdf/2024/kariyaCNsummary.pdf)
<https://global.brother/pub/com/en/eco/pdf/2024/kariyaCNsummary.pdf>
-  [Kariya Factory's Carbon Neutrality Report \[PDF/1.4MB\]](https://global.brother/pub/com/en/eco/pdf/2024/kariyaCNreport.pdf)
<https://global.brother/pub/com/en/eco/pdf/2024/kariyaCNreport.pdf>
-  [Verification Opinion \[PDF/494KB\]](https://global.brother/pub/jp/eco/pdf/2024/verification-opinion.pdf)
<https://global.brother/pub/jp/eco/pdf/2024/verification-opinion.pdf>

Promotion of energy-saving activities

The Brother Tokyo building was renovated. Specifically, double sashes were introduced to improve the thermal insulation performance, the air-conditioning equipment was replaced by high-efficiency models, and CO₂ sensors were introduced to control the ventilation volume. Solar panels were also installed on the rooftop to cover part of the power consumed in the building with renewable energy. As a result, BIL obtained ZEB Ready certification,* which is recommended by the Ministry of the Environment, for the first time.



Tokyo building

*: ZEB is the abbreviation for "Net Zero Energy Building." ZEB Ready certification is awarded to a building which reduces the annual standard primary energy consumption by 50% or more.

To improve environmental performance while balancing the reduction of CO₂ emissions and utility costs, BROTHER INDUSTRIES (SLOVAKIA) s.r.o. (BISK) actively uses natural energy. Since December 2020, BISK has been operating an energy system that combines an air conditioning system using heat from groundwater and a solar power generation system. The air conditioning system that uses groundwater heat utilized a well that was originally

within BISK's premises.

TAIWAN BROTHER INDUSTRIES, LTD. and BROTHER TECHNOLOGY (SHENZHEN) LTD. launched activities to visualize energy consumption by area, time, and purpose and to identify waste and make improvements by using data. They also introduced a centralized management system for air conditioning and an abnormality detection system using air flow rate sensors to increase energy efficiency.

Active introduction of renewable energy

In FY2023, solar panels of over 5 MW in total were newly installed at the Hoshizaki Factory (Minami-ku, Nagoya City) and the Research & Development Center (Mizuho-ku, Nagoya City) in Japan as well as at BROTHER INDUSTRIES (PHILIPPINES), INC., BROTHER INDUSTRIES (VIETNAM) LTD., and BROTHER TECHNOLOGY (SHENZHEN) LTD. At Minato Warehouse 1 adjacent to the Minato Factory, a combined on-site and off-site PPA* was introduced in FY202 equipment that had been installed. Power generated by the solar panels is consumed at Minato Warehouse 1, and the surplus power generated is transmitted to the Brother Museum and the Brother Head Office building to ensure the efficient use of renewable energy. This is the first pioneering effort in the Chubu area to expand the introduction of renewable energy

*: Abbreviation for "Power Purchase Agreement". A system whereby a company that owns and manages solar power facilities provides electricity generated by a solar power generation system installed on the premises, roof, or other space provided by the facility owner to the electricity users of the facility for a fee

The Brother Museum, which is Brother's exhibition pavilion, uses green hydrogen, which is produced by electrolyzing water by harnessing electricity derived from solar power generation at the Mizuho Factory (Mizuho-ku, Nagoya City). Electricity generated by fuel cells manufactured by Brother is used to reduce the energy consumption. In FY2023, this initiative was accredited under the Chubu Region Low-carbon Hydrogen Certification System.*

Due to these initiatives, the on-site generation amount in FY2023 significantly increased from 2,074 MWh in the previous fiscal year to 5,567 MWh, which is more than double the amount. We will continue to promote the reduction of energy-derived CO₂ emissions by actively utilizing renewable energy.

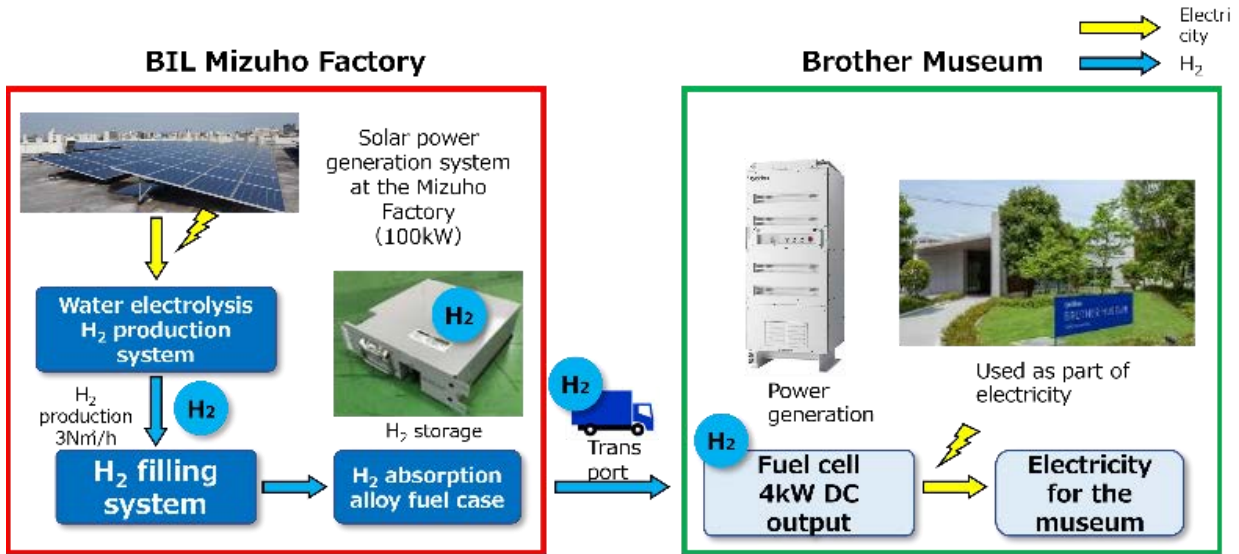
*: A certification system for three prefectures in the Tokai area to certify hydrogen, whose carbon dioxide emissions are low during its production, transport, and use, as "low-carbon hydrogen" and disseminate information



New plant in the Philippines

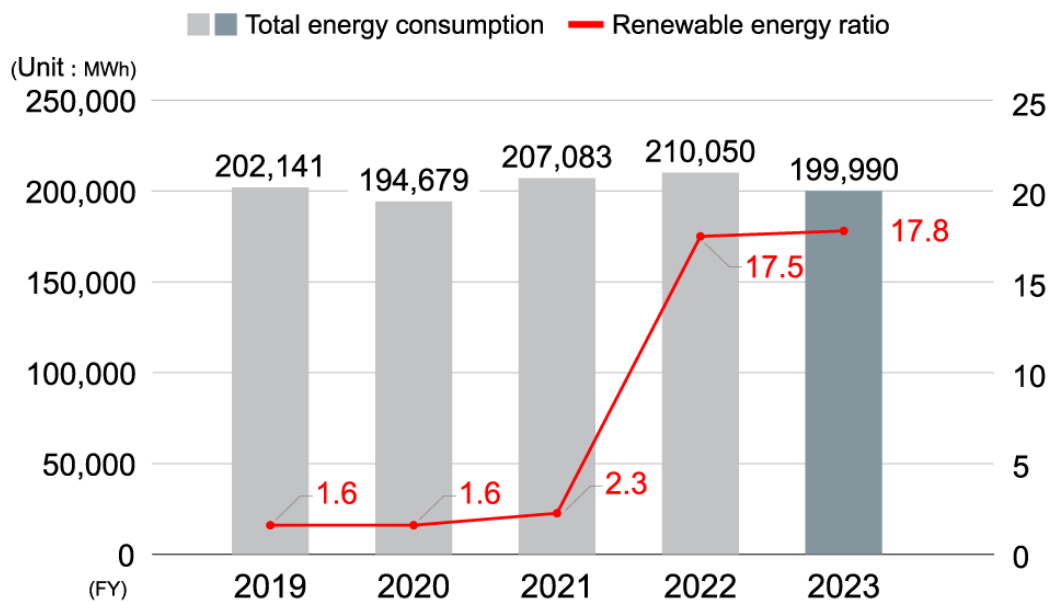


Minato Warehouse 1



The renewable energy ratio in FY2023 was 17.8% by using renewable electricity (including renewable energy procurement using certificates) in addition to on-site generation. The Brother Group will contribute to protecting the earth by systematically switching electricity used in business operations to renewable energy.

Changes in energy consumption



Energy consumption in FY2023

Total energy consumption	199,990 MWh
Renewable energy consumption	35,544 MWh

: In-house power generation consumption	5,567 MWh
: Amount of renewable energy purchased consumption (including renewable energy procurement using certificates)	29,977 MWh
Renewable energy ratio	17.8%

Efforts to Reduce CO₂ Emissions in Products

Based on the Brother Group Environmental Action Plan 2024 (2022-2024), the Brother Group has developed measures to reduce CO₂ emissions by 150,000 tons* and is working to reduce CO₂ emissions from products in the Printing & Solutions Business, Machinery Business, Nissei Business, Personal & Home Business. The Brother Group contributes to the reduction of CO₂ emissions through a combination of accumulated small ingenuities and technological innovations at each stage of the product lifecycle.

*: Total amount of CO₂ emissions reduced by the environmental measures for products newly implemented by FY2024 in comparison with the operations in FY2021. Examples: smaller and lighter products, increased use of recycled materials, reduced standby power consumption, etc.

Reduction in size and weight of a color LED printer (HL-L8240CDW)

The new product has been downsized by 20% compared to the previous model (HL-L3270CDW). Reduction in size and weight has led to reduction in CO₂ emissions from raw materials by 12% and those from transport of products by 25%. The power consumption in Deep Sleep* mode has been reduced by 62%.

*: As one of the operation modes of devices, it further saves power by restricting more functions compared to Sleep mode, which suspends some of the functions when a device is not operated, etc.



HL-L8240CDW

Consumable inks for industrial printers (GTX Pro series)

In the GTX Pro garment printer series, we have been working to reduce the amount of plastic and packaging materials included with consumable ink. By switching from the previous cartridge replacement system to a pouch replacement system and bottle supply system for consumable ink, we

have been able to reduce the amount of plastic and packaging materials used for consumables, contributing to a reduction in CO₂ emissions compared to the previous system.

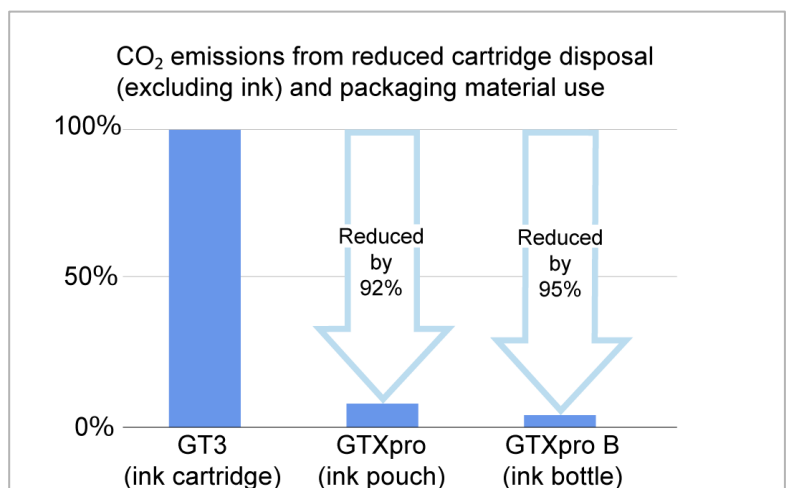
GT3 (previous cartridge system) (2012) Ink refill by cartridge replacement	GTXpro (2017) Reduced cartridge waste by using replaceable ink pouches	GTXpro B (2020) Adopted bottle ink system to reduce waste generated from ink replacement
	 <p data-bbox="584 891 997 996">Only the ink pouch is rolled up and can be replaced (no need to dispose of the cartridge)</p>	

Realization of bottled ink by installing a white ink agitator

CO₂ emissions from cartridge disposal (excluding ink) and packaging material use have been reduced by 92%* for the pouch replacement system and 95%* for the bottle supply system compared to the previous system.

Additionally, the amount of resource used for cartridges and the amount of packaging materials used were also reduced by 82%* for the pouch replacement system and 95%* for the bottle supply system compared to the previous system, leading to a reduction in resource consumption.

*: Reduction amount with white ink consumption when printing the test data on 2,500 T-shirts.



Thinking about the environment from the perspective of electrical energy—toward a future with widespread use of hydrogen

Toward the development of fuel cell systems, Brother has undertaken many years of fuel cell research while pursuing the potential of hydrogen.

There are still many issues in further widening the use of hydrogen. However, the development of this technology was a steady step into the future for Brother.



Collaboration with Suppliers

At the Brother Group, purchased products and services account for more than 50% of Scope 3. To achieve our environmental vision, it is essential to reduce CO₂ emissions in the phase of procuring products (parts for Brother).

In FY2023, the Brother Group started to work with three main parts suppliers to reduce CO₂ emissions by using renewable energy as electricity during production of parts for Brother. As a result, CO₂ emissions were reduced by about 4,700 tons in FY2023.

The scope of this activity will be expanded in stages to involve other parts suppliers. In FY2024, we plan to reduce CO₂ emissions by 30,000 tons in total.

Scope3 Breakdown in FY2023
(Total amount about 2430Kt-CO₂e)



Contribution to the Reduction of CO₂ in Products

The Brother Group has been working to reduce CO₂ emissions in all processes in manufacturing, including development, procurement, production, sales, and logistics, as an activity that is directly linked to our business. In order to curb climate change (global warming) and achieve a decarbonized society, it is also necessary to work to reduce CO₂ emissions in society as a whole. For example, reducing the amount of electricity consumed by our customers (electricity consumption) throughout the product life cycle through the improvement of energy-saving performance of Brother products and services will reduce CO₂ emissions when customers use our products, which will lead to a reduction of CO₂ in society. In addition, saving resources by increasing the capacity of consumables will lead to a reduction in CO₂ when procuring raw materials and disposing of consumables. To measure and increase our contribution, we define and visualize avoided CO₂ emissions as the CO₂ reduced in society as a whole.

We will continue to promote the reduction of CO₂ emissions from the Brother Group by providing Brother products and services that lead to a reduction of CO₂ from customers which will contribute to the reduction of CO₂ in society.

Performance of Avoided CO₂ Emissions

The Brother Group is working to contribute to the reduction of CO₂ emissions by improving the energy-saving performance of all products, including printing products, machine tools, industrial sewing machines, home sewing machines, and new business products, and by reducing consumption of resources, including packing materials. As an example of calculation, a graph of avoided CO₂ emissions for the SPEEDIO machine tools through the improvement of energy-saving performance is shown below.

The SPEEDIO models perform optimization control to fully demonstrate machine performance based on NC control, which was developed in-house. We also focus on the concept of eliminating all waste, such as reducing consumption of electricity and air when the operation of machines is stopped and enabling efficient placement even in limited spaces through compact designs. We contribute to reducing CO₂ emissions at customers' sites by realizing high production efficiency and energy-saving performance.



Blue Technology (Environmental Performance of SPEEDIO)

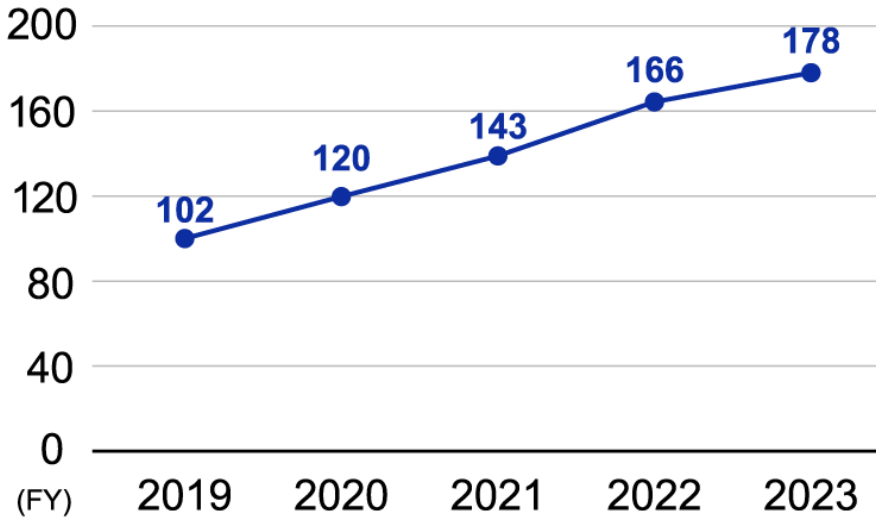
<https://www.brother.co.jp/product/machine/environment/index.aspx>

(This website is available only in Japanese.)

Method of Calculation of Avoided CO₂ Emissions (based on internal research)

Avoided CO₂ emissions for machine tools [Total from 2019 to 2023]

(Unit: 10,000ton-CO₂e)



Compared Brother’s product (SPEEDIO No. 30 spindle machine) to competitor’s products (No. 30 and No. 40 spindle machines), calculated the contribution to avoided CO₂ emissions in the product use stage that could be achieved through improving energy-saving performance and other means.

- *: Calculation formula (competitor product CO₂ emissions – Brother product CO₂ emissions) x number of products sold (estimated 10 years of product use)
- *: CO₂ emissions from competitor products are calculated based on data obtained by running general No. 30 and No. 40 spindle machines based on Brother’s scenarios with a processing program developed by Brother (No. 30 and No. 40 spindle machines refers to the size of the tool attachment area and are machine tool industry terms that represent product categories)
- *: Avoided emissions are based on Brother’s original scenarios and differs from the actual reduction.
- *: Calculation details are supervised by a third-party expert based on the Ministry of Economy, Trade and Industry’s “Guidelines for Quantifying GHG emission reductions of goods or services through Global Value Chain” (March 2018).

In addition, the avoided CO₂ emissions in FY2023 was about 19,000 tons, which was achieved by increasing the capacity of consumables to reduce the number used and packaging materials for the aforementioned color LED printers and garment printers.

2024 CDP Questionnaire

CDP (formerly the Carbon Disclosure Project) is an international non-profit environmental organization founded in 2000, whose disclosure system sets the global standard for environmental reporting in the global economy.

CDP's environmental data is used by financial markets, policy initiatives, and various other stakeholders.

Brother Industries, Ltd. (BIL) has been participating in CDP Climate Change since 2011 and in CDP Water Security since 2015, and has been responding to the questionnaires.

 **PDF** Response to 2024 CDP Questionnaire [PDF/1.5MB]

<https://global.brother/pub/com/en/eco/pdf/2024/cdp2024questionnaire.pdf>

*: In 2024, questions regarding Climate change, Forests, Water security, Plastics, and Biodiversity were integrated into the CDP Questionnaire.

Environment(E)

Resource Circulation and Waste Reduction



Brother Group Environmental Vision 2050

The vision aims to ensure sustainable use of resources in business operations and minimize the environmental impact due to wastes.

GOAL

Toward 2050, the Brother Group will maximize resource circulation to ensure the sustainable use of resources and to minimize the environmental impact due to wastes.

Main efforts: Expansion of circular-economy-based businesses, reuse of products and parts, use of recycled materials, etc.

Progress Toward Resource Circulation, Waste Reduction and Water Reduction Targets

Two medium-term targets for FY2030 regarding resource circulation are set in the Brother Group Environmental Vision 2050. To achieve these targets, we are working to reduce waste and water usage by promoting resource circulation in our manufacturing and production activities.

Medium-term target for FY2030

1. Reduce the ratio of virgin materials used in products^{*1} to 65% or less^{*2} by FY2030 through the expansion of circular-economy-based businesses and materials recycling.
2. The group's manufacturing facilities continuously endeavor to ensure efficient use of water resources and proper treatment of wastewater.

*1: Including packaging materials

*2: Applies to the Printing and Solutions Business, Machinery Business, and Personal and Home Business

 Material balance [PDF/666KB]

<https://global.brother/pub/com/en/eco/pdf/2024/material-balance.pdf>

We are working to promote resource circulation to reduce ratio of virgin materials used in products to 81% or less, which is the target for FY2024 set in CS B2024. We are also working to achieve efficient use of water resources, and ensure proper treatment of wastewater.

In FY2023, the ratio of virgin materials has been confirmed to be 79.2% through verification of the amounts of virgin materials used in our products by a third party. Therefore, the target for FY2024 has been achieved one year ahead of schedule.

Resource Circulation and Waste Reduction Initiatives in Products

The Brother Group engages in resource circulation to address the environmental issues resulting from resource use, such as depletion of natural resources and pollution by waste, etc., as well as to reduce CO₂ emissions.

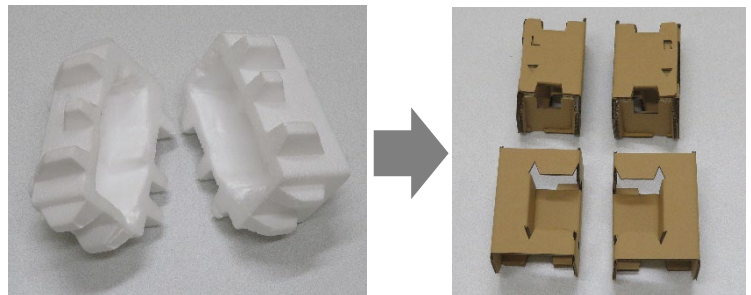
By materials recycling such as increasing the amount of recycled plastic materials used in our products, replacing plastic parts with paper-based materials, and promoting the use of reused goods, we are working toward its goal of reducing the ratio of virgin materials in the total amount of materials used in products to 65% or less.

Eco-conscious toner cartridge package

Previously, polystyrene foam was used as cushioning parts and materials for toner cartridges. However, it has been replaced by cushioning parts and materials made from corrugated fiberboard as an initiative to reduce the consumption of plastics.

The use of corrugated fiberboard, which can be easily recycled, also contributes to improving recyclability.

*: This initiative started in April 2024 for some products in Japan. The scope of applicable products will be expanded in stages.

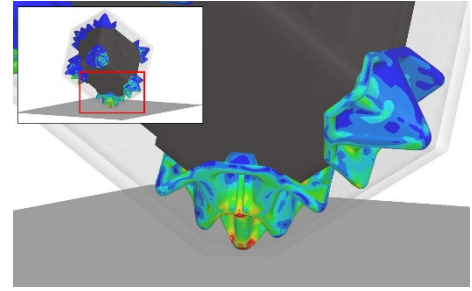
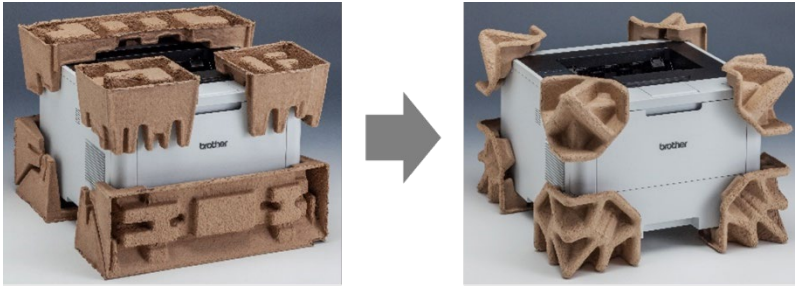


Change from polystyrene foam to
corrugated fiberboard

Compact and lightweight molded pulp cushioning material

Conventional cushioning materials entirely covered products. Brother Industries' engineering capabilities have reduced their size and resource consumption, achieving a 33% reduction in CO₂ emissions from cushioning materials and a 7% reduction in the volume of product boxes. Furthermore, drop simulations were used for Brother's proprietary molded pulp cushioning material, making it possible to reduce the number of prototype iterations, significantly shorten the development period, and improve the design efficiency.

> Winner of the Packaging Technology Award (Technical Packaging Award) of the 2024 Japan Packaging Contest
<https://global.brother/en/news/2024/240828jpc>



Drop simulation of the molded pulp cushioning material



Reduction in the size and resource consumption of cushioning materials

Exploring recycling possibilities for the sake of the future global environment

In Europe, we started a recycling program in 2004 by adopting newly developed recycling-compatible toner cartridges.

Thanks to an automated recycling system we introduced, we are able to offer the same high quality in recycled cartridges, as well.

In 2014, the Brother Group received two prestigious awards in the 2014 Responsible Business Awards given out by Business in the Community, a U.K.-based NPO. The group's contribution to communities and the environment was recognized.



Contents of SDGs STORY

- > Technologies and services for cartridge recycling
<https://sdgsstory.global.brother/e/customer/401/>
- > Package Design Optimization
<https://sdgsstory.global.brother/e/customer/400/>

Resource Circulation and Waste Reduction Initiatives in Productions

Due to ongoing waste reduction activities, the amount of waste per unit of sales was reduced continuously from FY2019 to FY2023. Notably, in FY2023, the amount of waste per unit of sales was

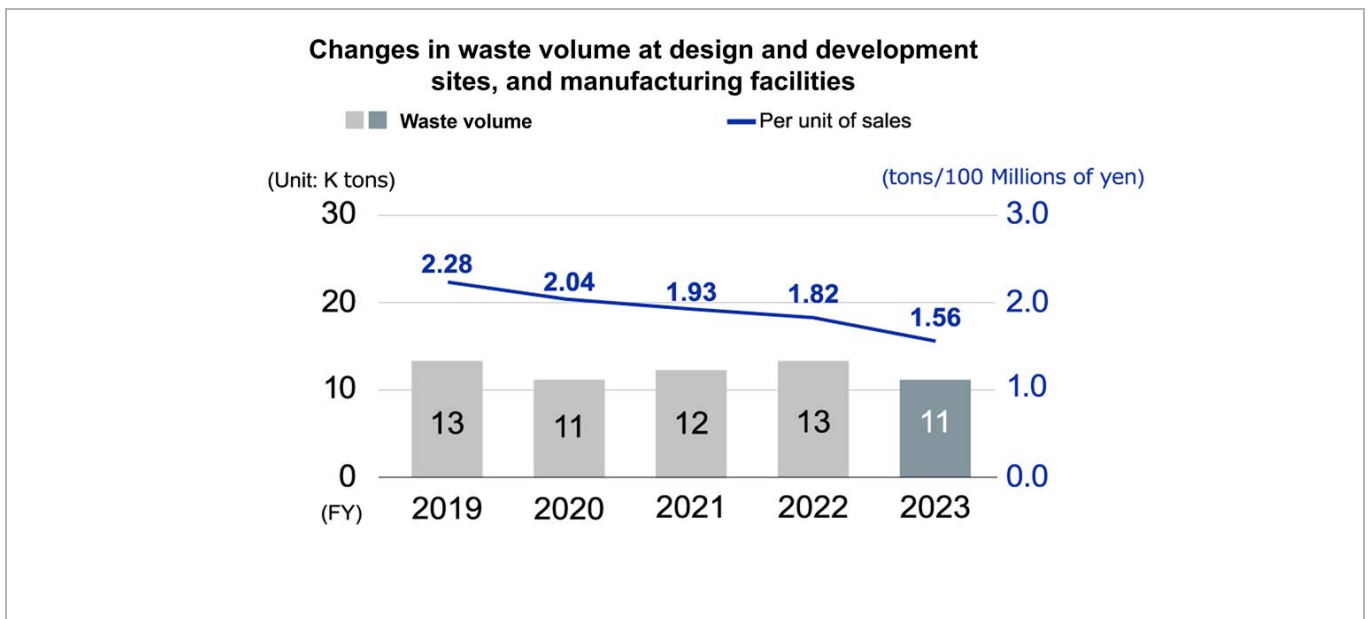
reduced by about 14% from the previous fiscal year. Meanwhile, the total amount of plastic waste generated by BIL in FY2023 was 512 tons, which was an increase of about 10% from FY2022 due to an increase in the disposal amount attributed to reconstruction of a building.

Brother Machinery Xian Co., Ltd. introduced a vacuum distillation waste liquid treatment system equipped with a highly efficient heat circulation function, which reduced the amount of waste liquid by approximately 88%. The factory also continues to reuse waste cloth. Brother Technology (Shenzhen) Ltd. uses waste materials generated from the plastic parts molding process in the factory as the material to manufacture returnable containers and other items.



Brother Machinery Xian Co., Ltd.:
Waste liquid treatment system

In FY2023, hazardous waste (specially controlled industrial waste) increased from the previous fiscal year. This was due to a temporary increase in waste generated in line with the relocation of a building of the Hoshizaki Factory. The amount will start to decrease by FY2025. A specially controlled industrial waste management plan will be submitted to the local government to promote systematic reduction.



▼ Scope of aggregation

Changes in volume of hazardous waste generated by BIL

	FY2021	FY2022	FY2023
Volume of hazardous waste(t)	39.0	55.0	68.3

The Brother Group's Water Usage Reduction Activities

Securing safe water resources is an important environmental challenge common across the globe. The Brother Group has been monitoring all of our sites regularly, evaluating water risks at each site every year, and working to reduce water consumption to fulfill our responsibilities as an operator of manufacturing facilities in many countries and regions. At the 13 facilities with relatively higher water consumption, we formulate water management plans and implement various initiatives.

The Brother Group's manufacturing facilities have been working to reduce the amount of water intake by improving the water recycling rate. Brother Machinery Xian Co., Ltd. used wastewater from a water feeder to wash cleaning tools. Brother Technology (Shenzhen) Ltd. and Brother Industries Saigon, Ltd. reused water that had been used for inspecting water leakage from containers and wastewater from air conditioning systems. Brother Industries (Vietnam) Ltd. contributes to reducing the amount of water intake by using treated wastewater from the wastewater treatment system for toilets.

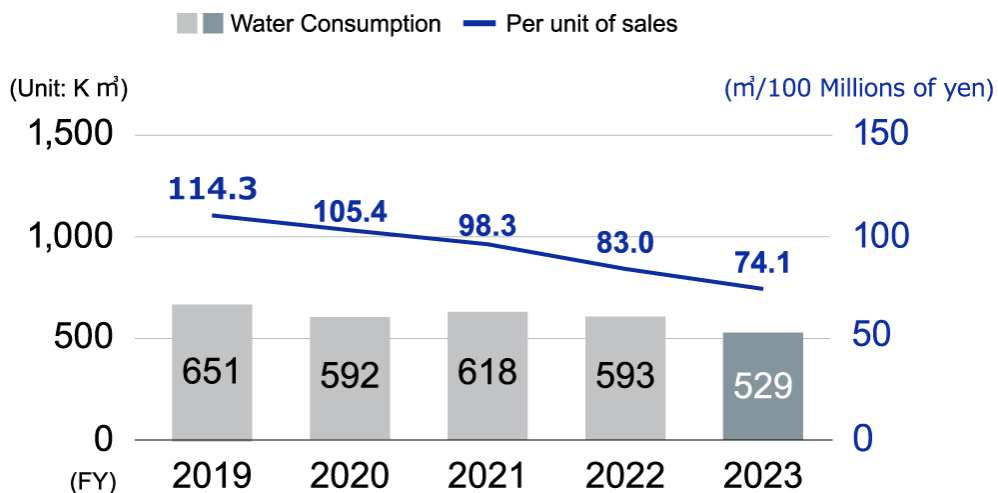
In addition to the above recycling activities, Brother Technology (Shenzhen) Ltd. improved the water spraying equipment, introduced new cleaning methods, installed automatic taps, and promoted the use of rainwater, resulting in about an 11% reduction from the previous year (per unit of sales) in FY2023.

Water circulation efforts at Brother Machinery Xian Co., Ltd.

Brother Machinery Xian Co., Ltd. (BMX) is located in an area with relatively high water risk since water resources are not abundant there. In FY2018, as part of an effort to circulate water, BMX installed a rainwater collection tank inside its site and is continuing to use the collected water for maintaining greenery.



Changes in water consumption



*: Revised the calculation based on the unit-of-sales ratio.

Scope of aggregation

After FY2018

Eight business sites in Japan (head office of Brother Industries, Ltd., Mizuho Manufacturing Facility, Hoshizaki Manufacturing Facility, Minato Manufacturing Facility, Momozono Manufacturing Facility, Kariya Manufacturing Facility, Research & Development Center, and Logistics Center), Nissei Corporation, Nissei Gear Motor MFG. (Changzhou) Co., Ltd., Mie Brother Precision Industries, Ltd., Brother Industries (U.K.) Ltd., Brother Industries (Slovakia) s.r.o., Taiwan Brother Industries, Ltd., Zhuhai Brother Industries, Co., Ltd., Brother Machinery Xian Co., Ltd., Brother Technology (Shenzhen) Ltd., Brother Industries (Philippines), Brother Industries (Vietnam) Ltd. and Brother Industries Saigon, Ltd., Inc.

> Environmental-related Data (E)

<https://global.brother/en/sustainability/data#eco>

Water Intake, Wastewater Volume, Volume of Water Recycled

		FY2019	FY2020	FY2021	FY2022	FY2023
Water intake(m ³)	Clean water	550,645	504,122	506,166	470,172	408,991
	Industrial water	0	0	0	0	0
	Underground water	100,557	87,474	111,697	123,034	119,904
Wastewater volume(m ³)	Public waters	190,703	179,782	170,392	150,453	110,928
	Sewer system	382,111	338,746	372,721	369,193	333,406
	Other	251	1,177	150	149	36
Volume of water recycled(m ³)		421	3,759	2,978	5,385	8,717
Percent of water recycled(%)		0.1	0.7	0.5	1.0	1.9

For the list of applicable sites, see page 5 of "Material balance" [PDF/666KB].

 [Material balance \[PDF/666KB\]](#)

<https://global.brother/pub/com/en/eco/pdf/2024/material-balance.pdf>

2024 CDP Questionnaire

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<https://global.brother/pub/com/en/eco/pdf/2024/cdp2024questionnaire.pdf>

*: In 2024, questions regarding Climate change, Forests, Water security, Plastics, and Biodiversity were integrated into the CDP Questionnaire.

Environment(E)

Biodiversity Conservation



Brother Group Environmental Vision 2050

The vision aims to minimize the environmental impact of business operations and promote activities to restore and conserve the ecosystem beyond the impact.

GOAL

By 2050, the Brother Group will minimize the environmental impact of business operations on the ecosystem and promote activities to restore and conserve the ecosystem beyond the impact.

Main efforts: Biodiversity conservation activities, partnerships with outside conservation organizations, reduction of CO₂ emissions, and promotion of resource circulation

Progress Towards Biodiversity Conservation Targets

Two medium-term targets for FY2030 regarding biodiversity conservation are set in the Brother Group Environmental Vision 2050. To achieve these targets, we are working to quantify and reduce the environmental impact of business activities on the ecosystem.

Medium-term target for FY2030

1. The Brother Group will assess the environmental impact of its business operations on the ecosystem and the effectiveness of restoration and conservation activities, and works to avoid and reduce the environmental impact on the ecosystem.
2. The manufacturing and sales facilities of the entire group will work on ecosystem restoration and conservation activities on a voluntary basis depending on the situation in each region.

Efforts to Conserve Biodiversity

Zero ocean waste activities

For many years, the Brother Group has been conducting voluntary biodiversity conservation activities at each of its facilities, and in FY2021, in order to further revitalize the Group's activities, the zero ocean waste activities were launched for Group employees in Japan and overseas, in support of World Oceans Day. In FY2023, more than 22,000 people from 43 business sites in Japan and overseas participated in these activities. In some facilities, not only employees but also their families, suppliers, and local communities participate in these activities, helping to raise environmental awareness. The Group will continue to engage in zero ocean waste activities in FY2024.

Major facilities participating in zero ocean waste activities



Philippines



Philippines



Taiwan



Taiwan



China



China



Germany



Japan

Recognition of "Nationally Certified Sustainably Managed Natural Site"

Brother Forests in Gujo, where BIL has been working on environmental protection since 2008, have been recognized by the Ministry of the Environment as a "Nationally Certified Sustainably Managed Natural Site"*¹ for FY2023 (first half). In August 2024, it was also registered in the World Database on OECMs*², one of the international databases managed by the United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC), as an OECM. In 2008, BIL signed an agreement with the Gifu Prefectural Government and the City of Gujo to restore and conserve forests in three areas in total, including the former ski resort in Shirotori-cho, Gujo City, as well as Minami-cho and Hachiman-cho. In the Shirotori-cho area, mainly employees and their families work on tree planting activities twice a year (in spring and autumn).*³ Since 2014, their activities have evolved into industry-government-academia environmental protection activities encompassing scientific aspects with support from the Graduate School of Environmental Studies, Nagoya University. In the Shirotori-cho area, the presence of rare species, including Japanese Luehdorfia, an endemic species, has been confirmed thanks to zoning*⁴ of habitats, planting of seedlings suited for the soil, and environmental improvement of the entirety of the forests. The ecosystem of the entirety of the forests has been successfully restored. The Minami-cho and Hachiman-cho areas are covered with cypress and cedar forests. Proper thinning has been performed by

managers, and the understory vegetation of indigenous species has been formed. These forests are also used by employees to experience thinning. The Minami-cho and Hachiman-cho areas offer multifaceted ecosystem services of forests, such as water source recharge,^{*5} disaster prevention, and CO₂ fixation functions,^{*6} through timber production.

BIL also joined the 30by30 Alliance for Biodiversity, a coalition of volunteers launched by the Ministry of the Environment, to continue to actively deploy initiatives for biodiversity conservation and contribute to attaining the 30by30 target.

- *1: A program in which areas where biodiversity is being conserved through private initiatives and other means are certified by the Japanese government as an action in Japan to achieve the 30by30 target. "30by30" is a target to effectively conserve at least 30% of the land and sea in healthy ecosystems by 2030, which was agreed upon at the G7 Summit in 2021, toward the goal of Nature Positive to halt and reverse biodiversity loss.
- *2: OECMs stands for "Other Effective area-based Conservation Measures," referring to areas that are not designated as national parks or similar protected areas but where biodiversity can be effectively conserved.
- *3: In order to prevent the spread of COVID-19 infection, the activities were not conducted in FY2020, FY2021, and in the spring of FY2022.
- *4: To establish different zones and formulate improvement plans to fully demonstrate various functions of forests
- *5: It refers to the functions of forests to regulate the amount of rainwater that flows into rivers and produce tasteful water. The functions include storing water resources, mitigating floods, and purifying water.
- *6: The function of forests to play an important role in preventing global warming by absorbing CO₂ through photosynthesis and fixing it as carbon



> Brother Forests in Gujo Special Site: Brother SDGs story
<https://sdgsstory.global.brother/e/environment/453/>



Biodiversity conservation activities at Mie Brother's Saiku Kobushi-no-Mori

Mie Brother Precision Industries, Ltd. has been promoting biodiversity conservation activities at Mie Brother's Saiku Kobushi-no-Mori on the factory site since 2016 to become a "resource circulation factory in harmony with nature."

Ongoing activities include planting of Kobushi Magnolia, deciduous trees whose seeds were collected from forests in the region, and Japanese Iris and similar species, which were donated from a local organization, as well as weeding and extermination of exotic species.

The activities have led to the growth of indigenous species, such as Weak Ixeris and Japanese Dandelion, which are wild plants, on the site. Ecologically valuable species, such as wild plants named Nonigana and Nokanzo in Japan, have also been confirmed. Northern Goshawks and Ospreys, which are raptors, as well as many butterflies have also been confirmed.

Mie Brother Precision Industries, Ltd. will continue to step up efforts and contribute to realizing a society in harmony with nature.



Beginning collaboration with the World Wide Fund for Nature Japan (WWF Japan) for forests

BIL has formed a partnership with WWF Japan, an organization that promotes forest conservation activities and sustainable consumption and production around the world. Through donations to WWF Japan's forest conservation activities and the exchange of information on sustainability, BIL will further contribute to the conservation of biodiversity than ever before.



Supporting conservation activities in tropical rainforests through resource circulation

In 2009, Brother International Europe Ltd. (BIE) partnered with Cool Earth, a U.K.-based NPO promoting activities to protect the environment in the basin of the Amazon River, and joins with 20 European Brother sales facilities in promoting "the Cool Earth Eco-Rewards initiative". This initiative donates funds corresponding to the volume of collected consumables, such as toner and ink cartridges, to Cool Earth.

The fund is being used for activities to protect the tropical rainforests and habitats of endangered species in the Republic of Peru, which Cool Earth supports. Starting in FY2010, "the Click for the Earth" program, a donation feature available on the Brother Group's special website on the environment (brotherearth.com; currently, the SDGs special website Brother SDGs STORY), was incorporated into donation activities for Cool Earth, expanding the scope of support. The funds donated through Click for the Earth are also being utilized for this activity. BIE plans to continue supporting this activity.



Certificate of Donations issued for BIE by "Cool Earth" (July, 2024) [PDF/1.3MB]

<https://global.brother/pub/com/en/eco/pdf/2024/cool-earth-cert.pdf>

> Working with Cool Earth charity to protect the rainforest

<https://www.brother.co.uk/recycling/cool-earth>

> Preserving the Rainforest Through Partnership

<https://sdgsstory.global.brother/e/environment/448/>

Continuous activities to stop desertification and protect people's lives

Desertification is rapidly advancing in Inner Mongolia Autonomous Region (Inner Mongolia).

In an effort to bring back the grasslands of the past, local Brother employees have joined with OISCA and local residents to plant more than 10,000 tree seedlings. They also dug wells to help water the trees, and succeeded in pumping up groundwater. Slowly but surely, new trees are putting their roots down into the desert.

This project is also suggesting new livelihoods to local residents, such as alternate livestock and sale of traditional Chinese medicines.



> Environmental-related Data (E)

<https://global.brother/en/sustainability/data#eco>

Contents of SDGs STORY

> Japan - Brother's Forest Gujo, Project for restoring ecosystem and interacting with the locals

<https://sdgsstory.global.brother/e/environment/453/>

> Thailand - Mangrove Reforestation Project

<https://sdgsstory.global.brother/e/environment/393/>

> China - Project for Combating Desertification in Inner Mongolia

<https://sdgsstory.global.brother/e/environment/392/>

> The Americas - Environment and Education

<https://sdgsstory.global.brother/e/environment/394/>

> Slovakia - Tatras mountains the reforestation project

<https://sdgsstory.global.brother/e/environment/447/>

The Brother Group will continue to quantify the environmental impact of business activities on the ecosystem, and deploy effective environmental impact reduction activities and ecosystem conservation activities, aiming to achieve the medium-term target for FY2030 and the Environmental Vision 2050.

Relationship Map Between Business Activities and Biodiversity

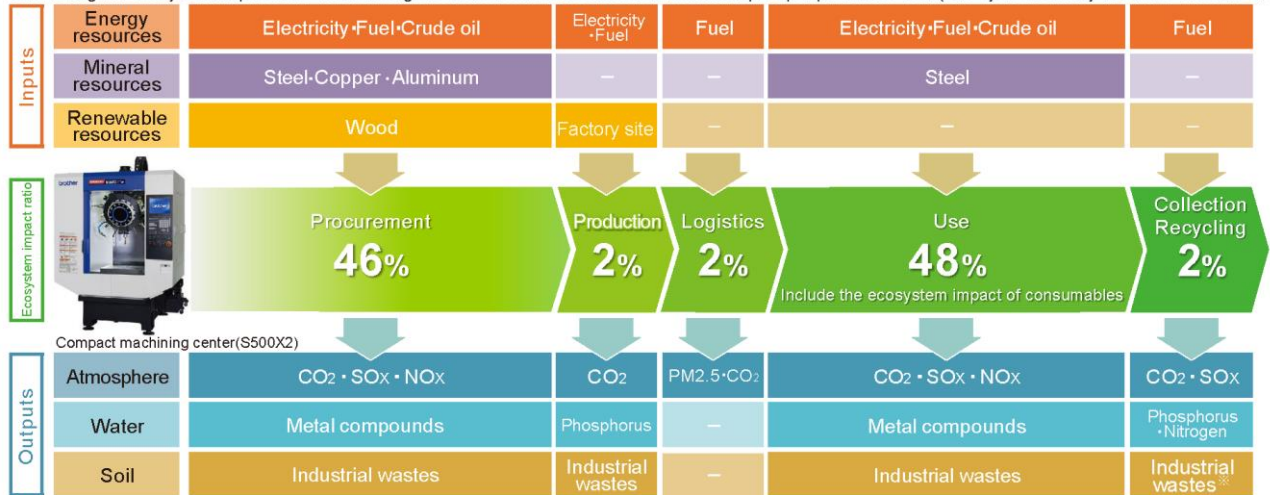
In our business activities, for the group's main products, a relationship map between business activities and biodiversity was developed to understand the stages in the life cycle of each unit of product where environmental impact occurs and provide customers with products having even less environmental impact. This relationship map quantifies the environmental impact caused by the input and output in individual processes of business activities and shows the rate of environmental impact in the individual processes. As a result, the Brother Group has determined that the procurement, use, and disposal stages of its products (Scope 3) have a high proportion of environmental impact and should be prioritized for improvement. The Group is working to reduce CO₂ emissions and resource circulation

with the aim of reducing the environmental impact in these stages. Furthermore, the map lists the following five items as the major impacts that business activities have on the ecosystem: climate change, pollution, biological resource loss, habitat loss, and invasive alien species, and describes the group's ecosystem conservation activities designed to reduce the risk of these impacts.

[Example] Relationship between business and biodiversity for the machine tool

Relationship between Business and Biodiversity

Calculating the ecosystem impact ratio at each stage from the results of LCA when the total impact per product is 100. (Life cycle inventory database : IDEA Ver. 2.3)







Inputs and outputs include indirect ecosystem impact factors.

*Products are generally collected and recycled as valuable resources.



- [Relationship between business and biodiversity: Label printer \[PDF/222KB\]](#)
<https://global.brother/-/media/global/sustainability/pdf/data/en/biodiversity-map-label.ashx>
- [Relationship between business and biodiversity: Machine tool \[PDF/230KB\]](#)
<https://global.brother/-/media/global/sustainability/pdf/data/en/biodiversity-map-machining.ashx>
- [Relationship between business and biodiversity: Online karaoke system \[PDF/419KB\]](#)
<https://global.brother/-/media/global/sustainability/pdf/data/en/biodiversity-map-js-fx5.ashx>

Other Biodiversity-Related Activities

-  **PDF** Recognitions as a Master Certified Aichi Biodiversity Company and a Nagoya Nature Positive Partner [PDF/265KB]
<https://global.brother/pub/com/en/eco/pdf/2024/nature-positive.pdf>
 -  **PDF** The Brother Group's Biodiversity Conservation Activities [PDF/462KB]
<https://global.brother/pub/com/en/eco/pdf/2024/biodiversity.pdf>
 -  **PDF** Cooperative Project Endorsed by the Japan Committee for United Nations Decade on Biodiversity [PDF/320KB]
<https://global.brother/pub/com/en/eco/pdf/2024/undb-e.pdf>
 -  **PDF** Registration Under the Nijyu-Maru Project [PDF/19.5MB]
<https://global.brother/pub/com/en/eco/pdf/2024/nijumaru.pdf>
- > A webpage that introduces the cooperative projects recognized by UNDB-J
(Link to the website of UNDB-J. This website is available only in Japanese.)
<https://undb.jp/authorization/4459/>

Environment(E)

Pollution Prevention and Chemical Substance Management



Risks and Opportunities Arising from Environmental Pollution


Under "the Brother Group Environmental Policy," we are working to maintain compliance with laws and regulations and prevent environmental pollution in each country and region in which we operate, throughout the life cycle of our products (product development and design; procurement of parts and materials; production; packaging and logistics; use by customers; and collection and recycling). Furthermore, the Brother Group is committed to continuously reducing our environmental impact, recognizes the risks and opportunities of environmental pollution as follows, and is making efforts to prevent pollution through ISO 14001 activities, etc.

<p>Risks</p>	<ul style="list-style-type: none"> • Increases in environmental impact and loss of biodiversity due to air, water, and soil pollution, etc. caused by leakage and outflow of hazardous chemical substances • Increases in management cost and capital investment due to tightening of environmental laws and regulations inside and outside Japan • Damages stemming from environmental pollution or health damage, and costs incurred for pollution removal • Delay in business operations due to cancellation of sales or modification of land because of discovered soil pollution, and costs incurred to clean the soil • Stoppage or delay in operations due to pollution removal and unplanned additional measures • Social sanctions due to improper handling of incidents of soil pollution or accidents • Reduction in asset value due to soil pollution
<p>Opportunities</p>	<ul style="list-style-type: none"> • Conservation of biodiversity through preventing leakage or outflow of hazardous chemical substances • Permanent pollution prevention and management cost reduction through maintaining a high level of compliance awareness • Societal trust improvement and business opportunity expansion through consistent prevention of soil pollution and accidents • Asset value improvement through consistent prevention of soil pollution and accidents

Managing and Reducing Chemical Substances

Main activities at business sites in Japan

Brother Industries, Ltd. (BIL) participated in a priority review in line with the introduction of the PRTR system by KEIDANREN (Japan Business Federation) in 1998. BIL started to report the amount of chemical substances transferred and released, starting with those used at business sites in FY1997 (April 1, 1997-March 31, 1998). As in previous years, BIL has been making serious efforts toward managing and reporting chemical substances under PRTR Law. In FY2021, BIL reported the balance of chemical substances as follows. Going forward, we will continue with appropriate management and reporting of chemical substances from FY2021 onwards.

 Brother Industries, Ltd. FY2019-FY2023 Balance of Chemical Substances Subject to PRTR [PDF/482KB]

<https://global.brother/pub/com/en/eco/pdf/2024/prtr.pdf>

Since 2008, BIL has properly stored and systematically commissioned disposal in accordance with "the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes." Subsequently, electrical equipment containing low concentrations of PCBs was newly found in old warehouses and elevators. A reinvestigation, including idle equipment, was conducted, and disposal of all PCB waste found by FY2023 was completed.

Regarding fluorocarbons, air conditioning equipment has been managed using "the refrigerant management system" of the Japan Refrigerants and Environment Conservation Organization (JRECO) since 2015 after "the Act on Rational Use and Appropriate Management of Fluorocarbons" came into force (April 2015). This system enables centralized monitoring of the operating statuses of about 1,600 air conditioners at BIL in Japan. In FY2023, there was no leakage exceeding a level that requires reporting.

Main activities at manufacturing facilities outside Japan

Manufacturing facilities outside Japan have identified applicable laws and regulations in respective regions within ISO 14001 systems. Management frameworks have also been established to ensure local environmental management. The Brother Green Procurement Management System is in operation with collaboration with suppliers to carefully select parts, materials and sub-materials used in production processes to prevent contamination with harmful chemical substances.

Concept of Preventing Air, Water, and Soil Pollution

The Brother Group gives high priority to preventing environmental accidents by reviewing target facilities and processes and switching to alternatives that are less likely to cause pollution in a timely manner. When managing existing facilities, activities to prevent pollution include setting and complying

with voluntary management targets through ISO 14001.

Preventing air pollution

The Brother Group is striving to prevent air pollution. For example, we have replaced fossil fuel-fired boilers and heaters with electric or city gas-fired boilers and heaters, thus reducing the impact of emissions on the environment. City gas has a low CO₂ emission coefficient.

BIL has abolished heavy oil-fired boilers, which contribute to air pollution, at all of our business sites, including employees' dormitories. Solar water heaters and heat pump equipment have mainly replaced the heavy-oil fired boilers used for employees' dormitories at manufacturing facilities outside Japan. The electricity supply for Brother Technology (Shenzhen) Ltd. (BTSL) in Huanan, China, which had relied on private power generation systems fueled by heavy oil, was replaced by the city's public utility service. Through these initiatives, BIL is reducing the risks of air pollution and global warming caused by CO₂ emissions, as well as soil and underground water contamination.

For the reduction of volatile organic compounds (VOC) emissions, an exhaust gas treatment system was introduced in 1994 to the coating process installed at Brother's Kariya Factory in order to control VOC emissions and prevent odors. Additionally, BIL is switching to materials with lower organic solvent content and reducing their usage. Meanwhile, BTSL sets up VOC treatment system in 2015 for the emissions from the processes used to form resin products and manufacture printed wiring boards for mounting parts. At the same time, the VOC treatment facilities are working toward preventing air pollution.



Brother Technology (Shenzhen) Ltd.: VOC

Brother Machinery Xian Co., Ltd. is continuing its efforts to prevent air pollution through measures such as upgrading exhaust gas treatment system in 2021 and making improvements to connect to a VOC treatment system in FY2022 for more efficient removal of pollutants in the exhaust gases from the high-temperature treatment process.

Regarding VOC emissions, Chinese authorities inspected our manufacturing facilities in China on site and found nonconformity to legal and regulatory requirements for equipment in some areas, resulting in the payment of administrative penalties. We took immediate action and have already completed a permanent measure.



Brother Machinery Xian Co., Ltd.: VOC treatment system

Preventing water pollution

BIL is taking the following measures to prevent water pollution:

In FY2011, BIL installed a wastewater treatment facility at the Kariya Factory to treat our wastewater with the latest membrane bioreactor.

Brother Industries Saigon, Ltd. in Vietnam to treat wastewater from the parts cleaning process, Brother Machinery Xian Co., Ltd. in China to treat coating pretreatment wastewater, and Taiwan Brother Industries, Ltd. established wastewater treatment facilities to treat coating pretreatment wastewater. Brother Industries (Vietnam) Ltd., which expanded its factory in 2012, upgraded the conventional wastewater treatment facility with a biofilm type facility. The increased treatment capacity has significantly lowered the environmental impact values of wastewater.

At sites without sewage infrastructure, facilities have been installed to clean sewage and treat the resulting wastewater. These facilities comply with regional standards in accordance with the ISO 14001 facility management procedure. However, in FY2022, due to stricter standard in the country where one of our manufacturing facilities is located, the amount of n-hexane extract is now 1.5 times higher than the new standard value. In order to meet this new standard, we are implementing measures such as expanding the capacity of grease traps and increasing the frequency of cleaning, and continuing to monitor it.

As part of Brother's preventative measures, we periodically conduct emergency drills for hypothetical incidents such as hazardous wastewater flowing into sewage, public water sources, or permeating into soil. Other specific preventative measures include equipping wastewater treatment facilities with systems which constantly monitor chemical oxygen demand (COD) and installing oil traps for wastewater from cafeterias, to cope with an oil outflow accident. Biochemical oxygen demand (BOD) and n-hexane extracts (an index of the oil content in water, etc.) are regularly measured and monitored.

Preventing soil contamination

In 1997, BIL began investigating the status of soil and groundwater contamination by chlorinated organic compounds and harmful heavy metals used inside our factories in the past. In areas where contamination was found, BIL took actions to prevent the contaminating substances from spreading, implemented purification measures, and also submitted reports to the local governments having jurisdiction over the factories. Before selling or modifying company-owned land, BIL carries out a soil survey in accordance with legal standards.

In FY2023, a soil investigation was conducted on the premises of the Mizuho Factory prior to construction of a new company building in accordance with the Soil Contamination Countermeasures Act. The investigation detected fluorine and its compounds and lead and its compounds exceeding the designated standard in some parts of the premises of the Mizuho Factory. Fluorine and its compounds and lead and its compounds are used in some areas of the Mizuho Factory, but no accident, leakage, or

disposal was confirmed. Measures to prevent dispersion were implemented in areas that were found to be contaminated. There is no risk of dispersion of contaminated soil due to scattering and rainwater. BIL will take proper action, such as measures to prevent dispersion of contamination caused by contaminated soil, based on guidance from the City of Nagoya.

Preventing generation of noise, vibration, and offensive odors

BIL has been working on initiatives to prevent the generation of noise, vibration, and offensive odors so as not to cause inconvenience to local communities, including homes, schools, and pedestrians. Sources of generation are relocated or converted to achieve reduction. Proper action is taken against noise, vibration, and offensive odors that exceed the standard values. Generation of noise, vibration, and offensive odors is prevented by establishing more rigorous voluntary standards and ensuring continuous monitoring.

Water Pollution Load

		FY2019	FY2020	FY2021	FY2022	FY2023
Water pollution load(t)	BOD	25.0	37.8	29.3	31.2	19.5
	COD	46.1	95.3	68.4	48.1	36.8
	N-hexane extracts	0.5	0.7	0.5	1.5	0.5
	SS	13.8	29.4	12.0	15.6	6.6

For the list of applicable sites, see page 8 of "Material balance" [PDF/666KB].

 [Material Balance \[PDF/666KB\]](#)

<https://global.brother/pub/com/en/eco/pdf/2024/material-balance.pdf>

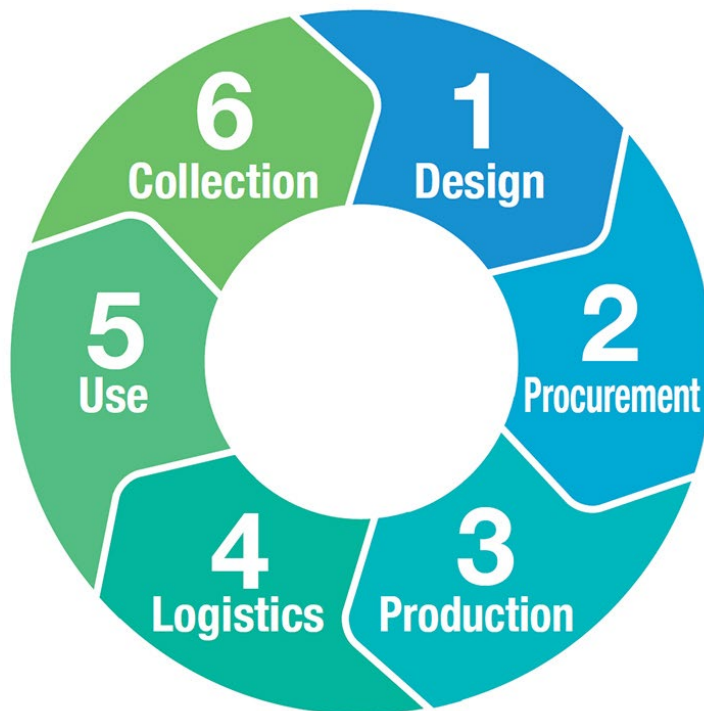
Environment(E)

Creating Eco-Conscious Products



Setting Ever Higher Targets for Reducing Environmental Impact at Each Stage

The Brother Group is committed to reducing environmental impact at all stages of the life cycle of its products. This is the guiding principle of the group's manufacturing activities.



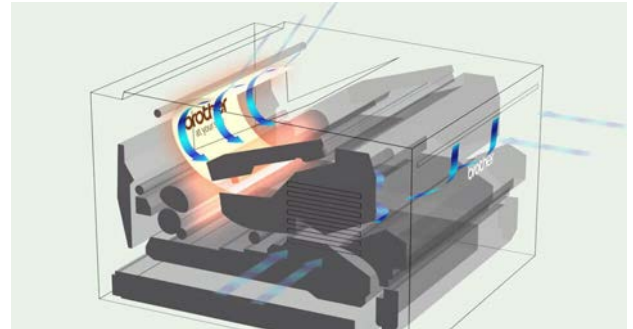
Since each of the stages are closely interlinked in terms of environmental impact, continuous efforts are necessary to make incremental improvements and to achieve technological innovation at all stages, without being selective to any particular stage. The Brother Group aims to make such efforts throughout its operations in order to continuously deliver eco-conscious products to customers.

1. Development and Design

Basic policy

Brother products are developed and designed to:

- comply with laws and regulations of the various countries and regions where sold;
- be compact and lightweight to conserve resources;
- achieve the top levels of energy conservation performance in the industry;
- meet hazardous chemical substance management standards, as specified in the Brother Group Green Procurement Standards and environmental labels;
- be easily recycled or reused at the end of life; and
- meet emission standards (for chemical substances, noise, etc.);
- meet the set CO₂ emissions reduction targets for the products.



> [Brother's activities] Predicting airflow and improving environmental performance
<https://sdgsstory.global.brother/e/customer/450>

When trying to develop a product that will be eco-conscious throughout its entire life cycle, it is essential to apply these principles at the development and design stage.

For the key criteria listed in the product environmental impact assessments, target values are set at the initial stage of development and design.

Measures

Brother Industries, Ltd. (BIL) conducts product environmental impact assessments at key stages of development and ensures eco-conscious design by addressing the product life cycle from material procurement, production, packaging, products use and through to the collection and recycling at the end of life.

Also, BIL actively acquires environmental labels in respective countries. For customers in Europe and the U.S. in particular, BIL discloses product information in accordance with the Eco Declaration (ECMA-370).

Product environmental impact assessments and Life Cycle Assessment (LCA)

BIL conducts product environmental impact assessments in order to evaluate the impact that products have on the environment through the product life cycle from material procurement, production, packaging, products use, up to collection and recycling at the end of life. For key criteria under the assessment items, reduction of environmental impact must be achieved at the product development stage.



Product environmental impact assessment flow

Key Criteria for product environmental impact assessment

- Disassembly/dismantling of products
- Material labeling of resin parts
- Reusability/recyclability of parts
- Hazards and toxicity during product production/use, hazards and toxicity in packaging materials
- Compliance with related laws and regulations
- CO₂ emissions reduction measures for products

We conduct an LCA that quantitatively provides numerical data for "the degree of impact on the environment" at each stage of a product's life cycle. Environmental load characteristics and improvement points are identified and the improvement effect is confirmed for each product. Evaluation results are released on the website managed and operated by the Sustainable Management Promotion Organization (SuMPO) under the SuMPO EPD (Environmental Product Declaration).

2. Procurement

Basic policy

We check parts and materials that are used to make products, to ensure:

- they do not contain hazardous materials ; and
- they are made via an eco-friendly process.

In this way, we give priority to purchasing parts and materials.

Measures

Brother works with suppliers and uses the IT-based Brother Group Green Procurement Management System to manage data on the chemical substances contained in its products and promote the use of alternative parts and materials. This is regularly updated in response to the candidate list substances of very high concern defined within the REACH Regulation.

> Responsible Supply Chain

<https://global.brother/en/sustainability/social/supply-chain>

3. Production

Basic policy

The Brother Group's manufacturing facilities manufacture products with due consideration given to:

- ensuring efficient use of materials, energy, and water resources, etc.;
- reducing pollutants released into the atmosphere and wastewater;
- preventing the generation of waste; and
- recycling waste generated.

Measures

- Electrical power consumption and CO₂ emissions are reduced by ensuring all manufacturing facilities efficiently run equipment.
- Products with consideration for resource circulation and waste are manufactured, including the conduct of Zero Waste Emission Activities to eliminate landfill waste

> Brother Group Environmental Action Plan 2024

<https://global.brother/en/sustainability/eco/vision/action-plan#a02>

> Climate Change Response (Disclosure Based on TCFD Recommendations)

<https://global.brother/en/sustainability/eco/cc>

> Reduction of CO₂ Emissions

<https://global.brother/en/sustainability/eco/co2>

> Resource Circulation and Waste reduction

<https://global.brother/en/sustainability/eco/resource-circulation>

> Pollution Prevention and Chemical Substance Management

<https://global.brother/en/sustainability/eco/pollution>

4. Packaging and Logistics

Basic policy

Brother is committed to:

- reducing product packaging and waste where possible; and
- reducing CO₂ emissions in logistics and transportation.

Measures

- We are applying smaller packaging and elimination of styrofoam.
 - We are combining product categories when arranging shipments to maximize loads.
 - We continue to review distribution routes.
- > Climate Change Response (Disclosure Based on TCFD Recommendations)
<https://global.brother/en/sustainability/eco/cc>



- > [Brother's activities] Package Design Optimization
<https://sdgsstory.global.brother/e/customer/400/>

5. Use

Basic policy

Brother takes the following into consideration regarding customer use of our products:

- they do not consume excessive energy; and
- our products can be used safely, conveniently and comfortably.

We also endeavor to disclose overall environmental information about products. Furthermore, by obtaining the environmental label certification, we indicate that the product complies with the environmental label standards for power consumption during product use, chemical substances, noise, and other emissions.

- > Acquisition of Environmental Certifications
<https://global.brother/en/sustainability/eco/product/label>



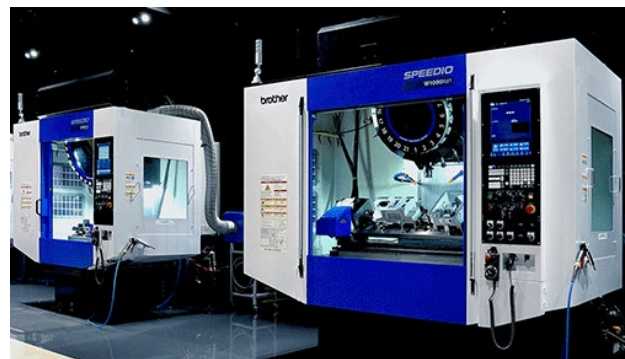
Examples of environmental labels and energy-saving standard compliance marks awarded to eco-conscious products

Measures

- We are strengthening development of eco-conscious products focusing on energy conservation.



- > [Brother's activities] Low Energy Standby
<https://sdgsstory.global.brother/e/customer/449/>



- > [Brother's activities] Outstanding energy-saving performance
<https://sdgsstory.global.brother/e/customer/398/>

- > [Brother's activities] Low Energy Standby
<https://sdgsstory.global.brother/e/customer/449/>
- > [Brother's activities] Outstanding energy-saving performance
<https://sdgsstory.global.brother/e/customer/398/>

6. Collection and Recycling

Basic policy

Brother takes the following into consideration regarding the end of customer use of a product:

- collect and recycle products and consumables at end of life; and
- design products so that they can be easily recycled.



> [Brother's activities] Technologies and services for cartridge recycling

<https://sdgsstory.global.brother/e/customer/401/>

Measures

- Ink cartridges consumed in Japan. The Ink Cartridge Return Project is under way in collaboration with printing product manufacturers.
- Toner cartridges, drum units, and label writer tape cassettes consumed in Japan. Brother's own collection and recycling system is in place.
- Participating in the Bellmark campaign through collection of used cartridges, and carrying out environmental conservation activities and education support.
- Toner and ink cartridges consumed outside Japan. Collection and recycling systems in place in more than 40 countries and regions.
- In Europe, products are collected and recycled in accordance with the WEEE Directive. In Australia and New Zealand, products are collected and recycled on a voluntary basis. Regarding corporate customers in Japan, used Brother products (fax machines, printers, and All-in-Ones) are collected and recycled in collaboration with business partners.

[Brother's activities] Conducting eco activities through the Bellmark campaign (Japan)

Brother Sales, Ltd. joined the Bellmark campaign in order to (i) actively participate in social contribution activities via support for education and (ii) improve the collection rate of used cartridges and promote recycling.



Examples of products in the Bellmark campaign



> [Brother's activities] Technologies and services for cartridge recycling
<https://sdgsstory.global.brother/e/customer/401/>

Creating Eco-Conscious Products

Environmental Compliance of Products



Environmental Compliance of Products

Complying promptly with global environmental laws and regulations

In recent years, various environmental laws and regulations have been introduced at both the national and regional levels, with the aim of not only reducing power consumption of products and preventing leakage of harmful substances to the environment, but also purposes such as encouraging repair, reuse, and recycling toward the building of a circular economy and product information disclosure to encourage consumers to choose products with low environmental impact. These regulations have been growing tighter and tighter.

As a global company with operations in more than 40 countries and regions, the Brother Group believes that compliance with environmental laws and regulations is the foundation of business operation. The Brother Group has developed activities in line with the Brother Group Environmental Action Plan 2021 (2019-2021), in order to ensure compliance with environmental laws and regulations in all the countries and regions in which we operate, build a circular economy, and reduce environmental impact with high ethical standards. Furthermore, the Brother Group is continuously strengthening our framework for quickly responding to the trends in the regulations on chemical substances and energy-saving regulations on products in countries and regions around the world, and is also striving to actively offer eco-conscious products before new regulations come into force. These steps enable the entire group to comply with environmental laws and regulations accurately and quickly, leading to enhanced sales and service activities. We are also taking steps to respond to societal demands related to the environment, in addition to environmental laws and regulations.

To deliver environmentally conscious products, environmentally conscious parts and materials must be used. When procuring parts and materials, suppliers are asked to deliver parts and materials in accordance with "the Brother Group Green Procurement Standards". Also, the Brother Group conducts audits on suppliers at least every three years to check their management systems and operations related to environmental laws and regulations. Suppliers are required to make necessary improvements and guarantee that the goods that they supply meet the standards.

> Collaboration with Suppliers

<https://global.brother/en/sustainability/eco/product/supplier>

Compliance with the RoHS Directive in different countries and regions

The RoHS Directive is an EU law (effective from July 2006), banning the use of hazardous substances in electrical and electronic equipment. In response to this directive, the Brother Group worked with suppliers to build Brother's unique environmental information system, which is used to investigate, avoid, and manage chemical substances contained in products. In line with the subsequent revision, the Brother Group established a system to create technical documents and Declarations of Conformity (DoC) in 2012. Furthermore, we also completed measures to handle the banned substances added in 2019.

Meanwhile, since 2007, many countries and regions including China and South Korea have introduced laws and regulations that mimic the regulations of the RoHS Directive, a trend that is expected to continue. The Brother Group is properly ensuring compliance with the laws and regulations in these countries and regions.

Compliance with REACH and other regulations

REACH is the EU Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals. It came into force in June 2007 for chemical substances that are manufactured or imported. The Brother Group completed registration of chemical substances determined applicable at that time by the June 2018 deadline. Since then, we continue to check and register additional chemical substances requiring registration.

In EU countries, there are various obligations related to the SVHC (Content of Substances of Very High Concern) in products. The Brother Group improved the environmental information system to facilitate the investigation of SVHC content. In FY2009 (April 1, 2009-March 31, 2010), the Brother Group set up a system for collecting data from suppliers to improve disclosure of information on SVHC content.

In FY2010 (April 1, 2010-March 31, 2011), the Brother Group developed a system for calculating the SVHC content in products and reporting it to the appropriate agency as necessary.

Programs for the registration of chemical substances and safety data sheets (SDSs) have been introduced in many countries and regions, such as the EU and the United States. Together with carrying out the necessary registration, the Brother Group develops SDSs based on the rules of each country or region and publishes them on our website.

> Safety Data Sheets (SDS)

<https://sds.brother.co.jp/sdsapp/index.html>

Compliance with energy-saving regulations in respective countries and regions

The Ecodesign Energy-related Products (ErP) Directive is an EU law setting up a framework that requires the eco-conscious design of energy-related products to suppress energy consumption and encourage repair, reuse, and recycling. Based on this directive, requirements for eco-conscious design are established for each product field.

For the categories to which Brother's products are applicable, such as "standby and off-mode losses (Lot 6)," "external power supply (Lot 7)," and "networked standby losses of energy using products (Lot 26)," products meet the standards with the development of energy-saving technologies. Furthermore, we also publish information about "external power supply (Lot 7)" and "networked standby losses of energy using products (Lot 26)" on the Internet as required.

Countries and regions outside the EU have increasingly introduced laws and regulations requiring eco-conscious design and set energy conservation standards in respective product areas.

The Brother Group has taken quick action to meet these laws and regulations.

Compliance with the WEEE Directive, etc.

The WEEE Directive is an EU law that requires the collection and 3Rs of (Reduce, Reuse and Recycle) of used electrical and electronic equipment. Member countries, distributors, producers, and other entities are required to fulfill the requirements in the design, sorting, collection, and recycling phases. The Brother Group complies with the WEEE Directive using collection and recycling routes in place in respective member countries.

Additionally, WEEE-based laws have been established in various countries and regions, primarily in Asia. For example, South Korea has established the Act on the Promotion of Saving and Recycling of Resources, and India, E-Waste (Management) Rules. Our sales facilities in respective countries and regions establish collection and recycling systems in line with the requirements and strive to ensure legal compliance.

The Brother Group also joins with partners in Australia, New Zealand, and Japan to collect and recycle e-waste on a voluntary basis.

Efforts to prevent illegal logging (EU and Australia)

The EU Timber Regulation and Australia's Illegal Logging Prohibition Act prohibit placing timber products (including paper products) derived from illegally harvested timber on the market. The regulations also require investigations and assessments of suppliers to prevent mixing of illegally harvested timber. The Brother Group collects information from suppliers about inkjet and thermal paper as well as paper packaging materials including product package boxes, and confirms the legality of timber used as a raw material.

Creating Eco-Conscious Products

Disclosure of Environmental Attributes



Disclosure of Environmental Attributes

Disclosure of product information in accordance with The Eco Declaration (ECMA-370)

Ecma International is an industry association founded in 1961, dedicated to the standardization of information and communication systems.

The Eco Declaration has been created by Ecma International to provide environmental information on known regulations, standards, guidelines and currently accepted practices in an industry standard format.

The Brother Group uses the Eco Declaration (ECMA-370) to disclose the environmental attributes of products designed for Europe, such as printers, All-in-Ones, and scanners.

The Eco Declaration for Europe

Please choose a product group.

- > Color Laser Printers/All-in-Ones
https://global.brother/en/sustainability/eco/product/declaration#cl_laser
- > Mono Laser Printers/All-in-Ones
https://global.brother/en/sustainability/eco/product/declaration#mn_laser
- > Inkjet Printers/All-in-Ones
<https://global.brother/en/sustainability/eco/product/declaration#inkjet>
- > Mobile Printers
<https://global.brother/en/sustainability/eco/product/declaration#mobile>
- > Scanners
<https://global.brother/en/sustainability/eco/product/declaration#scanner>
- > Label Printers
<https://global.brother/en/sustainability/eco/product/declaration#label>
- > Tape Creator
<https://global.brother/en/sustainability/eco/product/declaration#tc>
- > Stamp Creator
<https://global.brother/en/sustainability/eco/product/declaration#stamp>

Creating Eco-Conscious Products

Collaboration with Suppliers



Environmental Supplier Guideline

Environmental Supplier Guideline

Toward building a society that can develop sustainably in accordance with "Brother Group Environmental Policy", the Brother Group has formulated "the Brother Group Environmental Vision 2050" to contribute toward addressing global-scale environmental issues such as climate change as well as established medium-term targets for FY2030 as milestones for the vision. Currently, activities related to reduction of CO₂ emissions, resource circulation, and biodiversity conservation are being strengthened based on this environmental vision and medium-term targets.

We believe that cooperating with business partners—such as suppliers—is essential for the Brother Group to continue to provide various products meeting the needs of customers and the changes of the times and to reduce impact on the environment. Brother Industries, Ltd. (BIL) has joined the Responsible Business Alliance (RBA)—an international industry organization that promotes corporate social responsibility through establishment of sustainable supply chains—and also undertakes efforts to strengthen cooperation with business partners.

In September 2021, "the Environmental Supplier Guideline" were established to clearly convey matters related to the environment that the Brother Group thinks should be achieved together with suppliers. The contents of this set of guidelines are consistent with Section C. Environment of the RBA Code of Conduct formulated and published by RBA. We also request that our suppliers set targets for greenhouse gas emissions reduction and actively engage in biodiversity conservation.

In June 2024, the Brother Group newly formulated a "Paper Product Procurement Policy" with the aim of preserving forest resources, and created "Paper Product Procurement Standards" based on the policy. Additionally, we revised the requirement levels, etc. for "Pollution Prevention and Resource Reduction" and "Energy Consumption and Greenhouse Gas Emissions" in the Environmental Supplier Guideline to further promote initiatives aimed at building a sustainable society throughout the entire supply chain.



Environmental Supplier Guideline Japanese Rev2 [PDF/412KB]

<https://global.brother/pub/jp/eco/pdf/env-sup-guide-v2-jp.pdf>



Environmental Supplier Guideline English Rev2 [PDF/305KB]

<https://global.brother/pub/com/en/eco/pdf/env-sup-guide-v2-en.pdf>






-  Environmental Supplier Guideline Chinese-simp Rev2 [PDF/423KB]
<https://global.brother/pub/com/cn/eco/pdf/env-sup-guide-v2-cs.pdf>
-  Environmental Supplier Guideline Chinese-trad Rev2 [PDF/529KB]
<https://global.brother/pub/com/cn/eco/pdf/env-sup-guide-v2-ct.pdf>
-  Environmental Supplier Guideline Vietnamese Rev2 [PDF/459KB]
<https://global.brother/pub/com/vn/eco/pdf/env-sup-guide-v2-vn.pdf>

(Attachment 1) Brother Group Green Procurement Standard

v Green Procurement

<https://global.brother/en/sustainability/eco/product/supplier#s02>

(Attachment 2) Requirements and Standards for Suppliers for Environmental Label Compliance

-  Requirements and Standards for Suppliers for Environmental Label Compliance Japanese [PDF/302KB]
<https://global.brother/pub/jp/eco/pdf/a2-label-req-v1-jp.pdf>
-  Requirements and Standards for Suppliers for Environmental Label Compliance English [PDF/238KB]
<https://global.brother/pub/com/en/eco/pdf/a2-label-req-v1-en.pdf>
-  Requirements and Standards for Suppliers for Environmental Label Compliance Chinese-simp [PDF/358KB]
<https://global.brother/pub/com/cn/eco/pdf/a2-label-req-v1-cs.pdf>
-  Requirements and Standards for Suppliers for Environmental Label Compliance Chinese-trad [PDF/435KB]
<https://global.brother/pub/com/cn/eco/pdf/a2-label-req-v1-ct.pdf>
-  Requirements and Standards for Suppliers for Environmental Label Compliance Vietnamese [PDF/293KB]
<https://global.brother/pub/com/vn/eco/pdf/a2-label-req-v1-vn.pdf>

(Attachment 3) Brother Group Paper Product Procurement Standards

Paper Product Procurement

<https://global.brother/en/sustainability/eco/product/supplier#s03>

> Responsible Business Alliance

<https://global.brother/en/sustainability/csr/initiative#i02>

Green Procurement

Green procurement policy

At the Brother Group which operates its business globally, safety and environmental impacts are prime considerations at every stage of a product's life cycle, from design, development, manufacturing, customer usage, and disposal, to reuse and recycling, as set out in its basic environmental policy of the Brother Group Environmental Policy. Since 2001, under "the Brother Group Global Charter", we have

been implementing green procurement activities in order to preferentially procure eco-conscious parts and materials for use in the products we sell. In 2002, to promote manufacturing of eco-conscious products together with our suppliers, we issued the Brother Group Green Procurement Standard, which defines specific requests to our suppliers. We have been revising the standard based on the trends in laws and regulations.

The Brother Group requests its suppliers to promote activities for environmental conservation. In order to ensure their full compliance with the Brother Group's green procurement policy as well as laws and regulations, we hold individual information sessions for new prospective suppliers, as a rule.

Furthermore, in the event the Brother Group Green Procurement Standard is revised, we inform our suppliers about the revisions, ensure their understanding, and obtain their written consent. In 2018, we held worker-level seminars targeting those in charge of suppliers at each manufacturing facility (more than 30 times throughout the group) to discuss revisions to the Brother Group Green Procurement Standard and modifications to the green procurement system, and also to ensure full understanding of the environmental policy.

Brother Group Green Procurement Standard

Quick compliance with global environmental laws and regulations

The Brother Group has updated the Brother Group Green Procurement Standard as necessary to comply with various countries' environmental laws and regulations, which are constantly being extended in scope. The Brother Group Green Procurement Standard classifies substances whose use is globally restricted by laws and regulations, etc. as "prohibited chemical substances (Level A)," and we regulate their content in the goods to be delivered to the Brother Group. Additionally, outside prohibited chemical substances (Level A), the controlled substances designated by chemSHERPA, being endorsed by Japan's Ministry of Economy, Trade and Industry, are classified as "controlled chemical substances (Level B)." The content of these substances is controlled in the goods to be delivered to the Brother Group.

Meanwhile, controlled chemical substances specified in chemSHERPA, the system endorsed by the Ministry of Economy, Trade and Industry of Japan, are designated as "controlled chemical substances (Level B)," and their content in goods is managed.

-  Green Procurement Standard Japanese (Rev.9.5) [PDF/707KB]
<https://global.brother/pub/jp/eco/pdf/gpsj-rev9-5.pdf>
-  Green Procurement Standard English (Rev.9.5) [PDF/674KB]
<https://global.brother/pub/com/en/eco/pdf/gpse-rev9-5.pdf>
-  Green Procurement Standard Chinese-simp (Rev.9.5) [PDF/794KB]
<https://global.brother/pub/com/cn/eco/pdf/gpssc-rev9-5.pdf>
-  Green Procurement Standard Chinese-trad (Rev.9.5) [PDF/1.2MB]
<https://global.brother/pub/com/cn/eco/pdf/gpstc-rev9-5.pdf>
-  Green Procurement Standard Vietnamese (Rev.9.5) [PDF/891KB]
<https://global.brother/pub/com/vn/eco/pdf/gpsv-rev9-5.pdf>

- > Compliance with the RoHS Directive in different countries and regions
<https://global.brother/en/sustainability/eco/product/regulation#rohs>
- > Compliance with the REACH and other regulations
<https://global.brother/en/sustainability/eco/product/regulation#reach>

Green Procurement Management System

Using the green procurement system to strictly control the chemical substances in products

The Brother Group introduced the Green Procurement System in 2004, and requests that all suppliers cooperate through this system in investigations into the chemical substances found in products. The Brother Group also supported the concept of chemSHERPA, a scheme for sharing information about chemical substances contained in products recommended by the Japanese Ministry of Economy, Trade and Industry. In March 2018, the system was updated to handle data in chemSHERPA format.

Paper Product Procurement

Brother Group Paper Product Procurement Standards

Procurement of paper products that contribute to achieving zero deforestation

In June 2024, the Brother Group, as a company that uses forest resources, believes it is important to avoid negative impacts on the natural environment, local communities, etc. in its business activities, and formulated the Brother Group's Paper Product Procurement Policy <https://global.brother/en/sustainability/eco/policy#p03>. Based on this policy, we have created the Brother Group Paper Product Procurement Standards, and by implementing and rolling them out, we will work across the entire supply chain to procure paper products that contribute to achieving zero deforestation.

(Attachment 3) Brother Group Paper Product Procurement Standards

-  **PDF** Brother Group Paper Product Procurement Standards Japanese (Rev.1) [PDF/715KB]
<https://global.brother/pub/jp/eco/pdf/pppsjp-rev1.pdf>
-  **PDF** Brother Group Paper Product Procurement Standards English (Rev.1) [PDF/196KB]
<https://global.brother/pub/com/en/eco/pdf/pppsen-rev1.pdf>
-  **PDF** Brother Group Paper Product Procurement Standards Chinese-simp (Rev.1) [PDF/220KB]
<https://global.brother/pub/com/cn/eco/pdf/pppscs-rev1.pdf>
-  **PDF** Brother Group Paper Product Procurement Standards Chinese-trad (Rev.1) [PDF/345KB]
<https://global.brother/pub/com/cn/eco/pdf/pppsct-rev1.pdf>
-  **PDF** Brother Group Paper Product Procurement Standards Vietnamese (Rev.1) [PDF/246KB]
<https://global.brother/pub/com/vn/eco/pdf/pppsvn-rev1.pdf>

Creating Eco-Conscious Products

Acquisition of Environmental Certifications



Acquisition of Environmental Certifications

Promoting the active acquisition of environmental labels from around the world

Environmental labels indicate that the selected product shows consideration for the environment, and provide customers helpful information when selecting eco-conscious products. Environmental labels come in three types (Type I, II and III) standardized by the International Organization for Standardization (ISO) or a compliance label that indicates that the product complies with specific performance criteria.

There are various environmental labels in the countries and regions around the world in which the Brother Group operates. The respective labels (which are based on different eco-conscious requirements and standards) are considered to meet customers' environmental requirements and the basic stance of the Brother Group is to actively acquire the environmental labels for applicable products in the countries and regions where our products are sold.

Under this policy, the Brother Group prioritized the acquisition of specific environmental labels in various countries, including the Blue Angel, Eco Mark, EPEAT, Nordic Swan Ecolabel, and China's Ten Circle Mark, in the Brother Group Environmental Action Plan 2024 (2022 -2024), and has been making efforts to that end.

Below are the main environmental labels acquired by Brother products.

Type I labels

Awarded by third-party organizations based on their unique classifications and judgment criteria



www.blauer-engel.de/uz219

*: Click the above link to visit the Blue Angel site.

The Blue Angel (Germany)

This eco-label is issued by the Federal Environmental Agency, the German Institute for Quality Assurance and Labeling, etc.

In July 2008, the MFC-6490CW and DCP-6690CW were the first inkjet All-in-Ones in the world to be certified according to the ink-jet standard of that time.

In the current standard (DE-UZ219), besides even higher environmental requirements for products, adherence to the core labor standards of the International Labour

Organization (ILO) regarding due diligence in raw material procurement, support for regional initiatives regarding responsible mining, and social sustainability during production are included.

In addition, in June 2023, TN-3512 RE became the first in the world to be certified under the recycled cartridge standard (DE-UZ 177).

For the news release, visit:

<https://global.brother/en/news/2023/230803blueangel>

Brother actively promotes compliance with the standard.

> German Environment Agency (UBA)

German Institute for Quality Assurance and Labeling (RAL gGmbH), the Blue Angel

<https://www.blauer-engel.de/en>

(Link to the Blue Angel website)



www.blauer-engel.de/uz177

*: Click the above link to visit the Blue Angel site.

Nordic Swan Ecolabel (five Scandinavian countries)

This eco-label is administered primarily by the Nordic Ecolabelling Board, and is used in five Scandinavian countries (Norway, Sweden, Denmark, Finland, and Iceland).

Since Brother received this eco-label for mainly its black-and-white laser printers/All-in-Ones in 2009, we have now also received the eco-label for color laser printers/All-in-Ones and inkjet multi-function printers.

> Nordic Ecolabelling Board, the Nordic Swan

<https://www.svanen.se/en/>

(Link to Nordic Swan website)



EPEAT (in the U.S.)

This is an environmental rating system for electronic products that is managed and administered by a NPO, the Global Electronics Council.

Compliance evaluations* of the entire product life cycle are performed using the EPEAT criteria that are based on current environmental laws and regulations. EPEAT criteria consist of required and optional ones; products are ranked Gold, Silver, or Bronze depending on the level of conformity with the optional criteria.

Since Brother received certification for its black-and-white laser printers/All-in-Ones in 2017, we now also have received certification for products such as color laser printers, inkjet printers, and scanners.

*: Judgments are based on laws and regulations, etc. in respective countries and regions. Thus, the same product may have different ranks

> Global Electronics Council (GEC)

EPEAT (Electronic Product Environmental Assessment Tool)

<https://epeat.net/>

(Link to the EPEAT website)





China Environmental Labeling plan (China)

This government-run eco-label (the Ten Circle Mark) is issued by the China Environmental United Certification Center under the jurisdiction of the State Environmental Protection Administration.

Brother has acquired this label for color laser printers/All-in-Ones, black-and-white laser printers/All-in-Ones and scanners.

 [List of products that acquired Ten Circle Mark \[PDF/111KB\]](#)

<https://global.brother/pub/com/en/eco/pdf/china-environmental.pdf>



Eco Mark (Japan)

This eco-label is managed by Eco Mark Office of the Japan Environment Association. It is awarded to products that minimize environmental impact and aid environmental protection across their entire life cycle (from production to disposal).

> "Eco Mark" by Eco Mark Office of the Japan Environment Association

<https://www.ecomark.jp/>

(Link to the "Eco Mark" website. This website is available only in Japanese.)

Note: The power consumption figures for Eco Mark certified products can be found in the following website.

> Power consumption figures based on the International ENERGY STAR Program

<https://www.energystar.go.jp/>

(Link to the International ENERGY STAR Program website. This website is available only in Japanese.)

Eco Choice Aotearoa (New Zealand)



This eco-label was introduced by the national government of New Zealand, and is issued by the New Zealand Ecolabelling Trust.

Brother has acquired this label for color laser printers/All-in-Ones, black-and-white laser printers/All-in-Ones, inkjet All-in-Ones, and scanner products.

Copying Machines, Printers, Scanners and Multifunctional Devices. License No. 2410083

The name and logo of Environmental Choice New Zealand were renewed to Eco Choice Aotearoa in May 2023. (Aotearoa: the Māori-language name for New Zealand)

> Eco Choice Aotearoa by the New Zealand Ecolabelling Trust

<https://www.ecochoiceaotearoa.org.nz/>

(Link to the Eco Choice Aotearoa website)



Green Mark (Taiwan)

This eco-label was introduced in Taiwan by the Ministry of Environment, and is issued by the Environment and Development Foundation.

Brother has acquired this label for color laser printers/All-in-Ones, black-and-white laser printers/All-in-Ones, and consumables.

> Green Mark Program by the Environment and Development Foundation (EDF)

https://greenlifestyle.moenv.gov.tw/en_Mark

(Link to the Green Mark Program website.)



Korea Eco-label (South Korea)

This eco-label is issued by the Korea Environment Industry & Technology Institute that was established in accordance with the Development of and Support for Environmental Technology Act.

Brother has acquired this label for laser/inkjet All-in-Ones.

 [List of products that acquired Korea Eco-label \[PDF/109KB\]](#)

<https://global.brother/pub/com/en/eco/pdf/korea-eco-label.pdf>

Type II labels

Self-declared labels by businesses



Brother Green Label (Japan)

In October 2001, Brother Industries, Ltd. (BIL) established voluntary standards in accordance with JIS Q 14021 (ISO 14021) also for products in fields where third-party certification standards* are not established. Under the Brother Green Label system, an environmental label that indicates that a product meets these standards (Brother Green Label Certification Criteria), Brother recognizes products that meet these criteria in consideration of reducing environmental impact.

*: This refers to Type I eco-labels established in accordance with JIS Q 14024 (ISO 14024). The criteria are defined for products and services throughout their life cycle, and the use of the label is approved after an assessment based on an application by a business provider.

 [Brother Green Label Certification Criteria \[PDF/247KB\]](#)

<https://global.brother/pub/com/en/eco/pdf/bg-label-standard-e.pdf>

 [List of products that acquired Brother Green Label \[PDF/301KB\]](#)

<https://global.brother/pub/jp/eco/pdf/bg-label-list.pdf>

(This PDF is available in Japanese.)

Type III labels

Awarded to products whose environmental load is shown quantitatively by LCA (Life Cycle Assessment)

SuMPO EPD (Japan) (formerly EcoLeaf*1)



This eco-label is awarded to products that disclose quantitative information about their environmental characteristics. It is managed and issued by the Sustainable Management Promotion Organization (SuMPO) of Japan.

Having begun its efforts in 2002, BIL has received System Certification*2 for printers and All-in-Ones. BIL is currently working on acquiring the SuMPO EPD for main Brother products.

All-in-Ones equipped with a facsimile function were calculated as "facsimiles" until March 2024. The calculation has been standardized as "printers and All-in-Ones" since April 2024, and efforts have been made to acquire the SuMPO EPD.

*1: EcoLeaf was renamed SuMPO EPD in April 2024.

*2: Examines whether the system for calculation, verification, and disclosure/application built inside a business that wishes to acquire the label meets the requirements, and issues certification if it does.

> "SuMPO EPD" by Sustainable Management Promotion Organization

<https://ecoleaf-label.jp/en/>

(Link to the SuMPO EPD website)

Conformance label



International ENERGY STAR Program (the U.S., Japan, Canada, Taiwan and Switzerland)

This is an international energy saving program for office equipment. Its logo is awarded to products that meet the energy-saving standards.

> ENERGY STAR by the International ENERGY STAR Program (US)

<https://www.energystar.gov/>

(Link to the International ENERGY STAR Program website)



Energy Conservation Certification (Energy saving label) (China)

This eco-label is from China. It recognizes products for their energy-saving performance.

 List of products that acquired Energy Conservation Certification [PDF/283KB]

<https://global.brother/pub/com/en/eco/pdf/china-es-label.pdf>

Green procurement laws



Products complying with the Act on Promoting Green Procurement (Japan)

In April 2001, the Act on Promoting Green Procurement came into effect. This law requires that national governmental organizations and independent administrative institutions purchase green products, and that local public organizations and private businesses as well as individuals try to do the same. By affixing our own eco-label to Brother products that meet the standard, BIL is promoting environmental activities to customers.

> Act on Promoting Green Procurement

(Act on Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities)

<https://www.env.go.jp/en/laws/policy/green/index.html>

(Link to the Act on Promoting Green Procurement website)

Products compliant with the Act on Promoting Green Procurement can be found in the following website in Japanese.

> Green Purchasing Network (GPN)

<https://www.gpn.jp/english/>

(Link to the Green Purchasing Network website)

Creating Eco-Conscious Products

Collection and Recycling Efforts in Various Countries



The Brother Group's Collection and Recycling Efforts

With "the end of life" of products in mind, the Brother Group has been working to (i) increase reusability and recyclability of products and consumables and (ii) build recycling systems in accordance with laws and regulations in respective countries.

Reducing CO₂ emissions through closed-loop recycling of toner cartridges

Collected end-of-life toner cartridges are remanufactured at the Brother Group's recycling sites into toner cartridges having the same quality as brand new products, and are delivered to customers again. Through this method of closed-loop recycling of its products, the Brother Group is contributing to the effective utilization of natural resources through waste reduction, as well as to the reduction of CO₂ emissions.

In FY2023, the Brother Group as a whole remanufactured 2.7 million toner cartridges, contributing to a reduction of 4,700 tons of CO₂ emissions and 1,000 tons of virgin materials.

The Brother Group's collection and recycling efforts

Brother International Europe Ltd.

In Europe, the portal site for recycling consumables and products provides information about how to return used toner cartridges, drum units, ink cartridges, and products and ask for collection boxes, etc. and gives details of recycling methods available in a total of 28 countries.

Regarding collecting and recycling products, Brother utilizes the collection and recycling channels in place in respective countries, in compliance with the WEEE Directive.

> Portal site for recycling (Europe)

<https://www.brother.eu/en/recycling>

(Link to the website of Portal site for recycling (Europe))

Brother Industries (U.K.) Ltd., Brother Industries (Slovakia) s.r.o.

Brother Industries (U.K.) Ltd.'s Recycling Technology Centre is the Brother Group's core facility that recycles toner cartridges and designs and develops recyclable toner cartridges in collaboration with facilities in the United States and Japan. A project is underway to build a system for automating the recycling process. With support from the Recycling Technology Centre, Brother Industries (Slovakia) s.r.o. (BISK) recycles Brother's toner cartridges that are sold primarily in Europe. BISK's accomplishments and development expertise are shared in Japan, the United States, and other countries to help raise the technological standards of the Brother Group. As a result of continuous, untiring efforts to improve recycling technologies, the Brother Group as a whole remanufactured 40.25 million cartridges between the start of recycling in 2004 and the end of March 2024.



Clean room at the Recycling Technology Centre

> [Brother's activities] Technologies and services for cartridge recycling
<https://sdgsstory.global.brother/e/customer/401/>
 (Link to the website of Brother Group SDGs Special Site)

Brother International Corporation (U.S.A.)

In the United States, the project is undertaken by collection and recycling contractors. The system is administered in accordance with state and federal laws. The website of Brother International Corporation (U.S.A.) explains how to return used toner cartridges, drum units, ink cartridges, and tape cassettes. Even in Canada used toner cartridges are collected via local sales facilities.

Brother Sales, Ltd.

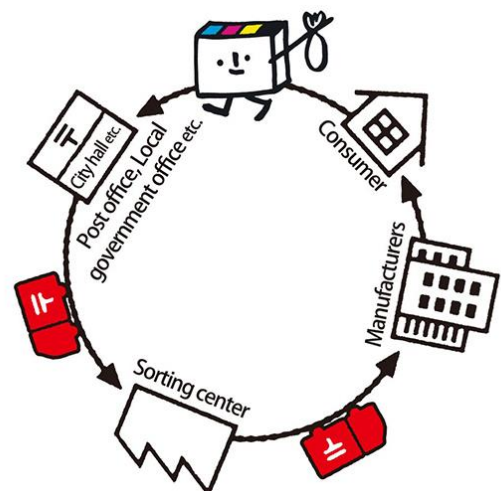
In Japan, printing product manufacturers and sellers have collection boxes at retail outlets to collect used ink cartridges. In order to further improve the collection rate, the Brother Group along with other printing product manufacturers and sellers launched an Ink Cartridge Return Project with post offices in January 2007.

Collection began throughout Japan in 2008. For details, see "Ink Cartridge Return Project".

<http://www.inksatogaeri.jp/>

(Link to the website of "Ink Cartridge Return Project."
 This website is available only in Japanese.)

In collaboration with business partners, Brother Sales, Ltd. collects Brother products (fax machines, printers, and All-in-Ones for businesses), and Brother Industries, Ltd. recycles them. For details, see "Recycling Used Consumables" or "Corporate Used Products".



Recycling process of Ink Cartridge Return Project

Mie Brother Precision Industries, Ltd.

Mie Brother Precision Industries, Ltd. started to work on refurbishing toner cartridges for laser printers in FY2009 (April 1, 2009-March 31, 2010) based on recycling expertise gained in Europe.

Collected used toner cartridges undergo sorting, disassembly, cleaning, and parts replacement for reuse. To further reduce environmental impact, the company shares information with recycling facilities in Europe and the Americas and is continually improving the methods of refurbishing toner cartridges.

The excess collected color toner cartridges are delivered to Brother Industries (U.K.) Ltd. to be recycled, thereby enabling the efficient utilization of resources.



Monochrome toner cartridges

Brother International (Aust.) Pty. Ltd.

Brother International (Aust.) Pty. Ltd. is a founding member of the Cartridges 4 Planet Ark (C4PA) program to recycle printer toner cartridges. Since 2003, this program has collected and recycled a total of 56 million printer cartridges (as of May 17, 2024).

As a member of Electronic Product Stewardship Australasia (EPSA), the company is also participating in Australia's National Television and Computer Recycling Scheme to recycle printers.

Brother International (NZ) Ltd.

Brother International (NZ) Ltd. is working with an experienced recycling contractor to collect and recycle used consumables (e.g. ink and toner cartridges, drum units) and printers. In FY2023 (April 1, 2023-March 31, 2024), 78,000 consumables and printers/All-in-Ones weighing a total of 39 tons were collected.

Social(S)

Respect for Human Rights



Basic Policy (Brother Group Principles of Social Responsibility)

In 2012, the Brother Group Principles of Social Responsibility was formulated to clearly define our corporate responsibility and actions toward achieving a sustainable society. Sections on non-discrimination and non-harassment, fair and lawful labor practices, freedom of association, child and forced labor, clearly defined disciplinary polices, and whistleblowing system were established in this set of principles which expresses the fundamental principles of the responsibilities and actions of companies in the Brother Group. It clearly states that we will provide fair working conditions, handle everyone with faith and respect, observe fundamental human rights, and we expect our employees to act in the same way.

- > Brother Group Principles of Social Responsibility
<https://global.brother/en/sustainability/csr/csr-principle>

Overview of the Brother Group's commitment for respecting human rights



Brother Group Human Rights Global Policy

Brother Group respects the human rights of all people involved in the business activities of Brother Group, and actively engages in measures to ensure that our business activities do not have a negative impact on human rights.

In order to further work towards the advancement of human rights, we hereby formulate the Brother Group Human Rights Global Policy ("Policy").

1-Scope of application

This Policy applies to all officers, employees, part-time employees, expatriate employees, temporary employees, and contract workers of Brother Group. In order to ensure that the measures described in this Policy extends to the whole of the value chain, Brother Group shall, either directly or indirectly, request that the people who are involved in our group's products and services would understand the Policy and cooperate with surveys, audits, and other measures outlined in the Policy.

2-Respecting human rights

Brother Group respects the human rights set forth in the International Bill of Human Rights and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work and works towards the advancement of human rights based on the Guiding Principles on Business and Human Rights endorsed by the United Nations Human Rights Council.

In case there is a difference between the internationally recognized standards on human rights and the laws and regulations of each country or region, Brother Group will adopt the higher standard of the two, and in case there is a conflict between those standards, Brother Group will follow the laws and regulations of each country or region, while pursuing ways to respect the internationally recognized human rights to the greatest extent possible.

*Human rights issues that are most important to Brother Group include the following:

- Non-discrimination and Non-harassment
- Fair and lawful labor practices
- Freedom of association
- Child and forced labor
- Health and safety at work
- Sanitation, food and housing

3-Human rights due diligence

Brother Group is aware of the effects that its business activities may have on human rights. For this reason, Brother Group has introduced, and will continue to implement a due diligence process to assess the negative impacts that its business activities may have on human rights.

In case where negative impacts on human rights are identified, Brother Group will suspend the business activities and transactions, strive to mitigate the negative impacts resulting from such activities, or implement other measures to correct or prevent recurrence of such negative impacts. Such measures will be monitored to ensure that they are implemented properly.

4-Relief mechanism

Brother Group will provide a helpline where people such as victims who are negatively affected by human rights within Brother Group's value chain can seek relief. The helpline is open to everyone, including those within and outside of Brother Group. At the helpline, Brother Group will maintain anonymity and confidentiality in order to protect those who raise their concerns.

5-Information disclosure / Consultation

Brother Group makes appropriate disclosures on its website and reports regarding its human rights due diligence policy and the measures taken to identify and remedy negative human rights impacts.

Brother Group will also engage in sincere consultation with relevant stakeholders regarding the impacts its business may have on human rights.

6-Trainings

Based on the Policy, Brother Group implements various training programs to prevent negative impacts on human rights.

Promotion Structure

The Brother Group has established the Sustainability Committee chaired by the Representative Director & President. The Responsible Value Chain Subcommittee is one of the subcommittees under this Committee and promotes Group-wide global efforts to ensure respect for human rights.

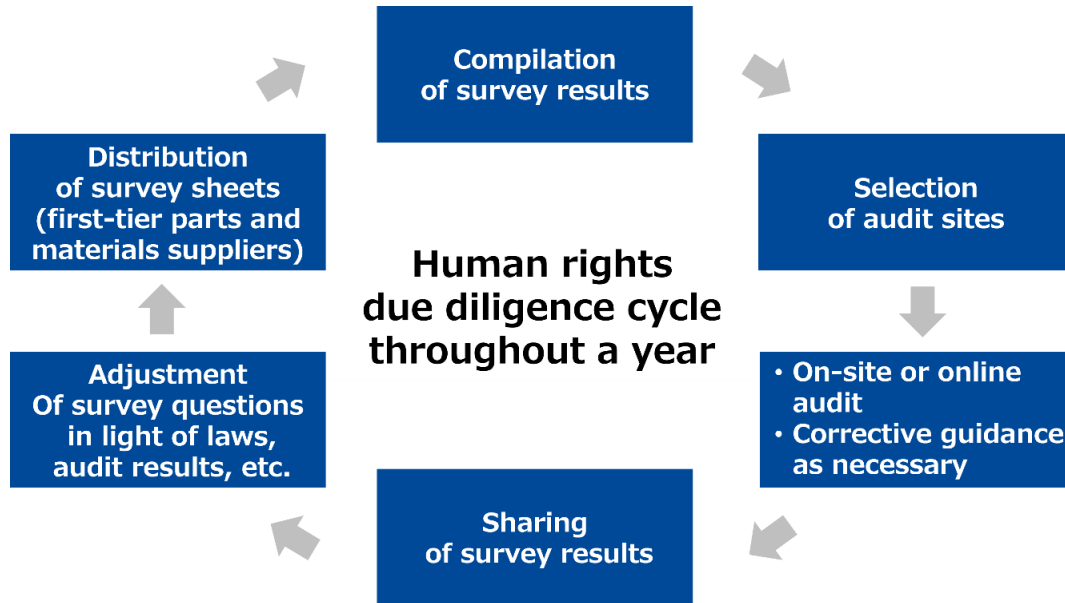
The Subcommittee formulates global human rights due diligence policies and implements human rights due diligence throughout the value chain as its activities to ensure that the human rights of people involved in the Group's business are respected and to provide safe and secure workplaces for workers.

For details, please see "[Management with an Emphasis on Sustainability -Promotion of Management with an Emphasis on Sustainability- Promotion Structure](#)

<https://global.brother/en/sustainability/csr/management#m01> ".

Human Rights Due Diligence

At Brother Group, we request first-tier suppliers^{*1} of our main business divisions to implement measures for human rights. Furthermore, we aim for responsible procurement in our supply chain by requesting our first-tier suppliers to implement the same measures for their upstream suppliers.




In particular, we conduct annual surveys on our first-tier suppliers of our main business divisions on forced labor and child labor^{*2}. In addition to confirming whether or not there is any forced labor or child labor, this survey also includes questions on whether they have in place human rights policies, clauses on prohibition of forced labor and child labor in major contracts with their business partners, and measures to confirm legal compliance among their business partners. Furthermore, since FY2022, we promote better workplace environment and more safety in the workplace by including questions on working environment, safety and health in the survey. In addition, in FY2023, we expanded the scope of our survey and conducted the survey on some of our second-tier suppliers, which are the upstream of first-tier suppliers, so as to further promote our efforts toward responsible procurement.

Where necessary, we request our first-tier suppliers to make improvements in writing. We also conduct audits (including on-site audits) of our first-tier suppliers selected based on the responses to the survey, volume of the transactions with such supplier, and other factors.

Audit results for first-tier suppliers

Item	FY2021	FY2022	FY2023	
	Result	Result	Target	Result
Assessment based on survey	951 companies	1,128 companies	1,099 companies	1,129 companies
On-site or online audit	10 companies	10 companies	10 companies	10 companies
Number of companies subject to correction after audit	1 company ^{*4}	2 companies	-	0 company

 [List of Brother group companies conducting first-tier supplier audits \[PDF/363KB\]](https://download.brother.com/pub/com/en/csr/pdf/facilities-audit.pdf)
<https://download.brother.com/pub/com/en/csr/pdf/facilities-audit.pdf>

In our surveys conducted from FY2021 to FY2023, none of our first-tier suppliers were using forced labor or child labor. Also, compared to FY2021 and FY2022, the more detailed survey conducted in FY2023 helped us identify more clearly the activities of our suppliers which were making progress in their initiatives and resulted in deeper understanding of our suppliers' efforts.

The Brother Group will continue to identify human rights risks in the value chain and to promote human rights measures for customers and upstream suppliers based on those risks.

*1 : Suppliers mean companies that supply parts that are necessary for manufacturing Brother products.

*2 : Once every two years for Domino Group^{*3}. For details, please see "[Respect for Human Rights by Suppliers](https://global.brother/en/sustainability/social/human-rights#suppliers) <https://global.brother/en/sustainability/social/human-rights#suppliers>".

*3 : Domino Group means Domino Printing Sciences and its group companies that operate the Domino business.

*4 : This entity was a first-tier supplier for TAIWAN BROTHER INDUSTRIES, LTD. Correction has been confirmed.

Grievance Mechanism

For all stakeholders: Establishment of a complaint reporting helpline

Brother Group has joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) from FY2022, and established a [helpline <https://jacer-bhr.org/en/application/form.html>](https://jacer-bhr.org/en/application/form.html) (the link to the site of "JaCER") where Brother Group suppliers, customers, investors, and all other stakeholders can raise specific concerns about human rights.

This helpline allows anonymous reporting so that whistleblowers can report without fear of retaliation. When a report is received, we promptly investigate the case. In case negative impacts on human rights or human right risks are identified, we take necessary corrective action. No grievances were reported from FY2022 to FY2023.

For employees: Establishment of consultation and whistleblowing helpline (Employee Helpline for Compliance Issues)

At the Brother Group, Brother Industries, Ltd. (BIL) and group companies within and outside Japan have compliance consultation and whistleblowing helplines to prevent violations, act quickly against them, and take preventive steps against reoccurrences.

BIL has the internal Employee Helpline for Compliance Issues for employees to consult and report when they discover or suspect compliance violations, have issues which are not resolved even after reporting to and consulting with their workplace supervisors, or when they have issues which cannot be reported to or consulted with workplace supervisors due to inevitable circumstances. BIL has also established the internal Employee Helpline for Harassment Issues that is dedicated to harassment behavior—such as sexual and power harassment—in an effort to create workplace environments where employees can work while respecting each other. A Quality Compliance Helpline is also in place to prevent compliance and other violations related to quality of products and services of Brother Group, and to improve and rectify any violations. In addition, an external helpline for compliance issues has also been established

with affiliated lawyers outside the company to allow employees to directly report violations.

For details of the consultation and whistleblowing helpline, such as number of cases handled, please see the site for "Governance (G)- Compliance and Anti-Corruption- Brother Group Global Policy for Helpline for Compliance Issues <https://global.brother/en/sustainability/governance/compliance#c02>".

Conduct of Training Related to Human Rights

The Brother Group conducts training related to human rights to raise employees' awareness. In FY2022, upon establishment of "Brother Group Human Rights Global Policy" during this fiscal year, we conducted e-learning programs on human rights for all employees of BIL.

Implemented education (e-learning) regarding the Brother Group Human Rights Global Policy

	FY2022
Training period	February-March 2023
Target	All employees of BIL (including employees temporarily transferred overseas and in Japan, and temporary employees)
Number of participants	3,988
Percentage of people trained	87%
Topics	The following explanation based on the formulation of the "Brother Group Human Rights Global Policy" <ul style="list-style-type: none"> • Brother's commitment to respect for human rights • Frequently asked questions about human rights and answers

Furthermore, the above e-learning program was expanded to BROTHER INDUSTRIES (VIETNAM) LTD., our manufacturing facilities in Vietnam, in FY2023 to globally deepen the understanding of the Brother Group's efforts to respect human rights.

In FY2023, we held a study session on "business and human rights" for BIL employees. In this study session, the head of the department handling legal affairs introduced recent human rights issues, the importance of reducing human rights risks throughout the value chain, and human rights initiatives at the Brother Group, which was followed by discussions among employees on topics such as cases in which human rights violations could occur during the course of their work, resulting in a good opportunity for the employees to deepen their understanding about human rights. In addition, we held an on-site seminar on human rights at TAIWAN BROTHER INDUSTRIES, LTD., our manufacturing facility in Taiwan.

Furthermore, BIL conducts training related to human rights, such as workshops on harassment, for the

management and managers. "Understanding Basic Human Rights" is also conducted as training related to basic knowledge about human rights for new employees.

For details, please see the site for "[Social\(S\)- Talent Development- Details of Education System and Training](https://global.brother/en/sustainability/social/training#t02) <https://global.brother/en/sustainability/social/training#t02> ".

Respect for Human Rights for Suppliers

Brother Group's measures ("Procurement Policy" and "CSR Procurement Standards")

The Brother Group makes its "Procurement Policy" and "CSR Procurement Standards" publicly available to share its CSR procurement concept with parts and materials suppliers.

The policy and standards cover a wide range of fields, including human rights and labor, the rights to organize and bargain collectively, safety and health, global environmental protection, fair trade and ethics, product quality and safety, raw materials, information security, and social contribution. The Brother Group complies with local laws and regulations and supports workers' collective bargaining rights by conducting collective negotiations and respecting communication between management and employees on working conditions and management practices.

In the Procurement Policy, the Brother Group clearly states that we act fairly with all suppliers and take proactive approaches toward responsible procurement of minerals. In the CSR Procurement Standards, in addition to promoting understanding of the Brother Group Global Policy on Human Rights, we express our stance of respecting human rights in each stated item while requesting suppliers to cooperate in efforts to respect human rights in their procurement activities, as well as to establish a process to check the status of those efforts. For details, please see the site for "[Social\(S\)- Responsible Supply Chain](https://global.brother/en/sustainability/social/supply-chain) <https://global.brother/en/sustainability/social/supply-chain> ".

Domino Group's Measures (Domino Supplier Code)

Domino Group establishes the "Domino Supplier Code"* which sets out expectations for its suppliers. The Domino Supplier Code stipulates human rights related matters such as prohibiting the use of child labor and forced labor, and is incorporated into contracts with its first-tier suppliers that are entered into upon commencing transactions. Furthermore, in order to confirm their ongoing compliance with the Code, Domino Group conducts a written survey for its first-tier suppliers once every two years.

*: A policy setting out Domino Group's expectations for its suppliers. It covers the 4 key principles of treating people fairly, providing a safe and healthy workplace, protecting the environment, and behaving ethically, and is aligned with leading international global initiatives such as the United Nations Global Compact, International Labour Organisation (ILO) Conventions and Ethical Trading Initiative (ETI) Base Code.

Social(S)

Customer Satisfaction and Product Responsibility

Product Information Security Basic Policy

The Brother Group's mission is to place our customers first everywhere, every time, with the "At your side." policy. In order to provide secure products from Information security point of view and ensure that customers can use the purchased products with confidence, we establish the following basic policy to firmly implement and promote this.

1. Compliance with laws, regulations and contracts related to information security

We shall understand and comply with information security related laws and regulations of each country, and contracts with customers and partner companies.

2. Company regulations and organizational structure

In order to maintain and improve the information security level of Brother products, we shall establish internal rules concerning product information security, build a company-wide organizational structure and make continuous improvements as advised by top management.

3. Response to product information incident

Regarding the use of Brother products, if an information incident, reputational damage, violation of laws and regulations occurs, or if such a risk is discovered, we will make efforts to minimize damage. This can be through investigation of the cause of incident, investigation of the scope of impact, risk assumption, implementation of necessary measures, promptly providing necessary information to customers, partner companies, and other external organizations related to security. We will also implement corrective measures to prevent recurrence.

4. Prevention of product information incident

To prevent product information incidents, we shall establish standards and implementation procedures, and implement security measures throughout the full product lifecycle of planning, research and development, manufacturing, market use, repair, and disposal.

In addition, we will continuously review the standards and implementation procedures, and reflect countermeasures against new threats in products.

And we will continue to send information for customers to use the product securely.

5. Implementation of education on product information security

In order to ensure that all officers and employees involved in product information security can perform their work with information security literacy, we shall thoroughly familiarize them with this basic policy and continue to implement education on product information security.

Structure and Initiatives Related to Product Information Security

Brother Industries, Ltd. (hereinafter referred to as "BIL") has built a company-wide organizational structure to maintain and improve the Brother Group's product information security level, and is promoting various initiatives to respond to and prevent product information incidents.

B-PSIRT

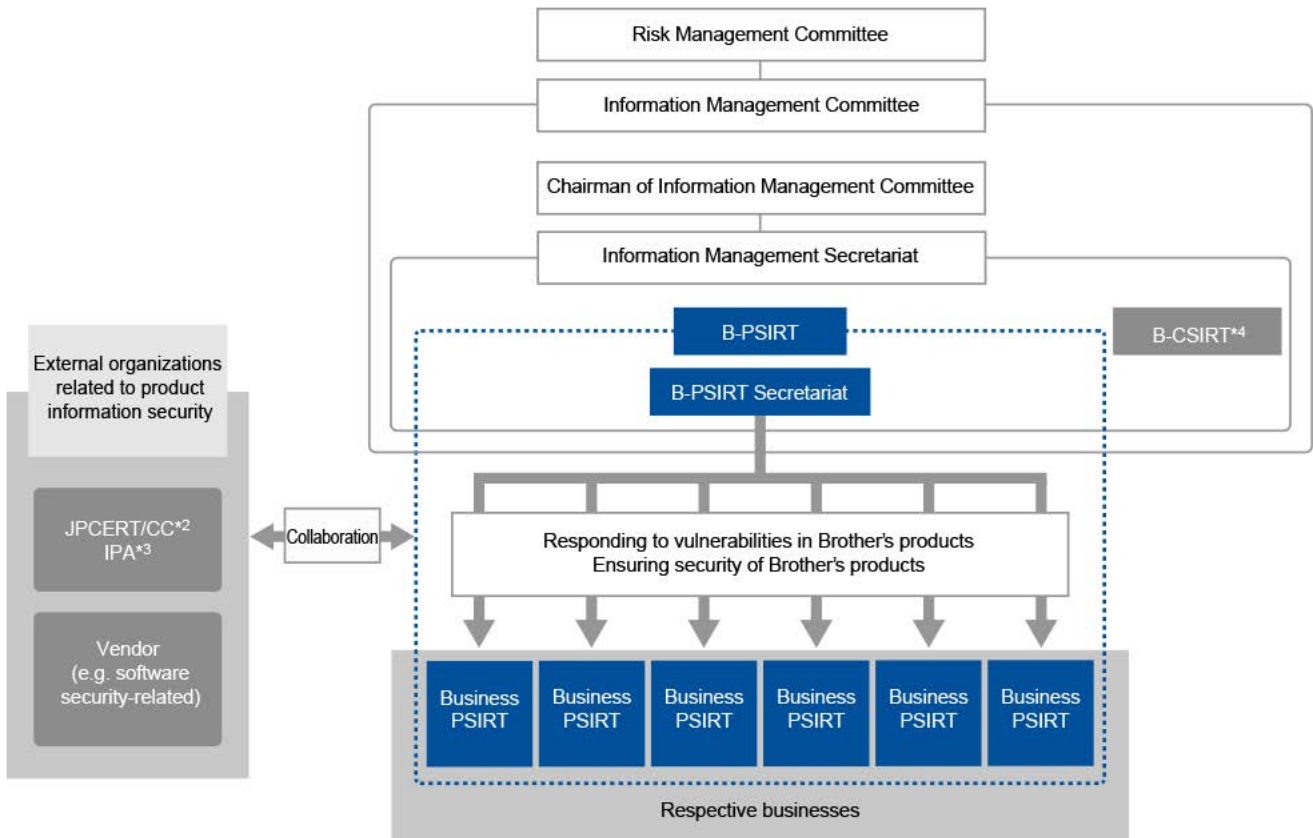
BIL has established the Brother Product Security Incident Response Team (B-PSIRT) as an organizational structure for responding to product information incidents of the Brother Group. B-PSIRT works to prevent information incidents arising from the products of the Brother Group, and in the event of an incident, strives to provide confidence and safety to customers and society through swift response and other measures.

Structure of B-PSIRT

B-PSIRT is established within the Information Management Secretariat of BIL's Information Management Committee. It comprises the B-PSIRT Secretariat, which oversees and supports the PSIRT*¹ activities of each business, as well as the respective businesses' PSIRTs which work with the respective businesses' product, development, and business structures to respond to information incidents that has occurred.

B-PSIRT has an external hotline for vulnerability reports to receive information related to products of the Brother Group, such as vulnerabilities and threats, from those who discover vulnerabilities, such as external agencies related to product information security, companies, and individuals.

Structure of B-PSIRT



- *1: Abbreviation of Product Security Incident Response Team, which is an organization for responding to security incidents related to each company's products
- *2: Abbreviation of Japan Computer Emergency Response Team Coordination Center
- *3: Abbreviation of Information-technology Promotion Agency
- *4: Abbreviation of Computer Security Incident Response Team, which is an organization established within the information department of companies and other organizations for responding to events which occur in internal systems, etc. that may lead to security problems

Initiatives of B-PSIRT

B-PSIRT initiatives such as those below for products of the Brother Group.

Type	Overview
Violation of laws, contracts, etc.	<p>In the functions of Brother's products, or in the process of product use by customers</p> <ul style="list-style-type: none"> · Understanding and responding to different countries' laws, regulations, and standards regarding information security · Responding when there are violations, such as in the contractual terms with customers (End-User License Agreement, privacy policy, etc.) and partner companies

Type	Overview
Handling of information incidents*	Responding when there are information incidents that cause damage to customers who use Brother's products as well as other individuals and companies
Handling of vulnerabilities	<ul style="list-style-type: none"> • Responding to vulnerabilities in information security related to Brother's products • Investigating and responding to impact on operational IT infrastructure based on information about threats and vulnerabilities
Prevention activities	<ul style="list-style-type: none"> • Conducting vulnerability investigations for Brother's products • Implementing secure development process • Implementing security measures for Brother's products
Awareness and education	<ul style="list-style-type: none"> • Raising awareness about product information security to all employees • Conducting training for employees working in development and promoting the attainment of security qualifications

*: Undesired or unexpected problems and incidents in business operation and information security, such as unauthorized access and information leaks

Collaboration of organizations related to product information security

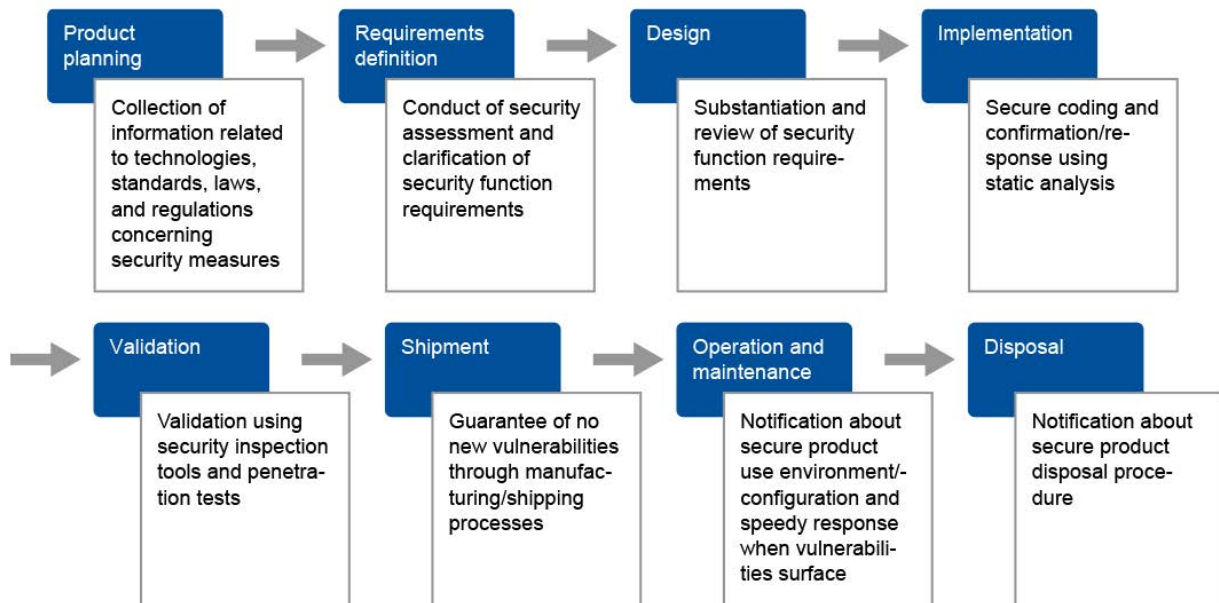
BIL is registered with JPCERT/CC as a product developer and undertakes responses based on the Information Security Early Warning Partnership.

Activities to prevent product information security incidents

Secure development process

B-PSIRT promotes the secure development process, which implements security measures in the product lifecycle from planning to disposal, so that customers can use products safely and with peace of mind.

Secure development process in product lifecycle



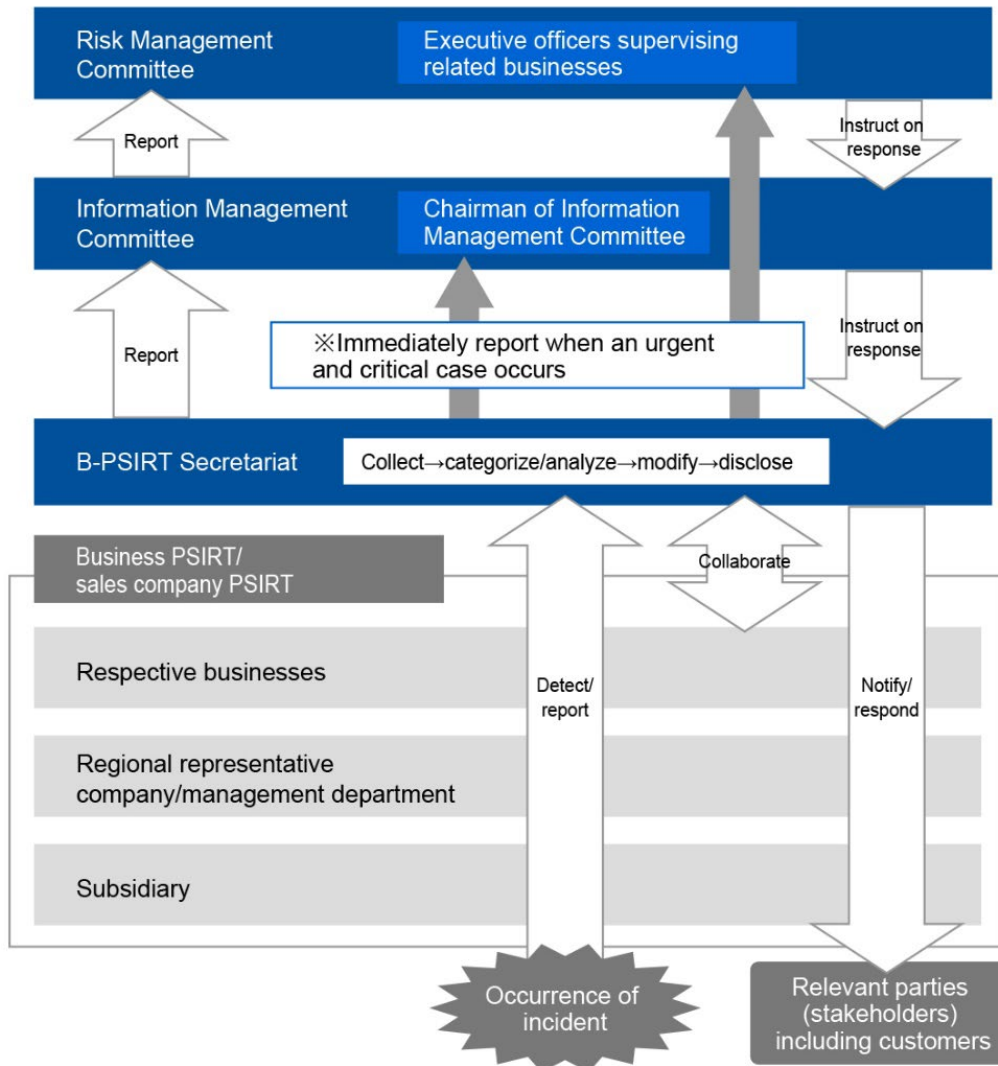
Response process during occurrence of product information security incident

BIL has established the escalation process* when there is a product information security incident or when a suspicious event has been discovered. We strive to respond appropriately to the incident and limit damage and losses to the minimum.

When a product information security incident occurs or a vulnerability is detected at a company or organization within the Group, the respective organization's PSIRT person-in-charge will grasp the situation and report to the B-PSIRT Secretariat.

The reported incident will be shared with the management and relevant organizations depending on the details and measures to prevent reoccurrence will be undertaken. Urgent and critical cases will be immediately reported to the Chairman of Information Management Committee and executive officers supervising related businesses, and we will seek to minimize damage by responses such as actions to prevent the spread of damage faced by customers and disseminating information about avoidance methods.

Response process during occurrence of product information security incident



*: This is a procedure for reporting to the superior (organization) to undertake response at a larger scope during the occurrence of an urgent major incident

Disclosure of product information security information

Information regarding vulnerability of Brother's products as well as information about methods for solving or avoiding problems caused by vulnerabilities are disclosed on the website, translated into 22 languages, so that customers can check them.

> Security support information

<https://support.brother.com/g/s/security/en/index.html>

External evaluation and certification regarding product information security

With the spread of IoT devices^{*1}, there are increasingly more cyberattacks targeting them. In the

domain of business machines such as printers and All-in-Ones which are used in a variety of environments, there is rising importance for security measures due to the rapid spread of remote work and telecommuting.

Under such circumstances, BIL has strengthened the information security of its products and obtained external evaluations and certifications.

Passed the rigorous testing of the BLI Security Validation Program

BIL's printers have passed the Device Penetration Testing of the Buyers Lab (BLI) Security Validation Program from Keypoint Intelligence, an independent research and testing agency in the United States, and obtained the Security Verification Testing Seal.

The Security Validation Testing Seal is a certification that indicates that a product has passed the device penetration testing offered by Keypoint Intelligence and indicates that the device firmware and OS contained no serious vulnerabilities likely to be exploited by an outside hacker.



For more information, including a list of products that have passed the BLI Security Validation Program, please visit the [Security Validation Program website](https://keypointintelligence.com/security-validation) <https://keypointintelligence.com/security-validation> .

Compliance with BMSec (Business Machine Security Program)

As part of efforts to strengthen product information security measures of printers and All-in-Ones, BIL complies with the Business Machine Security Program (BMSec^{*2}) by the Japan Business Machine and Information System Industries Association (JBMIA).



For information and details about products that comply with BMSec, please see [the official website of BMSec](https://bmsec.jbmia.or.jp/) (the link to the site of "JBMIA") <https://bmsec.jbmia.or.jp/> (in Japanese).

* BMSec is a registered trademark of Japan Business Machine and Information System Industries Association.

BMSec is also introduced on Brother's product information website.

> Security responses of printers and All-in-Ones (This will link to Brother's product information (printers and All-in-Ones) website.)

<https://www.brother.co.jp/product/printer/security/index.aspx> (in Japanese)

*1: Devices which can pass information and orders to each other through LAN or the Internet

*2: This is a program where manufacturers and sales companies carry out self-evaluation of compliance with the Security Guidelines for Business Machines with Network Functions formulated by JBMIA and declare compliance, while JBMIA confirms and discloses compliance results

Efforts for personal information protection

In the Brother Group, personal information protection policies or privacy policies are formulated at Group companies following the Codes of Practice under the Brother Group Global Charter. For products, personal information is also handled by Group companies in accordance with the aforementioned Codes of Practice.

> BIL's General Privacy Policy

<https://global.brother/en/privacy>

> Information security of the Brother Group

<https://global.brother/en/sustainability/governance/security>

Basic Product Safety Policies

Brother Industries, Ltd. (hereinafter referred to as "BIL") stands on the principles that offering products to meet customer needs is our way of contributing to society, that product safety is our basis for quality assurance, and that delivering safe products to customers must be our top priority. Based on the above principles, BIL has established "Basic Product Safety Policies" as described below that are to be observed at BIL and its group companies in order to ensure the safety of our products.

1. Compliance with Regulations

We will commit ourselves to comply with regulations, guidelines and other rules relevant to product safety, and to behaving with ethical standards while paying serious attention to the standards of safety culture.

2. Establishing and Practicing Voluntary Action Plans

Based on the above basic policies, we will establish, practice, and continuously upgrade voluntary product-safety action plans in order to realize product safety based on our credo that "customers" and "product safety" come first.

3. Securing Product Safety

In order to offer safe and reliable products to customers, we will establish voluntary safety criteria and continuously upgrade them in addition to observing the safety criteria stipulated in applicable laws and industry standards. In addition, we will do our best to provide safe and reliable products by giving necessary education and training to our employees to ensure product safety and prevent accidents resulting from product failures.

4. Collection and Disclosure of Information Related to Product Failures

We will actively collect information relevant to product failures from customers, and disclose such information to customers at an appropriate time and in an appropriate manner.

5. Reporting Product Failures

If a serious product failure occurs, we will immediately report the factual details about the failure to the responsible authorities as ordered by their decrees.

6. Product Recall

If a product failure accidentally occurs, we will immediately collect facts about the failure and investigate the cause. Furthermore, if necessary, we will take every measure required to prevent the occurrence of further hazards or expansion of the existing hazard by reporting the facts to customers and recalling affected products.

7. Measures for Preventing Improper Use

We will do our best to prevent accidents resulting from improper or careless use of our products, by placing reminders in instruction manuals and on products to reinforce correct use.

Brother Industries, Ltd.
Representative Director & President

Efforts Regarding Product Safety

Safety Data Sheets (SDS)

To allow our products to be used safely, BIL creates Safety Data Sheets (SDS)—by language and product—that consolidate information such as the safe handling of chemical substances found in products.

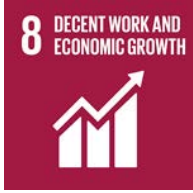
For details, please see [the download site for Safety Data Sheets \(SDS\)](#)

<http://sds.brother.co.jp/sdsapp/index.html>



Social(S)

Responsible Supply Chain



The Brother Group is promoting CSR procurement on a global scale and strengthening its commitment toward “Pursuing a responsible value chain” as stated in the materiality.

Promoting CSR Procurement

The Brother Group makes its "Procurement Policy" and "CSR Procurement Standards" publicly available and shares its CSR procurement concept with parts and materials suppliers. The policy and standards cover a wide range of fields, including human rights and labor, the rights to organize and bargain collectively, safety and health, global environmental protection, fair trade and ethics, product quality and safety, raw materials, information security, and social contribution. The Brother Group complies with local laws and regulations and supports workers' collective bargaining rights by conducting collective negotiations and respecting communication between management and employees on working conditions and management practices.

In addition, the Brother Group is also implementing initiatives for the responsible procurement of minerals, such as conducting a mineral procurement survey and establishing a working group to confirm that mineral resources that are mined in conflict-affected and high-risk areas*, and may be involved in violation of human rights, violation of labor rights, environmental degradation, etc. are not used.

*: Conflict-affected and high-risk areas: areas with a high risk of armed conflict, violence, and human rights violation

Procurement Policy/CSR Procurement Standards

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 human rights violation, labor rights violation, environmental degradation, etc. in mining and trade of minerals as very important social issues, and will take proactive approaches toward the responsible procurement of minerals.

CSR procurement standards

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

Labor

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

Safety and Health

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

Environment

- Environmental Consciousness
Take proactive measures to protect the global environment. Comply with the Environmental Supplier Guideline.

Ethics

- Legal Compliance
Respect the rules and spirit of laws, and act fairly with the highest integrity.
- Adequate Information Management
Have a framework for managing information in place, and keep personal information and confidential information secure.
- Responsible Procurement of Minerals
To promote the responsible procurement of minerals, it is strongly suggested to avoid the use of minerals mined or traded in conflict-affected and high-risk areas, which may be involved in human rights violation, labor rights violation, environmental degradation, etc., as raw materials in reference to the Policy on the Responsible Procurement of Minerals.

Management System

- Provision of Superior Quality
Work on building a framework for delivering safe, high quality products and services to customers who use our products and services.
- Continuous Improvement of Activities
Use CSR procurement questionnaires, surveys and any other various explanatory materials provided by us to engage in continuous, PDCA-oriented improvement efforts in fulfilling societal demands.

Contribution to Sustainable Society

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


Request for Cooperation to Business Partners

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

guidelines, documents, etc. cited in the Standards and/or separately provided to you; hereinafter the same shall apply in this section) at the same level as the Standards, as well as establish any process to check the status of your business partners' initiatives at the request of the Brother Group.

> Japanese version of the procurement policy and standards

<https://global.brother/ja/sustainability/social/supply-chain#procurement>

 Chinese version of the procurement policy and standards [PDF/480KB]

<https://global.brother/pub/com/cn/csr/partner/policy-cn.pdf>

Responsible Business Alliance

Since Brother Industries, Ltd. (BIL) joined the Responsible Business Alliance (RBA)

<https://global.brother/en/sustainability/csr/initiative#i02> in January 2019, we have been strengthening our supply chain risk assessment and the implementation system for corrective actions based on the assessment results in the areas of labor, health and safety, environment, ethics, and management systems as stated by the RBA in its Code of Conduct.

RBA Recognition Received

The Brother Group has been having its facilities audited by a third-party auditor approved by the RBA. As a result, since FY2022, its four manufacturing facilities have received RBA recognition, and the Group has achieved one of its sustainability goals the Group has set to address its materiality, "Attain RBA Gold certification for three Group manufacturing facilities." Going forward, the Brother Group will continue to further raise the level of its activities toward building a sustainable supply chain, including improving the safety of working environments at the Group's manufacturing facilities and minimizing the environmental impact.

For details on facilities with RBA recognition, please view Responsible Business Alliance under Management with an Emphasis on Sustainability—Participation in External Initiatives

<https://global.brother/en/sustainability/csr/initiative#i02> .

Using a Self-Assessment Tool

In FY2023, BIL used the RBA's self-assessment tool at a total of 15 facilities: 14 manufacturing facilities* in its Printing & Solutions Business (P&S Business) and Machinery Business, as well as the newly added Nissei Business and Personal & Home Business, plus BIL's head office. After assessing the internal policies and procedures and the status of their implementation and operation in response to RBA requirements and taking corrective actions to address any deficiencies, BIL has confirmed that

there are no significant risks at any of its facilities. Through these activities, the Brother Group is working toward complying with the RBA Code of Conduct at its manufacturing facilities and expanding the number of facilities subject to self-assessment as part of its commitment toward "pursuing a responsible value chain" as stated in Materiality <https://global.brother/en/sustainability/csr/materiality> .

*: BROTHER INDUSTRIES (VIETNAM) LTD., BROTHER INDUSTRIES (PHILIPPINES), INC., BROTHER TECHNOLOGY (SHENZHEN) LTD., ZHUHAI BROTHER INDUSTRIES, CO.,LTD., BROTHER INDUSTRIES (U.K.) LTD., BROTHER INDUSTRIES (SLOVAKIA) s.r.o., BROTHER INDUSTRIES (U.S.A.) INC., MIE BROTHER PRECISION INDUSTRIES, LTD., BROTHER MACHINERY XIAN CO., LTD., NISSEI CORPORATION, TAIWAN BROTHER INDUSTRIES, LTD., BROTHER INDUSTRIES SAIGON, LTD., BROTHER INDUSTRIES, LTD. (Hoshizaki Factory and Kariya Factory)

CSR Procurement Efforts

CSR Procurement Level-up Program

Developed CSR Procurement Level-up Program

In FY2020, the Brother Group developed its CSR Procurement Level-up Program to improve CSR procurement at its suppliers. This program comprises the following three steps. Repeatedly following these steps helps improve the level of CSR procurement at each supplier. The program has evolved further since FY2023 as the information to be understood for consent changed from the Brother Group's CSR Procurement Standards to the RBA Code of Conduct to promote activities toward RBA compliance.

Step 1 Understanding and Consent

Regarding the RBA Code of Conduct, explanations are given to suppliers using supplementary information to help them understand and comply with it. Suppliers' consent to promote the activities is confirmed by signing a Confirmation Form.

Step 2 Compliance Check and Assessment

The state of compliance with the RBA Code of Conduct is checked through self-checks using the CSR questionnaire (RBA-compliant). Risk assessment of suppliers is conducted based on the responses to the CSR questionnaire.

Step 3 Improvement Activities and Audits

Suppliers that have risks discovered as a result of the assessment are requested to make improvements while ensuring meetings and other communication situations. The state of improvement is checked by combined means of audits and monitoring, and support for improvement activities is provided.

**STEP1:
Understanding and agreement**

Request understanding and compliance with RBA Code of Conduct

Explanations are provided using supplementary information, and consent is confirmed by a signature on a Confirmation Form

CSR Procurement Level-up Program

**STEP2:
Confirmation of compliance and assessment**

Understand state of compliance with RBA Code of Conduct at suppliers

Confirm using responses to CSR questionnaire (based on RBA)



**STEP3:
Improvement activities and audits**

Request supplier to improve if risks are discovered as a result of evaluation using the CSR questionnaire

Confirm state of improvement at supplier using audits, monitoring, etc.

Mechanism of CSR Procurement Level-up Program

This program is being deployed not only for existing suppliers but also new ones. For existing suppliers, based on the evaluation results about the state of compliance with the RBA Code of Conduct, areas of improvement are clarified for each supplier, the results are given as feedback to the suppliers, and they are requested to make improvements. For new transactions, compliance with the RBA Code of Conduct is confirmed so that CSR procurement is carried out even more steadily in the future. Through this program, the Brother Group seeks to further improve the level of CSR procurement together with suppliers.

Details of Activities under and Results of the CSR Procurement Level-up Program

STEP1: Understanding and Consent; Activities to promote awareness of the RBA Code of Conduct

Preparing supplementary information to the RBA Code of Conduct and signing a Confirmation Form

The Brother Group requests suppliers of its manufacturing facilities (P&S Business) to understand and comply with the RBA Code of Conduct.

To ensure understanding and compliance, the Group has prepared and is providing supplementary information to the RBA Code of Conduct, listing requests and matters it would like its suppliers to cooperate in so as to facilitate further understanding among its suppliers. The Group confirms suppliers' consent to promote the activities by obtaining their signatures on Confirmation Forms. In FY2023, the Group received consent from 649 business partners both in and outside Japan. In addition, when starting new transactions, the Group explains the RBA Code of Conduct to obtain understanding and cooperation.

Supplier Explanatory Meetings

In April 2024, we held supplier explanatory meetings at manufacturing facilities (P&S Business) in Japan, Vietnam, the Philippines, and China. On-site—and also online—explanatory meetings were held with a total of 734 participants from 408 supplier companies.

These meetings explained the "CSR procurement activity results for FY2023" and "CSR procurement activity plans for FY2024," as well as "compliance with the RBA Code of Conduct" and "continuation and promotion of activities based on the CSR Procurement Level-up Program." We also requested suppliers to conduct a "CSR Questionnaire Survey and a Forced Labor Questionnaire Survey for FY2024." The meetings served as a good opportunity to establish relationships built on trust between suppliers and us.

Communication with Suppliers

In FY2022 to raise the level of CSR procurement among our suppliers, we asked our parts and materials suppliers in the P&S Business to appoint two or more CSR procurement personnel*. In FY2023, we worked with the appointed CSR procurement personnel at each supplier to help them formulate their own CSR Procurement Standards that specify information in the areas of labor, health and safety, the environment, and ethics. In formulating the standards, the CSR procurement personnel at the Brother Group's overseas facilities spoke directly with CSR procurement staff at suppliers, providing specific explanations of the CSR Procurement Standards and the purpose of the formulation of the standards. Direct dialogue enabled clarification of any points of uncertainty or areas that needed strengthening in formulating the standards, further deepening suppliers' understanding of CSR procurement. Through activities like this, we will continue to promote and improve the level of CSR procurement among our suppliers.

*: For P&S Business manufacturing facilities

STEP2: Confirmation of compliance and assessment; Conduct of CSR questionnaire and risk assessment of suppliers

The Brother Group implements CSR questionnaire activities on a two-year cycle for suppliers in Vietnam, the Philippines and China, where the manufacturing facilities of the P&S Business are located. In FY2020, we revised our CSR questionnaire to check the state of compliance with the RBA Code of Conduct at our suppliers. The revised CSR questionnaire comprises questions in the five areas of labor, health and safety, the environment, ethics, and management systems. The questionnaire is configured to check the state of efforts at suppliers by means of self-checks. For example, in the area of labor, the items being checked include the absence of forced labor and child labor and compliance with local labor laws and regulations. In FY2023, we conducted a CSR questionnaire with 69 major suppliers in the Philippines and China to conduct a risk assessment.

Together with the CSR questionnaire, we also sent questions about global environmental conservation to check the state of efforts at our suppliers regarding their activities to reduce greenhouse gas emissions. We asked suppliers to provide numerical values, such as the "greenhouse gas emissions

(CO₂ equivalent)" produced by their company and "reduction of the volume of water intake." Some suppliers also set their reduction targets in these categories and report on the degree of achievement of the targets.

Evaluation criteria for CSR questionnaire

Risk rating	Score	Description
Low risk	85 pts. or higher	Meets the "CSR Procurement Standards" requested by Brother
Moderate risk	65 to 84 pts.	Some areas require improvement, but voluntary improvements can be made.
High risk	64 pts. or lower	Has areas that require improvement, and needs immediate improvement and monitoring.

STEP3: Improvement activities and audits; Conduct of CSR procurement audits

Improvement activities at suppliers

We request improvement and review the results of improvement activities from suppliers that are found to have risks in the CSR questionnaire. In FY2022, we provided feedback on the evaluation results to all suppliers that completed the CSR questionnaire, and conducted individual interviews with suppliers according to the evaluation results, requesting improvement and reviewing the results of improvement activities from suppliers that were found to have risks. For those suppliers that were found to be at risk, we requested them to make improvements and confirmed the results.

CSR Procurement audit activities

Besides requesting improvements from suppliers with risks discovered through the CSR questionnaire, we have also built a system where the Brother Group auditors conduct CSR procurement audits on suppliers' manufacturing facilities and get them to rectify any nonconformities that are discovered.

In FY2023, CSR procurement audits were conducted on two suppliers identified to be audited according to the results of CSR questionnaire assessment. Five suppliers in Vietnam, 14 in the Philippines, and two in China, all of which we newly conduct business with, were audited online in the areas of labor, ethics, health and safety, and management. For each nonconformity found as a result of the audit, Brother Group auditors explained the causes of the nonconformity and the measures required to become compliant, giving specific examples, and asked suppliers to take corrective actions. Through these activities, the Brother Group seeks compliance with the Procurement Policy and CSR Procurement Standards together with our suppliers.

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

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

Aiming to further promote the CSR activities of its suppliers, the Brother Group has been conducting questionnaire surveys about their CSR efforts, selecting and honoring excellent examples since 2015 at Machinery Business manufacturing facilities in Japan and China.

In China, questionnaire surveys on suppliers' CSR activities were similarly conducted in September and October 2023. We received responses from 82 companies. Furthermore, we asked suppliers to submit examples of their CSR activities. Of the submissions we received from 14 companies, we selected and awarded five outstanding CSR companies. One award-winning supplier actively conducts various activities—such as enthusiastic training of employees and development of better working environments, as well as promotion of business activities with consideration for the environment and social contribution activities for the local communities—and we asked the supplier to share these as concrete, outstanding examples. The supplier positively responded to the request.

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

FY2023 award-winning company

BROTHER MACHINERY XIAN CO., LTD., Outstanding CSR award

- NINGBO HUAHUI SEWING MACHINERY PARTS
- NINGBO KANGLIAN MACHINERY
- SUZHOU ZHOUYANG PRECISION MACHINERY
- STRONG H MACHINERY TECHNOLOGY
- DONGGUAN SHINGI ELECTRONICS CO., LTD

Data Related to CSR Procurement

	FY2019	FY2020	FY2021	FY2022	FY2023
Procurement Policy and CSR Procurement Standards	Established in 2008				
> Green Procurement https://global.brother/en/sustainability/eco/product/supplier#02	Started in 2001				
Supplier meeting	Participated in by 460 companies and approximately 900 individuals in total	Conducted online Participated in by 217 people from 129 companies	Conducted online Participated in by 680 people from 380 companies	Conducted online Participated in by 814 people from 478 companies	Conducted on-site and online Participated in by 842 people from 472 companies
CSR questionnaire	Started in 2012 (conducted every three years), revised in 2020 (conducted every two years)				

Policy on the Responsible Procurement of Minerals

A part of the minerals (tantalum, tin, gold and tungsten, cobalt, mica, etc.) mined in conflict-affected and high-risk areas, such as the Democratic Republic of the Congo and adjoining countries are some sources of funds for local armed groups, and there are concerns that transactions for such minerals may promote conflicts and involve matters such as human rights violations, labor issues and environmental degradation problems.

In promoting management with an emphasis on sustainability, the Brother Group recognizes the human rights violation, labor rights violation, environmental degradation, etc. in mining and trade of those minerals as important social issues.

To implement responsible procurement of minerals, the Brother Group carries out surveys on the use of aforementioned conflict minerals and will steadily undertake efforts toward ensuring transparency of mineral procurement in the supply chain and avoiding the use of conflict minerals while cooperating with suppliers.

Efforts in the Brother Group to Practice the Responsible Procurement of Minerals

To promote responsible procurement of minerals across the Brother Group's entire supply chain, we are undertaking the following initiatives according to a five-step framework based on the "Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas" issued by the Organisation for Economic Co-operation and Development (OECD).

STEP1: Establish a strong company management system

For the Brother Group's approach to the responsible procurement of minerals, we have examined systems and methods to engage in the responsible procurement of minerals since 2014 and have been carrying out conflict minerals surveys on tantalum, tin, gold, and tungsten (3TG) targeting suppliers since 2016. Starting in 2022, we have also begun conducting a mineral procurement survey for cobalt and mica. Currently, we have established a working group under the [Responsible Value Chain Subcommittee](https://global.brother/en/sustainability/csr/management#m01) <https://global.brother/en/sustainability/csr/management#m01> overseen by the Executive Officer in charge of legal affairs, in which relevant business units, including those in charge of purchasing, law, and CSR affairs, participate, as well as the Work Standard for mineral procurement surveys to practice responsible procurement of minerals in a comprehensive manner. In addition, training is conducted for members in the working group and staff in the procurement and quality control departments responsible for the survey on the responsible procurement of minerals to improve their understanding of our mineral procurement survey initiatives.

STEP2: Identify and assess risks in the supply chain

The Brother Group has been carrying out a mineral procurement survey once a year targeting suppliers that supply materials or parts used in the Group's products. In this survey, the Group uses the "Conflict Minerals Reporting Template (CMRT)" as well as "Extended Minerals Reporting Template (EMRT)" provided by the Responsible Minerals Initiative (RMI)^{*1} to verify the content of the target minerals, identify smelters or refiners (SOR) in the supply chain of the Brother Group, and confirm the state of efforts made by each supplier toward the responsible procurement of minerals. Based on the information on SORs included in the Brother Group's supply chain identified as a result of the survey and other information, we conduct a risk assessment for each supplier.

STEP3: Design and implement a strategy to respond to identified risks

Based on the results of risk assessment, we ask suppliers that use SORs expected to be of concern to take appropriate responses, including requiring suppliers to conduct reconfirmation of SOR and avoid use of SORs with concerns.

Furthermore, the Brother Group also requests that suppliers understand the Group's stances through means such as the CSR Procurement Standards and supplier explanatory meetings, and work on responsible procurement activities for minerals.

STEP4: Carry out independent third-party audit of smelter/refiner's due diligence practices

As a corporate member of RBA and RMI, Brother Group supports the Responsible Minerals Assurance Process (RMAP) audits conducted by RMI, and cooperates with the industry to improve activities regarding mineral procurement surveys, and promotes responsible mineral procurement on a global basis in its supply chain.

STEP5: Report annually on supply chain due diligence

Brother Group's commitment to the responsible procurement of minerals is disclosed annually on our website.

Results of past surveys

The Brother Group carried out the annual mineral procurement survey in 2023 and obtained answers from more than 98% of the targeted suppliers. The Group will make ongoing efforts to obtain answers from all of such suppliers.

The Group also appropriately answered and dealt with inquiries from customers about the conflict minerals survey by means such as the submission of CMRT and EMRT.

3TG survey response rate

	CY2019	CY2020	CY2021	CY2022	CY2023
Response rate	96.5%	95.5%	97.4%	97.1%	98.5%

3TG survey results

	CY2022	CY2023				
	Total	Tantalum	Tin	Tungsten	Gold	Total
Number of identified SOR	350	36	83	53	177	349
Number of CFS ^{*2} certified SOR	232	34	66	33	96	229
Percentage of CFS ^{*2} certified SOR	66.3%	94.4%	79.5%	62.3%	54.2%	65.6%

Cobalt survey results

	CY2022	CY2023
Number of identified SOR	70	84
Number of CFS ^{*2} certified SOR	41	50
Percentage of CFS ^{*2} certified SOR	58.6%	59.5%



List of Smelters or Refiners [PDF/850KB]

https://download.brother.com/pub/com/en/csr/pdf/list_smelters.pdf

Third-party audit results

The Brother Group has had its four manufacturing facilities undergo RBA audits, which have been recognized to meet the required standards based on the RBA Code of Conduct (D. Ethics 7. Responsible Sourcing of Minerals).

*1 : Responsible Minerals Initiative (RMI): An organization that promotes the responsible procurement of minerals globally in cooperation with companies.

*2 : Conflict-Free Smelter (CFS): Smelter or refinery that has been certified through audit as not using conflict minerals.

Social(S)

Talent Development



Formulation of "Human Resource Policy"

In recent years, the environment surrounding employees and organizations has changed dramatically through not only globalization but also shifts in society's values and needs.

Under these circumstances, it is critical for the Brother Group to continue being the company chosen by customers with the spirit of "At your side." and to foster a corporate culture in which employees can work with even stronger motivation. To accomplish these goals, Brother Industries, Ltd. (BIL) formulated a "Human Resource Policy" in FY2023. Under this Human Resource Policy, we will promote activities to "encourage employees to take on challenges" and "improve employee engagement" as set forth in its medium-term business strategy "CS B2024." The Group also aims to realize the Brother Group Vision "At your side 2030" and to achieve eternal prosperity. Furthermore, the Group is implementing talent development and various other personnel measures, including a new personnel system, to enable employees to maximize their abilities.

Human Resource Policy	
Support "true autonomy and effort" of employees, respect diversity , and properly reward achievements and contributions	
True Autonomy	Think about the vision for growth, what one wants to do, and what needs to be done, and execute it while involving others.
True Effort	Dive into an environment where there are no policies or precedents, and where success is not guaranteed, and to think things through and act accordingly.
Respect Diversity	For the ultimate goal of "maximizing achievements and contributions," respect each person's will, career, and aspirations (Will) while making the most of each person's skills and strengths (Can), and avoiding uniformity and ageism.

Introduction of New Human Resource System

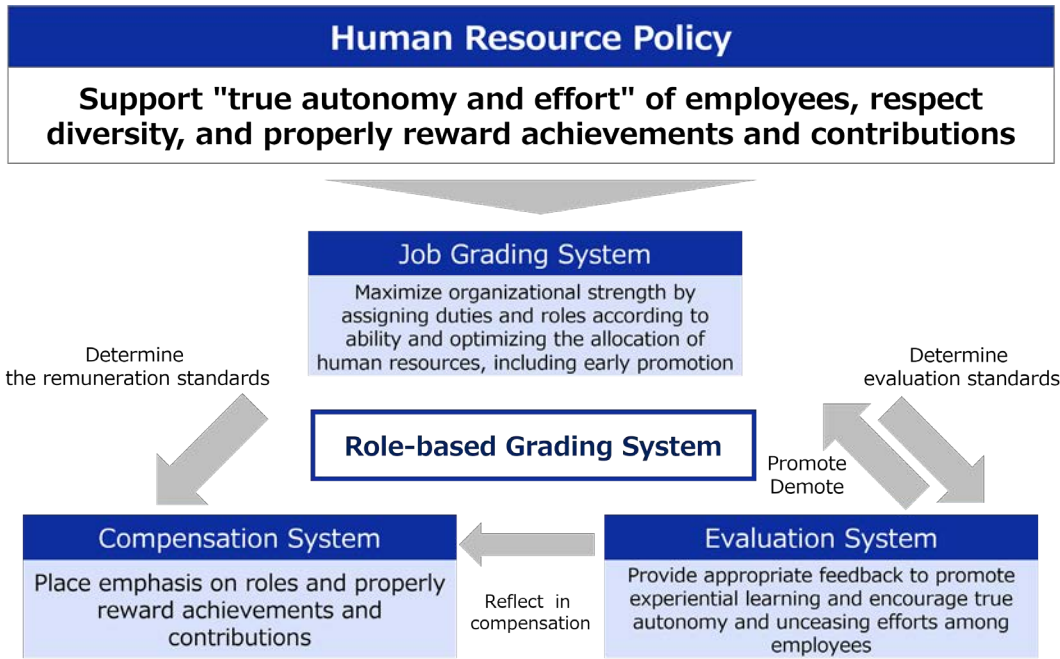
System Reform to Realize Human Resource Policy

Based on the Human Resource Policy, BIL believes that it is important for the organization and its people to work together to achieve eternal prosperity, with each of the diverse individuals constantly taking on challenges. To promote this sustainable growth, BIL takes a generational approach by classifying employees into four generations from an employee lifecycle point of view.



The system is reformed so as to facilitate the measures for each group: younger employees to receive role-based training and early promotion, mid-level employees to receive more flexible positioning and compensation, managers to make role-based contributions and strengthen their abilities, and older employees to achieve results and create value in their new roles.

Under this reform, BIL revised its human resource system in FY2023 in order to ensure that all BIL employees can demonstrate their abilities, and to "encourage employees to take on challenges" and "improve employee engagement" as set forth in its medium-term business strategy "CS B2024 <https://global.brother/en/investor/management/csb> ". Under this human resource system, the conventional position-based grading system,^{*1} which emphasized years of service and experience, has been replaced with a role-based grading system,^{*2} which emphasizes the roles that employees play. In line with the change to the role-based grading system, the evaluation and compensation systems have also been revised.



*1: A system that places importance on years of experience and grades employees based on their individual abilities and capabilities
 *2: A system that assigns grades and benefits based on the weight of the role (position) an employee assumes

Role-based Grading System and Compensation System

In April 2023, BIL transitioned from a position-based grading system to a role-based grading system and changed its compensation system accordingly. In this new system, the roles that employees play are emphasized and compensation is determined according to those roles.

Under the conventional position-based grading system, compensation increases with years of service, making it difficult to reflect the great achievements of younger employees in their compensation and requiring a certain period of service for promotion.

Under the newly introduced role-based grading system, grades and compensation are determined according to the role that each employee assumes, regardless of length of service, age or other factors. This system reduces seniority-based elements and better rewards those who produce great achievements and contributions. This system also promotes the early promotion of outstanding talents by shortening the retention period required for promotion of younger employees who bring great achievements and contribution to the company.

Under this system, BIL will encourage "true autonomy and efforts," as stated in the Human Resource Policy, by assigning roles according to ability and promoting the optimal allocation of talents while maximizing organizational strength by "properly rewarding achievements and contributions."

Evaluation System

BIL also reviewed its evaluation system in conjunction with the above transition to a role-based grading system. Under the new evaluation system, BIL will realize "properly rewarding achievements and contributions," as stated in the Human Resource Policy.

Based on the results of the [employee engagement survey](#)

<https://global.brother/en/sustainability/csr/stakeholder#s03> conducted in FY2022, BIL has reaffirmed the importance of "goal setting" as a factor to increase employee engagement. Accordingly, in addition to the introduction of the new evaluation system, BIL, since FY2023, has changed to a "goal-setting" system that can further encourage employees to take on new challenges.

In addition, BIL has created and published a new Role Definition Chart for each position and role, distributed videos and e-learning programs on the approach to goal setting and personnel evaluation, and conducted training programs for evaluators and employees in order to deepen all employees' understanding of the new evaluation system and enable them to set and evaluate goals with a common understanding.

After the evaluation is determined, feedback is provided on the evaluation results to inform employees of their strengths and challenges so that they can set their own goals for the following fiscal year. The results of the evaluation are reflected in salaries and bonuses for a highly transparent compensation system. This transparent system helps supervisors and subordinates to enhance mutual understanding and acceptance, thereby properly rewarding achievements and contributions and encouraging employees in "true autonomy and efforts."

Incremental Extension of the Retirement Age to 65

Once the role-based human resource system described above becomes firmly established, BIL will shift the retirement age to 65 for employees who will turn 60 years old in FY2029. This extension of the retirement age will be incrementally implemented starting in FY2026. In conjunction with the extension of the retirement age, the Brother Reemployment System will also be revised to encourage older employees to take on new challenges and to promote their success.

BIL believes that this shift will provide a system with no uniform reduction in compensation until the age of 65, thereby properly rewarding the contributions of older employees who produce great achievements by utilizing their experience, knowledge and skills cultivated over many years.

For more information on the promotion of older workers' success at BIL, please visit the following website.

> Respect for Diversity-Promotion of Success of Senior Citizens (Brother Reemployment System)

<https://global.brother/en/sustainability/social/diversified#d08>

Introduction of Systems and Implementation of Measures to Support Diverse Work Styles

BIL has introduced various systems to support diverse work styles and work-life balance to achieve "Respect for Diversity," which is set forth in the Human Resource Policy.

For more information, please visit the following websites.

- > Respect for Diversity
<https://global.brother/en/sustainability/social/diversified>
- > Comfortable Working Environment
<https://global.brother/en/sustainability/social/workplace>

Details of Education System and Training

BIL supports each employee to grow in his or her own way and build an autonomous career while utilizing his or her own skills and strengths. Examples include a career ownership program for employees at milestone ages to review their experiences and to visualize their future visions; extension training that accepts employees who wish to participate to learn various skills; and an overseas dispatch training program designed for young employees to gain experience overseas early on in their careers. BIL also provides e-learning options as an opportunity for self-development and subsidizes full or half tuition costs upon completion of a specified course.

In addition, BIL offers more than 20 training programs for new managers, including those on harassment, human rights, and compliance programs, in addition to management training. Besides these programs, we started one-on-one meetings between supervisors and subordinates in FY2017, to encourage the growth of employees, and the meetings are currently being conducted for 80% of the employees.

Self-development programs (BIL)

Category	Number of Courses
Languages	Approx. 120 courses
Business skills/knowledge	Approx. 110 courses
IT/Computer skills	Approx. 30 courses
Qualifications	Approx. 30 courses
Technical skills/knowledge	Approx. 10 courses

Details of new manager training (BIL)

Purposes	<ul style="list-style-type: none"> To help new managers recognize their role from a management perspective To help new managers understand and acquire the attitude, knowledge, and skills necessary for their positions
Goals	<ul style="list-style-type: none"> To enable new managers to constantly strive to improve themselves as organizational or expert leaders To enable new managers to acquire the necessary knowledge to fulfill their role To enable new managers to deeply understand how to coach their subordinates and prepare for applying the understanding in practice
Programs	<ul style="list-style-type: none"> 23 courses in total
Duration	<ul style="list-style-type: none"> Approx. 46 hours / 15 days in total

Major training programs for new managers (BIL)

Training name	Aim	Description
Management training	<ul style="list-style-type: none"> Understanding the fundamentals of being a manager and management techniques Understanding the role as a manager 	<ul style="list-style-type: none"> Basic training Talent and organizational development training etc.
Harassment training	<ul style="list-style-type: none"> Acquire basic knowledge on harassment as a manager 	<ul style="list-style-type: none"> Explanation of an overview of harassment Explanation of what to watch out for as a manager Introduction to specific real-life examples of harassment Introduction of practical techniques that are effective in preventing harassment (e.g., effective communication based on specific examples)

Training name	Aim	Description
Compliance training	<ul style="list-style-type: none"> Consider compliance from a management perspective 	<ul style="list-style-type: none"> Explanation of an overview of compliance Explanation of measures to prevent noncompliance in the workplace Guidance on internal helplines, and examples of consultation and reporting
One-on-one subordinate development training	<ul style="list-style-type: none"> Review one's attitude and involvement in subordinate development to enhance organizational performance, and build an effective attitude and coaching skills to develop subordinates 	<ul style="list-style-type: none"> Explanation of how to conduct one-on-one meetings to understand the values and motivational sources of subordinates and to enhance their strengths Explanation of how to build trust
Human rights training	<ul style="list-style-type: none"> Learn about human rights and the understanding that comes from learning about human rights 	<ul style="list-style-type: none"> What are human rights?: Understanding basic human rights and discrimination Business and human rights: What to consider about human rights when continuing business
Face-to-face meeting with the president/chairman	<ul style="list-style-type: none"> Understand the succession of Brother's DNA and reinforce one's awareness of it Deepen understanding about importance of management, Group strategy, and leadership through direct dialogue 	<ul style="list-style-type: none"> New managers talk about what they want to discuss, what they want to ask, etc., and the president gives feedback comments Explanation from the chairman about the qualities required of a global leader



Education system (Brother Industries, Ltd.) [PDF/627KB]

<https://download.brother.com/pub/com/en/csr/pdf/education-system.pdf>

Details of Employee Development Training and Education

Details of employee development training and education (BIL)

	FY2019	FY2020	FY2021	FY2022	FY2023
Total hours ^{*1}	99,667 hours	104,758 hours	104,450 hours	166,698 hours	118,610 hours
Training types	position-based education, new manager training, extension training, trainee program ^{*2} , etc.				
Average amount of money per employee	110,880yen	70,746yen	78,837yen	106,025yen	125,241yen
Average number of days per employee ^{*3}	1.09 days	1.15 days	1.13 days	1.79 days	1.27 days
Average amount of time per employee	26.23 hours	27.55 hours	27.01 hours	42.85 hours	30.59 hours

*1 : Covers only company-wide training programs conducted by the Human Resources Dept. and the Production Strategy Planning Dept. (OFFJT)

*2 : The trainee programs were suspended between FY2020 and FY2021 due to the impact of the COVID-19 pandemic, but gradually resumed from FY2022.

*3 : Includes training and education programs provided by each department in addition to training programs conducted by the Human Resources Dept. and the Production Strategy Planning Dept. (For FY2019 through FY2022, the amounts have been updated from previously published data to include education and training programs provided by each department.)

Brother Develops Talent Who Can Tackle Global Business Challenges

Employees develop a broad perspective and high expertise through various experiences

Since FY2008, the Brother Group has conducted the "trainee program," a training program that sends trainees from BIL to the group companies outside Japan and vice versa, aiming to foster talent who have a broad vision, high expertise, and the ability to respond to global business challenges.

This training is designed for young employees selected based on Brother's talent development plan to receive on-the-job training ranging from three months to one year in line with the training plans formulated beforehand by both their dispatchers and receivers. The initial focus of this program was to

provide trainees with training associated with their area of expertise. However, in FY2015, it started offering training to help trainees gain new knowledge through experience outside their specialty. Such training, for example, includes giving an opportunity for developers to visit customers with salespersons to directly listen to the needs and usage conditions of the customers.

In FY2018, the program also started short-term training for engineers in their twenties to learn at manufacturing or repair sites outside Japan for one month. This short-term dispatch program has been providing an opportunity for developers and engineers to broaden their perspectives by learning about operations that differ from their usual scope of responsibilities, improving cooperation with overseas manufacturing facilities, and visiting customers to directly learn about their real challenges.

In FY2023, 26 employees were dispatched from BIL to Group companies in Germany, Taiwan, and other countries, and 14 employees from Group companies in the Philippines and China to BIL. The Brother Group will remain committed to fostering globally-minded talents who can deliver superior value.



**Comment from an employee who used the trainee system (1)
Brother Industries, Ltd. (Japan) → Brother International Europe Ltd.
(U.K.)**

—Learning the True Issues of Customers through Visits to Customers—

**Labeling Solutions Business Development Dept., Printing & Solutions
Business, Brother Industries, Ltd.**

Ayano Tsujii

I participated in a three-month trainee training program at the European sales overseeing company of the Printing & Solutions Business in the UK. I visited customers in the UK, France and Germany who use Brother's commercial & industrial use label printers to ask them how they actually use the products and interview them about issues that they are facing. At first, it was difficult to find out what they really think due to the language barrier and other obstacles; however, by clarifying the purpose of the visit first and directly communicating my thoughts to each customer, I gradually began to receive a variety of information from them. Eventually, through interviews, I was able to understand issues that even the customers themselves were unaware of, and one of the customers told me that they were glad that I had taken them seriously.

From this experience, I would like to aim to provide customers with true value by being conscious of taking customers seriously, learning the nature of the issues that they face, and communicating these issues directly to developers myself.



Comment from an employee who used the trainee system (2)
Brother Industries (Vietnam) Ltd. (BIVN) → Brother Industries, Ltd. (Japan) (BIL)

—Learning about Safety and Health Concept and Initiatives in Japan—

**Safety - Fire Prevention & Environment Section, General Affairs
Department, BIVN
Dien PhamHuu**

I was dispatched to BIL from BIVN, a manufacturing facility in Vietnam. At BIL, I actually experienced safety and health initiatives at the Mizuho Factory and the Hoshizaki Factory and acquired a variety of knowledge and learned various skills. Specifically, I learned how to balance work efficiency and safety by checking the operation of cooperative robots and conducting risk assessments at production sites. In addition, through participation in safety and health patrols and fire drills at BIL's production sites and learning how to use an AED, I was able to gain a deeper understanding of the safety and health concept.

Through experiencing more than 90 other initiatives, I was exposed to BIL's high awareness of safety and health, and I feel that my own understanding and awareness of safety and health has been further improved.

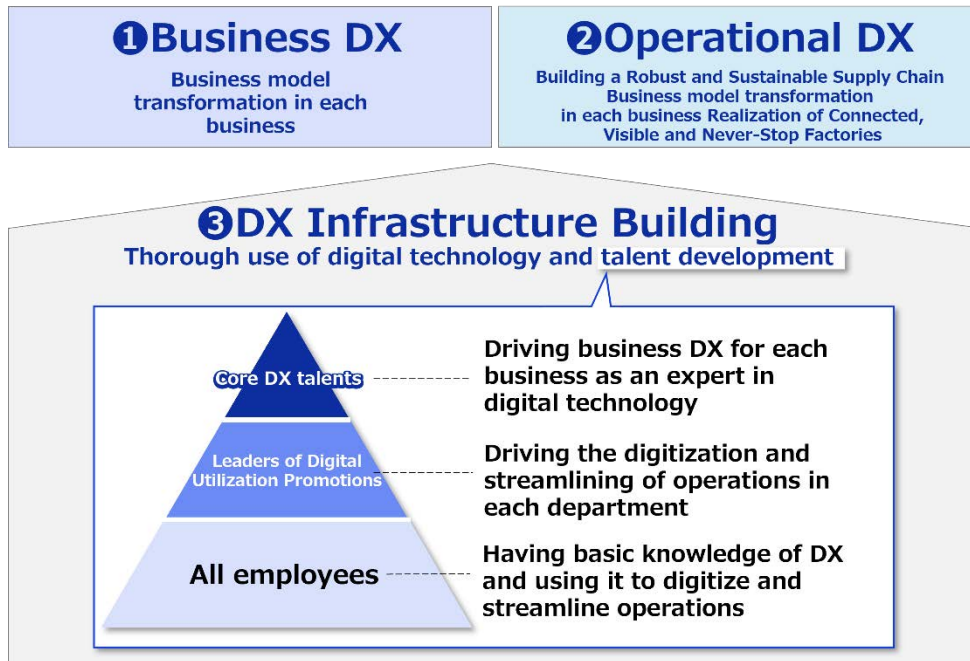
To further raise the safety awareness of employees working at BIVN, I would like to apply the Japanese safety and health disaster prevention activities that I learned about from this training program to BIVN.

Development of DX Talent

The Brother Group is promoting the use of digital technology to "transform business models in each business" and "build resilient and sustainable supply chains" as part of "management foundation transformation for a sustainable future," a key theme in its medium-term business strategy, CS B2024 <https://global.brother/en/investor/management/csb> . Furthermore, in order to "encourage employees to take on challenges," the Brother Group is also strengthening the development of talents who can lead DX* .

The Brother Group's DX strategy consists of three pillars: 1) Business DX (business model transformation in each business), 2) Operational DX (building a robust and sustainable supply chain), and 3) Building DX infrastructure (thorough use of digital technology and talent development). To build the foundation, we are promoting the continuous development of DX talents throughout the Group. The development of DX talent is divided into three levels: "Core DX talents," "Leaders of Digital Utilization Promotions," and "All employees."

Three Pillars of DX Strategy and DX Talent Development



*: Abbreviation for digital transformation. Transformation of business and life through information technology (IT) such as high-speed Internet, cloud services, and artificial intelligence (AI).

Core DX talents: Driving business DX for each business as experts in digital technology

BIL is training "core DX talents" who will lead DX in their respective Businesses as experts in digital technology. In FY2022, the sought after talents were divided into five categories: "business planners," "data analysts," "data architects," "cloud engineers," and "AI engineers," and education was provided based on the curriculum for each category. In FY2023, two categories of "digital marketers" and "product information security specialists" were added, bringing the total to seven categories for training.

For the three years from FY2022, BIL plans to train 200 "core DX talents." In FY2022, the first year of the program, the training was provided to employees in departments at each business and the headquarters, with 147 people completing it. This training continued in FY2023, which was received by 96 employees. When the training is completed in September 2024, it is expected that the goal of training 200 core DX talents will be achieved one year ahead of schedule. In addition, approximately 80% of the employees who received the training in FY2022 are engaged in DX-related work.

Leaders of Digital Utilization Promotions: Driving the digitization and streamlining of operations in each department

BIL selects and trains one "Leader of Digital Utilization Promotion" from each division of BIL to drive the streamlining and digitalization of operations. Twenty-eight employees participated in the training on "Problem Detection Skills" in FY2022. In FY2023, the training on "Problem Detection Skills" continued to be conducted, and 26 employees from 26 departments that did not take that training in FY2022 participated in the training.

All employees: Having basic knowledge of DX and using it to digitize and streamline operations

Developing talents to utilize digital technology

BIL is supporting its employees in cooperation with external educational organizations to become talents capable of creating value through the use of digital technology by promoting "Digital Technology Utilization Talents Development" as the foundation for DX talent development.

In the "Digital Technology Utilization Talents Development" in FY2022, an e-learning program was conducted for all BIL employees except those who already have basic knowledge of digital technology. The videos in the e-learning introduced many tools and programs that are useful for "automation and streamlining of operations" and "considering and implementing data use," and approximately 3,000 employees took the course.

In FY2023, a basic DX training program was conducted for new graduate employees and mid-career recruits, which was attended by 158 people.

AI utilization project to foster AI-led talents development

BIL launched operational efficiency projects in 2018 under the direct management of the company president. They are aimed at groupwide promotion of automation and greater efficiency in routine tasks by utilizing RPA* and artificial intelligence (AI). One such example is the AI utilization project led by a software development department under the slogan "AI Everywhere." to enable AI application voluntarily by each employee. Under the project, Brother is undertaking a wide range of efforts, such as organizing internal AI training with a curriculum developed independently by BIL, sharing the latest AI technologies and AI best practices within the company through a dedicated intra-site system and AI utilization support to resolve issues at work sites.



Top page of the dedicated intra-site

The internal AI training program aims to assign at least one AI talent to each business division and offers programming courses for beginners to encourage employee participation regardless of level of basic knowledge or affiliation. The program has been received very favorably among the participants, who said that "it was a great opportunity to learn how to make use of AI, which I knew nothing about"

and "actually experiencing programming in the workshop helped create an image of what I will be doing." In fact, AI application by employees who have completed the course is growing steadily in various work sites.

Examples of AI application in manufacturing are automation and improved inspection accuracy for the shape of inkjet printer head nozzles and automation of pre-shipment inspection of industrial sewing machines. With project members working together with inspection personnel in each business division on identification of issues, massive data collection and data learning to utilize the AI system and trial system operation, inspection personnel were able to gain deeper knowledge about AI, leading to AI application in manufacturing.

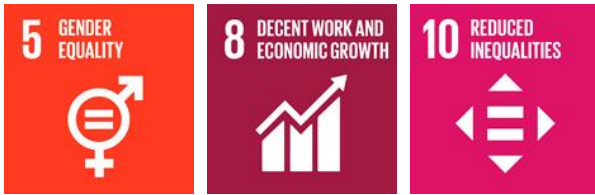
In addition, an "AI Lean Canvas" is filled out in the early stages of a project to ensure smooth project management. The "AI Lean Canvas" is a practical framework that enables a quick, objective evaluation of whether or not a potential solution to a current problem is suitable for using AI, on a single sheet of A4-size paper and within an hour, so that even a non-expert in the AI field can easily complete the form. With the use of "AI Lean Canvas," it is now possible to quickly determine whether a project is suitable for AI, regardless of the expertise of the person in charge of the project in terms of AI, and to quickly move on to verification testing and implementation.

In addition to this, BIL has established a channel on Teams, an internal communication tool, to share information on AI utilization, called "AI Utilization Sharing Community," in which approximately 600 employees participate. On this channel, employees post information on AI utilization on a daily basis, including the latest AI technologies and examples of AI utilization inside and outside the company, and engage in lively discussions. Through these discussions, BIL is helping to promote the utilization of AI within the company by resolving issues faced by each department and creating new AI utilization projects.

*: Acronym for Robotic Process Automation, referring to automation of business operations with the robots (replacement of people with robots for multiple routine application operations).

Social(S)

Comfortable Working Environment



Basic Policy on Employment and Compensation

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

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

The foundation for achieving this is laid out in the Basic Policies of the Brother Group Global Charter <https://global.brother/en/corporate/principle> (hereinafter referred to as the "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. The Brother Group gives them great opportunity through challenging work assignments and provides them with fair, attractive financial rewards." In addition, the Codes of Practice in the Global Charter state that "we must always honor individuals and diversity and act with trust and respect." In addition to the Global Charter, the Brother Group set the Brother Group Principles of Social Responsibility <https://global.brother/en/sustainability/csr/csr-principle> (the Principles) to respond to societal demands and fulfilling its responsibilities as a company. In accordance with the Principles, Brother Group companies aim to eliminate all forms of discrimination based on race, nationality, religion, belief, gender, educational background, age, disability, or anything else, in hiring, evaluation and promotion and also prohibit child or forced labor. As for employment, the Brother Group guarantees pay higher than local minimum wages. In addition, the group respects employees' rights to form and join, or not join, a union (the rights to organize) as a means to conduct negotiations between labor and management about working conditions and environments, pay levels, and so forth. It also upholds employees' collective bargaining rights and engages in sincere negotiations and dialogues with them. In addition to the signing of labor agreements between labor and management with Brother Industries Labor Union, regular information exchange is also carried out—such as through labor-management gatherings and the Working Environment Improvement Committee—to build good labor-management relations. The management and employees of the Brother Group will continue to make constant concerted efforts to comply with related regulations and rules, respect different cultures and customs,

evolve the group's personnel system in line with the Global Charter and the Principles, and continue to create a better working environment, thereby improving employee engagement*.

*: Relationships in which employees and management are equal to each other and provide value to each other

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 abilities and achievements and reflects the evaluation results in their compensation. BIL, for example, assesses its employees in a way that highly satisfies them, using a target management system with clear criteria. Each employee receives the results of the evaluation of his/her performance and is subsequently informed of the reasons in a meeting with the supervisor. This approach, which helps employees review their own performance and raise their motivation to advance toward new challenges, has been contributing to talent development.

For more information on the evaluation system of BIL, please visit the following website.

> Talent Development — Introduction of New Human Resource System

<https://global.brother/en/sustainability/social/training#system>

Promoting Autonomous Work Styles

BIL believes that by enabling a diverse group of talent to thrive in a rewarding environment where they can work autonomously, BIL can continue to provide new value to its customers and contribute to the development of a sustainable society.

Work styles to suit each job and lifestyle

Super flextime system

BIL introduced a flextime system in 1995, and since then it has been striving to create an environment that lays the foundation for diverse work styles. In FY2023, the system was upgraded to a super flextime system to further promote employees' autonomous work styles. Under this new system, the "core time," which was mandatory in the previous system, has been discontinued, and temporary suspension and resumption of work after clocking in have been allowed.

This system allows employees to adjust their working hours according to their individual circumstances, such as caregiving, childcare, medical appointments, and events, making it easier to achieve more flexible work styles. Furthermore, this system can be combined with homeworking, which BIL believes will further promote employees' autonomous work styles.

*: A time period during which all employees must work

Homeworking

BIL introduced a homeworking system in FY2015 for employees who are raising children or providing nursing care for family members. Subsequently, in response to the impact of COVID-19, BIL expanded the number of eligible employees, and homeworking became more established. Even after the relaxation of restrictions from COVID-19 in FY2023, this system has been continued, allowing employees to work more flexibly by combining remote and in-office work.

Reemployment system for accompanying spouses

In FY2012, BIL introduced a "reemployment system for accompanying spouses." The reemployment system for accompanying spouses is designed to rehire employees who have had to leave their jobs due to their spouses' overseas or domestic transfers, allowing them to continue their careers upon return. In FY2023, the system was revised to allow for the reemployment of not only employees who accompanied their spouses employed by BIL but also those who accompanied their spouses employed by other companies on overseas assignments. Under this system, BIL provides an environment where a more diverse range of talent can continue to be active in the company over the long term.

Side jobs and concurrent work

In response to the recent increase in work style diversity, since FY2021, BIL has allowed its employees to have side jobs or to work concurrently under certain conditions, offering them more work style options so that they can acquire skills and experience beyond the confines of the company through new challenges.

Internal concurrent job system

In FY2023, BIL introduced an internal concurrent job system. This system allows employees to work in other departments for a set period of time, up to approximately 20% of their working hours, while continuing their duties in their current department. The term "concurrent job" is used instead of "side job" to emphasize the parallel engagement in multiple roles without prioritizing one over the other. In its first year, FY2023, twelve employees utilized this system.

Under this system, by allowing employees to gain new work experience without transferring them to a different department, BIL aims to enhance diversity and revitalize the organization. This initiative also seeks to encourage employees to take on challenges, as outlined in the company's medium-term business strategy "CS B2024 <https://global.brother/en/investor/management/csb> ", and to develop talent that will drive the transformation of its business portfolio.

Supporting work-life balance

BIL has established various systems to provide a work environment where employees can perform to the best of their abilities while balancing work with their lives, including childcare, nursing care, and medical treatment.

Efforts to encourage male employees to take childcare leave

BIL has set a goal of increasing the percentage of male employees taking two or more weeks of childcare leave to at least 60% and the percentage of male employees taking a total of four or more weeks of childcare leave to at least 30% by FY2025. To achieve this goal, BIL organized "career communities" between FY2018 to FY2021, for roundtable discussions with male employees on the subject of balancing work and childcare with those who have experience taking childcare leave, in which a total of 61 employees participated.

In FY2022, BIL implemented an e-learning program for all employees to inform them of the revisions to the Child Care and Family Care Leave Law. In addition, BIL conducted a questionnaire survey of male employees who had taken childcare leave to ascertain the actual situation regarding the use of childcare leave. The results of the survey showed that many employees who took childcare leave expressed constructive opinions about taking childcare leave, such as that they were able to focus on childcare during the difficult period of having a newborn baby, that their spouses were able to return to work earlier, and that taking childcare leave provided an opportunity to optimize and automate their assigned tasks. On the other hand, the survey also revealed some challenges in taking childcare leave, such as difficulty in coordinating work and burden and concerns about returning to work, which provided insights into how to encourage employees to take childcare leave.



Voice of an employee who utilized the childcare leave system - Valuable time with family provided by childcare leave -

**IDS Development Department
Printing & Solutions Business Division
Brother Industries, Ltd.
Yasuo Ono**

After the birth of my first child, I took childcare leave in three installments, totaling about three months. Before taking the leave, I was concerned about ongoing projects, but my supervisor told me: "Your child's early years are fleeting. Don't worry about work. Take this unique time to bond with your child." Thanks to my supervisor's encouragement and proactive support from my colleagues, my anxieties about taking childcare leave were alleviated. In addition, through the process of handing over my responsibilities for childcare leave, we were able to improve work efficiency by visualizing tasks and identifying waste.

The childcare leave period allowed me to closely observe my child's daily growth, such as their smiles and movements, making it an incredibly valuable time. Additionally, by taking the leave in installments, I was able to flexibly adjust the timing of the leave to accommodate both family needs and work circumstances.

In the future, I would like to actively share my experience of childcare leave with my colleagues and provide support to those who are considering taking it so that more people at my workplace will take childcare leave.

Babysitter support system

In FY2023, BIL introduced a babysitter support system* to support employees in balancing work and childcare. This system provides discount coupons for babysitting services to employees with childcare responsibilities. Employees can receive discounts when using babysitters for work purposes, and in FY2023, the first year of the system, 140 discount coupons were used by both male and female employees.

*: Utilizing the Children and Families Agency's corporate-led babysitter dispatch program

Infertility treatment leave system

BIL has established various systems to ensure that employees can continue to actively work even when facing challenges in their life stages. As part of these systems, the company introduced the Infertility Treatment Leave System in FY2024. Under this system, employees undergoing infertility treatment, both male and female, are eligible for up to 10 days of paid leave per year and up to 18 months of unpaid leave. The introduction of this system aims to alleviate the burden on employees struggling to balance work and infertility treatment and thereby improve their work-life balance, productivity, and engagement.

Caregiving understanding promotion program

Since FY2011, BIL has been conducting caregiving seminars to support employees in balancing work and caregiving responsibilities. These seminars aim to deepen employees' understanding of caregiving and introduce the company's internal support systems and the state-run nursing-care insurance system so that they can continue working without having to resign even when faced with caregiving responsibilities. In addition, to create a work environment that supports employees with caregiving responsibilities, since FY2016, the company has been holding seminars for management staff on how to foster a workplace that enables balancing work and caregiving. In FY2023, a total of 237 management staff and general employees participated in the seminars.

Data Regarding Users of Systems for Supporting Work-Life Balance (BIL)*¹

	FY2019	FY2020	FY2021	FY2022	FY2023
Childcare leave* ^{2,3}	74 (41)	96 (60)	94 (65)	92 (63)	119 (77)
Family-care leave* ²	3 (2)	2 (1)	2 (2)	2 (1)	2 (0)
Short-time working for childcare	176 (7)	184 (10)	184 (8)	175 (9)	164 (9)
Short-time working for family-care	6 (1)	5 (2)	5 (1)	4 (1)	4 (2)
Nursing care leave	28 (7)	13 (3)	16 (6)	32 (12)	35 (14)

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

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

*3 : The figures for the number of employees on childcare leave and the percentage of employees on childcare leave have been recalculated and updated based on the standards set by the Ministry of Health, Labour and Welfare.

Reduction of Long Working Hours

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

Revision of systems

Overtime application system

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

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

Based on an agreement with the Brother Industries Labor Union, BIL gradually reduced the non-statutory working hours by FY2020, and they have been maintained.

	FY2019	FY2020	FY2021	FY2022	FY2023
Monthly target	70 hours	65 hours	65 hours	65 hours	65 hours
Annual target	480 hours	450 hours	450 hours	450 hours	450 hours

Operational efficiency

BIL is promoting operational efficiency improvements, such as launching operational efficiency projects in 2018, reviewing its operational processes, and utilizing digital tools.

Review of operational processes and utilization of digital tools

BIL shares concrete measures or departmental efforts taken to resolve challenges in internal meeting management, meeting material preparation, and e-mail correspondence with employees on the intranet. In addition, BIL promotes the automation and efficiency of routine work by means of IT across the company.

For internal training regarding AI, a newly recruited employee who specialized in AI at graduate school (as of 2018) was selected as the leader. Targeting all employees, curricula was developed in-house according to the needs of different job types—such as newly recruited employees, software developers, and the management—and the leader acts as lecturer and operates the training. By FY2023, a total of 648 employees had participated in internal training sessions on AI. In addition, e-learning courses on AI have also been conducted.

Promotion of BPMN*¹ and RPA*² utilization

BIL promotes the use of BPMN, an international standard for business process diagram notation. It is a method to visualize business processes in an easy-to-understand manner, including how work starts, role assignments, job descriptions of each person in charge, and interactions with related parties, etc. By visualizing business processes using BPMN, all related parties can review the business processes to efficiently grasp the current status and identify issues. BIL provides e-learning, instructional videos, and practical guidance on BPMN creation in order to foster human resources who can utilize BPMN, which is highly effective for business improvement. With employees with different job types, such as sales and development, acquiring the skills to handle BPMN, they are able to examine the business processes from various perspectives, leading to efficiency improvement.

Also, BIL provides an extensive environment for learning RPA, which automates and streamlines routine tasks using robotics technology of AI-powered software. BIL holds a number of its own in-house training sessions on RPA, and in some cases, employees who have attended in-house training sessions voluntarily become lecturers. Furthermore, a question-and-answer section on RPA technology has been set up in the chat tool, where employees can actively exchange opinions with each other. In addition to

making it easier to ask and answer questions, the chat tool has also provided an opportunity to interact with employees in other departments, thereby expanding the circle of RPA utilization.

Reduction of work hours through the use of a daily business report tool

A daily business report tool developed by an employee has a significant impact on reducing work hours. The daily business report tool allows employees to easily send work reports to a chat tool at the press of a button and report to relevant parties, things such as "I will start work," "I will finish work," and "I did XXX today," which were previously done via e-mail. With the increased amount of work reporting due to more employees working from home, the introduction of the tool has successfully reduced the number of work hours by approximately 172,310 hours*³ per year in FY2023.

Utilization of the in-house ChatGPT "LangAccel"

BIL established an in-house ChatGPT system, "LangAccel," in July 2023 to improve operational efficiency and promote operational reform.

LangAccel can be used primarily for text-related tasks, such as summarizing documents and creating templates, thereby reducing the time required for creating and comprehending text. The system was named "LangAccel" to reflect its ability to accelerate various language-related tasks, with "Lang" representing language and "Accel" representing acceleration.

Since LangAccel is built exclusively for internal use, it involves a low risk of information leakage. In addition, the risks of using LangAccel, such as the possibility of incorrect information being provided, are explained on the intranet to ensure an environment where employees can use the system safely.

LangAccel is undergoing regular updates, including transition from a Q&A format to a chat-based interface, integration with internal information systems such as the intranet, and improvements in response speed, to enhance its usability and promote further utilization within the company. BIL will continue to upgrade LangAccel in line with advancements in AI technology, thereby promoting operational efficiency improvement and operational reform.

Work Efficiency Tool Contest held

As an initiative to promote business efficiency, the Brother Group has been holding Work Efficiency Tool Contest utilizing the online environment since FY2020. This contest provides an opportunity for employees to present automation tools they created using RPA and other technologies, along with the achievements of these tools. After the presentations, winners are selected and awarded from first to third place based on the number of "likes" received from fellow employees. There are also a President's Award chosen by the President himself and a New Talent Award for employees who have just started learning RPA and programming. In FY2023, 52 teams, including those from overseas locations, participated in the contest, and a team that succeeded in reducing approximately 20,000 hours of work in just 5 hours using generative AI was awarded the President's Award.

In addition to the contest, related seminars and events were held simultaneously. At these events, external speakers were invited to present case studies on operational efficiency improvements from other companies. A total of 1,217 employees participated or voted in the contest, an increase of over 300 from FY2022.

The employees who made presentations at the contest commented that they would like to continue creating work efficiency tools that can be useful to others. Participants made such comments as "I want to improve efficiency by automating my tasks" and "I felt that achieving automation would lead to my growth." The event provided a meaningful opportunity for all members of the Brother Group to improve their awareness of work efficiency and skills.

*1 : Business Process Model and Notation

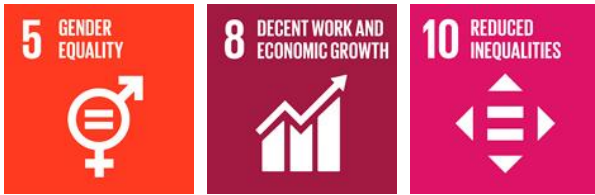
*2 : Robotic Process Automation

*3 : Time saved by using the business report tool (FY2022)

Formula: Number of reports x 40 seconds (assuming 40 seconds of time saved per business report) / 3,600

Social(S)

Respect for Diversity



Policy for Promoting Diversity

The Basic Policies of the Brother Group Global Charter (hereinafter referred to as the “Global Charter”) <https://global.brother/en/corporate/principle> 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. The Brother Group gives them great opportunity through challenging work assignments and provides them with fair, attractive financial rewards." In addition, the Codes of Practice in the Global Charter state that "we must always honor individuals and diversity and act with trust and respect." In accordance with the Global Charter, the Brother Group develops and maintains workplace environments and systems based on the laws and labor conditions of each country and region to ensure that employees can fully utilize their individual abilities regardless of age, gender, nationality, disability, or work history. Furthermore, we have been committed to promoting DE&I* 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.

*: Abbreviation of Diversity, Equity & Inclusion, a concept of respecting people's diversity and right to equality and encouraging organizations and society to promote more diverse values by including them

Promotion of Assigning Local Employees to Top Management Positions of Facilities Outside Japan and Creating Local Employment Opportunities

The Brother Group aims for its global facilities to autonomously manage operations tailored to local market conditions by promoting local talent to top management positions. As a result of actively advancing local staff to management positions, including presidents at major sales facilities in the United States, China, and other countries, the proportion of local employees in top management positions of the Brother Group's facilities outside Japan increased from 61% in 2018 to 67%*¹ in 2023.

In order to appoint qualified individuals to management positions regardless of their nationality and enable each facility to autonomously drive management suited to the local culture and environment,

the Brother Group has set “enhancing talent development and governance to encourage the assignment of local employees to top management positions of facilities outside Japan” as a sustainability goal for its medium-term strategy “CS B2024.” Based on the belief that the systematic development of successors, especially those of management personnel at each facility, is crucial to achieve this goal, the DEI Subcommittee, established under the Sustainability Committee <https://global.brother/en/sustainability/csr/management#m01>, conducted a review of HR policies at major facilities outside Japan from FY2022 to FY2023. While this review revealed issues, such as a lack of coordination between talent development initiatives and succession plans, it also identified good practices independently implemented at some Asian sales facilities, such as setting necessary skills and requirements for each position, incorporating them into evaluation systems, and linking them to talent development and recruitment activities.

In the future, the Brother Group will set up opportunities to share good practices among facilities outside Japan and deepen discussions on optimal talent placement and development based on each facility's role and characteristics, as well as discussions on governance structures to support autonomous facility management, thereby enhancing the balance between regional and global management.

Furthermore, the Brother Group contributes to the revitalization of local communities and economies by creating employment opportunities through the establishment and expansion of manufacturing facilities. For example, the manufacturing facility established in the Philippines in 2012 employs over 7,000 local people, and the two manufacturing facilities in Vietnam together employ over 11,000 local people.

*1 : Including Domino-related companies

*2 : As of the end of March 2024

Promotion of Female Management Appointments

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

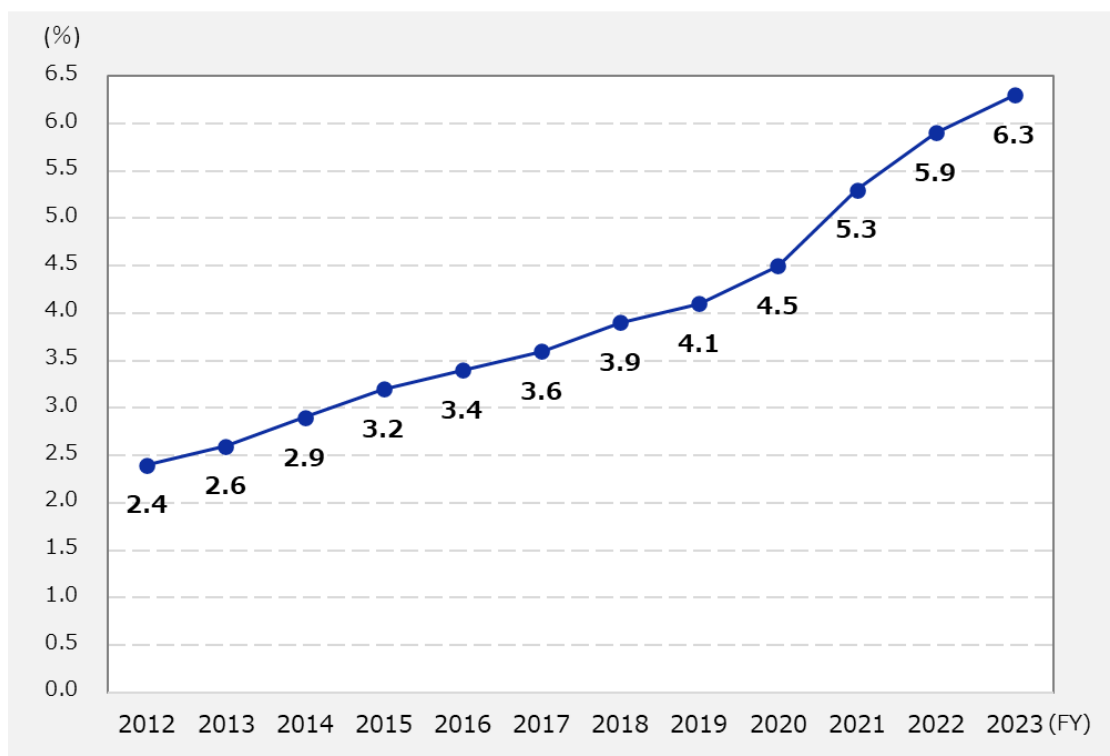
Numbers and percentages of female managers in the Brother Group^{*1}

Company [Country]	FY2019		FY2020		FY2021		FY2022		FY2023	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Brother Industries, Ltd. [Japan] ^{*2,3}	35	4.1%	38	4.5%	43	5.3%	46	5.9%	48	6.3%

Company [Country]	FY2019		FY2020		FY2021		FY2022		FY2023	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Brother Sales, Ltd. [Japan]	3	3.8%	4	5.4%	4	4.7%	4	4.7%	3	3.9%
Brother Technology (Shenzhen) Ltd. [China]	41	33.1%	42	33.9%	41	33.6%	40	33.3%	44	34.9%
Zhuhai Brother Industries, Co., Ltd. [China]	20	55.6%	20	55.6%	19	54.3%	15	48.4%	14	48.3%
Brother Machinery Xian Co., Ltd. [China]	7	20.6%	7	20.6%	7	28.0%	9	34.6%	9	34.6%
Brother International Corporation (U.S.A.) [U.S.A.]	87	41.6%	93	42.5%	84	41.8%	92	40.5%	106	44.0%
Brother International Europe Ltd. [U.K.] *4	8	16.0%	9	17.3%	12	21.8%	16	26.7%	16	25.4%
Brother U.K. Ltd. [U.K.]	18	39.1%	14	35.0%	16	43.2%	15	42.9%	17	47.2%
Brother (China) Ltd. [China]	8	25.0%	8	25.8%	9	27.3%	10	30.0%	10	29.0%
Brother International GmbH [Germany]	9	24.3%	9	28.1%	9	30.0%	8	30.8%	7	26.9%

Company [Country]	FY2019		FY2020		FY2021		FY2022		FY2023	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Brother France SAS [France]	10	32.0%	11	35.0%	13	45.0%	12	40.0%	12	38.7%
Brother Industries (Vietnam) Ltd. [Vietnam]	48	39.3%	53	38.7%	52	37.4%	53	35.1%	55	32.9%
Brother Industries Saigon, Ltd. [Vietnam]	7	36.8%	7	38.9%	6	35.3%	7	36.8%	7	36.8%
Brother Industries (Philippines), Inc. [Philippines]	2	4.9%	4	11.8%	6	15.0%	9	20.9%	10	25.0%

Changes in the percentage of female managers (Brother Industries, Ltd.)^{*1,2,3}



*1 : As of March 31 of each FY

*2 : Includes temporary employees and seconded employees. Doesn't include Directors, Corporate Auditors, and Executive Officers

*3 : Recalculated and updated based on the standards of *2

*4 : Updated to the figures with revised calculation methods for the number of persons and ratios from March 2020 to March 2022 for Brother International Europe Ltd.

Activities to Support the Success of Women

From the perspective of diversity and work-life balance, Brother Industries, Ltd. (hereinafter referred to as "BIL") continuously strives to create a comfortable working environment for all employees, regardless of gender, thereby realizing diverse working styles.

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

BIL has been proactively supporting women's careers through initiatives such as the "Commitment to Promotion of the Success of Women" and the "General Employers Action Plan Based on the Act on Promotion of Women's Participation and Advancement in the Workplace." BIL has been providing career counseling for female employees, career training attended by supervisors and subordinates, and opportunities for selected female employees to attend training outside the company.

Female Leadership Development Training

In FY2022, BIL launched the "Female Leadership Development Training" program for potential female managers.

This training program is designed to help female employees envision their unique leadership styles, identify challenges such as balancing work and family life, recognize factors that hinder their motivation and limitations they unconsciously impose on themselves, think of solutions to these challenges, and thereby broaden their career possibilities and perspectives.

From FY2022 to June 2024, the training was conducted four times, with a total of 78 female employees participating. Participants made such comments as "The program was very skill-enhancing and boosted my confidence" and "I gained new insights from the comments and feedback from other members."


Plans and Goals


Action Plan and Goals Based on the Act on Promotion of Women's Participation and Advancement in the Workplace

Women in managerial positions	
Goal 1* ¹	1. Increase the number of women in managerial positions (positions equivalent to managers as well as specialists with equal compensation) to at least 60 by the end of FY2025.
	2. Increase the number of female candidates for managerial positions in the five years after FY2026 to over 100 by the end of FY2025.
Result	FY2023: Number of women in managerial positions: 54* ²
Men taking childcare leave	
Goal 1* ¹	1. Increase the percentage of male employees taking two or more weeks of childcare leave to at least 60% by FY2025.
	2. Increase the percentage of male employees taking a total of four or more weeks of childcare leave to at least 30% by FY2025.
Result* ³	FY2023 results Childcare leave acquisition rate: Approx. 70.0% Two weeks or more childcare leave acquisition rate: Approx. 63.6% Four weeks or more childcare leave acquisition rate: Approx. 50.0%

Action Plan and Goals Based on the Act on Advancement of Measures to Support Raising Next-Generation Children

Goal 1* ¹	Support men to participate in childcare by carrying out activities to further encourage male employees to take childcare leave.
Goal 2* ¹	Support different work styles by expanding work style options and promoting more diverse and autonomous ways of working.
Result	> Comfortable Working Environment https://global.brother/en/sustainability/social/workplace

 **PDF** Brother Industries, Ltd.'s General Employers Action Plan Based on the Act on Promotion of Women's Participation and Advancement in the Workplace [PDF/448KB]
https://download.brother.com/pub/com/en/csr/pdf/diversified_plan.pdf


 **PDF** Brother Industries, Ltd.'s Action Plan Based on the Act on Advancement of Measures to Support Raising Next-Generation Children [PDF/460KB]
https://download.brother.com/pub/com/en/csr/pdf/diversified_plan2.pdf




* 1 : Five years from April 1, 2021, to March 31, 2026

* 2 : Positions equivalent to managers as well as specialists with equal compensation

* 3 : Definition: Percentage of male employees taking childcare leave: the number of male employees taking childcare leave for two weeks/four weeks or more in FY2022 ÷ number of male employees whose spouses gave birth in FY2022

Main measures

<p>FY 2019</p>	<ul style="list-style-type: none"> • Held a group discussion with one of the lieutenant governors of Aichi Prefecture and female employees • Held a group discussion between Outside Director Aya Shirai and female managers • Held the "Career Cafe: 4 Colors," a networking event for female employees of four neighboring companies • Held the "Career Community," a series of theme-based round-table talks by BIL's senior employees • Held the "Career Development Program For Women," with participation of female employees and their managers • Provided career counseling by an external specialist for female employees • Introduced systems that support work-life balance at an internal poster session 	 <p>Held a group discussion with Outside Director Aya Shirai and female managers</p>
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<p>FY 2020</p>	<ul style="list-style-type: none"> • Held a lecture by Outside Director Aya Shirai and discussion session with female officers • Held a group discussion with Outside Director Aya Shirai and female employees • Held the "Career Cafe: 4 Colors," a networking event for female employees of four neighboring companies • Held the "Career Community," a series of theme-based round-table talks by BIL's senior employees • Held the "Childcare Leave Cafe" with the aim of helping employees on childcare leave return to work • Provided career counseling by an external specialist for female employees • Developed General Employers Action Plan for the next five years 	 <p>Discussion session with Outside Director Aya Shirai and female officers (online streaming venue)</p>
<p>FY 2021</p>	<ul style="list-style-type: none"> • Held the "Career Community," a series of theme-based round-table talks by BIL's senior employees • Held the "Childcare Leave Cafe" with the aim of helping employees on childcare leave return to work 	 <p>Career Community</p>
<p>FY 2022</p>	<ul style="list-style-type: none"> • Female leadership development training for potential managers • Held the "Childcare Leave Cafe" with the aim of helping employees on childcare leave return to work • e-Learning on diversity 	 <p>e-Learning on diversity</p>

FY2023

- Female leadership development training for potential managers
- Talk event between executive officers and outside female directors
- Introduction of infertility treatment leave system
- Started providing support for employees to use babysitters
- Career development training for female employees held jointly with four neighboring companies



Female leadership development training

Please see the following for detailed data regarding supporting the success of women, such as the percentage of female employees in BIL.

> ESG Data-Social-Related Data (S)-Diversity/Supporting work-life balance
<https://global.brother/en/sustainability/data>

Evaluation by External Entities

In recognition of its efforts, BIL has been certified by Japan's Ministry of Health, Labour and Welfare, and the Aichi prefectural and the Nagoya city governments as an enterprise responding to diverse ways of working by promoting the success of women and providing support for child-rearing and so forth.

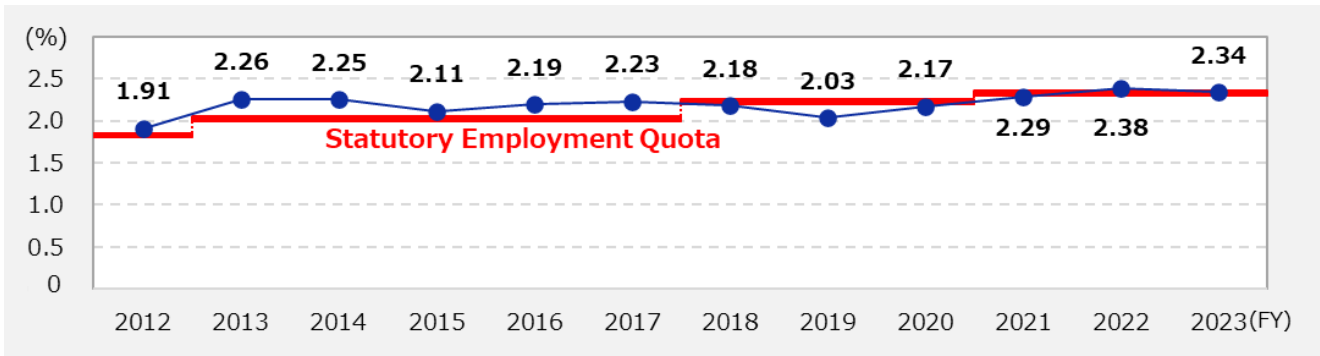
For details, please see the site for "Management with an Emphasis on Sustainability-Evaluation by External Entities- Evaluation Regarding the Promotion of the Success of Women, Support for Child-rearing, etc. <https://global.brother/en/sustainability/csr/evaluation#e07> "

Promoting Employment and Support for Persons with Disabilities

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

In Japan, companies beyond a certain scale are required by law to ensure a certain percentage of their total workforce is comprised of persons with disabilities. The employment rate of persons with disabilities at BIL was 2.34% in FY2023; thus, meeting the statutory requirement of 2.3%*¹. We will continue our efforts to create workplace environments where persons with disabilities can work with peace of mind, both in terms of their recruitment and their success.

Changes in the employment rate of persons with disabilities*² (Brother Industries, Ltd.)



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

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

*1 : Statutory employment rate for FY2023. The statutory employment rate for FY2024 is 2.5%.

*2 : Including direct employees (including contract and temporary employees) and those seconded to locations in and out of Japan (excluding employees seconded from other companies)

Lecture on Employment of People with Disabilities

In FY2023, BIL held a lecture on the employment of people with disabilities to expand employment opportunities for them and promote understanding within the company. This lecture was conducted for BIL's executives, managers, and presidents of BIL's group companies in Japan, with approximately 140 attendees.

Toward the employment of people with disabilities beyond the legal requirements, the lecture discussed the general state of employment of people with disabilities in society and what companies need to do to support their employment. Feedback from participants includes "I realized that understanding the individual is essential for people with disabilities to work with psychological safety" and "I felt that I might have been overly attentive to my wheelchair-using subordinate. I learned that it is important to confirm what the person wants rather than acting based on my own assumptions."

Using this lecture as a starting point, in FY2024, BIL will implement activities aimed at all employees to promote understanding of expanding employment opportunities for people with disabilities.

Support for LGBT Members of Staff

As part of its diversity promotion efforts, BIL is working to deepen understanding of LGBT issues and create environments in which employees can work as themselves.

In 2019, BIL implemented an e-learning program on LGBT issues for managers and general employees. BIL has also been working to promote employee understanding of LGBT issues by including LGBT topics in training programs on human rights and labor issues for new employees in FY2019 and for new managers in FY2020.

In addition, BIL is making various other efforts to respect diversity, such as giving consideration to health checkups, removing the gender field from the annual employee awareness survey, and changing uniforms for men to those for women and men.

Promotion of Success of Senior Citizens (Brother Reemployment System)

BIL has introduced a reemployment system that allows employees who wish to remain employed after the retirement age of 60 to continue working until the age of 65, providing them with a place where they can utilize the experience they have accumulated over the years and demonstrate their skills and know-how.

In FY2023, more than 80% of employees have requested to be rehired under the reemployment system, and BIL is rehiring all applicants.

	FY2019	FY2020	FY2021	FY2022	FY2023
Number of rehired senior staff	79	88	121	136	97
Rehiring rate ^{*1}	83.2%	88.0%	90.3%	91.3%	85.8%

Shift to mandatory retirement age of 65 (from FY2026)

BIL will set the "retirement age at 65" for employees who will reach 60 years of age in FY2029 and thereafter. As a transitional period until then, the retirement age will be incrementally extended starting from FY2026.

In addition, in preparation for the transition to the retirement age of 65, BIL has revised the "Brother Reemployment System" to promote the active work of senior employees. This revision more clearly

defines the standards and levels of senior employees' roles and establishes a new evaluation and compensation system based on them. BIL believes this will allow the company to appropriately evaluate and fairly reward senior employees who deliver high performance and contributions.

Furthermore, BIL will expand employment opportunities for individuals who can continue to deliver high performance and contributions even after the age of 65.

*1 : $(\text{Number of rehired staff} / \text{Number of retirees}^{*2}) \times 100$

*2 : Number of retirees includes those who do not wish to be rehired

Social(S)

Safety, Health and Disaster Prevention



Establishing the "Basic Safety and Disaster Prevention Policy" and Its Promotion Structure

Brother Group's Basic Safety and Disaster Prevention Policy

The Brother Group has formulated the "Basic Safety and Disaster Prevention Policy" and is continuously committed to preventing disasters, injuries, and illnesses among employees and to creating a comfortable workplace by ensuring its activities comply with the OSHMS.*¹

Brother Group's Basic Safety and Disaster Prevention Policy

'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.

Regulations of System and Control for Disaster Prevention of the Brother Group

In December 2017, the Brother Group established the "Regulations of System and Control for Disaster Prevention of the Brother Group" to ensure the safety of employees and workplaces when a fire breaks out.

These regulations are composed of three sections: (1) "fire prevention management" to take precautions against fires; (2) "firefighting management" to minimize damage from fires; and (3) "personal safety management" to ensure the safety of employees. In April 2021, we added the "clause on precautions regarding high fire risk equipment, work, etc. regarding firefighting equipment etc."

The Brother Group has applied these regulations to its main facilities in and outside Japan.*²

*1 : The OSHMS, the initialism for the Occupational Safety and Health Management System, is a safety and health management system established by the Ministry of Health, Labour and Welfare with the aim of improving the safety and health standards of workplaces.

*2 : Scope of Application

Japan: BROTHER INDUSTRIES, LTD., NISSEI CORPORATION, MIE BROTHER PRECISION INDUSTRIES, LTD., BROTHER

LOGITEC LTD., BROTHER ENTERPRISE, LTD.

Overseas: BROTHER INDUSTRIES, LTD., BROTHER TECHNOLOGY (SHENZHEN) LTD., ZHUHAI BROTHER INDUSTRIES, CO.,LTD., BROTHER INDUSTRIES (VIETNAM) LTD., BROTHER INDUSTRIES (PHILIPPINES), INC., BROTHER INDUSTRIES (U.K.) LTD., BROTHER INDUSTRIES (SLOVAKIA) s.r.o., BROTHER MACHINERY XIAN CO., LTD., TAIWAN BROTHER INDUSTRIES, LTD., BROTHER INDUSTRIES SAIGON, LTD.

Safety and disaster prevention promotion structure

Establishment of the Central Safety, Health and Disaster Prevention Committee

Brother Industries, Ltd. (BIL) has established the Central Safety, Health, and Disaster Prevention Committee composed of the Officers of the group facilities in Japan. The Committee is chaired by the Safety, Health, and Disaster Prevention Officer of BIL.

Conducting regular audits

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

ISO45001 certification status

Some manufacturing facilities, including Brother Industries (Vietnam) Ltd. and Brother Industries (Philippines), Inc., have been externally certified under ISO 45001. About 8% of the Brother Group facilities had obtained this certification as of March 31, 2024.

Data Related to Safety and Disaster Prevention

Targets/Achievements

For the three-year period from FY2022 to FY2024, the Brother Group facilities have been working to achieve the goal of zero serious accidents.*¹

In FY2022, at a Brother Group manufacturing facility, one serious accident unfortunately occurred in which an employee cut his fingertip by inserting his hand into a machine in operation in order to resolve a malfunction. As measures for preventing recurrence of this accident, we changed the cover of the moving part of the machine in question and other machines of the same type from movable to fixed so that one's hands cannot be inserted while the machine is in operation. In addition, we re-educated

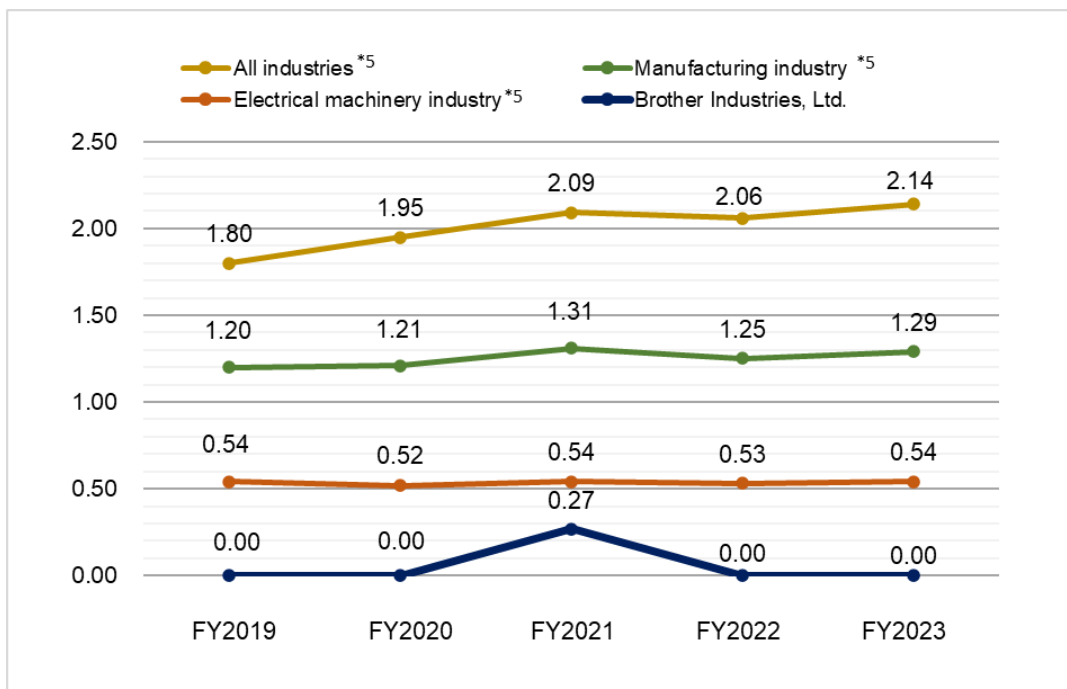
employees at manufacturing facilities to stop operation when a machine malfunctions, contact a senior manager, and wait until the malfunction is resolved before starting work.

In FY2023, no serious accidents occurred at BIL and the Brother Group manufacturing facilities. Not satisfied with these achievements, we will continue to conduct risk assessments and hazard prediction training to assess and identify risks and hazards involved in machine and human operations in an effort to improve workplace safety and employee safety awareness.

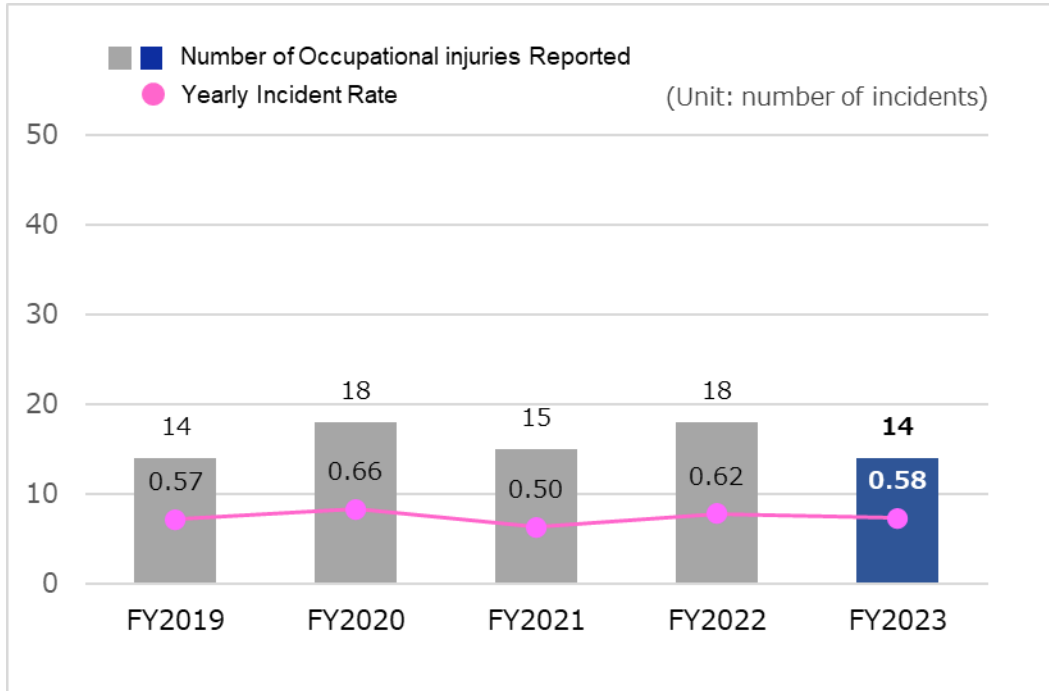
Data Related to Safety and Disaster Prevention

	FY2019	FY2020	FY2021	FY2022	FY2023
Number of serious accidents (target)	0	0	0	0	0
Number of serious accidents (record)	1	1	0	1	0
Number of fatal occupational injuries* ²	0	0	0	0	0
Frequency rate of lost-time occupational injuries* ^{2,3}	0	0	0.27	0	0
Frequency rate of lost-time occupational illnesses* ^{2,4}	0	0	0	0	0
Number of lost-time occupational injuries (one day or more)* ²	0	0	2	0	0

Frequency rate of lost-time injuries in Japan



Number of occupational injuries reported and yearly incident rate at main manufacturing facilities outside Japan (lost-time injuries and non-lost time injuries)*⁶



Results related to safety and disaster prevention at major manufacturing facilities including overseas*⁷

	FY2019	FY2020	FY2021	FY2022	FY2023
Frequency of worker injuries (number of injuries per hour worked)* ⁸	0.30	0.33	0.36	0.34	0.33
Occupational accident rate (number of injuries per worker)* ⁹	0.0006	0.0007	0.0007	0.0007	0.0007

*1: Fatal accidents, accidents resulting in hospitalization of 30 days or more, and accidents resulting in permanent injuries

*2: Brother Industries, Ltd.

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

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

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

*6: Yearly incident rate: (number of incidents/number of employees) x 1,000

*7: Main manufacturing facilities including overseas

BROTHER INDUSTRIES, LTD., BROTHER TECHNOLOGY (SHENZHEN) LTD., ZHUHAI BROTHER INDUSTRIES, CO., LTD., BROTHER INDUSTRIES (VIETNAM) LTD., BROTHER INDUSTRIES (PHILIPPINES), INC., BROTHER INDUSTRIES (U.S.A.) INC., BROTHER INDUSTRIES (U.K.) LTD., BROTHER INDUSTRIES (SLOVAKIA) s.r.o., BROTHER MACHINERY XIAN CO., LTD., TAIWAN BROTHER INDUSTRIES, LTD., BROTHER INDUSTRIES SAIGON, LTD.

*8: Frequency of worker injuries (number of injuries per working hour): Number of injuries due to occupational accidents/Total

number of actual working hours X 1,000,000

*9: Occupational accident rate (number of injuries per worker): Total number of injuries due to occupational accidents/Total number of workers

Main Efforts for Safety, Health, and Disaster Prevention

Domestic efforts to prevent accidents

To reduce potential occupational injuries, BIL is striving to improve the work environment so as to prevent accidents by taking the following measures:

Potential occupational injuries	Measures
Fall from a height	<ul style="list-style-type: none"> Install fall prevention barriers.
Being caught in machinery	<ul style="list-style-type: none"> Install covers to prevent being caught in machinery.
Forklift collision accident	<ul style="list-style-type: none"> Establish safety rules to prevent unsafe behavior in areas where forklifts and other machinery are in operation. Provide internal education to ensure compliance with safety rules.
Chemical burns	<ul style="list-style-type: none"> Provide regular safety training to ensure proper handling of chemical substances. Establish management procedures and a structure to comply with the "New Regulations for Preventing Occupational Injuries Caused by Chemical Substances," which came into effect in the period from 2023 to 2024.

Promoting Safety, Health, and Disaster Prevention Activities Globally

Checking workplace safety, health and disaster prevention situation

At each of our major manufacturing facilities, both in Japan and overseas, the Safety, Health, and Disaster Prevention Committee members regularly patrol the facilities. If any problems are found, they are quickly resolved. In addition, for facilities where the work environment has changed significantly, such as major changes to production lines, the situation of workplace safety, health, and disaster prevention is checked through patrols by the Chairperson of the Central Safety, Health, and Disaster Prevention Committee.

Global dissemination and sharing of information about past disasters and safety and disaster prevention activities

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

At the Brother Safety and Prevention Convention held annually, manufacturing facilities that have engaged in excellent safety and disaster prevention activities are awarded, and case studies of the awarded manufacturing facilities are presented to share information among other facilities. In FY2023, the convention was held in Japan, bringing together relevant parties from facilities around the world to share best practices in safety and disaster prevention activities. This convention had been held online since FY2020 due to the impact of COVID-19. The convention held in Japan was the first time it was held on an on-site basis in four years.

Conducting risk management for operations and equipment

At the Brother Group, it is required to perform an assessment of the risks associated with operations and equipment when installing equipment to take on a new project, when a change has been made to the work location or raw materials, or when there are changes to work methods, such as changes to the tools used or the assembly sequence. This risk assessment identifies potential hazard sources,^{*1} such as those resulting in falls, being caught in or between objects, electric shocks, explosions, and fires, striving not to overlook any important hazard sources. Moreover, the assessment identifies other sources that might exist in each work process and evaluates their risk levels to enable appropriate measures to be taken for each level. In addition, the degree of such hazards of equipment is visualized if it is judged to have residual hazards above a certain level even after safety measures based on a risk assessment are taken.

After a certain period of time^{*2} has passed since conducting a risk assessment, we will recheck to see if there have been any changes to operations, risks, or the like. In the event of any changes, we conduct a risk assessment again.

*1: The causes of risks and the root causes of accidents

*2: 3 years, as a guide

Safety, Health and Disaster Prevention Training

Safety and Health Education

To ensure safety and health, BIL annually provides risk prediction training, safety and health education, and so forth for each facility based on the plans formulated at the Safety, Health, and Disaster Prevention Committee. As for the education, BIL offers e-learning training for all BIL employees. In FY2023, 4,183 employees, which represented 97.1% of the intended participants, took the training. BIL also conducts an educational session for new employees every April. In FY2024, this session was held with 95 new employees, the full participation of the intended participants. For mid-career recruits or newly-hired temporary employees, BIL holds educational sessions every month. The sessions held in FY2023 had 80 employees, involving all of the intended participants.

In addition, BIL also provides training tailored to the specific needs of each operation. For example, employees engaged in specialized work involving the handling of chemical substances are provided training tailored to their tasks. Employees who drive company vehicles are required to take traffic safety courses under a permit system. For the facilities outside Japan, training is provided for new and mid-career recruits at each location.

Safety and Disaster Prevention Training

Regarding preparation for disasters, BIL has been making efforts to minimize damage caused by possible disasters at its respective facilities. Such efforts include the consolidation of disaster prevention organizations, evacuation drills, initial firefighting training, and lifesaving training using an AED (automatic external defibrillator), and the legal inspection of fire protection equipment.

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

Since 2016, BIL has been conducting training for setting up a disaster headquarters at its head office.

Raising disaster prevention awareness at home

As homeworking has spread, it is now more important than before to raise awareness of disaster preparedness at home and to strengthen the preparedness framework. Against this background, in FY2023, we conducted a questionnaire survey to check disaster prevention awareness within households. Based on the results, we focused on disaster preparedness and stockpiles during normal times and implemented e-learning on preparations that can be made at home using everyday items. E-learning has been provided to 4,250 employees, or 95.4% of the intended participants. In addition, a video that provides more specific details about the content covered in the e-learning course was distributed on the intranet. Specific examples of disaster prevention and stockpiles at home were introduced in order to

further raise employees' disaster prevention awareness.

Data Related to Safety, Health and Disaster Prevention Training

Details of safety, health and disaster prevention training (BIL^{*1})

	FY2019	FY2020	FY2021	FY2022	FY2023
Number of participants in safety training (e-learning) based on BIL's internal regulation on safety and health education procedures					4,183
Number of participants in disaster prevention training (e-learning) based on BIL's internal regulation on safety and health education procedures	3,754 ^{*2}	3,802 ^{*2}	3,959 ^{*2}	4,052 ^{*2}	4,250
Number of participants in other safety and disaster prevention training (e-learning) based on BIL's internal regulation on safety and health education procedures ^{*3}	4,443	2,723	3,253	3,843	4,415

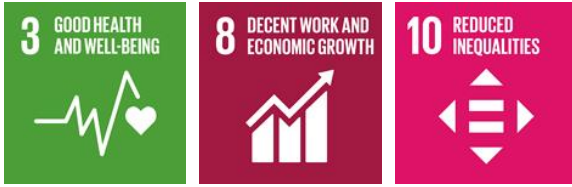
*1: Including incoming seconded employees, temporary employees, and fixed-term employees

*2: Safety education and disaster prevention training have been provided together

*3: Since FY2019, the number of participants has included those in mental health-related education

Social(S)

Promotion of Health and Productivity Management



Formulation of Brother Group Health & Productivity Management Philosophy and the Promotion Structure

Brother Group Health & Productivity Management Philosophy

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

As stipulated in the Brother Group Global Charter <https://global.brother/en/corporate/principle> , the basis of such activities, the Brother Group values taking care of the health of every employee so that they can strive to achieve their goals, and ultimately, contribute to the group's success.

In September 2016, Brother Industries, Ltd. (BIL) formulated the Brother Group Health & Productivity Management Philosophy. Under this philosophy and the leadership of the Chief Health Officer (CHO), the Brother Group has been strategically undertaking various activities.

After formulating the philosophy, the experience of the global pandemic of COVID-19 reminded BIL of the importance of being able to work in good health, leading to a revision of the Health & Productivity Management Philosophy in FY2024.

Brother Group Global Health & Productivity Management Philosophy

The Brother Group will strategically pursue health management that places emphasis on well-being, which is a state of being in good health both physically and mentally and filled with joy and fulfillment in work.

The well-being of each employee is a vital management asset, and we believe that when employees vigorously work while fully utilizing their diverse abilities, it leads to the growth and transformation of the entire group.

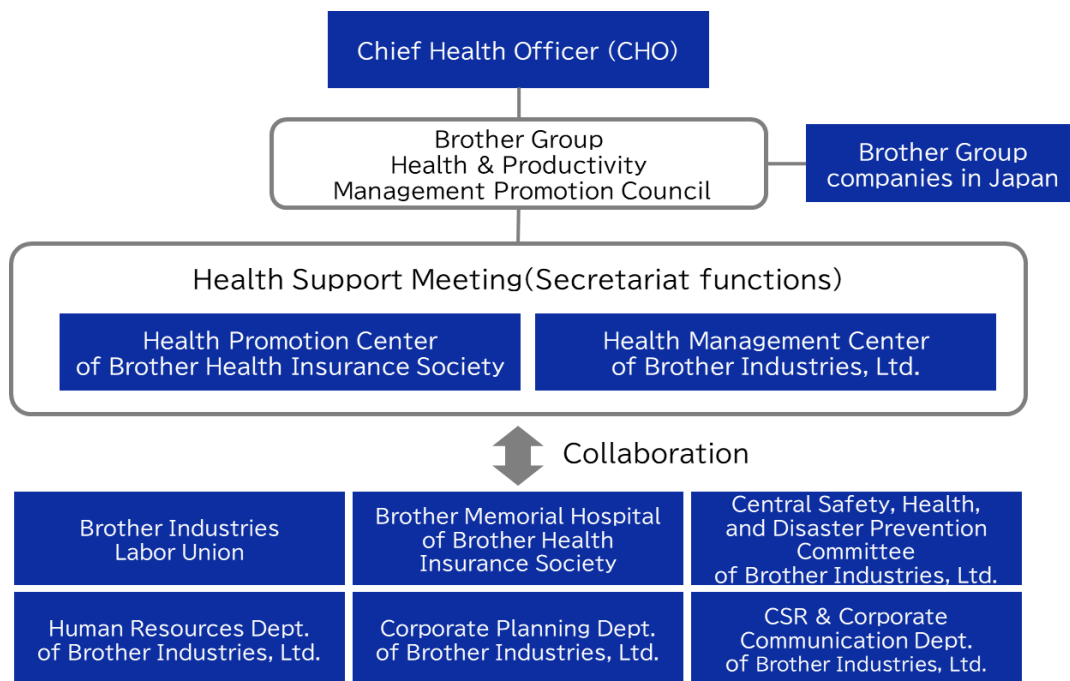
The Brother Group will continue to pursue health management with the spirit of "At your side." and strive to contribute to customers, local communities, and the sustainable development of society from a global perspective.

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

Health & productivity management promotion structure

BIL has established the Health Management Center to manage the health of Brother Group employees, develop mental health measures, and promote good health. The center offers effective and efficient approaches to maintaining and promoting employee health by implementing the PDCA cycle and collaborating with the Health Promotion Center of Brother Health Insurance Society. Meanwhile, the Brother Group's manufacturing facilities outside Japan have been employing doctors or partnering with medical institutions to maintain and improve the physical and mental health of employees.

Brother Group health & productivity management promotion structure



Brother Group Health & Productivity Management Promotion Council

Health and safety managers at BIL and the Group companies in Japan meet once a year* to identify issues about employee health and decide on action policies and targets for the next fiscal year and beyond. In addition, the Brother Health Insurance Society and Group companies that have developed excellent activities present case examples of their activities and share information on effective and efficient initiatives.

Since FY2018, the Council has performed a comprehensive evaluation of efforts in health and productivity management and honor companies that have achieved excellence in such efforts as "healthy companies" with the CHO awards.



FY2023 Health and Productivity Management Promotion Council

*: In FY2020 and FY2021, except for certain participants, the meetings were held online to prevent the spread of COVID-19. Since FY2022, the meeting has been conducted in person.

Health support meeting


The Health Support Meeting is jointly organized by BIL's Health Management Center, the Health Promotion Center of the Brother Health Insurance Society, and Brother Memorial Hospital. It decides specific activities to achieve targets, discusses implementation methods, and evaluates the results based on the policies set by the Brother Group Health & Productivity Management Promotion Council, and also organizes collaborative events with the Brother Industries Labor Union. The participants of this meeting include the Director of the Health Management Center, an industrial physician, a public nurse, the Managing Director of the Brother Health Insurance Society, and the Director of the Health Promotion Center.

Data Related to Health


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

The Brother Group Health & Productivity Management Promotion Council formulated the "Healthy Brother 2025," a set of long-term targets to be achieved by FY2025, based on the Health & Productivity Management Philosophy.

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

 [Targets in the “Healthy Brother 2025” and results \(Brother Industries, Ltd.\) \[PDF/312KB\]](https://download.brother.com/pub/com/en/csr/pdf/health-2025.pdf)
<https://download.brother.com/pub/com/en/csr/pdf/health-2025.pdf>

Employee health management data

 PDF Employee health management and status (Brother Industries, Ltd.) [PDF/357KB]
<https://download.brother.com/pub/com/en/csr/pdf/employee-health.pdf>

Main Efforts

Creation of the health & productivity management strategy map

BIL has created a strategy map to visualize continuous flow including issues to be solved through health & productivity management and efforts to solve them.

 PDF Health & productivity management strategy map (Brother Industries, Ltd.) [PDF/146KB]
<https://download.brother.com/pub/com/en/csr/pdf/strategy-map.pdf>

Approaches for maintaining and improving health

Mental health measures

BIL has been continuously providing mental health education to its employees since 2007 with the aim of helping them become aware of their own stress and take appropriate measures against it (primary prevention), and helping supervisors identify and support their subordinates suffering from incipient mental disorders (secondary prevention). The company also helps employees who have developed mental disorders continue to work in their own ways, assisting such employees to return to work (tertiary prevention) in collaboration with their workplaces.

Regarding mental health education, we provide self-care training for all employees every five years and line-care education for those in managerial positions every three years. The self-care training which started in FY2022 introduces how to enhance resilience^{*1} as a self-care method to prevent illness.

In addition, as part of workplace improvement activities after stress checks, we have held workshops for department managers since FY2022. In these workshops, we give lectures and case examples on positive mental health^{*2} and action plans are formulated to understand the strengths of their own departments and make use of them in management. One of the department managers who participated said, "I was able to gain new insights through the exchange of opinions between department managers."



Self-Care Workshop

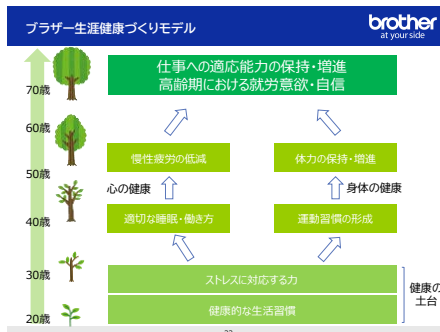


Department Manager Workshop

- *1 : A psychological term meaning mental "fortitude" "elasticity," and "flexibility." It refers to the ability to overcome and recover from mentally exhausting experiences, depression, and other challenges.
- *2 : A concept that aims to improve the mental and physical health of working people and lead to improved productivity. Whereas conventional "mental health" focuses on how to prevent illness and how to handle people who are sick, "positive mental health" emphasizes personal growth and happiness.

Age management measures

BIL promotes age management measures so that its employees can continue to work with vigor and enthusiasm regardless of their age. Age management involves carrying out occupational health activities tailored to the characteristics of each generation to address issues related to aging and health. In FY2022, we created the Brother Lifelong Health Promotion Model, which outlines the goals each generation should aspire to. Through activities based on this model, we aim to make our employees healthier through work. In FY2023, we implemented the Continued Exercise Program, which aimed to address the lack of exercise among busy people in their 30s and 40s. This initiative mainly focused on 10 minutes of exercise during lunch breaks and consisted of two programs: Refreshing Yoga and Gentle Muscle Training, with a total of 112 employees participating.



Brother Lifelong Health Promotion Model



Continued Exercise Program poster

Sleep Hygiene Education

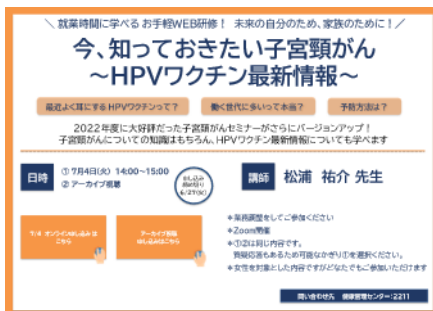
BIL has been conducting sleep hygiene education since FY2018 with the aim of improving mental health measures, preventing accidents, occupational injuries, and lifestyle diseases, and improving labor productivity. In FY2023, we conducted an employee survey on sleep hygiene and found that employees did not consciously have meals containing ingredients that would lead to good sleep. Based on this result, a total of 30 health courses were held under the theme of "sleep and diet," with 1,686 employees participating.



FY2023 Health Course

Health Management for Women

BIL is strategically working on women's health management with the desire to support women's further advancement in the workplace through health-related measures as part of our efforts to respect diversity. For example, we hold a "Women's Seminar" every year with the goal of improving knowledge about diseases specific to women. In FY2023, we held a Cervical Cancer Seminar and PMS and Menopause Seminar with a total of 783 participants, including male employees. We also have a health consultation service exclusively for women.



PR Poster for Cervical Cancer Seminar



PMS and Menopause Seminar

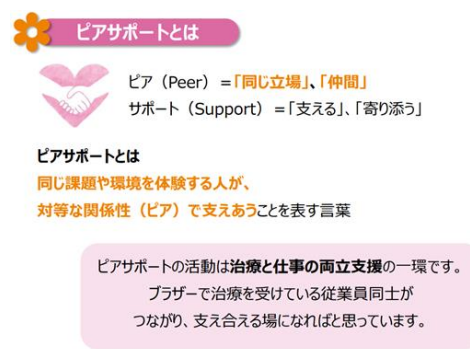
Support for Balancing Medical Treatment and Work

Since 2006, when the Health Management Center was first established, BIL has been supporting the balance between medical treatment and work, and by working with the employees, their families, workplaces, the personnel department, doctors, etc., we are creating a working environment that can balance the two. In 2017, we created the "Guidelines for Support for Balancing Medical Treatment and Work" and shared it on the intranet. Starting in FY2022, as part of our activities to support balancing medical treatment with work, we have implemented "in-house peer support activities*." These activities provide Brother Group employees who need to balance medical treatment and work with opportunities such as roundtable discussions and consultation sessions so that they can connect with others in similar positions, be at ease, and work with peace of mind. Through these activities, we aim to create a place within the company where people in the same situation can support each other, make people aware of others in the company who are balancing medical treatment and work, enable people to continue working even if they become ill, and create a supportive work environment where people can gain understanding and help from their supervisors and colleagues regarding balancing medical treatment and work.

As of March 2024, approximately 34 employees within the Brother Group who were undergoing or had undergone medical treatment participated. In addition, 15 employees who have undergone training and have been certified as supporters are engaged in support activities such as sharing their own experiences.



Support for Balancing Medical Treatment and Work Guideline



Peer Support Explanatory Material

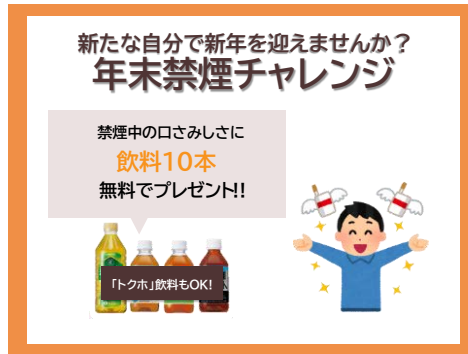
*: People who share the same goals support and help each other by sharing their own experiences, actions, and thoughts, and by talking to each other.

Quit-smoking Support

BIL proactively supports its employees in quitting smoking to reduce health hazards.

From April 2023, we completely banned smoking on the company's premises in order to encourage smokers to quit and to reduce the negative health effects of passive smoking on non-smokers. In addition

to banning smoking on the premises, we support employees seeking to quit smoking. In FY2023, 18 employees received support for quitting smoking using an app.



Quit-smoking support using an app

Other health related efforts

To support the wellbeing of our employees, we are also implementing a variety of other efforts.

FY2023 Efforts	Details
Cancer measures	E-learning conducted to improve cancer literacy
Preventive measures against diabetes becoming severe	Individual guidance using a continuous glucose monitor for 24 hours (for employees with HbA1c ^{*1} 7.5 or higher)
Measures to prevent lifestyle diseases	Three-month group weight-loss program (for employees with a BMI of 30 or higher)
Improving of health literacy	Spread information and introduced applications with the aim of practicing "Breslow's seven health habits ^{*2} "
Various studies	Implemented employee satisfaction surveys and WFun ^{*3} surveys in addition to stress checks

*1 : An index that indicates the average blood sugar level over the past 1-2 months. If it is 6.5 or higher, diabetes is suspected.

*2 : Based on the research results of Professor Lester Breslow, the following seven healthy habits: "1. do not smoke, 2. exercise regularly, 3. drink moderately or do not drink, 4. get 7 to 8 hours of sleep a day, 5. maintain a proper weight, 6. eat breakfast, and 7. avoid snacking" are key. Whether or not they are practiced will affect subsequent lifespan.

*3 : Short for Work Functioning Impairment Scale. A questionnaire developed at University of Occupational and Environmental Health to measure the degree of work function impairment caused by health problems.

Global development of health and productivity management activities

The Brother Group operates globally with offices in more than 40 countries and regions. To ensure globally providing health support to expatriates and employees outside Japan, industrial physicians and public health nurses from the BIL's Health Management Center visit Brother Group sites outside Japan to assess local medical conditions and the work and living conditions of employees. Although the Group suspended visits to the sites from FY2020 to FY2022 due to COVID-19, it used online tools to manage the status of health checkups and conduct web-based consultations, providing health support in the same way as for employees working in Japan. Then, with travel restrictions eased, we visited manufacturing facilities in the Philippines in April 2023 and Vietnam in March 2024 to provide on-site health support, including interviews about the health management situation. In addition, we provide support to help expatriates stay healthy in the countries they are posted to, which includes providing information on medical institutions outside Japan on our intranet and reviewing the status of health checkups.

At BIL, for employees who are going to travel from Japan to other countries, the industrial physicians implement health education based on health and infectious disease information of each region of the world that helps such employees prevent and raise their awareness of HIV, tuberculosis, malaria, and other infections by providing their transmission routes, incubation periods, and symptoms. For employees on temporary assignments, the company provides the "leaflet on health management abroad," which covers information and cautions necessary for living outside Japan, and posts information about infection epidemics on the intranet to inform our employees.

When the risk of a global epidemic of infectious diseases increases, a countermeasures committee is established as a subordinate organization of the Risk Management Committee, which is comprised of Management, the Human Resources Dept., industrial physicians, etc. to gather the latest information, study countermeasures based on that information, and respond.

Contribution to the community and society

BIL cooperates in local practical training programs for medical and nursing students at universities, with the aim of nurturing people who will be responsible for the field of occupational health in the future. In addition to providing training on Brother's health and productivity management and the duties and roles of industrial physicians and public health nurses, the training also includes time to visit manufacturing sites and to learn the basics of health and safety management.



Tour of manufacturing site

Furthermore, BIL also contributes to the community and society through the promotional activities of health and productivity management by having industrial physicians and public health nurses give lectures at seminars on health and productivity management at the request of external organizations, and by holding meetings to exchange opinions with local companies on the regional promotion of health and productivity management.

Evaluation by External Entities

The Brother Group's proactive initiatives for health and productivity management are also highly recognized by external entities, receiving various certifications and awards.

For more details, please refer to the link: "[Management with an Emphasis on Sustainability-Evaluation by External Entities- Evaluation Related to Health and Productivity Management.](https://global.brother/en/sustainability/csr/evaluation#e06)"

<https://global.brother/en/sustainability/csr/evaluation#e06>

Social(S)

Social Contribution



Basic Policy on Social Contribution Activities

The Brother Group Global Charter <https://global.brother/en/corporate/principle> stipulates that the Brother Group must always be a good corporate citizen, sharing our social, economic and cultural resources in all the communities where the Brother Group operates, and that the Brother Group helps society achieve sustainable development by positively and continuously considering the environmental impact of all aspects of our business operations. Based on this idea, the Brother Group has been globally promoting social contribution activities that further enhance a sense of unity as a group, especially focusing on the following activities:

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

Social Contribution Focus Areas

Activities that lead to business growth

The Brother Group had continuously conducted social contribution activities related to health and welfare, educational support, and environmental conservation so far. Activities span a wide scope, ranging from those undertaken by the entire group to those undertaken independently by each facility based on their local characteristics, and are conducted using Brother's resources (such as products, services,

technologies, and human resources). Such activities not only encourage business growth but also help contribute to a sustainable society far into the future.

Examples of factors that lead to business growth in social contribution activities:

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

and others

Examples of social contribution activities in different countries and regions and their relationship with business strategy

Social Contribution Focus Areas	Activity	Relationship with Business Strategy	Facility
Eco-conscious activities	<ul style="list-style-type: none"> • Creating eco-conscious products and reducing environmental impact in business facilities • Supporting environmental groups which work on biodiversity conservation in collaboration with the <u>Brother Eco Point Program</u> https://global.brother/en/sustainability/eco/management#m02 participated by employees • Conducting environmental conservation activities with employees 	<ul style="list-style-type: none"> • Business expansion with eco-conscious products • Smooth business implementation in each area • Improvement of employees' environmental awareness 	<ul style="list-style-type: none"> • Brother Industries, Ltd. • The Brother Group's manufacturing and sales facilities in respective countries and regions

Social Contribution Focus Areas	Activity	Relationship with Business Strategy	Facility
Activities involving communities and personal development	<p>Cosponsoring the Tokai Young Entrepreneur <u>Seminar designed to assist young entrepreneurs who address local challenges and employees' participation in the seminar as pro bono workers</u></p> <p>https://global.brother/en/sustainability/social/contribution/local#101</p>	<p>Learning and growth of employees</p>	<p>Brother Industries, Ltd.</p>
	<p>Supporting activities to improve children's education and healthcare</p>	<ul style="list-style-type: none"> • Learning and growth of employees • Brand image enhancement 	<ul style="list-style-type: none"> • Brother Industries, Ltd. • Brother International (Vietnam) Co., Ltd. • Brother International Corporation (Canada) Ltd. • Brother International (Gulf) FZE and others
	<p>Participating with employees in charity activities which aim to support cancer patients and conquer cancer</p>	<ul style="list-style-type: none"> • Learning and growth of employees • Brand image enhancement 	<ul style="list-style-type: none"> • Brother Industries, Ltd. • Brother International Corporation (U.S.A.) • Brother International (NZ) Ltd. and others

Social Contribution Focus Areas	Activity	Relationship with Business Strategy	Facility
Support activities for incidents with major impacts on society	Supporting areas devastated by the Great East Japan Earthquake through the Kizuna Fund, a fund to collect donations from employees	<ul style="list-style-type: none"> · Learning and growth of employees · Brand image enhancement 	<ul style="list-style-type: none"> · Brother Industries, Ltd. · Brother Group companies in Japan

Eco-conscious activities

Under the Brother Group's environmental slogan of "Brother Earth <https://sdgsstory.global.brother/e/special/brotherearth/> , "initiatives are continuously undertaken in all aspects of corporate activities, including creating eco-conscious products, reducing environmental impact on facilities, supporting environmental organizations which work on biodiversity conservation in collaboration with the Brother Eco Point Program <https://global.brother/en/sustainability/eco/management#m02> participated by employees, and conducting environmental conservation activities with employees.

For examples of activities, please see "Brother SDGs STORY—Better your earth <https://sdgsstory.global.brother/e/environment/> ."

Activities involving communities and personal development

The Brother Group continuously undertakes social contribution while always keeping in mind the communities where each facility is located. In addition, we also actively support activities related to personal development in each community.

The Brother Group, for example, has been cosponsoring the Tokai Young Entrepreneur Seminar <https://global.brother/en/sustainability/social/contribution/local#l01> in Japan since 2008 to assist young entrepreneurs who address local challenges. Regarding this seminar as one of the activities that utilize its resources, the group has been promoting employees' participation in it and involving three or four employees as pro bono workers every year.

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

Golden Ring Project

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

Even in FY2020 and the following years, which were impacted by COVID-19, the project has continued to be conducted with ingenuity at each facility, such as through the use of online tools. In FY2023, the project was conducted in a variety of formats, including not only online events but also on-site events, which made a comeback, as well as combinations of on-site and online events. Furthermore, facilities in Spain, Mexico, Chile, Peru, and other countries joined the project for the first time, bringing the total number of participating facilities of the Brother Group to 30. Since COVID-19 restrictions were eased, the number of participating facilities has steadily increased. The global support activities have been further propelled. Many of the facilities working on the Golden Ring Project have taken part in the charity event "Relay For Life (RFL)." In this event, participants make donations and walk for 24 hours with their team members to increase their awareness and knowledge about cancer and encourage cancer patients. Donations raised are used for new cancer treatment/medication development, scholarships for young doctors, and so forth. Teams of employees in many of the Brother Group's facilities are currently participating in RFL on a voluntary basis to expand this ring of support, with continuous participation by the U.S. subsidiary from 1999 and by the New Zealand subsidiary from 2006. In Japan as well, employees and related individuals of the Brother Group, predominantly from Brother Industries, have been participating voluntarily every year since 2010 as "Brother Team Japan." Including independently organized talks by cancer survivors at RFL venues, a range of activities have been conducted to raise awareness about cancer. In recognition of this long-running cancer awareness activity, the Brother Group received the 2020 Japan Cancer Society award (Organization Category)*. In Germany and Austria, five sales facilities collaborated across different business domains in FY2023 to hold online events in addition to running events, which helped raise numerous donations.

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

Golden Ring Project video



> <https://youtu.be/Ra4EPxBdxS4?t=17>

*: This video is from YouTube.



Main facilities that joined the Golden Ring Project (in FY2023)

* (Clockwise from upper left) Germany, Thailand, China (Shenzhen), India, Chile, and Italy

Support activities for incidents with major impacts on society

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

Brother's main support includes the following two ways:

1. Monetary donations from Brother Industries, Ltd. (BIL) and Brother group companies
2. Donations and volunteer activities by employees

Monetary donations from Brother Group companies are sent mainly to Japan Platform and the Red Cross as emergency assistance while donations and volunteer activities by employees are provided in a way that meets the needs of each devastated area.

For more information about the amount of global donations and BIL's donations to NPOs, refer to "[Social Contribution - Data Related to Community Investment](https://global.brother/en/sustainability/social/contribution#c08)" <https://global.brother/en/sustainability/social/contribution#c08>."

Brother's response to large-scale disasters

Kizuna Fund, a donation program that encourages employee participation

In FY 2012, BIL established the Kizuna fund, a fund that Brother Group employees can easily donate to through payroll deduction, bank transfer, etc., and has sent [the donations from employees](https://global.brother/en/sustainability/social/contribution#c08) <https://global.brother/en/sustainability/social/contribution#c08> to devastated areas.

Today, 13 years after the the Great East Japan Earthquake, BIL continues to make donations to Shichigahama-machi, Miyagi Prefecture, which BIL has been supporting since the aftermath of the Great East Japan Earthquake, Onagawa Kogakukan in the Onagawa-cho, Miyagi Prefecture, Shinsei, the Fukushima-based NPO, and the Sanriku Railway in Iwate Prefecture. In FY2023, BIL expanded its support to Namie-machi, Fukushima Prefecture.

The donations have been used to meet the needs of the times: by Shichigahama-machi to support global talent development projects and to help install ohajiki artwork on the seawalls, for Onagawa Kogakukan to provide educational guidance and mental care support for disaster-stricken children, for the Fukushima-based NPO Shinsei to support the independence and employment of the people with disabilities who suffered greatly from the nuclear plant disaster and tsunami, for the Sanriku Railway "Sanriku Smile" campaign, and by Namie-machi to promote community building and advance Hope Tourism.

The mayor of Shichigahama-machi expressed his appreciation to BIL for its consideration to the town, saying that BIL has acted kindly as if it were the town's relative that was away in a distant location.



Sewing and embroidery machine used at Shinsei, the Fukushima-based NPO



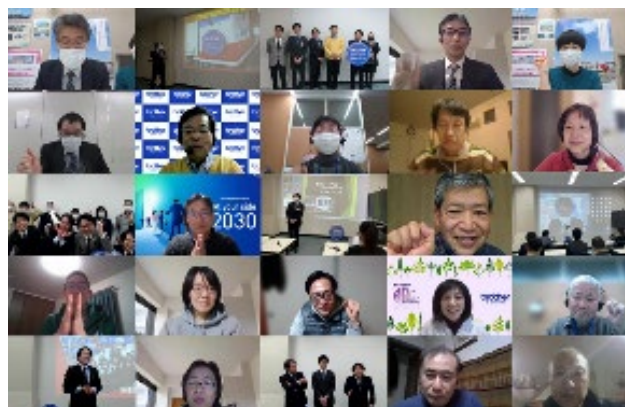
Sanriku Railway's "Sanriku Smile" campaign

To remember the Great East Japan Earthquake—From support to interaction

With the aim of preventing employees from forgetting the Great East Japan Earthquake and helping them prepare for disasters, the Brother Group hosts various events for employees. Since FY2019, the Group has been holding "Tohoku lectures," in which the victims share their experiences and lessons they learned, in the after hours.

Even in FY2020 and the following years, which were impacted by COVID-19, the project has continued to be conducted, mainly through the use of online tools. The event is attended by many employees and many members of management, creating an opportunity to think about what they can do as members of society and how they should prepare for disasters. In FY2023, lectures were held four times in total. Residents of Namie-machi, whose entire population was evacuated due to the nuclear plant accident, expressed their thoughts on community building toward restoration.

Employees who attended these events have commented as follows: "It was a great opportunity to share the moment and communicate with people from Tohoku, even online," "I feel that the interaction with the people of Tohoku is a valuable asset," and "Since we can never know when or where things will happen, I'd like to be more mindful of our preparedness."



Tohoku lecture held online and in person

The Brother Group will continue to deepen interactions, and value close communication with those living in the devastated areas.

Organizing Earthquake Reconstruction Support Market Events

In response to the Great East Japan Earthquake, BIL started to organize "Earthquake Reconstruction Support Market" (Market) events every year as part of its "disaster relief purchasing*" activities. The first Market event was organized in March 2012, the year following the Great East Japan Earthquake, as a fair featuring products of the Tohoku region. By FY2023, 30 Market events were organized in total. More than 3,600 employees in cumulative total have supported reconstruction by purchasing products.

In FY2023, the "Ishikawa & Tohoku Market" event was organized to support reconstruction from the 2024 Noto earthquake in addition to the Great East Japan Earthquake. Due to the impact of COVID-19, the Market had been held online since FY2020, but it was held on-site for the first time in three years. About 260 employees purchased products from devastated areas.



Ishikawa & Tohoku Market event

BIL will continue to work on activities to help maintain the economic activities of devastated areas and support reconstruction.

*: Consumer action to support producers by purchasing goods and services

Art and Culture Support Activities

Support activities for Higashiyama Zoo and Botanical Gardens

Since 1984, when BIL donated funds for the construction of a stable for koalas, it has provided various forms of support to the Higashiyama Zoo and Botanical Gardens over the years. In 2021, BIL concluded a public relations partnership agreement with the Higashiyama Zoo and Botanical Gardens, becoming "an official public relations partner" responsible for spreading information on "species conservation" and "environmental education," promoted by the zoo. As part of this activity, BIL produced commemorative T-shirts featuring a koala and donated them to the Higashiyama Zoo and Botanical Gardens to commemorate the 40th anniversary, which is 2024, of the first koala arriving at the zoo. The donated T-shirts are worn by the zoo staff at events, such as the "spring festival." BIL also created videos introducing the biology and ecology of koalas in an enjoyable and entertaining manner and posted them on YouTube and other platforms. Through these activities, BIL introduces the role that zoos and botanical

gardens play in preserving life for the next generation and the reasons why various animals around the world are in danger of extinction, conveying the importance of biodiversity and the global environment.



Ceremony to donate T-shirts to commemorate the 40th anniversary of the first koala arriving at the zoo

As a public relations partner, BIL published a newspaper ad titled "A message to the newborn baby" on the day of the ceremony to name a baby Asian elephant that was born at the zoo. This ad won the Excellence Award at the 14th Chunichi Shimbun Advertising Awards held in FY2023. The ad message was written as a letter from zookeepers to parents and children of Asian elephants to publicize the importance of passing the baton of life. The ad was highly evaluated because it presented the issues faced by zoos and botanical gardens to reproduce precious species to the next generation and hinted at the future possibilities that may be changed by humankind, in addition to simply providing opportunities for people to interact with animals and plants.



Newspaper ad "A message to the newborn baby"

BIL also continues to support the Higashiyama Zoo and Botanical Gardens Life Connect Fund* (Nagoya City Higashiyama Zoo and Botanical Gardens Fund). In FY2023, BIL was certified again as a "Platinum Partner," the highest rank of support. BIL will continue its activities to achieve the SDGs and raise awareness for the protection of animals and plants through its support to the Higashiyama Zoo and Botanical Gardens.

*: Funds to be used for the maintenance of the facilities in the Higashiyama Zoo and Botanical Gardens, the adoption of animals and plants, habitat conservation, and the enrichment in environmental education, etc.

Examples of Social Contribution Activities

In addition to the activities stated above, the Brother Group also conducts a variety of social contribution activities.

For examples of social contribution activities, please see [here](https://global.brother/en/sustainability/social/contribution/local)
<https://global.brother/en/sustainability/social/contribution/local> .

Data Related to Community Investment

		FY2019	FY2020	FY2021	FY2022	FY2023
Employees' participation in the Golden Ring Project		At 23 facilities	Suspended	At 13 facilities	At 24 facilities	At 30 facilities
Amount of global donations		130,259,278 yen	94,467,274 yen	225,495,501 yen	188,320,870 yen	229,866,510 yen
The Kizuna Fund	Number of employees who participated	152	97	129	105	112
	Amount of donations	5,050,216 yen	1,524,950 yen	2,570,965 yen	4,211,876 yen	3,696,388 yen
Amount of donations to registered not-for-profit organizations (Brother Industries, Ltd.)		10,699,112 yen	3,472,020 yen	65,014,680 yen	44,307,800 yen	42,831,730 yen
Tokai Young Entrepreneur Seminar		Supported by Brother Industries, Ltd. since 2008				
Number of pro bono participants (Brother Industries, Ltd.)	Target	3	3	3	3	3
	Achievement	3	3	3	4	4

Social Contribution

Examples of Social Contribution Activities



Brother Supports Young Entrepreneurs Who Address Social Issues and Community Revitalization as a Business

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

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

In the Seminar, Brother works to place businesses on a trajectory for growth, such as by supporting entrepreneurs to formulate business strategies and develop services. Over the 16 years up to FY2023, it had supported a total of 68 entrepreneurs engaged in nursing care and welfare work, multicultural coexistence, the creation of learning spaces for children, childcare support, town development, and so forth.

Brother establishes a system in which employees can address social issues as pro bono workers^{*1}

Every year since 2012, BIL employees have participated as "Pro Bono Workers" to support students at the Tokai Young Entrepreneur Seminar.

The employees involved in the Seminar as Pro Bono Workers allowed to spend a total of 50 working hours in six months on the activity. While using time outside of working hours as well, they teach these entrepreneurs how to formulate strategies to enhance the value of the services they provide, narrow down their targets, perform market studies, and develop sales plans.

Participation in the Seminar as Pro Bono Workers enables employees not only to provide support using the skills and experience they have gained in their own work but also to learn about entrepreneurship^{*2}, which leads to increasing opportunities for employees to learn and grow further and promoting the resolution of social issues through business.

FY2023 Efforts

In FY2023, four people chosen through a careful selection process participated in the Seminar as the 16th class, and four employees from BIL took part as Pro Bono Workers. One of the students was aiming to start a business that would help children develop confidence in themselves and the ability to take on challenges through education and the management of a comprehensive sports club. This time, with six months of support from their Pro Bono Workers, the students developed a more concrete vision and strategies regarding their businesses.

At the final presentation session held in March 2024, the students presented their plans and vision for future business development. Employees who participated as Pro Bono Workers made comments, such as "Supporting entrepreneurs has broadened my perspective."

In addition, in FY2023, we held a meeting called "Gathering Day" for past Tokai Young Entrepreneur Seminar students and employees who had participated as Pro Bono Workers, with the aim of building a network of past Pro Bono Workers within the company and strengthening the community of entrepreneurs. At the Gathering Day, past students shared the current status of their businesses and activities, and relevant challenges, and all participants discussed ways to address those challenges. Through the consultations and discussions at the Gathering Day, participants were able to share the experience and skills they have gained, providing a good opportunity to apply them to their future activities.



Final presentation session at the Tokai Young Entrepreneurs Seminar



Gathering Day bringing together past Tokai Young Entrepreneurs Seminar students and Pro Bono Workers

BIL will continuously contribute to addressing social issues and revitalizing communities by cosponsoring the Seminar, which aims to support young entrepreneurs. In addition, through Pro Bono activities by employees, we will increase opportunities for employees to learn and grow further and to encourage the solving of social issues through business.

*1: An activity in which employees use their skills cultivated through their work in the company in supporting individual entrepreneurs.

*2: The attitude of creating a new business and taking risks.

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

Brother sponsors the Youth Employment Service program and provides job training

Broad-based Black Economic Empowerment (B-BBEE) is one of the affirmative actions* in South Africa. The policy aims to strengthen the economic power of historically disadvantaged South Africans, and scores the initiatives and contributions of companies by different factors and grades them accordingly in an effort towards eliminating inequality.

Brother International S.A. (PTY) Ltd. (BI S.A.), the sales facility in South Africa, has been a proud supporter of B-BBEE through the Youth Employment Service (Y.E.S) program. We provide disadvantaged youth in the labor market, aged 18 to 35, with job training opportunities for 12 months at BI S.A. offices, and various other institutions. In addition, the company employs some of the youths as full-time employees and they continue their training and development.

In FY2023, the company accepted 14 youths and provided them with work experience and training opportunities in areas such as finance and business administration, and hired five of them as full-time employees. A study has shown that a minimum of 12 consecutive months of work experience raises a candidate's chances of finding employment in their field of expertise to 80%, and BI S.A. has therefore been helping the country develop socially and economically through transferring skills to underprivileged young people and exposing them to work.

BI S.A. has also been actively promoting historically disadvantaged South Africans in management positions. The Black Executive Management percentage on the B-BBEE scorecard is 33% against the set target of 60%.



BI S.A.'s B-BBEE targets and Broad-Based BEE Verification Certificate [PDF/0.98MB]

<https://download.brother.com/pub/com/en/csr/pdf/bbbee.pdf>

The Brother Group will continue to contribute to solving social issues by improving the employment opportunities of historically disadvantaged South Africans.

*: An active effort to improve employment or educational opportunities for members of minority groups and for women.

Brother Organizes Environmental Event "Brother Earth Kids Academy" for Children Attending After-School Clubs during Summer Vacation

Environmental Event "Brother Earth Kids Academy" Held for After-school Clubs Since FY2018

~ Providing learning opportunities to children attending after-school clubs during summer vacation ~

Brother Earth Kids Academy is an event that has been held since FY2018 for children attending after-school clubs during summer vacation, providing them with opportunities to learn about environmental issues through crafts. At the event, through the creation of an "endangered animals picture book," the program gives the children an opportunity to study the causes of the increase in endangered species and allows them to learn about the mechanism of global warming, which is one of the causes, and efforts to prevent it.

The event was held at Brother Museum in FY2018 and FY2019, then as online events in FY2020 and FY2021 due to the impact of the COVID-19. In FY2022, some regulations were eased, so in addition to online events, BIL has been holding on-site events where they visit after-school clubs. These events have been held over 50 times with approximately 2,500 participants.

Brother Earth Kids Academy in FY2023

In FY2023, summer vacation was free of movement restrictions for children due to the reclassification of COVID-19 as a Category V Infectious Diseases in May of the same year. As a result, all events during the period from July 26 to August 25, 2023, were held in person. In addition to the on-site events held in the previous year, events were also held at Brother Museum for the first time in four years, with a total of 14 events and approximately 500 children participating.



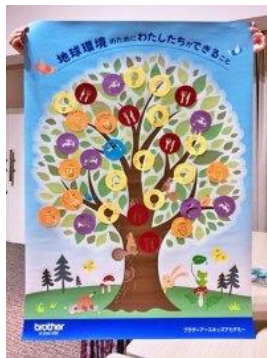
Environmental Event "Brother Earth Kids Academy" held at Brother Museum

In addition to the production of the "endangered animals picture book," which has been carried out in the past, the event at Brother Museum featured new programs only possible at in-person events, such as the "environmental declaration poster" and "Brother crossword quiz."

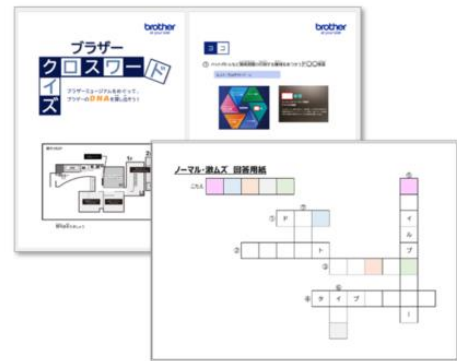
For the "environmental declaration poster" program, children were tasked with choosing one activity

they thought they could practice from four options: saving energy, saving water, recycling, and reducing food waste. Then, they completed an "environmental declaration tree" by pasting the icons created by Brothers Scan Cut* onto a tree illustration. The completed posters were brought back to be displayed at the after-school clubs so they would try not to forget the declarations they made.

For the "Brother crossword quiz." program, children explored the Brother Museum while completing a crossword quiz so that they could enjoy learning about Brother's history and products. Through these programs, children not only learned about the global environment, but also created fun summer vacation memories.



Environmental declaration poster



Brother crossword quiz

The children who have participated in the event have said that they would try to save electricity, reduce food waste, and recycle from now on. In addition, instructors at the after-school clubs have commented that "the children are taking the initiative seriously and we, the instructors, also learned a lot ourselves," and "it is great that we were able to create an opportunity for the instructors and the children to learn about global warming and endangered species together."

In recognition of these activities, BIL has received the Aichi Biodiversity Company Certification from Aichi Prefecture as a company that is making excellent efforts in biodiversity conservation.



あいち生物多様性
優良認証企業

Going forward, toward achieving a sustainable society, Brother will continue to contribute toward Goal 4 "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all," Goal 13 "Take urgent action to combat climate change and its impacts," and Goal 15 "Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss" of the Sustainable Development Goals by conducting educational support activities in regions and initiatives leading to global environmental conservation.

*: A product that allows you to cut paper, cloth, thin plastic sheets, stickers, etc. using a touch panel (without using scissors or a cutter).

Brother Supports Economically Disadvantaged Rural Women in China

Brother donates sewing machines to women in Yunnan Province

Brother (China) Ltd. (BCN), one of the Brother Group's sales facilities in China, has made its mission to "contribute to the development of Chinese society and the abundance of people's lives" and is engaged in initiatives to support economically disadvantaged women in Yunnan Province, China.

While China has achieved remarkable economic growth, there is a gap between urban and rural areas, with some women struggling to find employment in the southwesternmost province of Yunnan as well. Although women in Yunnan make a living such as by hand-sewing embroidery, which is a traditional culture of the province and is listed as one of China's intangible cultural heritages, they must migrate to work to earn a sufficient income and live apart from their families and children. These children left behind in rural areas as a result of their parents' migrations are known as "left-behind children," and they represent a social problem unique to China.

To address this, from FY2022 to FY2023, BCN donated 26 sewing machines and provided training on how to use them. This initiative enabled women in Yunnan to earn more income by making bags, wallets, and other handicrafts using traditional Yunnan embroidery. In addition, this has enabled them to continue working locally and live with their families and children, thereby improving the problem of left-behind children.



Training using a donated sewing machine

The Brother Group has identified five materialities

<https://global.brother/en/sustainability/csr/materiality> to "contribute to society and help protect the earth" as Our Purpose in the Brother Group Vision "At your side 2030."

<https://global.brother/en/corporate/vision> BCN will work to solve social issues through business towards "supporting people's value creation," one of the five materialities.

Governance(G)

Corporate Governance

Brother Group Basic Policies on Corporate Governance

Brother Group Basic Policies on Corporate Governance

Preamble

Brother Industries, Ltd. has established basic policies concerning corporate governance (hereafter referred to as the Basic Policies) in accordance with the resolution adopted by its board of directors.

Section 1: General Provisions

Article 1: The Fundamental Ideas of Corporate Governance

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

Section 2: Securing the Rights and Equal Treatment of Shareholders

Article 2: The Basic Policies concerning Cross-shareholdings and Execution of Voting Rights regarding Cross-shareholdings

1. Brother Industries, Ltd. holds shares of other listed companies when building good business relationships with such companies is considered likely to contribute to improvement of its corporate value over the mid to long-term (hereafter referred to as cross-shareholdings).
2. The board of directors examines the appropriateness of its individual cross-shareholdings on an annual basis and expedites reduction of holdings determined deficient in meaning.
3. Brother Industries, Ltd. generally exercises its voting rights related to its cross-shareholdings. Brother Industries, Ltd. approves an agenda after carefully examining its contents, except when it may potentially harm Brother's mid to long-term economic interest and when it is obvious that the shareholder value will be damaged such as by antisocial acts by listed companies or the management of listed companies.

Article 3: Related Party Transactions

In cases in which a director is processing a transaction that could potentially create business competition with Brother Industries, Ltd. or result in a conflict of interest with Brother Industries, Ltd., that director must receive approval from the board of directors in accordance with the procedure stipulated by the company rules.

Section 3: Appropriate Cooperation with Stakeholders

Article 4: The Business Principles, Code of Practice, and Relationships with the Stakeholders

The Global Charter consists of the basic policies and code of practice concerning daily decision-making and actions of Brother Industries, Ltd. and the Brother Group's directors, executive officers, employees, etc., and sets forth their relationships with the stakeholders.

Section 4: The Responsibilities of the Board of Directors, etc.

Article 5: The Roles of the Board of Directors

1. Brother Industries, Ltd. implements an executive officer system, whereby executive operations by executive officers and supervision by the board of directors are separated in an effort to ensure swift decision-making and strengthen its corporate governance.
2. The board of directors holds responsibility to deliberate and make decisions on important executive operations stipulated by laws, the articles of incorporation and company rules, and to supervise directors and executive officers as to their execution of duties.
3. The board of directors shall delegate items other than the ones that require decision making on an executive operation by the board of directors as defined in the previous clause to the representative directors, executive directors or executive officers.

Article 6: The Composition of the Board of Directors

1. The board of directors must not exceed 11 members as stipulated in the articles of incorporation, and include an adequate number of outside directors needed to supervise important administrative decision-making and execution of executive operations at the board of directors.
2. The board of directors shall consist of diverse members with dissimilar backgrounds such as knowledge and experience, whereby it can contribute to global business operations of the Brother Group.

Article 7: The Qualifications and the Appointment Procedures for Directors and Executive Officers

1. A director must possess a fine personality and perception, and an ability to appropriately execute the director's duties.
2. An outside director must possess considerable experience in corporate management, and be in compliance with the standards stipulated in **Appendix**
1 <https://global.brother/en/sustainability/governance/corporate#c03> (hereafter referred to as

the Independence Standards), in addition to meeting the qualifications indicated in the previous clause.

3. A candidate for a director is decided by the board of directors in accordance with Clause 1 and 2 of this article and through the procedure taken by the Nomination Committee as stipulated in Article 13.
4. Brother Industries, Ltd. must disclose the reasons for its selection of candidates for directors in the notice of convocation of general meeting of shareholders.
5. An executive officer must possess a fine personality and perception, be acquainted with the business and operation under the executive officer's direction, and must retain the ability to pursue the duties of an executive officer properly.
6. An executive officer is appointed by the board of directors based on the qualifications indicated in the previous clause, and through the procedures taken by the Nomination Committee as stipulated in Article 13.

Article 8: The Composition of the Board of Auditors

1. The board of auditors must not exceed five members as stipulated in the articles of incorporation, and outside statutory auditors must comprise 50 percent or more of the members.
2. The board of auditors must consist of at least one statutory auditor with sufficient expertise in finance and accounting.

Article 9: The Qualifications and Appointment Procedure of Statutory Auditors

1. A statutory auditor must possess a fine personality and perception, and the ability to properly pursue duties as a statutory auditor.
2. An outside statutory auditor must be in compliance with the Independence Standards, in addition to meeting the qualifications indicated in the previous clause.
3. A candidate for a statutory auditor is decided by the board of directors in accordance with Clause 1 and 2 of this article, and after receiving the approval of the board of auditors.
4. Brother Industries, Ltd. must disclose the reasons for its selection of candidates for statutory auditors in the notice of convocation of the general meeting of shareholders.

Article 10: The Roles of Outside Directors

Brother Industries, Ltd. requests its outside directors to fulfill roles to provide advice on its business management, make decisions on important items, and supervise the execution of business from a perspective independent of Brother's top management based on their respective and extensive experience, achievements, and knowledge.

Article 11: Outside Officers Holding Concurrent Posts

Brother Industries, Ltd. annually discloses the status on the holding of concurrent posts of outside directors and outside statutory auditors (hereafter collectively refer to outside officers) in the notice of convocation of the general meeting of shareholders and the company's annual securities report.

Article 12: Establishment of the Nomination Committee and the Compensation Committee

1. Brother Industries, Ltd. has established the Nomination Committee and the Compensation Committee as arbitrary advisory committees of the board of directors.
2. The Nomination Committee and the Compensation Committee must include outside directors as their majority members, and must appoint outside directors as the committees' chairpersons.

Article 13: The Nomination Committee

The Nomination Committee must deliberate on the agendas of the general shareholder meeting concerning appointment or removal of directors and the agendas of the board of directors concerning appointment or removal of executive officers in a fair, transparent and strict manner before the agendas concerned are finalized, and report the outcome to the board of directors. The Nomination Committee must also report on the contents of the Independence Standards and succession planning for the CEO and other top management to the board of directors.

Article 14: The Compensation Committee

1. The Compensation Committee must discuss the contents of the company rules concerning the standard for calculating the remuneration for directors and executive officers, and the contents of respective remuneration of respective individuals, and report the outcome to the board of directors.
2. The basic policies concerning remuneration of Brother Industries, Ltd.'s directors and executive officers are as stipulated in Article 15.

Article 15: Remuneration of Directors and other Top Management

1. Remuneration of the directors and executive officers must be appropriate, fair and balanced in a way that contributes to further enhancement of the motivation of the directors and executive officers in order to maximize the corporate value of Brother Industries, Ltd.
2. In addition to the basic remuneration provided to all, the remuneration of directors also include annual bonus based on performance of the relevant fiscal year, and stock-based compensation for directors offered as an incentive for long-term improvement of corporate value, which are given as remuneration provided to directors excluding outside directors.
3. The remuneration of executive officers consist of basic remuneration, annual bonus, and stock-based compensation for executive officers.
4. The remuneration of directors must be calculated in accordance with the company rules, discussed and reported by the Compensation Committee, and approved by the board of directors. The remuneration of executive officers must be calculated in accordance with the company rules, discussed and reported by the Compensation Committee, and approved by the board of directors or president.

5. In the case in which the Compensation Committee reports the amount of remuneration of directors and executive officers, it must refer to the standards for remuneration, etc. of other companies that can serve as proper subjects for comparison, and review the appropriateness of the amount of the remuneration.
6. Brother Industries, Ltd. shall disclose the sum of remuneration paid to its directors in an appropriate manner.

Article 16: The Policies concerning Training for Directors and Statutory Auditors

1. Directors and statutory auditors must actively collect information related to the Brother Group's business outlines, legal compliance, corporate governance and other issues and continue to acquire knowledge and skills in order to fulfill their roles.
2. A newly appointed outside officer must be briefed on the Brother Group's management strategies, business outlines and other important matters by the president or those who are appointed by the president.
3. Brother Industries, Ltd. shall provide its directors and statutory auditors with opportunities for training while referring to the evaluation, etc. stipulated in Article 17 (outside officers are also given opportunities to obtain knowledge about the Brother Group's business outlines).

Article 17: Evaluation

The respective directors and statutory auditors shall conduct evaluations of the board of directors' effectiveness, etc. annually, and shall submit the outcome to the board of directors. Based on the evaluations submitted, the board of directors shall analyze and evaluate the effectiveness of the entire board of directors, and disclose a summary of its results in a timely and appropriate manner.

Section 5: Dialogues with Shareholders

Article 18: Dialogues with Shareholders

The basic policies concerning establishment of organizational structures and measures aimed at promoting constructive dialogues between Brother Industries, Ltd. and its shareholders are as stipulated in **Appendix 2** <https://global.brother/en/sustainability/governance/corporate#c04> .

End of Document

Date of Establishment: November 2, 2015

Date of Revision: June 22, 2023

Appendix 1: The Brother Industries, Ltd. Independence Standards for Outside Officers

Brother Industries, Ltd. shall determine that an individual to which any of the following is applicable, as not "independent" of Brother Industries, Ltd.

- (1)
 - i. An individual who is currently serving or served within the past 10 years as a director, executive officer, manager, or employee (including an executive officer) of Brother Industries, Ltd., and its subsidiaries (hereafter collectively referred to as Brother Industries, Ltd. etc.).
 - ii. An individual who had served as a director, executive officer, manager, or employee in a managerial position (including an executive officer) of Brother Industries, Ltd. etc., more than 10 years ago.
- (2) An individual who is currently serving or served within the past three years as a business executor^{*1} of a corporation or any other organization (hereafter referred to as a corporation, etc.) that applies to one of the following.
 - A corporation, etc. which is the major shareholder^{*2} of Brother Industries, Ltd.
 - A corporation, etc. of which Brother Industries, Ltd. etc. is the major shareholder
 - A corporation, etc. which paid Brother Industries, Ltd. etc. an amount of money that is more than two percent of the consolidated net sales of Brother Industries, Ltd. during the business year concerned
 - A corporation, etc. which received either ten million yen as annual payment or a payment equal to two percent of the consolidated net sales of said corporation, etc., whichever is larger, from Brother Industries, Ltd. etc. during the relevant business year
 - A corporation/organization, etc. which obtained more than ten million yen as annual payment or a payment more than two percent of the gross income or recurring revenue of said corporation/organization, etc. whichever is larger, from Brother Industries, Ltd. as a donation or grant during the applicable business year
- (3) A certified public accountant who currently serves or served within the past three years as an accounting auditor of Brother Industries, Ltd., etc., or currently belongs or belonged within the past three years to an auditing firm, which serves as the accounting auditor of Brother Industries, Ltd., etc.
- (4) A consultant, accounting specialist, or a legal expert who currently receives or received within the past three years either a payment of more than two percent of the net sales of the business year or ten million yen, whichever is higher, from Brother Industries, Ltd., etc. (excluding the remuneration of officers).
(In the case that the recipient of said compensation is an organization, such as a corporation or guild, this applies to the consultant, accounting specialist or legal expert who belongs to the organization concerned.)

- (5) An individual who currently serves as a business executor of a company, at which an individual from Brother Industries, Ltd., etc. serves as its director.
- (6) An important individual^{*3} who is currently a close relative^{*4} of the respective individuals mentioned in (1) through (5) above.

- *1. A business executor is a director in charge of executing a business operation or an executive officer of a corporation or any other organization, an officer or employee in charge of executing a business operation of any other corporation, etc.,, those who fulfill the duty stipulated in the Article 598 (1) of the Japanese Companies Act or any other individual that has a similar responsibility, employee, director (excluding an outside director), a manager who has a similar responsibility, or those who execute tasks of employees, etc.
- *2. Refers to a shareholder who holds more than ten percent of the voting rights.
- *3. As to (1), (2) and (5) above, an important individual means a director, executive officer, or an employee who is a department manager or at a higher position (including an executive officer). As to (3) above, it refers to certified public accountants belonging to respective auditing firms. As for (4) above, it means a director, executive officer, an employee who is a department manager or at a higher position (including an executive officer), certified public accountants belonging to respective auditing firms, or attorneys belonging to respective law firms.
- *4. Refers to relatives within the second degree of kinship.

Appendix 2: The Policies concerning Constructive Dialogues with Shareholders

1. Fundamental Ideas

By increasing the opportunities to provide information to shareholders and investors and conveying the latest information in a clearly understandable manner, strive to enhance the corporate transparency and build long-term relationships of trust.

2. An Individual in Charge of Presiding over Dialogues with Shareholders

Assign an executive officer in charge of holding constructive dialogues with shareholders and investors, and allow that officer to collaborate with the relevant in-house departments supporting the convening of dialogues on a daily basis.

3. The Ways to Hold Dialogues and the System to Utilize Feedback

- (a) In addition to organizing a briefing, telephone conference, etc. for analysts and institutional investors after the announcements of year-end and quarterly consolidated results, provide information via the Brother Group's official website and various other documents.
- (b) Brother Industries, Ltd. shall strive to properly share with its directors, the opinions from shareholders obtained through dialogues with them.

4. Administration of Insider Information in Dialogues with Shareholders

In compliance with the company rules concerning information management, establish a proactive system to prevent the divulging of insider information.

Corporate Governance Report

This report provides information—such as fundamental ideas and structure—regarding BIL's corporate governance.



Corporate Governance Report [PDF/428KB] (Last update: October 30, 2024)

<https://download.brother.com/pub/com/en/corporate/governance/governance.pdf>

Governance(G)

Corporate Governance Structure

Corporate Governance Structure

Brother Industries, Ltd. (BIL) positions the Board of Directors as the organization that decides on basic management policies, makes high-level management decisions, and supervises the execution of operations. Therefore, we adopt the structure of a company with an Audit & Supervisory Board in the belief of its suitability for us. In addition, to ensure high transparency and objectivity, we have continuously enhanced our corporate governance structure. In order to enhance the management system focusing on sustainability, we established the Sustainability Committee in FY2022, which is chaired by the Representative Director & President, to conduct ongoing discussions on sustainability and report regularly to the Board of Directors.

Board of Directors

BIL's Board of Directors consists of 11 Directors (including five Outside Directors)*, of which one is a female Director. In principle, meetings, which are chaired by the Director & Chairman, are held once each month. In FY2023, the Board of Directors met 11 times. To increase medium- to long-term corporate value, the Board formulates management strategies and plans and carries out decision-making on important executive operations. At the same time, the Board supervises Directors, Executive Officers, and other parties in their execution of operations, and strives to establish structures that ensure management soundness, such as the Group's internal control and risk management systems.

*: As of June 25, 2024

Audit & Supervisory Board

The Audit & Supervisory Board consists of five Corporate Auditors (including three Outside Auditors)*¹, of which one is a female Corporate Auditor. It met 12 times in FY2023.

The Corporate Auditors have high levels of expertise in fields such as law and accounting, and following the audit standards established by the Audit & Supervisory Board, mainly conduct the audit activities given below, audit the Directors' execution of duties, and conduct audits on the state of establishment and implementation of the Group's internal control system.

Main activities

- Attendance of Board of Directors' meetings and voicing of opinions

- On-site audits of group companies and listening to reports
- Interviews and opinion exchange with Directors
- Interviews and opinion exchange with executive departments

- Regular exchange of information and opinions with the Internal Auditing Department and Accounting Auditors (such as three-way audit liaison conferences^{*2}, and meetings for reports on financial results)

*1: As of June 25, 2024

*2: A collective name for three types of audits (audits by Corporate Auditors, audits by the Accounting Auditor, and internal audits)

Independent Outside Directors

BIL appoints several independent Outside Directors with extensive experience in corporate management to ensure objective and neutral oversight of management from an external point of view, and thereby strengthens its management oversight function. BIL's Independent Outside Directors provide management advice, decide important matters, and oversee executive operations based on their respective abundant experience, careers, and insights from perspectives independent of BIL's management.

Director Training and Support System for Outside Directors

BIL has created a system for providing training that it considers necessary for its Directors according to the training target, and it conducts training based on the system. As training for Outside Directors, we provide them with not only information about our businesses, history, financial operations, organization, etc. but also opportunities to inspect our on-site operations in person, including visits to our facilities in and outside of Japan, thereby deepening their understanding of our businesses. To train Internal Directors, we provide them with opportunities to acquire knowledge of the duties and responsibilities of Directors.

Executive Officer System

BIL has introduced an executive officer system to ensure swift decision-making by separating executive operations and supervision. There are 16 Executive Officers (including one female Executive Officer) and four Group Executive Officers (including two non-Japanese nationals)*. Of the Executive Officers, four are concurrently Directors. Executive Officers—including Group Executive Officers—are elected by the Board of Directors. In accordance with the basic management policies determined by the Board, they make decisions on matters related to executive operations delegated by the Board and implement

those decisions. At the same time, the Executive Officers are responsible for overseeing the operations of businesses, departments, and Group subsidiaries under their supervision.

*: As of June 25, 2024

Nomination Committee and Compensation Committee

BIL has established the Nomination Committee and Compensation Committee as arbitrary advisory committees to the Board of Directors, in order to enhance the independence and objectivity of the functions of the Board of Directors regarding the appointment or removal and remuneration of Directors and Executive Officers. Each of the committees consists of six Directors*, including five Outside Directors as well as the Representative Director & President, and has appointed an Outside Director as its chairperson (Nomination Committee: Keisuke Takeuchi; Compensation Committee: Kazunari Uchida).

The Nomination Committee must deliberate on the agenda of the general meeting of shareholders concerning appointment or removal of Directors and the agenda of the Board of Directors concerning appointment or removal of executive officers in a fair, transparent, and strict manner before the agenda concerned are finalized, and report the outcome to the Board of Directors. The Nomination Committee also reports on matters such as succession planning for the President and other top management to the Board of Directors. In FY2023, the Nomination Committee met eight times, with a 100% attendance of all committee members.

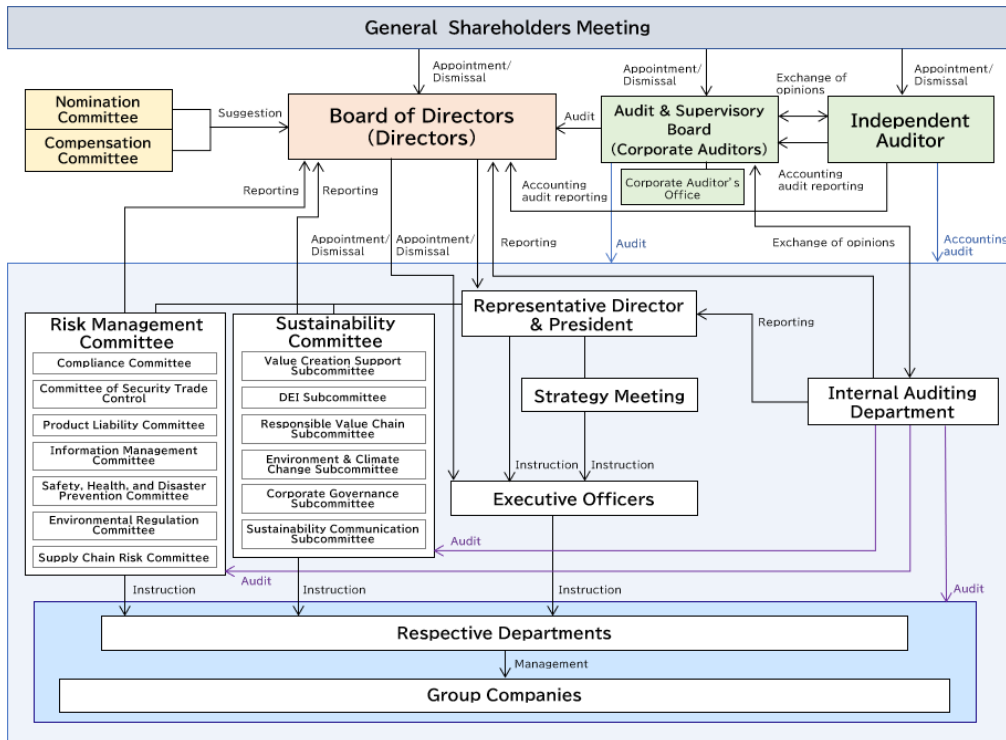
The Compensation Committee must discuss the contents of the Company rules concerning the standard for calculating the remuneration for Directors and executive officers, and the contents of respective remunerations of respective individuals, and report the outcome to the Board of Directors. In FY2023, the Compensation Committee met three times, with a 100% attendance of all committee members.

*: As of June 25, 2024

Succession Plans for Top Management

BIL's Nomination Committee regularly considers succession plans for the President and other top management. The Nomination Committee, which is mainly composed of Outside Directors, considers and discusses such plans from a wide variety of viewpoints, such as requirements for management personnel according to management strategies and business environments and the development and appointment of human resources. The Committee's considerations and discussions, along with management personnel evaluations made through meetings with Executive Officers and other means, are reflected in the nomination of Directors and Executive Officers for each year.

Brother Industries, Ltd. Governance Structure (as of June 25, 2024)



Effectiveness of the Board of Directors

Conducting Evaluation of the Effectiveness of the Board of Directors

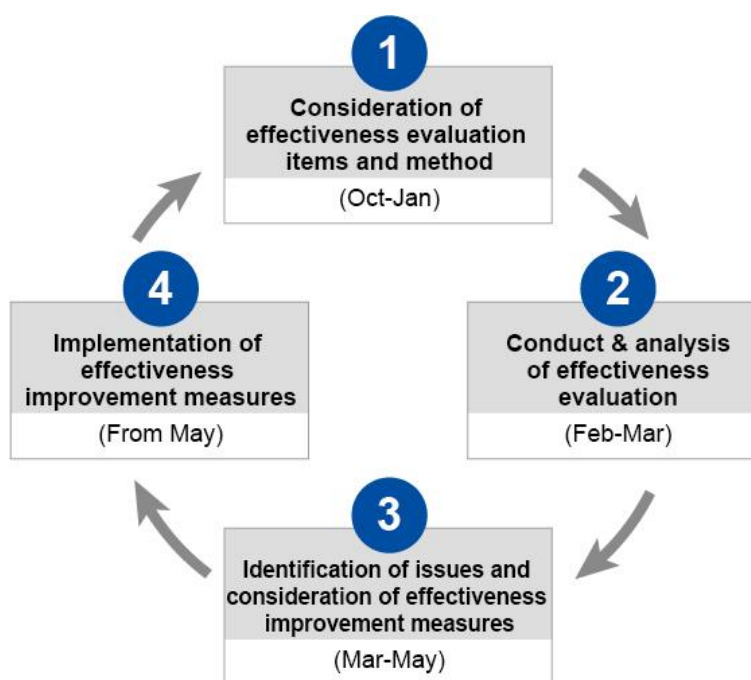
At BIL, respective directors and auditors every year evaluate the effectiveness of the Board of Directors and report the results to the Board of Directors. Based on the evaluation, the Board of Directors analyzes and assesses the effectiveness of the entire Board of Directors and discloses a summary of its results in a timely and appropriate manner.

The evaluation of the Board of Directors for FY2023 was conducted in February 2024 by having all Directors and Corporate Auditors answer a survey developed after seeking the opinions of external consultants. The survey's main questions are given below.

- Composition and operation of the Board of Directors
- Management plans and business strategies
- Corporate ethics and risk management
- Performance monitoring and evaluation and remuneration of the management
- Dialogues with shareholders, etc. and review of measures implemented in the previous year

Process for Evaluation of the Effectiveness of the Board of Directors

To guarantee objective analysis, the consolidation of the survey and analysis of results are tasked to external consultants. The Board of Directors' secretariat conducts analysis using the consolidated data. A cycle is then implemented whereby analysis results, improvement measures, and other information is reported to and discussed by the Board of Directors, improvement measures are implemented, and re-evaluation is then conducted in the following year.



1. Design of questions for measuring effectiveness of the Board of Directors together with external consultants taking into consideration factors such as social trends related to corporate governance.
2. Evaluation regarding the effectiveness of the Board of Directors is conducted using a survey method for all Directors and Corporate Auditors. The survey's consolidation and analysis of results are tasked to external consultants. The survey response rate for FY2023 was 100%.
3. The results of the survey are analyzed together with external consultants, identifying issues and proposing improvement measures to improve the effectiveness of the Board of Directors. The analysis results, improvement measures, and other matters are reported to the Board of Directors and discussed.
4. After discussion by the Board of Directors, measures are implemented to improve the effectiveness of the Board of Directors. The effects of these efforts are confirmed by the Directors and Corporate Auditors during the following fiscal year's effectiveness evaluation survey.

Board of Directors' Effectiveness Evaluation Results and Response Policy

At the meeting of the Board of Directors held in May 2024, the evaluation results were discussed, and it was confirmed that BIL's Board of Directors was functioning effectively in general. In consideration of opinions and requests shared through the latest survey for the evaluation of the Board of Directors, the following initiatives will be implemented in FY2024:

- Enhance discussions of the Board of Directors on key management themes and provide feedback to Executive Officers in the process of formulation of the next medium-term business strategy
 - Financial strategy
 - Human capital investment and human resources strategy
- Enhance discussions of the Board of Directors on the ideal form of BIL's corporate governance
 - Clarify the themes of proposals to be submitted to the Board of Directors
 - Reaffirm the functions and roles of the Board of Directors, Directors, and Corporate Auditors

By implementing these initiatives, the Board of Directors will continue to improve its own effectiveness.

State of Improvement Regarding Past Evaluation Results

The results of the previous effectiveness evaluation of the Board of Directors in February 2023 confirmed that BIL's Board was functioning effectively overall. In response to the requests and the comments on areas for improvement received through the evaluation of the Board of Directors, the following measures were taken in FY2023.

- Enhance discussion on key management themes
 - Business portfolio, capital cost, and human resources strategy in particular
- Establish an environment for bringing internal discussions to the Board of Directors
- Ensure that the content of discussions of the Nomination Committee and Compensation Committee is shared

Officer Remuneration

Policy on Officer Remuneration

BIL has established an officer remuneration system that facilitates the recruitment and retention of outstanding managerial talents from inside and outside the Company and serves the purpose of sustainably increasing corporate value. We have also adopted a policy of paying remuneration at appropriate levels according to job responsibilities and performance.

In FY2022, we revised the details of the performance-based and stock-based remuneration plans with the aim of continuously improving our corporate value.

The Company's Director remuneration is composed of the following:

Type of remuneration	Eligible individuals	Details of remuneration
Basic remuneration	All Directors	A fixed amount of remuneration paid to all Directors
Annual bonus	Full-time Directors who concurrently serve as Executive Officers	Monetary remuneration linked to business performance in the relevant fiscal year
Stock-based compensation	Directors other than Outside Directors and part-time Directors	Stock-based compensation linked to medium-term business performance and other factors (in cases where an eligible Director is a non-resident of Japan, alternative compensation is paid in the form of money)

Full-time Directors who do not concurrently serve as executive Directors (excluding Outside Directors) are paid only basic remuneration and stock-based compensation. Outside Directors and part-time Directors are paid only basic remuneration.

Objectivity and transparency regarding the amounts and calculation methods of all forms of Director remuneration are insured by specifying them in detail in the Company's Director Remuneration Rules and Share Grant Rules (collectively referred to as the "Director Remuneration Rules etc."). Revisions to the Director Remuneration Rules etc., require deliberation by the Compensation Committee and a resolution by the Board of Directors.

Remuneration paid to the Company's Corporate Auditors comprises only basic remuneration, which is fixed-amount remuneration, and is prescribed in the Corporate Auditor Remuneration Rules established by the Audit & Supervisory Board.

Amounts and Calculation Methods of Officer Remuneration

Basic remuneration

Basic remuneration paid to Directors and Corporate Auditors is a fixed amount of remuneration and is determined corresponding to their positions and job responsibilities within a remuneration limit approved by the General Meeting of Shareholders. Basic remuneration paid to Directors and Corporate Auditors is limited to 400 million yen per year and 140 million yen per year respectively.

Annual bonuses

Annual bonuses paid to full-time Directors who concurrently serve as Executive Officers are limited to 0.4% of the amount of consolidated profit (profit for the period attributable to owners of the parent company) for each fiscal year and paid based on reports of the Compensation Committee and resolutions of the Board of Directors.

Annual bonuses are calculated using the calculation method specified below. However, the total amount of annual bonuses paid in each fiscal year is limited to 0.4% of the amount of consolidated profit for the relevant period. If as a result of the following calculation, the total payment amount exceeds this limit, the amount is adjusted to within the limit.

*: In this section, "revenue" refers to consolidated revenue and "profit for the period" refers to profit for the period attributable to owners of the parent company.

(1) The "allocation ratio" is determined based on the sum of "base points" corresponding to the director's position and the predetermined "base point unit price," "base revenue," and "base profit for the period."

(2) Based on the allocation ratio from (1), the total annual bonus fund for the relevant fiscal year is calculated according to the following formula:

Aggregate fund 1 = Consolidated profit for the period × Allocation ratio × 1/2

Aggregate fund 2 = Consolidated profit for the period × Allocation ratio × 1/2 × Revenue adjustment coefficient (as specified in the following table)

Aggregate bonus fund = Aggregate fund 1 + Aggregate fund 2

	Consolidated Revenue	Revenue Adjustment Coefficient
(a)	More than 750 billion yen	Coefficient calculated by extending a linear function line with the same slope as (c) from (b)
(b)	750 billion yen	100%
(c)	Between (b) and (d)	Coefficient on the linear function line connecting the two points (b) and (d) with revenue on the X axis and the revenue adjustment coefficient on the Y axis
(d)	500 billion yen	50%
(e)	Less than 500 billion yen	0%

*: "Consolidated profit for the period" refers to profit for the period attributable to owners of the parent company.

(3) Aggregate bonus fund is proportionally divided according to the base points for each position of each eligible Director, and the provisional distribution amount for each eligible Director is calculated.

(4) The Representative Director and President may propose a special supplementary amount of up to

10% of the provisional distribution amount for each Director eligible for payment, excluding himself.

- (5) After the Compensation Committee examines the total provisional distribution amount and special supplementary amounts for each Director eligible for payment and the total payment amount, the Committee submits to the Board of Directors a proposal on the annual bonus payment amount for each Director eligible for payment, and payment is made to each eligible Director pursuant to a resolution of the Board of Directors.

Stock-based compensation

Stock-based compensation is variable remuneration linked to the degree of attainment of medium-term strategies and so on and the degree of increase in shareholder value in order to provide incentives to contribute to enhancing the Company's corporate value over the medium to long term. Stock-based compensation makes use of a share grant trust mechanism whereby shares and other securities are granted to Directors eligible (excluding Outside Directors, part-time Directors, and Directors who are non-residents of Japan) for payment using a trust to which the Company contributes funds.

- (1) The Company grants to each eligible Director 50% of the number obtained by dividing the predetermined base amount of stock-based compensation by the base stock price according to the Director's position in the Company as fixed points and 50% as performance-linked points for the period covered by the medium-term strategy, etc. (referred to simply as the "applicable period") in each fiscal year, and the points accumulate.
- (2) After termination of the applicable period, the cumulative number of performance-linked points is calculated for each Director according to the following formula and a final determination of the performance-linked point final value is made.

Formula

Performance-linked point final value = (A) + (B) + (C) + (D)

(A) Performance-linked cumulative value × 25% × Revenue coefficient (*1)

(B) Performance-linked cumulative value × 25% × Profit coefficient (*2)

(C) Performance-linked cumulative value × 25% × ESG coefficient (*3)

(D) Performance-linked cumulative value × 25% × TSR coefficient (*4)

(*1) Revenue Coefficient

- Calculated in accordance with the following table according to the degree of achievement of the consolidated revenue target in the final fiscal year in the applicable period.

Degree of Achievement	Revenue Coefficient
125% or more	200%
100% to less than 125%	(Degree of achievement - 75%) × 4.0
75% to less than 100%	(Degree of achievement + 25%) × 0.8

Degree of Achievement	Revenue Coefficient
Less than 75%	0%

(*2) Profit coefficient

- Calculated in accordance with the following table according to the degree of achievement of the consolidated profit for the period (profit for the period attributable to owners of the parent company) target in the final fiscal year in the applicable period.

Degree of Achievement	Profit Coefficient
140% or more	200%
100% to less than 140%	$(\text{Degree of achievement} - 60\%) \times 2.50$
60% to less than 100%	$(\text{Degree of achievement} + 1/3) \times 0.75$
Less than 60%	0%

(*3) ESG coefficient

- Calculated in accordance with the following table according to the degree of achievement of the CO₂ reduction amount target for Scope 1 and Scope 2 during the applicable period.

Degree of Achievement	Coefficient
100% or more	100%
80% to less than 100%	Same as degree of achievement
Less than 80%	0%

(*4) TSR coefficient

- Calculated in accordance with the following table according to the Company's TOPIX outperformer ratio (the "TSR OP Ratio") during the applicable period.

- The TSR OP Ratio is calculated as indicated below.

$$\text{TSR OP ratio (\%)} = \frac{\text{The Company's TSR}}{\text{TOPIX including dividends}} \times 100$$

OP Ratio	Coefficient
100% or more	100%
80% to less than 100%	Same as degree of achievement
Less than 80%	0%

*: The Company's TSR indicates total shareholder returns including capital gains and dividends during the applicable period.

*: In the case where a director leaves his/her position as Director before termination of the applicable period due to expiration of his/her term, an adjustment calculation is made based on the above.

(3) A director who satisfies the eligibility requirements to receive stock-based compensation will receive 70% of the accumulated points granted based on (1) and (2) above after leaving his/her position and will receive monetary benefits equivalent to the remaining points.

The composition ratio of individual remuneration, etc. for each type of remuneration

The composition ratio of remuneration for each full-time Director who concurrently serves as an Executive Officer is as follows when actual values are in agreement with the short-term performance target, which is an indicator for the annual bonus, and the medium-term performance target, which is an indicator for stock-based compensation: Basic remuneration (fixed): Annual bonus (performance-based): Stock-based compensation (performance-based)= generally 5 : 3 : 2

The composition ratio of remuneration for each full-time Director who does not concurrently serve as an Executive Officer is as follows when actual values are in agreement with the medium-term performance target, which is an indicator for stock-based compensation:

Basic remuneration (fixed): Stock-based compensation (performance-based) = generally 3 : 1

Clawback and Malus clause

With regard to annual bonuses and stock-based compensation, in the case where a Director engaged in non-conforming conduct, accounting irregularities, or the like, the Company may demand that the Director return all or part of remuneration previously paid pursuant to a recommendation by the Compensation Committee and a decision of the Board of Directors.

The Compensation Committee's activities in the course of determining the amount of officer compensation

The Compensation Committee verifies the appropriateness of remuneration, etc., by position and category of Director and the total remuneration level with reference to objective remuneration level data from external research organizations on a regular basis each year.

As part of these activities, the Compensation Committee deliberated on the agenda items indicated below in FY2023.

May 17, 2023	Annual bonuses for Directors based on FY2022 performance Stock issuance based on FY2022 performance
December 22, 2023	Officer remuneration level assessment
February 6, 2024	Revision of remuneration for Outside Directors

The Board of Directors' activities in the course of determining the amount of officer compensation

The Board of Directors deliberated on and decided matters on officer remuneration for FY2023 as indicated below.

June 22, 2023	Annual bonuses and stock-based remuneration for Directors based on FY2022 performance
February 6, 2024	Revision of remuneration for Outside Directors

Amounts of officer remuneration

(For one year from April 1, 2023 to March 31, 2024)

Categories	Total amount of remuneration, etc. (Millions of yen)	Total amount by type of remuneration (Millions of yen)				Number of eligible officers
		Basic remuneration	Annual bonus	Stock-based remuneration		
				Basic remuneration	Performance-based remuneration	
Director (including Outside Directors)	432 (57)	289 (57)	53 (-)	44 (-)	44 (-)	11 (5)
Corporate Auditor (including Outside Auditors)	78 (28)	78 (28)	- (-)	- (-)	- (-)	7 (4)
Total (including Outside Directors and Outside Auditors)	511 (85)	368 (85)	53 (-)	44 (-)	44 (-)	18 (9)

- *: The amount of remuneration paid to Directors does not include the employee salary portion for those employees who also serve as Directors.
- *: The number of eligible officers shown in the table above includes two Corporate Auditors (including one Outside Auditor) who resigned during FY2023.
- *: Since performance-based remuneration related to stock-based remuneration is linked to the performance targets in the current medium-term business strategy (FY2022–FY2024), performance-based remuneration for FY2023 is the base points of performance-based remuneration (same number as fixed points) converted to monetary values.

For other information on officer remuneration, please see the [Securities Report](#).

<https://global.brother/en/investor/business>

Officer Skills Matrix

BIL's Board of Directors is composed of various types of individuals with different knowledge and experiences to contribute to the sustainable management of the Brother Group's global business operations. BIL, placing importance on both supervisory and advisory functions of the Board of Directors, places particular emphasis on appointing Outside Directors who are independent of its management and who possess a wealth of management experience. For the Board of Directors as a whole, including those Outside Directors, we have created the Board of Directors' skills matrix after deliberation by the Nomination Committee and the Board of Directors, by organizing those who are expected to play a leading role in each skill that we consider necessary for the execution of our management strategy.

For the skills on the matrix, we first selected "Management/Strategy," "Development/Manufacturing," "Sales/Marketing," and "IT/DX" as skills related to each business strategy, such as "expansion in the Industrial area," and "transformation in the Printing area," which are the priority themes of CS B2024, our medium-term business strategy. Next, we selected "Talent Development" as a skill related to talent development and reskilling, which are the cornerstone activities of these strategies.

In CS B2024, we have defined not only business strategy targets but also social issues that are important to society and Brother itself as materialities to achieve the Brother Group Vision, and we also have defined "ESG/Sustainability" as a skill related to the materialities of "realizing a diverse and active society," "pursuing a responsible value chain," "reducing CO₂ emissions," "circulating resources," etc.

In addition to these skills, we have added the "Internationalism" skill since the Brother Group operates globally, and "Legal/Compliance" and "Financial/Accounting" skills to audit the governance, legality, and adequacy of the Board of Directors. Of these skills, the "Financial/Accounting" skill is also related to capital policy and financial strategy to realize management that is conscious of the cost of capital and stock price.

(As of June 25, 2024)

Role	Name	Official title or position	Committee to which he/she belongs		Area of Expertise									Age	Independent	Attendance
			Nomination Committee	Compensation Committee	Business Strategy	Development/Manufacturing	Sales/Marketing	IT/DX	Talent Development	Internationalism	Legal/Compliance	Financial/Accounting	ESG/Sustainability			
Directors	Toshikazu Koike	Director & Chairman			●		●		●	●		●	●	68		11/11
	Ichiro Sasaki	Director & Vice Chairman			●	●		●		●				67		11/11
	Kazufumi Ikeda	Representative Director & President	●	●	●				●	●		●	●	61		11/11
	Tadashi Ishiguro	Representative Director & Executive Vice President			●		●	●		●	●			64		11/11
	Satoru Kuwabara	Representative Director & Executive Vice President			●	●	●			●				61		11/11
	Taizo Murakami	Director & Senior Managing Executive Officer			●	●				●			●	62		11/11
	Keisuke Takeuchi	Outside Director	● Committee Chairman	●	●	●				●				76	●	11/11
	Aya Shirai	Outside Director	●	●	●				●		●		●	64	●	11/11
	Kazunari Uchida	Outside Director	●	● Committee Chairman	●			●	●	●				72	●	11/11
	Naoki Hidaka	Outside Director	●	●	●		●			●				71	●	11/11
	Masahiko Miyaki	Outside Director	●	●	●	●							●	70	●	11/11
Auditors	Keizo Obayashi	Standing Corporate Auditors								●		●		61		11/11
	Takeshi Yamada	Standing Corporate Auditors								●	●			61		11/11
	Akira Yamada	Outside Auditor								●	●			71	●	11/11
	Kazuya Jono	Outside Auditor								●		●		69	●	11/11
	Chika Matsumoto	Outside Auditor										●	●	63	●	11/11

*1: The above information does not include all of the expertise possessed by each Director and Auditor.

	Name	Official title or position	Reason for Appointment
Directors	Toshikazu Koike	Director & Chairman	<p>Toshikazu Koike has produced excellent achievements and demonstrated outstanding qualities as a senior executive. With years of experience as the head of the Americas sales headquarters and President of Information & Document Company, he drove the growth of our primary printing business. As the President of the Company since 2007, he led the Group toward achieving our long-term business vision.</p> <p>Further since 2018, as the Chairman of the Board of the Company, he has been demonstrating his ability to promote corporate governance for the Group. It is therefore considered that his extensive insight and outstanding skills are essential to the operation of the Company.</p>
	Ichiro Sasaki	Director & Vice Chairman	<p>As an engineer for product development, Ichiro Sasaki was one of the people who established the foundation of our laser printer technology. He possesses a broad range of insight based on his experience, which includes operations in the manufacturing field, such as product planning and quality assurance, and management of our sales company in the United Kingdom. He led the acquisition of the Domino Business and its subsequent integration, and after taking the position of the President of the Company in 2018, he has been driving the transformation of the management foundation for future growth through the implementation of the Group Vision "At your side 2030" and medium-term business strategy of the Company. It is therefore considered that his extensive knowledge and skills are essential to the operation of the Company.</p>
	Kazufumi Ikeda	Representative Director & President	<p>After joining the Company, Kazufumi Ikeda worked in product planning, sales, and other departments and then was involved in business management and other operations at a German sales subsidiary. With years of experience as the head of the Americas sales headquarters, he drove the growth of our business in the Americas. Recently, he has promoted the medium-term business strategy as an executive responsible for corporate planning and has demonstrated outstanding leadership in human resources system reforms aimed at improving employee engagement. We believe his extensive knowledge and strong leadership will help contribute to the enhancement of our Group's corporate value.</p>

	Name	Official title or position	Reason for Appointment
	Tadashi Ishiguro	Representative Director & Executive Vice President	With years of experience as the head of the Americas sales headquarters, Tadashi Ishiguro has produced achievements in driving the growth of our business in the Americas. After returning to Japan, he formulated the medium-term business strategy as an executive responsible for corporate planning. Since 2017, he has greatly contributed to the performance of the Printing & Solutions Business as an executive responsible for the business division. It is therefore considered that his knowledge and experience will contribute to the growth of the Group's corporate value.
	Satoru Kuwabara	Representative Director & Executive Vice President	After joining the Company, with years of experience in development and design operations in our primary Printing & Solutions Business, Satoru Kuwabara demonstrated excellent leadership particularly in the development of laser printer products. From 2010, he served as an executive responsible for operating a manufacturing subsidiary in China as our main manufacturing facility. Since fiscal year 2021, he has driven the growth of the Printing & Solutions Business as an executive responsible for operating the business. It is therefore considered that his knowledge and experience will contribute to the growth of the Group's corporate value.
	Taizo Murakami	Director & Senior Managing Executive Officer	After joining the Company, Taizo Murakami has been engaged for many years in the manufacturing technology field in our main businesses, such as the sewing machine and printer businesses. He has extensive knowledge in the manufacturing and quality control fields of the Group from his work in positions including the head of the manufacturing facility in the ASEAN region. Most recently, he has been demonstrating his ability as an executive responsible for our quality and manufacturing functions in promoting the manufacturing technology strategy and manufacturing facility strategy, and in dealing with supply chain issues for business continuity. It is therefore considered that his knowledge and experience will contribute to the growth of the Group's corporate value.
	Keisuke Takeuchi	Outside Director	Mr. Keisuke Takeuchi has been engaged in the management of JGC Corporation (currently JGC Holdings Corporation) as President and Chairman of the company. Based on his extensive experience, achievements, and insight from this background as a senior executive of a global group of companies, it is considered that he can provide advice regarding the Group's management, make important decisions, and supervise the execution of business.

	Name	Official title or position	Reason for Appointment
	Aya Shirai	Outside Director	Ms. Aya Shirai has been engaged in the management of various manufacturers with years of experience as an Outside Director. She has also been engaged in the top management of a local government and actively promoted the diversification of organizations. Based on her extensive experience, achievements, and insight from this background, it is considered that she can provide advice regarding the Group's management, make important decisions, and supervise the execution of business.
	Kazunari Uchida	Outside Director	Mr. Kazunari Uchida has extensive knowledge on corporate management as Japan representative of Boston Consulting Group and has been engaged in the management of various companies with years of experience as an Outside Director and an Outside Auditor. Based on his extensive experience, achievements, and insight from this background, it is considered that he can provide advice regarding the Group's management, make important decisions, and supervise the execution of business.
	Naoki Hidaka	Outside Director	Mr. Naoki Hidaka has been engaged in the management of a global group of companies through his experience as executive Vice President of Sumitomo Corporation and in the offices of the company outside of Japan. Based on his extensive experience, achievements, and insight from this background, it is considered that he can provide advice regarding the Group's management, make important decisions, and supervise the execution of business.
	Masahiko Miyaki	Outside Director	Mr. Masahiko Miyaki has been engaged in the management of a global group of companies as Executive Vice President of DENSO CORPORATION in such fields as technology development, quality, and the environment. Based on his extensive experience, achievements, and insight from this background, it is considered that he can provide advice regarding the Group's management, make important decisions, and supervise the execution of business.
Auditors	Keizo Obayashi	Standing Corporate Auditor (Full-time)	After joining the Company, Keizo Obayashi was engaged in operation and business management at information equipment department, corporate planning department, and European sales headquarters. He has the knowledge in accounting and tax fields through his experiences. Most recently, he has the experience in promoting the internal control of the Group as an executive responsible for the headquarters finance department. Based on his knowledge and experience, it is considered that he is the most appropriate for a Corporate Auditor of the Company.

	Name	Official title or position	Reason for Appointment
	Takeshi Yamada	Standing Corporate Auditor (Full-time)	After joining the Company, Takeshi Yamada was engaged in corporate planning and administration at major subsidiaries in and outside of Japan. Most recently, as General Manager of the Corporate Planning Department, he has experience in business management including accounting at the Company and the Group companies. He also has extensive experience in management governance of the Group companies as a Director and Corporate Auditor of sales subsidiaries in Asian countries. Based on his knowledge and experience, it is considered that he is the most appropriate for a corporate auditor of the Company.
	Akira Yamada	Outside Auditor	With years of experience as a lawyer, Mr. Akira Yamada has been engaged in domestic and international corporate legal affairs. Based on his extensive experience, achievements, and insight, it is considered that he can provide auditing over the operation of the Company from a standpoint that is independent of our management executives.
	Kazuya Jono	Outside Auditor	Mr. Kazuya Jono has years of experience in the management of financial institutions. Based on his extensive experience, achievements, and insight, it is considered that he can provide auditing over the operation of the Company from a standpoint that is independent of our management executives.
	Chika Matsumoto	Outside Auditor	Ms. Chika Matsumoto has background with years of experience as a certified public accountant. Based on her extensive experience, achievements, and insight in the areas of finance and accounting, it is considered that she can provide auditing over the operation of the Company from a standpoint that is independent of our management executives.

List of Officers

> List of Officers

[https:// global.brother/en/corporate/profile/executive](https://global.brother/en/corporate/profile/executive)



Corporate Governance Report [PDF/428KB] (Last update: October 30, 2024)

<https://download.brother.com/pub/com/en/corporate/governance/governance.pdf>

Governance (G)

Institutional Investor & Outside Directors Round Table



Masahiko Miyaki
Outside Director (Independent)

Naoki Hidaka
Outside Director (Independent)

Kazunari Uchida
Outside Director (Independent)
Compensation Committee
Chairperson

Aya Shirai
Outside Director (Independent)

Keisuke Takeuchi
Outside Director (Independent)
Nomination Committee
Chairperson

Mitsuhiro Iso
Nomura Asset
Management Co., Ltd.
(Honorific titles are omitted)

Realizing the Brother Group Vision "At your side 2030" and Further Enhancing Corporate Value

To execute the medium-term business strategy "CS B2024," which was formulated by backcasting from "At your side 2030," and to realize the vision, the advice and supervision of management by Outside Directors is highly important. Aiming to deepen engagement with the capital market, Mr. Mitsuhiro Iso of Nomura Asset Management and our five Outside Directors exchanged views on how to enhance Brother's corporate value.

Mitsuhiro Iso : Iso joined Nomura Asset Management Co., Ltd. in 2003 after working for a life insurance company. As a buy-side analyst, he has been in charge of the electronics sector (electronic components, consumer electronics, precision and office equipment, etc.) for 20 years. Since 2022, he has been also serving as a department head.

Nomura Asset Management: Established in 1959, Nomura Asset Management is one of the largest asset management companies in Japan, providing asset management services to a wide range of clients from private investors in Japan to institutional investors such as public pension funds outside Japan.

The company recognizes that medium- to long-term sustainability, including ESG, is one of the key management tasks that support the "virtuous cycle of investment (investment chain)," and requires its portfolio companies to manage their businesses with an emphasis on sustainability, while also promoting sustainability-oriented business management within the company.

Medium-term business strategy

Achievements and challenges in the strategic themes outlined in "CS B2024"

Iso : Nomura Asset Management has established a basic policy of responsible investment in its investment management and encourages portfolio companies to achieve what we consider to be "desirable management practices." I would like to hear your thoughts on how you are monitoring the management of the Brother Group in order to enhance its corporate value and achieve sustainable growth. First, regarding the strategic themes outlined in "CS B2024," what kind of progress and challenges have been seen in each of the two areas: enhancement of the Industrial area and business model transformation in the Printing area?

Takeuchi : I believe it is safe to say that we are making steady advancements in the three aspects of securing steady earnings in the Printing area, expanding the industrial equipment business, and expanding the Domino Business. We are also focusing on developing new businesses; however, since it takes time and tends to be smaller-scale if we stick only to our own technologies, we need to make efforts to expand the scale of our business by incorporating new external technologies as well. This issue is being actively discussed at the Board of Directors meetings.

Shirai : This medium-term business strategy was formulated by backcasting to achieve our vision, and is more challenging than our previous medium-term strategies, which were mere extensions of past ideas. Although the medium-term business strategy is at the halfway point, I feel that there are many tasks that need to be accomplished in the future. My focus is on the formulation of the HR policy and the introduction of a new HR framework. The importance of taking on challenges is emphasized, and reward programs based on results have been included. The foundation for encouraging behavioral change toward achieving our vision is being laid, so it is important to make sure that it sticks.



Uchida : After all, the key is to carefully analyze the major changes in consumer behavior and the business environment that occurred due to the impact of the COVID-19 pandemic, and to make steady progress in transforming the business portfolio and the business model of the P&S Business in order to achieve the vision. As for the business portfolio transformation, we must strengthen the expansion into the Industrial area, shifting from the

P&S Business generating the majority of our earnings. Regarding the business model transformation of the P&S Business, we still have a ways to go in shifting from a business model that sells manufacturing products to one with its primary focus on software and networks. Since industrial equipment such as machine tools is inevitably affected by economic fluctuations, I

would like to see a transformation to a business that generates revenue from software and services in the area of industrial printing, centered on the Domino Business.

Hidaka : Our concern in formulating the vision was how to transform our business portfolio and how to grow the business by anticipating the shrinking demand for printing on paper. In industrial equipment, we have remarkable development capabilities, including the launch of a new series of SPEEDIO products with excellent energy-saving performance. Although we are currently facing headwinds due to the Chinese economic slowdown, in India and other growth markets, we are steadily taking steps and making steady progress toward our goals. While we are still in the trial-and-error stage of business model transformation in the P&S Business, I have advised the Company to envision what is required beyond office digitalization and consider joining forces with startups and emerging forces as needed.

Miyaki : While there are trends such as the software-first approach and the shift away from manufacturing, a return to manufacturing is also beginning to take place. To create new value by absorbing a variety of information from hardware, it is of course necessary that the hardware possesses superiority. I hope that Brother will also place importance on manufacturing that takes advantage of its advanced technologies. While demand for printing on paper is declining, garment printers and other industrial printing solutions are competitive and can be expected to grow. As for machine tools also, Brother's compact, high-speed, and energy-saving technologies have culminated in the SPEEDIO series, which fits the current demand trends for high productivity and energy-saving performance. Business opportunities are expanding to manufacturing plants around the world in addition to China, and we would like to strengthen our sales there.



Iso : Now that you have been in your position for two years, what have you noticed through your interactions with Brother's technical team?

Miyaki : I have visited many manufacturing sites over the past year and was impressed by their highly advanced manufacturing technology and efficiency. The sophistication of manufacturing is outstanding. The superiority of production technology and production efficiency is indeed very important, but for further advancement, I hope that more and more enthusiastic and unique engineers will emerge and create something new.

Toward Enhancement of Corporate Value

Board of Directors' view of stock price and capital policy

Iso : As both Brother's earnings and stock price have remained mostly flat since 2018, it is difficult to say that the Company's corporate value has improved. The ROE target indicated in the medium-term strategy is also status quo at 10% or above, and as an investor, I would like to see the Company aim for a higher level. How are the corporate value and stock price viewed by the Board of Directors?



Takeuchi : We are aware of the problem that our performance is not reflected in our stock price despite our steady earnings. I believe that one of the reasons is that although we are taking on new challenges, our efforts to promote ourselves may be insufficient, perhaps due to a lack of outward communication. We need to continue our efforts to gain an understanding of investors and other stakeholders, including the results of our business portfolio transformation. We also need to increase the speed of our efforts in new businesses. As I mentioned earlier, I believe it is necessary not only to consider what we can do with our own technologies, but also to make a decision to develop a larger business plan and acquire the necessary technologies and human resources from outside the company. I believe that if the growth stories are better understood for the transformation of the P&S Business, expansion of the Industrial Equipment Business and Industrial Printing area, followed by the development of new businesses, we will be able to see a clearer picture of the improvement in our corporate value.



Hidaka : I suspect that some of the uncertainty about the future of the office equipment market is reflected in the share price. I believe that investors' evaluation of the Company will change once the shift to B2B, which the Company is working hard to achieve to get out of the situation, is reflected in the figures. In addition, I think it is necessary for the P&S Business to talk more ambitiously about such solutions it provides. Without a clear vision of what they want to

achieve, they will not be able to gain the interest and appreciation of investors. Since there is a growing awareness of the need to make management decisions in accordance with business characteristics based on an understanding of the profitability of each business in relation to invested capital, I would like to have highly transparent discussions about capital costs and business returns at the Board of Directors meetings. Another key issue is the shareholder return policy. In "CS B2024," Brother has stated that it will return profits to shareholders through a combination of stable dividends and flexible share buy-backs. From the investor's point of view, how would you evaluate Brother's shareholder return policy?

Iso : Since large amounts of cash are accumulated each year, we would like to see them used for growth investments, and if growth investments, including M&A, cannot be made, we would like to see them returned to shareholders. Some companies have a policy to return all cash exceeding a set amount of cash level to the shareholders. When excess capital builds up and capital efficiency declines, it also affects the value of the company.

M&A success and upfront investment in the future

Iso : I would like to ask you about M&A, one of the policies of Brother's medium-term business strategy. How do you evaluate Brother's M&A in the past? Also, what kind of investments are the "prior investments for the future" indicated in the medium-term business strategy?

Hidaka : I think that the M&A of a trading company or an investment fund is different in character from that of Brother, a manufacturer. I have a background in a trading company, and I am aware that for a trading company, it is important to firmly capture returns by using indicators such as internal rate of return (IRR) and return on invested capital (ROIC) and taking other measures. For manufacturers such as Brother, it is necessary to execute M&A in line with the Group strategy and growth story. I believe that acquiring Domino^{*1} and making Nissei^{*2} a wholly owned subsidiary were vital to our expansion into the Industrial area, and although there were some challenges in executing PMI, I believe that this experience will be useful in future M&A. As for the prior investments for the future, I believe that we need to further strengthen the utilization of outside technology and human resources through M&A and venture investments to achieve further expansion in the Industrial area, transformation in the Printing area, and the creation of new businesses for the future business portfolio.

*1 Domino Printing Sciences, a British-based industrial printing company

*2 Nissei Corporation

Shirai : Although we have received some evaluations saying that it took too long for the Domino Business to become profitable, I believe that the new technologies Brother has acquired and the growth of Brother's employees during the course of these hardships have become great assets. We can expect further results in the future.

Management with an emphasis on sustainability

Iso : As one of the materialities identified to achieve the Vision, Brother has been working on reducing CO₂ emissions. What are the progress and challenges?

Miyaki : With regard to Scope 1 and 2 through Brother's own efforts, we are making steady progress toward our CO₂ emission reduction targets. Since Scope 1 and 2 emissions account for about 10% or less of the total emissions of the three scopes, we are also focusing on reducing Scope 3 emissions, and are steadily working to reduce emissions from areas where we can reduce emissions through our voluntary efforts, such as raw material procurement and transportation. Brother will address the reduction of CO₂ emissions from the use of its products by further improving the environmental performance of the products, especially their energy-saving performance. Since there is no doubt about the impact of GHG emissions on climate change, humanity needs to gather its wisdom and take all possible measures as soon as possible. I hope that Brother will not limit itself to its own reduction efforts, but as a leader of the local economy, will actively communicate and work to inspire public opinion on the issue of climate change.

Iso : In the materiality "Realizing a diverse and active society," your goal is to strengthen talent pipeline for healthy gender balance in management positions and establish an environment for achieving diverse ways of working. How do you assess the progress and challenges?



Shirai : We are making steady progress toward our numerical targets for female representation in management positions and the percentage of male employees taking maternity leave. With the appointment of women as executive officers of Brother Industries and presidents of Group companies, opportunities for women to participate in the decision-making process are gradually increasing. A female Outside Auditor has also been appointed, and the percentage of female officers on the Board of Directors is increasing. However, gender diversity in the decision-making process is still in its development phase, and the numerical targets remain at a level that is achievable. The ratio of female to all managers in Group companies outside Japan has reached a level of 30-40%, and I believe that there are many areas that need to be reviewed in Japan, including recruitment methods. I would like to see the Company take a bold approach with the spirit of leading the Japanese manufacturing industry in the advancement of diversity.

Governance

Development and utilization of managerial human resources and AI/DX human resources

Iso : When President Sasaki took office in 2018, he stated that he would promote talent development and AI/DX, which I remember was an innovative policy at the time. How do you see the results and challenges of these initiatives?

Uchida : Regarding the development of managerial human resources, Brother is making progress in terms of pooling managerial talents and conducting assessments incrementally. The system for developing talents through on-the-job training is quite solid, and I believe it would be even better if a dynamic talent development mechanism could be established based on this system, organically integrating off-the-job training and progressive talent assessments. On the other hand, I feel that acquiring external talents may be necessary, especially for areas of AI and DX. Since the use of AI and DX is essential for the transformation of the P&S business model, one option to aid the lack of resources would be to invite external resources.

Qualities and qualifications required of top management

Iso : I assume that the Nomination Committee is discussing the top management succession. What are your thoughts on the qualities and qualifications required of top management?

Takeuchi : I believe that as part of management, it is of course essential to have the qualities and abilities that are commonly considered necessary, such as a sense of mission and leadership, but the most important thing is the willingness to take on new challenges. You could also refer to it as a sense of proactive management. Another is whether or not they have an eye for people. Whether building an organization or working together, the people you interact with are important and you must have a good understanding of them. Then, how can one acquire the ability to recognize the qualities and abilities of the people involved? I believe that this is something that can be cultivated through interaction with a large number of people by those who have the ability to bring many people together. With this in mind, our development program for successor candidates provides them with opportunities to interact with many people through outside seminars and residential trainings. In addition, I believe that being strong, energetic, and cheerful are also important qualities.



Iso : I feel that Brother is a company that fits the phrase "At your side." perfectly. Brother achieving high profitability as a result of the efforts to stay close to its customers, identify their needs, and successfully turn them into business is the result of its excellent corporate culture, which I hope Brother will continue to value in the future. On the other hand, I believe that Brother is now in a different phase than it has been in the past. In my view, the Company has moved from the stage where it has worked hard to deepen existing businesses to a stage where it is boldly pushing forward with growth investments, including M&A, with an emphasis on financial strategies and capital policies. I believe that once such an aggressive stance is appreciated, share price valuations will change. I expect deeper discussions to be had at the Board of Directors meetings.

Governance(G)

Risk Management and Internal Control

Approach to Risk Management

The Brother Group aims for sustainable growth and strives to be a company that is trusted by all its stakeholders. We aim to enhance our ability to realize the Group Vision through recognizing that risks may hinder the creation of customer value, which is manifested in the Group Vision “At your side 2030” from FY2022 to FY2030, and conducting appropriate risk management.

As the group develops multiple businesses globally, we recognize that there is a high level of complexity and uncertainty in the global environment due to global economic effects and geopolitical factors. In addition, we constantly recognize and respond to risks relating to compliance, product safety, export control, information management, environmental laws, safety and health, disaster prevention, and the supply chain. Together with strengthening business continuity in times of crisis and re-examining structures for sustainable value creation, we will aim to recognize and respond to risks with an even more medium- to long-term strategic perspective than before.

Risk Management Promotion System

The Brother Group has established the Risk Management Committee chaired by the Representative Director & President. We have also formulated a comprehensive risk management system based on the Brother Group's Risk Management Regulations with the aim of reducing risks that are likely to have a serious impact on the group's management. Each organization and subsidiary within the group understands the risks and their probability of occurrence and makes efforts to manage risks by implementing measures for avoiding or reducing the impact of risks. Systems are in place for regularly reporting the status of such implementation to the Board of Directors.

The Risk Management Committee meets regularly once every six months. However, we have created an emergency risk management system for responding swiftly to occurrence of a serious risk event in which the chairman will urgently convene an extraordinary meeting of the Risk Management Committee. When COVID-19 arose, the Committee responded in the early stage of occurrence overseas by urging caution in the whole Brother Group and promptly establishing a countermeasures headquarters.

In addition, we have established dedicated committees with respect to individual risks, including compliance, security trade, product liability, information management, safety, health, disaster prevention, environmental laws and regulations, and supply chain, as subcommittees under the Risk Management Committee. With the Representative Director & President (or a designated executive officer) in charge, they make up a risk management system that understands and diminishes risks as well as responds when risks are apparent. In particular, for product safety, we have established Basic

Product Liability Policies and voluntary product safety action plans to provide safer products to customers.

Clarification of Evaluation and Responses

We have created systems for evaluating and responding to business risks focused on persons in charge of risk management in each department as well as group subsidiary. In addition, the Risk Management Committee manages evaluation and the status of response to material risks concerning the group as a whole. Specifically, the Committee conducts reviews of risk matters in each fiscal year and gives instructions for preparing risk evaluation sheets to each group organization and facility. By aggregating the results of the risk evaluation sheets, evaluating the risks according to the level of impact and likelihood of occurrence, and calculating the weight of each risk, the Committee identifies the group's critical risks. It then gives instructions to each person in charge of risks for responding to and monitoring each of the risks.

Compliance Committee

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

Committee of Security Trade Control

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

Product Liability Committee

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

Information Management Committee

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

Safety, Health, and Disaster Prevention Committee

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

Environmental Law Committee

The Environmental Law Committee is chaired by the environmental officer and includes executive officers and above who are in charge of development, technology, production, and general affairs fields. The committee discusses and determines measures for environmental issues such as compliance with environmental laws and regulations on products, pollution at business sites, etc.

Supply Chain Risk Committee

In addition to ongoing supply chain risk events, the committee identifies potential future supply chain risk impacts, formulates policies to address them, and implements risk mitigation within the group.

Material Risks and Their Countermeasures

Item	Main Risks	Countermeasures
Geopolitical risks	<ul style="list-style-type: none"> · US and China trade friction · Situation in Russia and Ukraine · Situation in the Middle East 	<ul style="list-style-type: none"> · Constantly gather information on trends in a wide range of international situations, including economic sanctions and tighter regulations implemented in different countries, and make decisions according to the circumstances · Promote the use of multiple routes and ports by respective manufacturing facilities
Contraction of printing market	<ul style="list-style-type: none"> · Contraction of the printing market due to reduced printing on paper 	<ul style="list-style-type: none"> · Expand business that continuously connects with customers while strengthening profitability through accelerated transformation of the business model, including expansion of

Item	Main Risks	Countermeasures
		<p>contract-based services to meet the changing needs of the market</p> <ul style="list-style-type: none"> Expand the Commercial & Industrial Labeling Business, the Domino Business, and Industrial Printing, which focuses mainly on garment printers
<p>Competition among companies</p>	<ul style="list-style-type: none"> Increasing competition in the market due to the rise of new manufacturers in China and other countries in Asia 	<ul style="list-style-type: none"> Implement initiatives for providing products and services that realize customer value in each market Build a speedy and cost competitive business management base Promote circular economy business from a sustainability perspective
<p>Changed global economic situation</p>	<ul style="list-style-type: none"> Adverse impact on performance due to business fluctuations in each region caused by changes in the situation of the global economy 	<ul style="list-style-type: none"> Enhance development, production, sales and marketing, and after-sales service and maintenance
<p>Supply chain</p>		
<p>Supply chain interruption</p>	<ul style="list-style-type: none"> Increased difficulties in the continuous procurement of important parts and materials or shutdown of manufacturing facilities due to geopolitical risks, etc. Supply chain interruption due to disasters Reduced operations of international logistics networks 	<ul style="list-style-type: none"> Respond by production in multiple facilities, especially of consumables Have backup production facilities and hold parts inventories Create multiple choices in parts suppliers Secure inventory storage space Promote the use of multiple routes and ports

Item	Main Risks	Countermeasures
		<ul style="list-style-type: none"> · Implement fire prevention and disaster prevention/reduction measures in each manufacturing facility · Review inventory standards at sales locations to prevent shortages
CSR procurement	<ul style="list-style-type: none"> · Human rights issues within the supply chain · Responsible procurement of minerals 	<ul style="list-style-type: none"> · Revise the CSR Procurement Standards and request first-tier suppliers to establish a process for promoting and confirming their own and their upstream suppliers' efforts to respect human rights · Strengthen systems for assessing and correcting risks in the supply chain by joining the RBA and requiring suppliers to comply with the RBA Code of Conduct · Establish the Policy on the Responsible Procurement of Minerals, conduct risk assessments based on the results of annual mineral procurement surveys, and request suppliers to avoid using smelters that are deemed to be a source of potential concern
Risks related to parts and materials	<ul style="list-style-type: none"> · Difficulty procuring parts and materials · Parts and materials price hikes 	<ul style="list-style-type: none"> · Secure the long-term inventory of parts that are difficult to replace, obtain parts from multiple suppliers, and continuously implement BCP measures, including localization · Promote activities to prevent accidents, such as inspection of electrical equipment, at suppliers · Reflect raw material price hike risks in management plans

Item	Main Risks	Countermeasures
		<ul style="list-style-type: none"> · Accurately monitor changes in market conditions and reduce procurement costs
Quality, product liability	<ul style="list-style-type: none"> · Market quality problems · Quality control · PL problems 	<ul style="list-style-type: none"> · Manufacture products under strict quality control standards · Provide support for victims, publicly disclose information, and report to public offices, etc. to prevent damage from spreading in the event of an accident
Laws and regulations		
Compliance in general	<ul style="list-style-type: none"> · Accounting fraud, misappropriation · Unfair trade practices (competition law violations) · Quality irregularity · Bribery (anti-corruption) 	<ul style="list-style-type: none"> · Establish employee conduct standards through the Codes of Practice of the Brother Group Global Charter (Global Charter) and the Brother Group Principles of Social Responsibility, and carry out dissemination activities · Establish a Compliance Committee and Helpline for Compliance Issues
Tax systems	<ul style="list-style-type: none"> · Increase in tax burden due to additional tax and international double taxation 	<ul style="list-style-type: none"> · Respond through cooperation with external experts · Communicate with tax authorities · Use advance pricing agreements (APA)
Environment		
Social demands related to the environment	<ul style="list-style-type: none"> · Transition risks associated with climate change (policy and regulatory risks, market changes) 	<ul style="list-style-type: none"> · Establish medium-term targets for FY2030 in relation to reduction of greenhouse gas emissions and implement emissions reduction initiatives · Develop products that meet the processing needs of parts for electric

Item	Main Risks	Countermeasures
		<p>vehicles (EVs) to cope with the risk of shifting to EVs in the automobile industry</p> <ul style="list-style-type: none"> · Set medium-term targets for FY2030 regarding the improvement of circulation of resources, and promote the effective use of resources, resource circulation, and the expansion of secondary resource use · Analyze the financial impact of climate change based on TCFD recommendations and disclose appropriate information
<p>Environmental regulation, environmental pollution</p>	<ul style="list-style-type: none"> · Environmental regulation, environmental pollution 	<ul style="list-style-type: none"> · Comply with laws and regulations on prohibited chemical substances and controlled chemical substances in accordance with the establishment of the Brother Group Green Procurement Standards · Gather information on environmental laws and regulations in each country and region of the world and take measures in cooperation with product design-related departments to reflect them in products
<p>Security trade control</p>	<ul style="list-style-type: none"> · Adverse impact on sales of machine tools due to strengthening of legal regulations related to security trade control 	<ul style="list-style-type: none"> · Maintain systems for proper compliance with laws and regulations · Strengthen the security trade control system for the whole Brother Group · Restructure the security trade control system for greater effectiveness

Item	Main Risks	Countermeasures
Information systems		
Information security	<ul style="list-style-type: none"> External attacks on information systems, product information security 	<ul style="list-style-type: none"> Formulate an Information Security Basic Policy Formulate information security operating rules in accordance with the Information Management Regulation, enhance management systems, and offer internal education and training based on the Information Security Basic Policy Review the Product Information Security Basic Policy and implement activities for improving product security across the Brother Group in accordance with the Information Security Basic Policy
Information networks	<ul style="list-style-type: none"> Shutdown of critical systems and leakage of confidential information and personal information 	<ul style="list-style-type: none"> Create critical systems that can minimize downtime and be restored quickly in the event of an incident Implement security countermeasures based on multi-layered defense against unexpected intrusion or attacks from outside Conduct organizational training on prepared responses to occurrences of internal incidents
Human resources		
Occupational injuries, casualties	<ul style="list-style-type: none"> Occupational injuries Casualties among employees due to disasters 	<ul style="list-style-type: none"> Horizontal development of information on causes of accidents that have occurred and measures for preventing recurrence Conduct safety and disaster prevention activities in each facility and check their

Item	Main Risks	Countermeasures
		<p>status of implementation through factory inspections</p>
Securing human resources	<ul style="list-style-type: none"> Intensified competition for human resources, inability to secure necessary human resources, loss of key personnel 	<ul style="list-style-type: none"> Promote evolution of personnel systems and make continual improvements to the workplace environment Develop succession plans for key personnel Implement activities for maintaining and improving the brand image through enhancing employee awareness and corporate public relations in accordance with the Global Charter
M&A (impairment risk)	<ul style="list-style-type: none"> Expected investment effects not obtained Delays in business integration (post-merger integration) Impairment of the Domino Business's goodwill and fixed assets 	<ul style="list-style-type: none"> Introduce new products and strengthen the customer base in the Domino Business as a priority strategy in the current Medium-Term Business Strategy "CS B2024" Check the asset value of goodwill and record an appropriate estimated value at least once a year
Currency exchange risks	<ul style="list-style-type: none"> Sales reductions and cost increases due to currency rate fluctuations 	<ul style="list-style-type: none"> Increase the rate of linking of receipts and payments in foreign currency denominated transactions Implement forward exchange contract transactions
Intellectual property	<ul style="list-style-type: none"> License-related disputes Infringement by third parties, production and sale of counterfeit products 	<ul style="list-style-type: none"> Use patent licenses held in business activities Take defense and settlement countermeasures in infringement lawsuits by third parties

Item	Main Risks	Countermeasures
	<ul style="list-style-type: none"> · Employee invention disputes 	<ul style="list-style-type: none"> · Exercise intellectual property rights against infringement by third parties · Implement appropriate incentives for inventors based on invention incentive rules

Internal Control

The Brother Group has been continuously working to maintain and improve the Internal Control System across the Group with the aim of ensuring reliability of reports, effectiveness and efficiency of operations, and legal compliance and of safeguarding assets in accordance with the Brother Group Global Charter and the Brother Group Principles of Social Responsibility.

Internal Audits

Under the direction of the Representative Director & President, global internal audits are conducted in collaboration with internal auditors of subsidiaries in and outside Japan. The internal audit activities aim to contribute to attaining the management targets by evaluating the effectiveness of risk management, the Internal Control System, and governance process of the Brother Group and encouraging improvements.

The audits target respective departments of Brother Industries, Ltd. and all the subsidiaries and cover overall management. Regarding the Internal Control System related to financial reporting, the effectiveness is evaluated from a standpoint that is independent of the business execution departments.

Consulting work, such as advice regarding effectiveness and improvement of the Internal Control System, may be performed at the request of committee organizations and departments. The Brother Group has also been working on initiatives to detect signs of improper conduct, using Computer Assisted Audit Techniques (CAATs) to increase the efficiency of audits and prevent improper conduct within the Group.

The annual audit plan is formulated by the General Manager of the Internal Audit Dept., who conducts risk assessments and selects audit themes and subsidiaries to be audited, and is approved by the Representative Director & President. The audit results are reported to the Representative Director & President.

To ensure the effectiveness of internal audits, the General Manager of the Internal Audit Dept. reports the annual audit plan and audit results directly to the Board of Directors and the Audit & Supervisory Board. The General Manager also exchanges information and opinions periodically with standing Corporate Auditors and attends the three-party auditing* communication meetings to exchange information and opinions periodically with Corporate Auditors and the Independent Auditor.

*: A collective name for three types of audits (audits by Corporate Auditors, audits by the Independent Auditor, and internal audits)

Governance(G)

Information Security

Information Security Basic Policy

The Brother Group (the Group) regards information as an important asset for the continuity and growth of its business and recognizes that protecting and properly handling such information ensures the trust of stakeholders and compliance with legal requirements. The Group has established and implemented the Information Security Basic Policy (the Basic Policy) so as to protect all of its information assets from various risks.

1. Compliance with laws, regulations, contracts, and the like

We shall understand and comply with information security-related laws and regulations of each country and contracts with customers, partner companies, and other parties.

2. Establishment of an information security management system

In order to maintain and improve the information security level of the Group, we shall establish internal rules concerning information security and a management system as well as make continuous improvements.

3. Protection of information assets

To protect our information assets from various risks, we shall establish standards for information security management and implement appropriate security measures. In addition, we will continuously review the standards and reflect countermeasures against new risks in the standards.

4. Implementation of education on information security

In order to ensure that all officers and employees involved in information security can perform their work with information security literacy, we shall thoroughly familiarize them with the Basic Policy and continue to implement education on information security.

Brother Industries, Ltd.
Representative Director & President

To ensure that we provide customers with highly safe and secure products so that they can use the purchased products with confidence, we have separately established the Product Information Security Basic Policy.

>Product Information Security Basic Policy

<https://global.brother/en/sustainability/social/product-security>

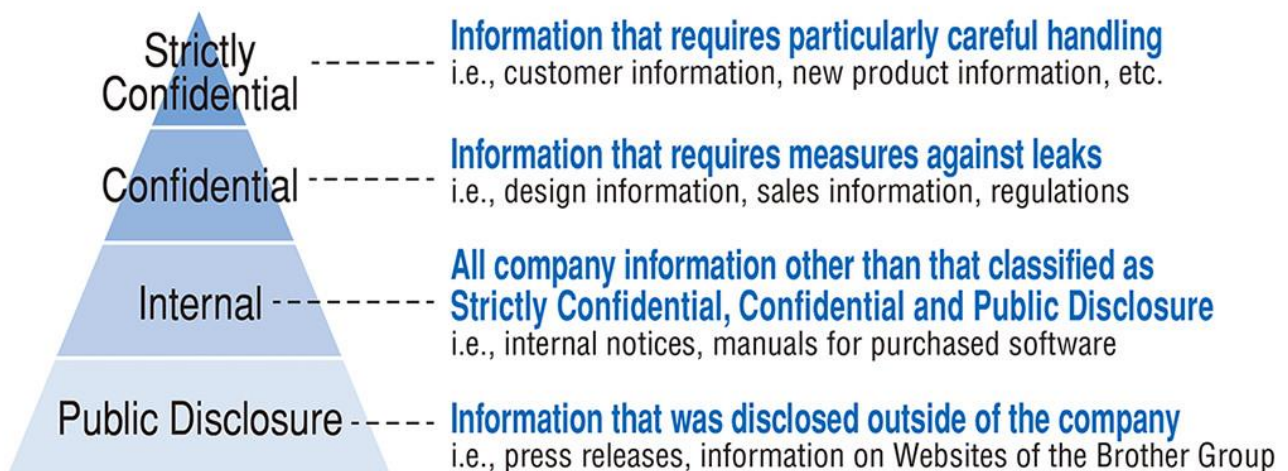
The Brother Group Information Management System

The Brother Group established the Brother Group Information Management Regulation in conformity with the Information Security Management System (ISMS), considering the proper management and protection of information as the basis of maintaining its management quality.

This regulation places the Information Management Committee of Brother Industries, Ltd. (BIL) at the top and clarifies the roles of regional representative companies for the Americas, Europe and other regions, giving them responsibility for information management activities conducted by the subsidiaries under their supervision. This structure ensures the delivery of decisions made by the Information Management Committee throughout the whole group, and also makes it easier to grasp the status of information management in respective subsidiaries.

As for a wide variety of information handled within the company, we manage it in accordance with the Brother Group uniform security criteria. The criteria divide information into four levels based on its confidentiality and lay down rules on the storage, access, and disposition of information for respective levels, thereby enhancing the security of the information.

Four information management levels based on confidentiality



Strengthening Measures to Prevent Information Leakage

Measures against unauthorized access from outsiders

Regarding unauthorized access invading from outside the company, we detect suspicious access at three stages, which include entrances from the Internet, the corporate intranet, and exits to the Internet, to prevent information leakage. As countermeasures against targeted attacks by e-mail, we, for example, delete suspicious mails at the entrances from the Internet and monitor and delete malicious programs like computer viruses on the corporate intranet. In addition, communication to dangerous servers is blocked at the exits to the Internet, in order to avoid information leakage.

Measures against internal wrongdoings

We issued the rules for the handling of information in the company and have been disseminating them to our employees through e-learning, etc., to prevent the employees from engaging in risky behavior by mistake.

We install security tools to each PC to manage the usage records and inform employees of this management aiming to prevent their wrongdoings.

> General Privacy Policy

<https://web.global.brother/aa/privacy-us-en.html>

Governance(G)

Compliance and Anti-Corruption

Approach to Compliance

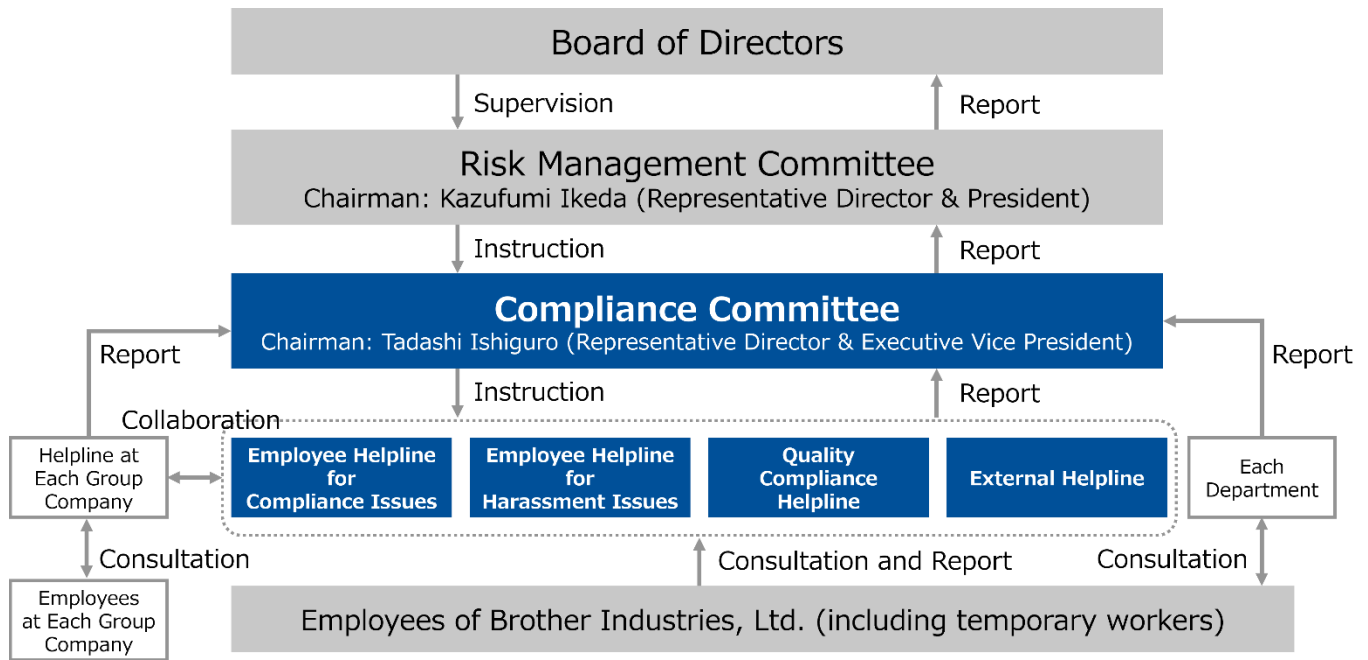
The Brother Group considers that compliance with laws and ethics is indispensable for upholding the foundation of its management with an emphasis on sustainability and avoiding various risks. To ensure compliance on a Group basis, we have set standards for employee behavior based on one of the Codes of Practice of the Brother Group Global Charter <https://global.brother/en/corporate/principle> , Ethics and Morality; and the Brother Group Principles of Social Responsibility <https://global.brother/en/sustainability/csr/csr-principle> , which clearly define our corporate social responsibility and guide us in fulfilling it.

Compliance promotion structure

Brother Industries, Ltd. (BIL) established the Compliance Committee and set up the Employee Helpline for Compliance Issues to prevent violations, take prompt action in the event of a violation, and prevent reoccurrences thereof. In addition, each group company, including international affiliates, has established their own employee helplines.

When a compliance risk that greatly affects the management of the Brother Group arises or is expected to arise, the respective group company will report it to the BIL Compliance Committee in a timely manner for consultation to determine the response policy, thereby establishing a system for prompt group-wide responses.

BIL has established the internal Employee Helpline for Harassment Issues that is dedicated to harassment behavior—such as sexual and power harassment—in an effort to create workplace environments where employees can work while respecting each other. BIL has also set up a Quality Compliance Helpline with the aim of preventing compliance violations and scandals related to quality of products and services of Brother Group, and improving and correcting violations. In addition, an external helpline for compliance issues has also been established with affiliated lawyers outside the company to allow employees to directly report violations.



Brother Group Global Policy for Helpline for Compliance Issues

For the purpose of developing a mechanism to ensure that each Group company receives and handles inquiries and reports internally, thereby improving the company's ability to govern itself and mitigating reputational risks or the like (such risks may be caused by reporting outside the company), the Brother Group has established the Employee Helpline for Compliance Issues. In operating the helpline, the Group has established the Operation Standards of the Employee Helpline for Compliance Issues as regulations of the Brother Group.

In addition, Group companies regularly report the inquiries and reports to the Secretariat of the BIL Compliance Committee to centralize information and thereby control compliance across the entire Brother Group. In particular, inquiries and reports that may have a significant impact on the management of the Group will be reported by each Group company to the Secretariat of the BIL Compliance Committee upon receipt of the report and initiation of a primary investigation, as well as upon completion of the investigation. To promote these initiatives, BIL has formulated the Brother Group Global Policy for Helpline for Compliance Issues.

Global Policy for Helpline for Compliance Issues

1) Scope of Application

This policy will be applied to the establishment and operation of the Helpline, which receives inquiries and reports from Directors, Corporate Auditors, employees or others who work for Brother Industries, Ltd. or any of its subsidiaries.

2) Individuals Allowed to Make an Inquiry or Report

Any worker who works for Brother Group may make an inquiry or report. An inquiry or report may be made to the contact point established in each group company or an external contact point designated by each group company.

3) Appointment of Persons in Charge

Each group company will appoint persons in charge of compliance who serve full-time or concurrently. The persons in charge are provided with necessary training on their duties such as receiving and dealing with inquiries or reports and conducting investigations.

4) Prohibition of Detrimental Treatment of Whistleblowers

We will not treat whistleblowers in a detrimental way due to their making inquiries or reports.

5) Protection of Anonymity of Whistleblowers

We will protect whistleblowers' anonymity to prevent them from being identified. We will not disclose whistleblowers' real name, department name or any other information that identifies whistleblowers without their consent or a justifiable reason for doing so. In addition, we will establish the necessary rules to protect anonymity, manage information and, when conducting investigations, take care to prevent whistleblowers from being identified.

6) Elimination of Interested Persons from Persons Conducting Investigation

The persons in charge of receiving and dealing with inquiries or reports and conducting investigations must not be involved in the handling of cases in which they are concerned with.

7) Remedial Actions

If any violation or breach of laws or internal rules is revealed as a result of investigations, we will take remedial and/or recurrence prevention measures promptly. When needed, we will give appropriate responses such as disciplinary actions toward concerned parties through appropriate internal process. Further, we will make a report to relevant governmental agencies as required.

8) Notification to Whistleblowers

With respect to investigation results, we will notify whistleblowers of whether there is any compliance problem and the summary of any remedial actions taken. We will also feedback an outline of the progress of the investigation to whistleblowers as needed.

9) Recording and Storage

We will record the series of steps from receiving an inquiry or report to dealing with it so that the records may be verified later. These records will be retained and managed to ensure that they are not easily available for unauthorized individuals to access in consideration of the protection of anonymity of whistleblowers.

10) Follow-up

After the process to deal with an inquiry or report is completed, we will conduct verifications to find if remedial and recurrence prevention measures are adequately working. We will also take a follow-up action as needed by checking that whistleblowers are free from any detrimental treatment.

Number of cases handled by the Brother Group Employee Helpline for Compliance Issues

	FY2020	FY2021	FY2022	FY2023
Number of cases handled	117	90	85	120
(Breakdown: BIL)	9	11	11	22
(Breakdown: Group companies in Japan)	61	56	47	51
(Breakdown: Group companies outside Japan)	47	23	27	47

Approaches to Raising Employees' Awareness of Compliance among Brother Group Companies

Publication of the Compliance Handbook

In 2010, BIL published the Compliance Handbook to raise employee awareness of compliance and ethics. The Handbook contains codes of conduct, rules to be followed as a company, and examples of actions that constitute compliance violations, enabling employees to apply its content to themselves and the work they are responsible for.

In FY2023, the Handbook was revised as social conditions and compliance awareness have changed dramatically since the first edition was published. The revised edition includes new topics such as the prohibition of maternity harassment and precautions for the use of social media, providing compliance information in line with the current social environment. In addition, the FY2023 edition was changed from paper form to publication on the intranet. This change not only reduces paper consumption but also makes it easy to update content and add new information, allowing employees to always have access to the latest version of the Handbook.

Issuance of Compliance Card and Creation of Posters

BIL distributes a Compliance Card to the employees of Group companies in Japan to increase awareness of compliance and to remind employees of the mindset required for thorough compliance. BIL has also created a Compliance Poster and displays it at the company to raise employee awareness of compliance. The cards and posters include contact information for the Employee Helpline for Compliance Issues to spread the word about the Helpline.

Compliance Education

In Japan, we provide compliance education to employees through group training programs, including training programs for new employees, new manager training and training before overseas assignments, as well as online training programs using an e-learning system. Brother Group companies outside Japan also provide compliance education to raise employee awareness of compliance. In addition, in light of regulatory trends in recent years, we are also researching laws and regulations and striving to educate and raise awareness among Group companies to ensure compliance with local anti-bribery and antitrust laws.

We conduct a yearly online compliance training (e-learning) for employees in group companies in Japan.

Online Compliance Training (e-learning) Results for BIL and Japan-based Brother Group Companies

	FY2021	FY2022	FY2023
Training period	August–November 2021	August–November 2022	August–December 2023
Target	7,838 People (including seconded employees and temporary employees outside and inside of Japan)	8,823 People (including seconded employees and temporary employees outside and inside of Japan)	8,897 People (including seconded employees and temporary employees outside and inside of Japan)
Percentage of people trained	93%	94%	94%
Topics	<ul style="list-style-type: none"> 1) Accounting Fraud 2) Antimonopoly Act 3) Quality Fraud 	<ul style="list-style-type: none"> 1) Accounting Fraud 2) Embezzlement of Company Equipment and Inventory 3) Illegal Activities Outside of Work (Gambling) 	<ul style="list-style-type: none"> 1) Bribe-taking (Gifts and entertainment from business partners) 2) Fictitious orders for promotional items (Kickbacks) 3) Quality fraud (Falsification in standards testing)

Furthermore, in addition to e-learning, BIL also checks awareness of the Helpline for Compliance Issues via a periodical questionnaire. In FY2023, awareness of the Helpline for Compliance Issues was at 92%.

Brother Group Anti-Corruption Global Policy

In the "Codes of Practice" of the Brother Group Global Charter <https://global.brother/en/corporate/principle> , the Brother Group states that it is committed to complying with relevant laws and regulations in the countries and regions in which it operates. Bribery and corruption are prohibited by the laws and regulations in most countries where we operate as acts that hinder economic and social development. In our Brother Group Principles of Social Responsibility, we promise our stakeholders that we shall not engage in any form of corruption, extortion or embezzlement. However, in recent years, laws and regulations governing bribery and corruption have become increasingly stringent, and in consideration of such circumstances, we are implementing this policy to further promote our anti-corruption efforts.

Brother Group Anti-Corruption Global Policy

1) Scope

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

2) Compliance with Applicable Laws

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

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

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

4) Prohibition of giving bribery to non-government officials

Brother Group Officers and Employees shall not, for the purpose of improperly influencing or rewarding the behavior of someone to obtain or retain business or a commercial advantage, or for any other improper purpose, directly or indirectly through third parties, corruptly give, offer, promise, or authorize

payments of money or anything of value, including gifts, hospitality, entertainment, and other benefits (including kickbacks), to any person other than a government official, unless the giving of such money or anything of value are within bounds of good standard business practice, the Brother Group policy, and the applicable laws or regulations of the country or region concerned.

5) Prohibition of accepting bribery

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

6) Accurate Records

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

7) Violation

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

Anti-Corruption Measures

In the Brother Group Principles of Social Responsibility <https://global.brother/en/sustainability/csr/csr-principle> and the Brother Group Anti-Corruption Global Policy <https://global.brother/en/sustainability/governance/compliance#c05> , Brother Group employees are prohibited from engaging in corruption or bribery. These policies are communicated to all Brother Group employees through the BIL website and the Brother Group intranet site, among others.

In addition to the dissemination of the policies, the Brother Group is engaged in anti-corruption activities through the following initiatives.

Anti-corruption efforts in Japan

For all employees of Group companies in Japan, we are working to raise their anti-corruption awareness by distributing a handbook containing specific examples of bribe-giving and entertainment. To prevent the risk of corruption, we also provide training for new hires and mid-career recruits, as well as for employees before overseas assignments at BIL and certain Group companies in Japan.

From FY2018 to FY2023, there were no terminations for corruption in Japan, zero corruption-related fines, and no penalties. BIL's political contributions were zero.

Global anti-corruption efforts

Asia: Introducing a bribery checklist

In Asia, we introduced a bribery checklist in FY2020 for use by our sales facilities. This checklist is used by sales facilities to check for red flags* that may present bribery risks when doing business with third parties such as distributors, consultants and service providers. Using the checklist, our sales facilities in Asia and BIL work together to regularly review and monitor transactions with third parties such as government agencies and officials.

Based on the results of the checklist, an anti-bribery clause was added in FY2021 to major contracts between our sales facilities in Asia and third parties. As part of our measures to reduce the risk of bribery, some of our sales facilities in Asia began formulating their own internal anti-bribery policies in FY2022, and in FY2023 we expanded the scope of sales facilities formulating internal policies.

*: Refers to conflicts of interest, unusual payments, improper sales rebates and discounts, and improper gifts and entertainment.

The Americas: Conducting training, sharing anti-corruption policies, conducting anti-corruption screening of business partners

Brother International Corporation (U.S.A.) ("BIC (USA)"), the regional headquarter for the Americas, conducts online anti-bribery training for employees in the Americas that includes examples of what may constitute bribery.

In consideration of the high risks involved in international transactions, BIC (USA) also communicates its strong anti-corruption policy by including an anti-corruption clause in its contracts concluded with third parties such as new business partners, contractors and agents outside the United States.

Furthermore, BIC (USA) conducts anti-corruption screening of business partners selling outside the United States. The screening identifies high-risk business partners by assigning scores to anti-corruption, negative media information, political exposure and other high-risk factors. We ask business partners identified as high risk in the screening process to complete a compliance questionnaire after viewing an anti-corruption video. This screening process is also applied to potential business partners. Before doing business, we confirm that there are no issues based on the screening.

In addition, BIC (USA) monitors all screened business partners on an ongoing basis. Any new issues or risks that are identified are addressed immediately.

Specifically, the results of the screening are used to consider whether to continue doing business with

the business partner concerned, whether additional due diligence is required, and other risk mitigation measures.

Europe: Providing education for employees, including an anti-bribery clause in contracts

In Europe, we are working to ensure the prohibition of bribery by providing regular online education to employees, mainly at Brother International Europe Ltd., the European sales overseeing company of the Printing & Solutions Business, and Domino Printing Science plc, and by including an anti-bribery clause in major contracts with third parties.

Brother Group Competition Law Global Policy

Under the Brother Group Global Charter, Brother Group promises to conduct fair transactions with business partners in order to promptly deliver superior value to customers.

Cartels and other practices that hinder competition may be prohibited by the laws and regulations of the countries or regions in which the Brother Group conducts business. All officers and employees of the Brother Group, including company employees, contractors, seconded employees, and temporary employees, shall comply with the competition laws (antitrust laws) applied to the country or region in which we operate and conduct free and fair business activities in accordance with the Global Charter and this policy.

1) Prohibition of unlawful information exchange with competitors

-Brother Group shall not engage in price-fixing, restricting quantities, allocating sales territory or customers, and other unlawful agreements or information exchange with competitors in violation of applicable competition laws in the countries and regions in which we operate.

-Furthermore, Brother Group shall not exchange information with competitors regarding costs, sales terms, customers, production capacity, suppliers, technology, or any other information that may hinder competition; provided, however, that information exchange performed only to the minimum extent necessary for a legitimate purpose in accordance with internal rules or guidelines shall not be prohibited.

2) Prohibited acts with business partners, etc.

-Brother Group shall not impose restraints on distributors, retailers, customers, and other business partners in violation of applicable competition laws in the countries and regions in which we operate.

-Specifically, where such actions are prohibited under the applicable laws, Brother Group shall not impose unlawful restrictions on business partners regarding sales territory, customers, sales methods, and other terms of sale, or unlawfully determine resale price of our products and services by our business partners (excluding agents who engage in transactions on behalf of the respective Brother Group company).

3) Prohibited acts when Brother Group has a dominant position

-When Brother Group has a high market share (i.e., 50% or more), in many countries, Brother Group holds a special responsibility not to act in a way that limits the competition in the relevant market. Under such circumstances, Brother Group shall not, without objective justification, engage in actions that reduce market competition in violation of applicable competition laws in the countries and regions in which we operate. Examples of such actions are illustrated below:

- Setting unreasonable low prices below cost and other unreasonable sales conditions
- Forcing customers to purchase products and services that they do not wish to purchase as a condition for purchasing our products and services (tying)
- Unreasonably rejecting a transaction with a specific customer or business partner
- Treating similar customers or business partners differently without legitimate reason

Based on this policy, Brother Group implements various training programs to foster compliance with applicable competition laws. Brother Group officers and employees who violate this policy are subject to disciplinary proceedings based on employment rules and other internal rules and policies of the respective Brother Group company.

Competition Law Compliance

At the Brother Group, we continuously implement initiatives to comply with the competition laws of all countries and regions in which we operate. For example, as the Brother Group, we have established internal rules and policies for compliance with competition laws and ensure that all employees are aware of them by posting them on the intranet. In Japan, we established anti-cartel guidelines in FY2021 and conducted online seminars and e-learning courses on competition law.

In addition, Brother Industries' Risk Management Committee conducts an annual questionnaire on legal compliance (including competition law) in order to assess the risk of competition law for the entire Brother Group and to prevent competition law violations.

Governance(G)

Tax Compliance Policy

The Brother Group always share our social, economic and cultural resources in all the communities where the Brother Group operates by the Global Charter. As a part of these efforts, we comply with the letter and spirit of tax laws and regulations in each country and region where we conduct business activities and properly fulfill our tax obligations as a responsible taxpayer.

1. Tax Governance

Brother Industries, Ltd. (BIL) has positioned tax risk as one of key risks, and Risk Management Committee conducts an assessment of tax risks including transfer pricing at each Group company once each year and reports the assessment results to the Board of Directors.

In addition, reports on tax risks are made to the Strategy Meeting, which is made up of corporate officers, as necessary.

Information on tax issues in each country and region is shared with the BIL's tax department via regional headquarters as appropriate. Support is obtained from tax accountants and other outside experts, and we engage in discussions with tax authorities when necessary to carry out tax procedures. We strive to work in good faith with tax authorities and takes measures to maintain and enhance tax-related corporate governance.

2. Transfer Pricing Taxation

With regard to transfer pricing tax risks, the Brother Group complies with local tax laws and Organisation for Economic Co-operation and Development (OECD) guidelines. We appropriately manage transfer prices with each country and region while sharing information with tax departments and business divisions so that the Brother Group can conduct transactions at arm's length prices, which are properly reported in the three tiered approach for transfer pricing documentation in accordance with the Base Erosion and Profit Shifting (BEPS) policy.

We mitigate tax risks associated with transactions that pose high transfer pricing tax risks by using Advance Pricing Agreements (APA).

3. Tax Planning and Tax Avoidance

The Brother Group effectively uses tax incentives that are available in our ordinary business activities in each country and region and endeavor to achieve appropriate tax burden levels throughout the Group, but we do not engage in profit shifting to low tax countries and regions with intention of evading the purport of tax laws.

BIL selects the countries and regions where it establishes subsidiaries for the purpose of conducting ordinary business activities and does not establish subsidiaries in tax haven countries and regions for

the purpose of tax avoidance. In cases where a subsidiary is subject to the Controlled Foreign Company taxation, BIL properly files tax returns and makes tax payments.

Sustainability

ESG Data

Common Data

The Brother Group Global Charter

	FY2019	FY2020	FY2021	FY2022	FY2023
> The Brother Group Global Charter https://global.brother/en/corporate/principle	Established in 1999				
Number of available languages	28 languages	28 languages	28 languages	28 languages	29 languages
Number of dialogues between top management and employees	About 3,000 times	About 4,000 times	About 4,500 times	About 4,600 times	About 4,600 times

Numbers of facilities/Sales revenue


	FY2019	FY2020	FY2021	FY2022	FY2023	
Manufacturing facilities and sales facilities	In more than 40 countries and regions					
Sales revenue (Consolidated)	637,259 million yen	631,812 million yen	710,938 million yen	815,269 million yen	822,930 million yen	
Sales revenue by region	Japan	19.2%	15.7%	14.8%	14.2%	14.2%
	The Americas	31.4%	31.8%	31.3%	33.8%	34.4%
	Europe	27.4%	28.2%	27.3%	25.7%	27.7%
	Asia & Others	22.1%	24.3%	26.6%	26.3%	23.8%


Evaluation by external entities


FTSE4Good Index Series	Included since June 2020
FTSE Blossom Japan Index	Included since June 2020
FTSE Blossom Japan Sector Relative Index	Included since March 2022
MSCI Nihonkabu ESG Select Leaders Index	Included since June 2023

MSCI Japan Empowering Women (WIN) Select Index	Included since November 2019
Morningstar Japan ex-REIT Gender Diversity Tilt Index	Included since 2022
S&P/JPX Carbon Efficient Index	Included since 2018
The SOMPO Sustainability Index	Included since 2012
EcoVadis Sustainability Assessment	Received a Silver Medal since 2020
Science Based Targets	Certified for 1.5°C target in April 2022
"Asia-Pacific Climate Leaders" Survey	Selected as one of the top companies since 2022
Clarivate Top 100 Global Innovators	1x Winner in 2012 and 6x Winner in 2023
Health & Productivity Stock Selection Program	Recognized in 2017, 2019, 2020, 2021 and 2024
Certified Health & Productivity Management Outstanding Organization	Certified since 2017

Environmental-Related Data (E)

 [List of ISO 14001-Certified Facilities \[PDF/453KB\]](https://global.brother/pub/com/en/eco/pdf/2024/iso14001.pdf)
<https://global.brother/pub/com/en/eco/pdf/2024/iso14001.pdf>

 [Timeline for Environmental Milestone Achievement \[PDF/301KB\]](https://global.brother/pub/com/en/eco/pdf/2024/history.pdf)
<https://global.brother/pub/com/en/eco/pdf/2024/history.pdf>

 [Internal Environmental Commendation System and Initiatives \[PDF/507KB\]](https://global.brother/pub/com/en/eco/pdf/2024/award.pdf)
<https://global.brother/pub/com/en/eco/pdf/2024/award.pdf>

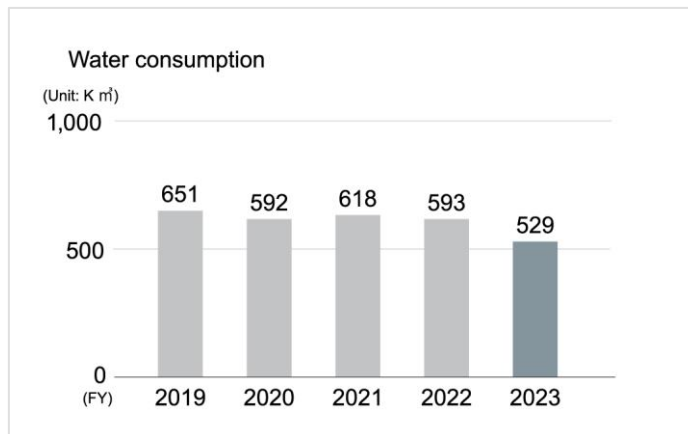
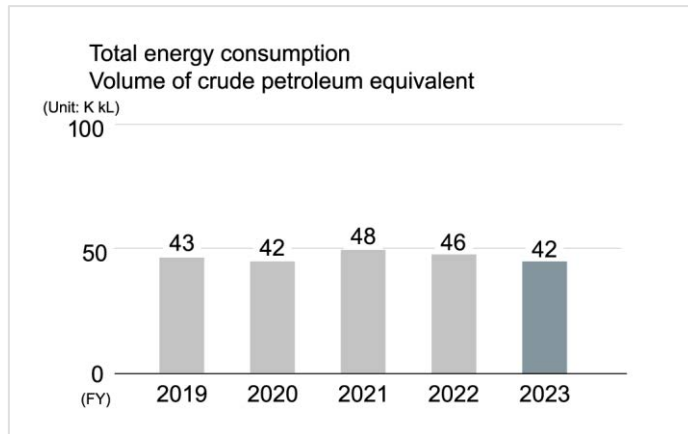
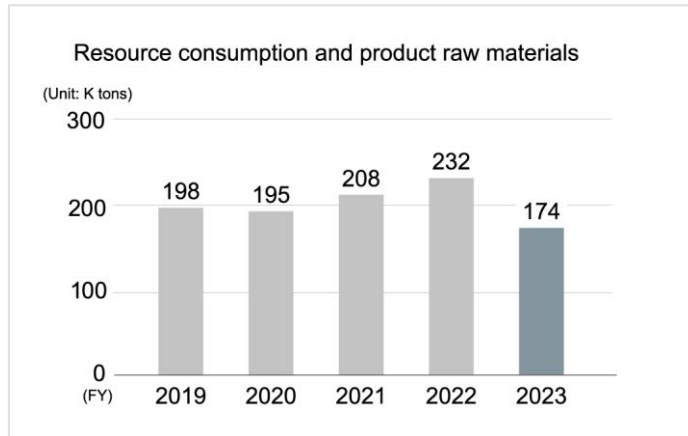
Material balance

The Brother Group's manufacturing facilities are engaged in processing and assembly to manufacture products.

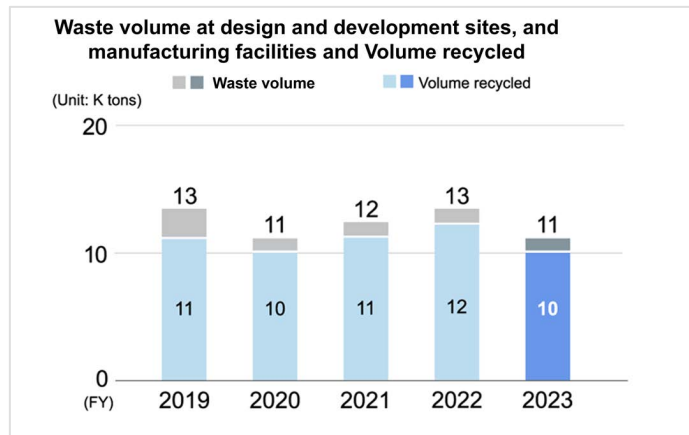
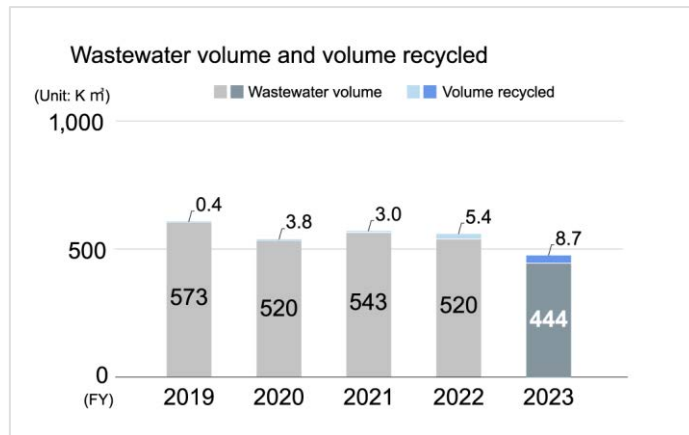
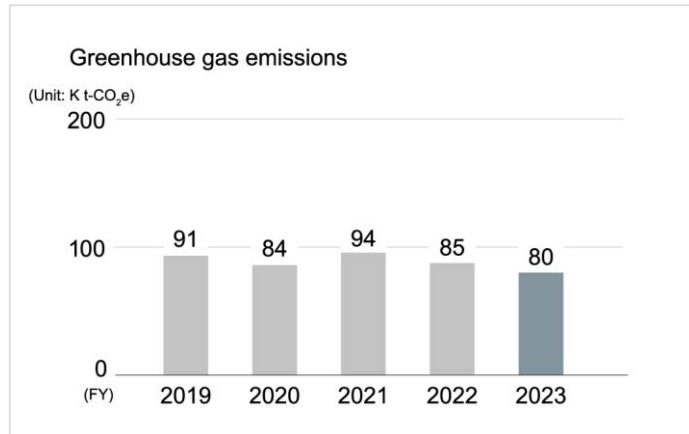
The environmental impacts (including resource consumption, CO₂ emissions, and waste generated) associated with all business operations are quantitatively monitored and summarized to reduce environmental impacts.

Resource utilization and material production/emissions from FY2019 through FY2023

Resource and energy inputs



Material production/emissions



For the list of applicable sites, see page 8 of "Material balance" [PDF/666KB].

 **Material Balance [PDF/666KB]**
<https://global.brother/pub/com/en/eco/pdf/2024/material-balance.pdf>

 **Environmental Accounting [PDF/634KB]**
<https://global.brother/pub/com/en/eco/pdf/2024/accounting.pdf>

Reduction of CO₂ emissions

Scope 1, 2, and 3 greenhouse gas (GHG) emissions according to ISO 14064 from FY2019 through FY2023

Category		CO ₂ emissions in t-CO ₂ equivalent				
		FY2019	FY2020	FY2021	FY2022	FY2023
Scope 1: Direct emissions		17,363	18,356	18,724	19,040	18,840
Scope 2: Indirect emissions from energy use Market-based		107,285	98,685	105,099	93,409 ^{*1}	91,228 ^{*1}
Scope 3: Other indirect emissions		2,809,046	2,752,567	2,942,352	3,439,056 ^{*2,3}	2,431,462 ^{*1}
C1	Purchased goods and services	1,351,272	1,302,661	1,404,939	1,671,015 ^{*2,3}	1,253,780 ^{*1}
C2	Capital goods	56,658	75,897	86,955	123,562	126,268
C3	Fuel- and energy-related activities	10,955	10,987	11,838	12,062	11,899
C4	Upstream transportation and distribution	80,691	103,148	138,978	99,236 ^{*2}	95,109
C5	Waste generated in operations	3,680	4,138	2,849	3,257	3,991
C6	Business travel	3,663	1,558	1,887	4,023	6,502
C7	Employee commuting	14,247	14,698	14,819	14,768	15,553
C8	Upstream leased assets	5,176	4,642	4,101	3,827	4,588
C9	Downstream transportation and distribution	15,312	14,671	15,366	17,825 ^{*2}	14,762
C10	Processing of sold products	-	-	-	-	-
C11	Use of sold products	998,441	968,174	995,115	1,183,284 ^{*2}	670,148
C12	End of life treatment of sold products	267,207	250,107	263,618	305,036 ^{*2}	227,291
C13	Downstream leased assets	1,742	1,886	1,886	1,160	1,168
C14	Franchises	-	-	-	-	-
C15	Investments	-	-	-	-	402 ^{*4}
Total of Scopes 1, 2, and 3 Market-based		2,933,694	2,869,608	3,066,176	3,551,505 ^{*1,2,3}	2,541,530 ^{*1}


^{*1} : After using renewable energy electricity certificates from external sources

^{*2} : The numerical value has been changed because the Domino Business was added to the scope of aggregation for Scope 3.








^{*3} : The numerical value has been changed because the CO₂ emissions from purchased goods and services other than products and parts were added to C1 (Purchased goods and services). However, the additional CO₂ emissions in FY2022 (about 2% of the entire Scope 3) are not included in the auditing for ISO 14064.

^{*4} : Emissions from related companies have been added since FY2023.

Scope

-  History of auditing for ISO 14064 [PDF/504KB]
<https://global.brother/pub/com/en/eco/pdf/2024/iso14064.pdf>

External assurance

-  BSI Independent Assurance Statement 2023 [PDF/811KB]
<https://global.brother/pub/jp/eco/pdf/2024/bsi-assurance.pdf>
-  BSI Independent Assurance Statement 2022 [PDF/705KB]
<https://global.brother/pub/jp/eco/pdf/2023/bsi-assurance.pdf>
-  LRQA Independent Assurance Statement 2021 [PDF/141KB]
<https://global.brother/pub/com/en/eco/pdf/2022/lrqa-assurance.pdf>
-  LR Independent Assurance Statement 2020 [PDF/570KB]
<https://global.brother/pub/com/en/eco/pdf/2021/lrqa-assurance.pdf>
-  LR Independent Assurance Statement 2019 [PDF/566KB]
<https://global.brother/pub/com/en/eco/pdf/2020/lrqa-assurance.pdf>
-  LR Independent Assurance Statement 2015 [PDF/524KB]
<https://global.brother/pub/com/en/eco/pdf/2016/lrqa-assurance.pdf>
-  Response to 2024 CDP Questionnaire [PDF/1.5MB]
<https://global.brother/pub/com/en/eco/pdf/2024/cdp2024questionnaire.pdf>

*: In 2024, questions regarding Climate change, Forests, Water security, Plastics, and Biodiversity were integrated into the CDP Questionnaire.

- > Climate Change Response (Disclosure Based on TCFD Recommendations)
<https://global.brother/en/sustainability/eco/cc>
- > Reduction of CO₂ Emissions
<https://global.brother/en/sustainability/eco/co2>

Resource circulation and waste reduction

Water-related data at main business sites from FY2019 through FY2023

Water intake, wastewater volume, volume of water recycled

		FY2019	FY2020	FY2021	FY2022	FY2023
Water intake(m ³)	Clean water	550,645	504,122	506,166	470,172	408,991
	Industrial water	0	0	0	0	0
	Underground water	100,557	87,474	111,697	123,034	119,904
Wastewater volume(m ³)	Public waters	190,703	179,782	170,392	150,453	110,928
	Sewer system	382,111	338,746	372,721	369,193	333,406
	Others	251	1,177	150	149	36
Volume of water recycled(m ³)		421	3,759	2,978	5,385	8,717
Percent of water recycled(%)		0.1	0.7	0.5	1.0	1.9

For the list of applicable sites, see page 5 of "Material balance" [PDF/666KB].

Water pollution load

		FY2019	FY2020	FY2021	FY2022	FY2023
Water pollution load(t)	BOD	25.0	37.8	29.3	31.2	19.5
	COD	46.1	95.3	68.4	48.1	36.8
	N-hexane extracts	0.5	0.7	0.5	1.5	0.5
	SS	13.8	29.4	12.0	15.6	6.6

For the list of applicable sites, see page 8 of "Material balance" [PDF/666KB]

 [Response to 2024 CDP Questionnaire \[PDF/1.5MB\]](#)






<https://global.brother/pub/com/en/eco/pdf/2024/cdp2024questionnaire.pdf>

*: In 2024, questions regarding Climate change, Forests, Water security, Plastics, and Biodiversity were integrated into the CDP Questionnaire.

> Resource Circulation and Waste Reduction

<https://global.brother/en/sustainability/eco/resource-circulation>

Biodiversity conservation

-  Recognitions as a Master Certified Aichi Biodiversity Company and a Nagoya Nature Positive Partner [PDF/265KB]
<https://global.brother/pub/com/en/eco/pdf/2024/nature-positive.pdf>
-  The Brother Group's Biodiversity Conservation Activities [PDF/462KB]
<https://global.brother/pub/com/en/eco/pdf/2024/biodiversity.pdf>
-  Brother Eco Point Program [PDF/353KB]
<https://global.brother/pub/com/en/eco/pdf/2024/eco-point.pdf>
-  Cooperative Project Endorsed by the Japan Committee for United Nations Decade on Biodiversity [PDF/320KB]
<https://global.brother/pub/com/en/eco/pdf/2024/undb-e.pdf>
-  Registration Under the Nijyu-Maru Project [PDF/19.5MB]
<https://global.brother/pub/com/en/eco/pdf/2024/nijumaru.pdf>

> Biodiversity Conservation


<https://global.brother/en/sustainability/eco/biodiversity>

> A webpage that introduces the cooperative projects recognized by UNDB-J

<https://undb.jp/authorization/4459/>

(Link to the website of UNDB-J. This website is available only in Japanese.)

Pollution prevention and chemical substance management

-  Brother Industries, Ltd. FY2019-2023 Balance of Chemical Substances Subject to PRTR [PDF/482KB]
<https://global.brother/pub/com/en/eco/pdf/2024/prtr.pdf>

> Pollution Prevention and Chemical Substance Management

<https://global.brother/en/sustainability/eco/pollution>

Creating eco-conscious products



Brother Green Label Certification Criteria [PDF/247KB]

<https://global.brother/pub/com/en/eco/pdf/bg-label-standard-e.pdf>

> Creating Eco-conscious Products

<https://global.brother/en/sustainability/eco/product>

> Environmental Compliance of Products

<https://global.brother/en/sustainability/eco/product/regulation>

> Disclosure of Environmental Attributes

<https://global.brother/en/sustainability/eco/product/declaration>

> Collaboration with Suppliers

<https://global.brother/en/sustainability/eco/product/supplier>

> Acquisition of Environmental Certifications

<https://global.brother/en/sustainability/eco/product/label>

> Safety Data Sheets (SDS)

<http://sds.brother.co.jp/sdsapp/index.html>

Social-Related Data (S)

Product safety

Basic Product Safety Policies https://global.brother/en/sustainability/social/product-security#p02	Established in 2008
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Business partners

	FY2019	FY2020	FY2021	FY2022	FY2023
Procurement Policy and CSR Procurement Standards	Established in 2008				
Green Procurement https://global.brother/en/sustainability/eco/product/supplier#s02	Started in 2001				
Supplier meeting	Participated in by 460 companies and approximately 900 individuals in total	Conducted online Participated in by 217 people from 129 companies	Conducted online Participated in by 680 people from 380 companies	Conducted online Participated in by 814 people from 478 companies	Conducted on-site and online Participated in by 842 people from 472 companies
CSR questionnaire	Started in 2012 (conducted every three years), revised in 2020 (conducted every two years)				

Diversity/Supporting work-life balance*1

		FY2019	FY2020	FY2021	FY2022	FY2023
Number of employees*2	All employees	3,800	3,803	3,867	3,890	3,877
	Male	3,026	3,024	3,067	3,084	3,071
	Female	774	779	800	806	806
	Percentage of female employees in total workforce	20.4%	20.5%	20.7%	20.7%	20.8%

		FY2019	FY2020	FY2021	FY2022	FY2023
Average length of service* ^{2,3}	All employees	17.2	17.3	17.1	16.7	16.3
	Male	17.2	17.2	16.9	16.4	16.1
	Female	17.2	17.7	17.9	17.5	17.2
	Gender gap	100.0%	102.9%	105.9%	106.7%	107.2%
Total number of employees in senior management* ^{2,4,5}	All employees	850	842	815	777	756
	Male	815	804	772	731	708
	Female	35	38	43	46	48
	Percentage of female employees in senior management	4.1%	4.5%	5.3%	5.9%	6.3%
① Total number of new graduates* ^{3,6}	All employees	84	81	74	84	113
	Male	65	66	57	65	84
	Female	19	15	17	19	29
	Percentage of female new graduates	22.6%	18.5%	23.0%	22.6%	25.7%
② Total number of mid-career recruits* ^{3,7,8}	All employees	27	21	24	71	46
	Percentage of mid-career recruits based on Labor Measures Comprehensive Promotion Act	24%	21%	24%	46%	29%

		FY2019	FY2020	FY2021	FY2022	FY2023
	Male	19	16	20	56	38
	Female	8	5	4	15	8
	Percentage of female mid-career recruits	29.6%	23.8%	16.7%	21.1%	17.4%
Total number of newly hired employees (① and ② combined)	All employees	111	102	98	155	159
	Male	84	82	77	121	122
	Female	27	20	21	34	37
	Percentage of female employees	24.3%	19.6%	21.4%	21.9%	23.3%
Percentage of contract employees (including temporary staffs)		17.0%	17.2%	21.1%	23.1%	23.1%
Voluntary turnover rates / Number of employees leaving *3,9		1.3% / 50	1.0 % / 39	0.94% / 36	1.44% / 55	1.42% / 54
Employment rate of persons with disabilities *10,11	Brother Industries, Ltd.	2.03%	2.17%	2.29%	2.38%	2.34%
	including 13 Brother Group companies in Japan *12	2.11%	2.17%	2.26%	2.31%	2.31%
Number of employees on childcare leave *13,14	All employees	74	96	94	92	119
	Male	41	60	65	63	77
	Female	33	36	29	29	42
Percentage of	Male	33.6%	49.2%	52.0%	67.0%	70.0%

		FY2019	FY2020	FY2021	FY2022	FY2023
employees on childcare leave	Female	100.0%	100.0%	100.0%	100.0%	100.0%
Number of employees on family-care leave *13	All employees	3	2	2	2	2
	Male	2	1	2	1	0
	Female	1	1	0	1	2
Number of employees using the short-time working system for childcare	All employees	176	184	184	175	164
	Male	7	10	8	9	9
	Female	169	174	176	166	155
Number of employees using the short-time working system for family-care	All employees	6	5	5	4	4
	Male	1	2	1	1	2
	Female	5	3	4	3	2
Number of employees on nursing care leave	All employees	28	13	16	32	35
	Male	7	3	6	12	14
	Female	21	10	10	20	21

*1 : Brother Industries, Ltd.

*2 : As of March 31 of each FY

*3 : Doesn't include incoming seconded employees, temporary employees or fixed-term employees

*4 : Includes temporary employees and seconded employees. Doesn't include Directors, Corporate Auditors, and Executive Officers

*5 : Recalculated and updated based on the standards of *4

*6 : Revised from the number of employees who joined on April 1 of each fiscal year to the number of employees who joined on April 1 and October 1 of each fiscal year

*7 : Number of employees who joined each fiscal year between April 1 and March 31 of the following year

*8 : Includes conversions from non-regular employment to regular employment and transfers. Doesn't include re-employed individuals

*9 : Employees who resigned for personal reasons

*10: As of June 1 of each FY

*11: Includes incoming seconded employees but not temporary employees or fixed-term employees

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

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

*14: The figures for the number of employees on childcare leave and the percentage of employees on childcare leave have been recalculated and updated based on the standards set by the Ministry of Health, Labour and Welfare.

Safety, health and disaster prevention/Health and productivity management

	FY2019	FY2020	FY2021	FY2022	FY2023
Number of occupational injuries reported at manufacturing facilities	14	18	15	18	14
Yearly incident rate ((number of incidents/number of employees) x 1,000) at manufacturing facilities	0.57	0.66	0.50	0.62	0.58
Brother Safety and Prevention Convention	Held every year since 2008				
> The Brother Group Health & Productivity Management Philosophy https://global.brother/en/sustainability/social/health	Established in 2016				

Local communities

	FY2019	FY2020	FY2021	FY2022	FY2023	
Employees' participation in the Golden Ring Project	At 23 facilities	Suspended	At 13 facilities	At 24 facilities	At 30 facilities	
Amount of global donations	130,259,278 yen	94,467,274 yen	225,495,501 yen	188,320,870 yen	229,866,510 yen	
The Kizuna Fund	Number of employees who participated	152	97	129	105	112
	Amount of donations	5,050,216 yen	1,524,950 yen	2,570,965 yen	4,211,876 yen	3,696,388 yen

		FY2019	FY2020	FY2021	FY2022	FY2023
Amount of donations to registered not-for-profit organizations (Brother Industries, Ltd.)		10,699,112 yen	3,472,020 yen	65,014,680 yen	44,307,800 yen	42,831,730 yen
Tokai Young Entrepreneur Seminar		Supported by Brother Industries, Ltd. since 2008				
Number of pro bono participants (Brother Industries, Ltd.)	Target	3	3	3	3	3
	Achievement	3	3	3	4	4

Governance-Related Data (G)

Corporate governance

		FY2019 ^{*1}	FY2020 ^{*2}	FY2021 ^{*3}	FY2022 ^{*4}	FY2023 ^{*5}
Number of Directors	Total	11	11	11	11	11
	Outside Directors (included in total)	5	5	5	5	5
Percentage/Number of female Directors on the Board	Percentage	9.1%	9.1%	9.1%	9.1%	9.1%
	Number	1	1	1	1	1
Number of Statutory Auditors	Total	5	5	5	5	5
	Outside Auditors (included in total)	3	3	3	3	3
Number of Directors, Statutory Auditors and Executive Officers	Total	34	31	30	30	32
	Female Officers (included in total)	2	2	2	3	3
	Non-Japanese Officers (included in total)	2	2	2	2	2
> The Brother Group Principles of Social Responsibility		Established in 2012				

	FY2019 ^{*1}	FY2020 ^{*2}	FY2021 ^{*3}	FY2022 ^{*4}	FY2023 ^{*5}
https://global.brother/en/sustainability/csr/csr-principle					
Global internal audit meeting	Started in 2010				
Group Information Management Regulation	Established in 2015 (The information management regulation of Brother Industries, Ltd. was established in 2008.)				

*1 : As of June 24, 2020

*2 : As of June 23, 2021

*3 : As of June 20, 2022

*4 : As of June 22, 2023

*5 : As of June 25, 2024

Shareholders*

	FY2019	FY2020	FY2021	FY2022	FY2023
Financial results briefing	Held four times a year				
Shareholder newsletter	Issued twice a year (The full-year newsletter is integrated with the convocation notice of a general shareholders' meeting, and the second-quarter newsletter is published only in Japanese.)				

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