



2021 Modern Slavery Statement

Brother International (Aust) Pty Ltd

The Reporting Entity

Brother International (Aust) Pty Ltd - ABN 17 001 393 835 / ACN 001 393 835 ('Brother International') is a subsidiary of Brother Industries, Ltd of Japan.

Brother International provides products for the print and imaging, labelling, sewing and craft markets. Products include inkjet and laser devices, multi-function centres, labellers, label printers, printing and labelling consumables, scanners, fax machines, sewing and craft machines and accessories, garment printers.

We are committed to social and environmental responsibility, including a zero tolerance of slavery and human trafficking across our business and supply chain.

This statement is made pursuant to the Modern Slavery Act 2018 (Cth) and sets out the actions taken by Brother International to address modern slavery risks in our operations and supply chain.

Structure, Operations and Supply Chains

Brother International was established in 1977 as a wholly owned subsidiary of Brother Industries, Ltd which was founded in 1908 in Japan. We are part of the Brother global group of companies and use the name 'Brother' to refer to the group. We operate on a Japanese financial year ending in 31 March 2021 (reporting period).

We are the Australian sales office of the Brother global group, providing Brother branded products for the IT office and sewing machine markets. Our operations include marketing, sales, service, administrative support to importing, warehousing and distribution of Brother branded products within Australia. We have a product support and service team directly supporting consumers.

Our products are sold through retailers, dealers, e-commerce sites and an authorised distribution network.

Our supply chain consists of the products we sell which are manufactured by our parent in factories located in China, Taiwan, Philippines and Vietnam.

Through our motto "At your side." we work with parts and materials suppliers to ensure our 'Procurement Policy' and 'CSR Procurement Standards' are understood and to share our Corporate Social Responsibility (CSR) focused procurement concept.

The policy and standards cover a wide range of fields, including human rights and labour, the rights to organise and bargain collectively, safety and health, global environmental protection, fair trade and ethics, product quality and safety, raw materials, information security, and social contribution.

We believe sustainable growth will lead to the growth of our business partners, including suppliers. By working with manufacturing facilities to share our CSR procurement standards, we strive to gain more trust from partners and continue to build a sustainable supply chain that responds to changing social demands.

Risks of modern slavery practices in our operations and supply chains

We understand that the 'risks of modern slavery practices' means the potential to cause, contribute to, or be directly linked to modern slavery through operations and supply chains in the context of risk to people.

Through our policies, standards, questionnaires, audits, consultation and collaboration, working with partners and tools such as the Responsible Business Alliance (RBA), formerly the Electronic Industry Citizenship Coalition (EICC), Supplier Ethical Data Exchange's (SEDEX) Members Ethical Trade Audit (SMETA), and more recently the UN Global Compact in 2020, we have identified areas where modern slavery risks may be present including:

Conflict minerals

Conflict minerals are unrightfully mined in conflict zones such as the Democratic Republic of the Congo and neighbouring countries in Africa. Trading of conflict minerals helps finance armed groups and results in human right violations, labour mistreatment, environmental destruction, etc. in these areas plagued by regional conflict.

Labour

Human Rights and Prohibition of Discrimination

Respect of fundamental human rights of all people, without discrimination by race, nationality, gender, religion or creed.

Prohibition of Child Labour and Forced Labour

Ensuring no unfair labour practices or illegal child labour 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 labour laws, regulations and prevent overworking with consideration for employee health.

Guarantee of Minimum Wage

Payment of wages higher than the legal minimum in accordance with local labour laws and regulations, and not reducing wages unfairly.

Guarantee of Freedom of Association and Support for Collective Bargaining Rights

Respecting rights of employees to associate freely with others and the right to join unions to facilitate consultation between labour and management over working conditions, working environment, wage levels and collective bargaining rights, via consultations and discussions with employees.

Actions taken to assess and address the risks of modern slavery

Within our supply chains our focus is on due diligence efforts using policies, standards, audits, questionnaires and procurement activities as we source raw materials and parts from suppliers in various countries. We will continue to identify and assess other potential areas of risks and take appropriate measures to combat them.

Brother's CSR management is underpinned by its 'At your side' commitment to create social value through business activities and to build long-term trusting relationships with suppliers in alignment with the United Nations Sustainable Development Goals (SDGs).

Policies and Governance

We have zero tolerance to slavery and human trafficking. We have a compliance system in place focusing on our raw material and parts suppliers to ensure that they comply with our values and ethical standards. The system includes self-assessment questionnaires and contractual warranties to require suppliers to comply with our 'Principles of Social Responsibility' and 'CSR Procurement Standards'. In the event that we are not reasonably satisfied with the responses to the questionnaires submitted by suppliers, we may request the suppliers to explain the responses in detail and submit an improvement action plan.

In addition to the Principles of Social Responsibility, we have also adapted them in our Code of Conduct. All employees and board members are required to understand and comply with this Code as an implementation of CSR management.

The Code reflects our public commitment to express how we fulfil our social and ethical duties including modern slavery.

Principles of Social Responsibility

Fair working conditions

In recognition of the importance of providing fair working conditions, we respect people and recognise fundamental human rights and expects people working and employed by Brother ('Associates') to act in the same way.

Non-discrimination and Non-harassment

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

- 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
- 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.

Fair and lawful labour practices

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

Freedom of association

Brother respects the rights of employees in each country in which we operate to associate freely with others, join or not join labour unions, seek representation and join workers' councils in accordance with laws and regulations.

Child and forced labour

Brother does not tolerate or engage in illegal labour practices. In particular Brother does not:

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

UN SDG Goals to combat modern slavery

SDG Goal 8 addresses “decent work and economic growth”, including target 8.7 which aims to “eradicate child labour and elimination of all forms of child labour by 2025,” while promoting sustainable economic growth and full and productive employment. Additionally, SDG Goal 16 “peace, justice and strong institutions” including target 16.5 “substantially reduce corruption and bribery in all their forms” to create a peaceful and just society without exclusion.

Compliance with the Basic Principles on Social Responsibility, the Global Policy on Anti-Bribery and Anti-Corruption and by working together with our business partners to eliminate forced labour, child labour, and conflict minerals, Brother fulfills its social responsibility as a manufacturer in its business activities and contributes to the realisation of the SDGs.

Whistleblowing system

We have established a whistleblowing system and encourages Associates to report any violations of these Principles, other company policies, local laws and regulations. We do not authorise Associates to retaliate against persons for making a good faith report of a violation and ensures the anonymity of any whistleblowers in accordance with local laws.

Identifying and Addressing Modern Slavery Risks in 2020

Establishing Long-Term Relationships of Trust Through ESG Information Disclosure

Responding to the demands of society through compliance with FTSE ESG ratings

Global investments are changing to realise a sustainable society. In recent years, "ESG investment" has rapidly spread worldwide, promoting the realisation of a sustainable society through investment in companies that take into consideration the Environment, Social issues and corporate Governance, rather than simply pursuing sales and profits.

ESG information disclosure issues

Brother aims to become a company that continues to grow together with society in the future and has pursued activities that contribute to society in an environmentally conscious manner. However, our information disclosure has been insufficient to meet the global demand of ESG investment and we have been unable to fulfill our accountability to gain the long-term trust of our stakeholders.

FTSE Russel ESG rating support

To tackle the issue, Brother worked on information disclosure following the FTSE Russel ESG Rating index, one of the most globally recognized ESG evaluation indices. The index covers topics such as climate change, pollution and resource use, health and safety, labour standards, anti-corruption, tax transparency and includes a list of information that companies should disclose.

Brother set up a cross-sectional project of relevant departments, including Environment, Law, Human Resources, Purchasing, Finance & Accounting, and CSR & Public Relations to investigate in detail whether there was any information that had not been disclosed against those indicators in 2019. While checking together with external experts on FTSE Russell ESG Ratings, we compiled new information on the missing sections and disclosed them on our global website.

Compliance with ratings to meet the needs and trust of society

Following discussions on information disclosure required for ESG in the project activities, further progress was made in environmental, social, and governance information disclosure, including a review of procurement standards and the establishment of an anti-corruption policy. During 2020, the information disclosure rate for items assessed in the FTSE Russel ESG Rating increased by about 30% in a short period from 2019.

Brother was selected as a constituent of the FTSE4 Good Japan Index and the FTSE Blossom Japan Index during the reporting period.

Brother strives to respond to the needs and trust of society by working closely with relevant departments to widely promote Brother's initiatives.

Provide fair opportunities for all employees

The Brother Group Global Charter ('Global Charter'), which consists of Basic Policies and Codes of Practice, states that one of our important stakeholders are our employees (associates). The Global Charter stipulates that we value diversity, provide a work environment where employees can show their abilities, and give challenging work opportunities as well as properly evaluate and reward employees for their efforts and achievements.

Expanding globally across locations

Brother's efforts to understand and put the Global Charter into practice have progressed further, and some locations began to share examples of activities. In China, where there are many factories and sales locations, a cross-organisational meeting was voluntarily held. Vietnam and the Philippines, where large-scale factories are located, also held cross-organisational meetings, and this has grown from an in-house initiative to a cross-organisational and global sharing activity.

Procurement Policy and CSR Procurement Standards

Promoting CSR Procurement with Suppliers¹

Brother 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 labour, the rights to organise and bargain collectively, safety and health, global environmental protection, fair trade and ethics, product quality and safety, raw materials, information security, and social contribution.

Brother 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.

During the reporting period we held supplier explanatory meetings to explain Brother's 'CSR Procurement Standards' to our suppliers. We also asked suppliers to sign a consent form that confirms their intent to adhere to the CSR Procurement Standards.

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

Brother remains committed to promoting CSR procurement together with its suppliers.

Brother's CSR Procurement Standards and Policy are aligned with the UN's SDGs including:

Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; and

Goal 12: Ensure sustainable consumption and production patterns.

Procurement Policy

Brother acts fairly with all suppliers and 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.

Issues concerning conflict minerals are considered very important and Brother takes proactive approaches toward responsible procurement of minerals (see Conflict Minerals section).

CSR Procurement Standards

We procure products from business partners that adhere to the following guidelines:

Labour

Respect for Human Rights and Prohibition of Discrimination

We respect fundamental human rights of all people, and do not discriminate by race, nationality, gender, religion or creed.

Prohibition of Child Labour and Forced Labour

We do not enforce unfair labour practices and illegal child labour at any production stage.

¹ The Global Charter defines Brother's common global values and our responsibilities to all our stakeholders which we apply to all business decisions and actions.

Appropriate Management of Working Conditions and Prevention of Overworking

We manage employees' working conditions complying with local labour laws and regulations. Where overtime occurs, we ensure it is in appropriate healthy intervals, with additional pay and/or time off in lieu.

Guarantee of Minimum Wage

We pay wages in accordance with local labour laws and regulations. We do not reduce wages unfairly.

Guarantee of Freedom of Association and Support for Collective Bargaining Rights

We respect the rights of employees to associate freely with others and the right to join unions as a means to facilitate consultation between labour and management over working conditions, working environment, wage levels. We support collective bargaining rights and hold sincere consultations and discussions with employees.

Ethics

Legal Compliance

We respect the rules, spirit of laws and act fairly with the highest integrity.

Adequate Information Management

We have a framework for managing information in place and keep personal information and confidential information secure.

Responsible Minerals Procurement

We promote responsible minerals procurement, try to avoid using unrightfully mined minerals from conflict zones as raw materials (refer to the Conflict Minerals Response Policy).

Management System

Continuous Improvement of Activities

We use CSR procurement questionnaires, surveys and audits to make continuous, Plan-Do-Check-Act conscious

Cooperation from Business Partners

We request cooperation from business partners with our efforts to fulfil our social responsibilities from the viewpoints of legal compliance, human rights, labour, safety, ethics, management system outlined in our CSR Procurement Standards.

Conflict Minerals Risk

Conflict minerals response policy²

Minerals (tantalum, tin, gold and tungsten) mined in the Democratic Republic of the Congo and neighbouring countries in Africa may be sources of funds for local armed groups, and there are concerns that transactions for such minerals may promote conflict and involve abuse such as human rights violations, labour issues and environmental destruction problems.

These minerals are called "conflict minerals" and Brother recognises the issues and their importance from a corporate perspective in order to fulfil our corporate social responsibility in relation to human rights.

Brother makes efforts to avoid the use of these minerals by using questionnaire surveys in cooperation with suppliers to ensure compliance.

Assessing and addressing conflict minerals

Brother has examined systems and methods to deal with the issue of conflict minerals since 2014 and has established a Work Group which includes staff from business units in charge of purchasing, law and CSR.

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

Brother also requests that suppliers understand our position through our CSR Procurement Standards and work on procurement initiatives to avoid the use of conflict minerals.

During the reporting period, Brother continued to conduct surveys and obtained answers from more than 95% of targeted suppliers. The Work Group will make ongoing efforts to obtain answers from all suppliers. The Work Group also answered and dealt with inquiries from customers about the conflict minerals survey through the CMRT.

Supplier Members Ethical Trade Audit (SMETA)

Brother is a member of the Supplier Ethical Data Exchange (SEDEX). SEDEX is a global membership organisation dedicated to driving improvements in ethical and responsible business practices in global supply chains.

Brother's factories in China and in the Philippines are audited using the Sedex Members Ethical Trade Audit (SMETA) methodology which provides a compilation of best practice ethical audit techniques.

The Sedex audit questionnaire is based on the following codes:

- **ETI Base Code: 2014** (Ethical Trading Initiative)
- **SA8000:2014** - Social Accountability (SAI – Social Accountability International)
- **ISO 14001:2015** - Environment Management System (International Organization for Standardization)
- **OHSAS 18001** - occupational health and safety management system (Occupational Health & Safety Advisory Services)

² Responsible Minerals Initiative (RMI): An organization that promotes the responsible procurement of minerals globally in cooperation with companies. Brother is a member of this organization.

Areas assessed include:

- Universal rights covering UN Guiding Principles
- Management systems and code implementation
- Responsible recruitment
- Entitlement to work and immigration
- Sub-contracting and home working
- Business ethics.

In addition, data is collected on the key pillar of labour standards that includes questions on wages, working hours, children and young employees, freedom of association, non-discrimination, forced labour and human rights.

Responsible Business Alliance (RBA)

Brother is a member of the Responsible Business Alliance (RBA). The RBA is the world's largest industry coalition dedicated to corporate social responsibility in global supply chains. Founded in 2004 by a group of leading electronics companies, the RBA, formerly the Electronic Industry Citizenship Coalition (EICC), is a non-profit comprised of electronics, retail, auto and toy companies committed to supporting the rights and wellbeing of workers and communities worldwide affected by the global supply chain.

As an RBA member, Brother is committed and accountable to a common Code of Conduct. Brother uses RBA training and assessment tools to identify and assess risks in the supply chain and to support continuous improvement in the social and ethical responsibility of our supply chains.

Additionally, the RBA regularly engages in dialogue and collaborations with workers, governments, civil society, investors and academia to gather the necessary range of perspectives and expertise to support and drive its members toward achieving the RBA mission and values of a responsible global electronics supply chain.

Signing the United Nations Global Compact

During the reporting period, Brother endorsed and signed the United Nations Global Compact proposed by the United Nations. The UN Global Compact is a voluntary initiative to achieve sustainable growth through responsible and creative leadership by companies and organisations in addressing social issues such as human rights, labour, the environment and anti-corruption. It has been endorsed by more than 12,000 companies in 160 countries (as at March 2021).

Assessing the effectiveness of our actions

Working towards eliminating child labour, forced labour and conflict minerals

To become a company that is trusted by our customers and business partners.

To realise a sustainable society Brother shows leadership and seeks to be a responsible member of society. Worldwide, expectations for corporate social responsibility, including compliance with environmental laws and regulations, appropriate working conditions, and protection and consideration of human rights are growing at an accelerating pace. Through its business activities, Brother acts faithfully to address these issues and to build strong relationships of trust with customers and society.

Changes and results through sharing

Through promotion and education, the Global Charter has been shared and understood. Brother has been able to create a work environment that allows employees to show their abilities and provide challenging work opportunities. The trust of our customers and other stakeholders has been growing and the awareness of our employees has improved. In the "Global Charter Sharing Survey" of all Brother employees, regardless of age, gender, nationality, the scores for items such as job satisfaction and work pride have been increasing. In 2020, Brother was ranked 130th out of 750 of the world's best employers.

Building trusting relationships with suppliers through compliance and continual improvement

Brother implements a CSR questionnaire over a three-year cycle for suppliers in China, Vietnam and the Philippines, where the manufacturing facilities of the Printing & Solutions Division are located. In the first year, suppliers are asked to complete and return the questionnaire.

In the second year, an inspection is conducted, the results are collected and feedback is provided to suppliers along with requests for improvement plans.

In the third year, an on-site confirmation of improvements is performed to ensure they are in line with the improvement plans.

Through these undertakings, Brother and its suppliers make significant efforts to comply with the Procurement Policy and CSR Procurement Standards and to assess their effectiveness.

As a part of a continual improvement process moving forward, Brother plans to check manufacturing facilities, including visiting suppliers to confirm the progress being made in their respective improvement plans.

In the last reporting period, we tallied and analysed the completed questionnaires collected from around 500 suppliers who responded to our CSR questionnaire, and provided information on the standards, trends, supplier activity level and other data for each region. In addition, we had these suppliers establish improvement plans in areas in the questionnaire where they answered "not implemented."

During the reporting period, we conducted follow up audits and surveys for three suppliers of Brother Vietnam. As a result of audits, we found that some suppliers do not have adequate company policies or rules to prevent forced labour and they do not conduct audits on their suppliers with respect to forced labour risk. We have instructed them to take corrective action and we will follow up within the coming months and will account in the next reporting period.

Training sessions with suppliers on Brother's CSR Procurement Standards

During the reporting period, Brother continued to host its training sessions program on Brother CSR Procurement Standards in its main manufacturing facilities outside Japan to share the standards with its suppliers.

These program sessions help participants understand Brother's CSR Procurement Standards by providing explanations and insight. In addition, participants were engaged in group discussions on social themes, including human rights, while sharing their findings and best practices.

This program follows three steps:

Step 1: Suppliers agree and sign the written commitment for Brother's CSR Procurement Standards

Step 2: Compliance status is checked through the CSR Procurement Standards questionnaire

Step 3: Corrective action is followed up through audit or monitoring.

Brother will continuously strive to familiarise more suppliers with Brother's CSR Procurement Standards through these types of engagement sessions.

Making the revised CSR Procurement Standards common knowledge for suppliers

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

During the explanatory meetings in Japan and Vietnam, we requested that suppliers comply with laws and regulations, comply with the revised version of CSR Procurement Standards and complete the CSR questionnaire survey on forced labour. In addition, we explained the importance of risk management response while reviewing the handling of COVID-19.

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

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

Staff Training

We continue to conduct periodical CSR training for all staff to ensure awareness and engagement. Training conducted covers Brother's Principles of Social Responsibility and Code of Conduct with respect to compliance. To assess its effectiveness, the training includes a quiz component to ensure comprehension, competency and compliance.

COVID-19 and the Way Forward

Since the pandemic began, Brother has instituted COVID-19 related safety measures across its supply chain, including distribution of face masks to essential employees and making necessary process and policy updates to ensure employee and public safety.

Brother's CSR management and policies have put us in a strong position to be of service and an agent of change as COVID-19 continues to draw strong attention to modern slavery issues and disparities that affect us all.

This Modern Slavery Statement was approved by the board of Brother International (Aust) Pty Ltd.



Koichi Okamoto

Managing Director

Brother International (Aust) Pty Ltd