

# **SUSTAINABILITY REPORT 2020**



**NISSAN**  
MOTOR CORPORATION

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# Driving Innovation to Enrich People's Lives

Nissan Motor Co., Ltd. President, Chief Executive Officer

A handwritten signature in black ink, appearing to read "Makoto Uchida".

Nissan is transforming its business, its governance, and its culture. This is taking place amid dramatic changes in the auto industry, people's lifestyles, and society. In these tumultuous times, Nissan is reaffirming the spirit that has driven the company since its founding, and which remains at the heart of its corporate purpose: "doing what others don't dare." In this interview, CEO Makoto Uchida talks about the company's purpose and the role Nissan aims to serve in society:

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## Be an essential part of society

**Q: The markets are undergoing tremendous changes. The automotive industry is amid a once-in-a-century transformation, while the world faces the impacts of COVID-19. What's your view on the current environment? And how is Nissan adapting?**

A: Our industry is indeed going through transformational times. COVID-19 is also having a tremendous impact both on people and on industries around the world. As awareness of the social issues identified in the sustainable development goals increases, the roles and social responsibilities of companies are evolving. All companies need to make a profit, but beyond that, we're expected to connect with and contribute to society more than ever.

Nissan has built and sold electric cars for the last 10 years. We've also developed advanced driver assistance technologies that make cars safer. As we focus on further developing our technological excellence and know-how,

it's critical to have a clear, global view of social issues. We must continue to drive innovations in R&D, products, technologies and services, and deliver them as part of our corporate strategy.

For decades, Nissan has endorsed the vision of "enriching people's lives." Recently, we've reexamined the company's raison d'être and redefined how we can contribute to society.

*Driving Innovation to Enrich People's Lives*

— Corporate Purpose of Nissan Motor Corporation —

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Nissan wants to continue being a partner in people's lives. We want to enrich their lives not only when they're driving, but also beyond mobility. We want to provide driving experiences that exceed our customers' expectations. We want to provide cleaner and safer mobility. And we want to be an essential part of society.

Our all-new Nissan Ariya crossover EV, revealed in July, represents this spirit. The Ariya combines electrification, advanced driver assistance technology, and seamless connectivity. It delivers zero-emission performance. Anyone

can enjoy a safe, quiet and comfortable journey anywhere with the Ariya, which will go on sale in 2021. Between now and then, we will remind people of the electrification technologies and other values that the Ariya offers, which will lead the way as Nissan builds a new era of mobility.

## Bring the power of each individual together

**Q: You unveiled the Nissan NEXT business transformation plan in May 2020. How will this plan define the company?**

A: Nissan NEXT is our plan for ensuring that our performance recovers, and for developing a strong foundation for sustainable growth and value creation. Our aims are to ensure steady growth and profitability, to concentrate on core competencies while enhancing the quality of our business and financial discipline, and redefine Nissan's strengths in the new era. In short, Nissan NEXT is a plan to bring the company back on a growth track.

One part of our growth strategy is electrification. We expect Nissan's electrification ratio in Japan to increase from 25% to 60% by fiscal year 2023. We aim to increase the ratio to 23% in China, and 50% in Europe,



during the same period. Nissan is also introducing advanced driver assistance systems in more models. These are two examples of our core competencies that will contribute to society. In terms of performance recovery, we are enhancing operational efficiency through increased prioritization and focus, as well as maximum use of our Alliance assets.

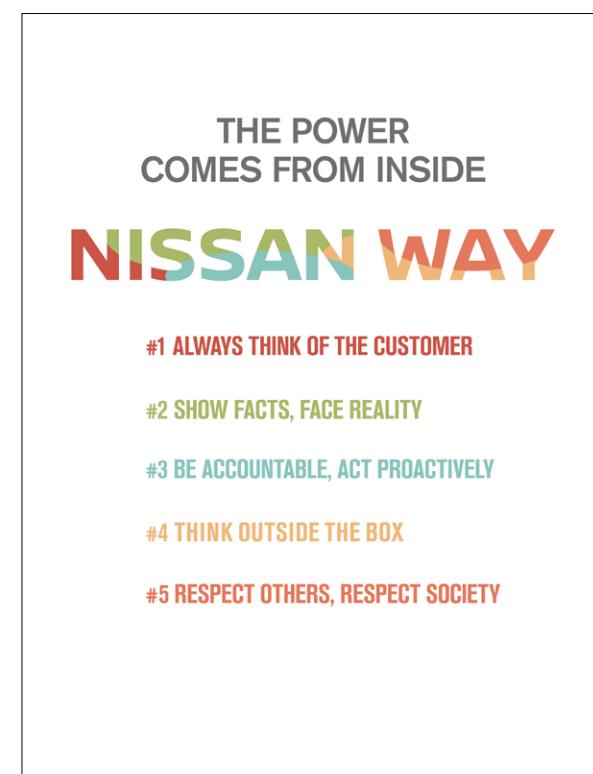
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There was a time in the past when our company put a primary focus on sales volume. We now intend to ensure sustainable growth while contributing to a sustainable society, rather than just pursuing growth through scale. At Nissan, people always come first. We want to enrich people's lives and energize the world by delivering mobility, technologies and services for people.

We have been working to reform our company culture since fiscal year 2019. While we will continue to build on our core competencies and values, that's not enough to put Nissan back on a growth track. We have to learn from the past. We have to analyze the issues we've faced and address them. As part of this, we have adopted a three statutory-committee format, appointed an independent outside director as chair of our board, and strengthened the supervisory functions of the nomination, compensation, and audit committees. We have done this to ensure solid corporate governance.

At the same time, we can't accomplish the necessary transformation just by reorganizing or replacing the leadership team. We have to address our challenges one step at a time. We also redefined the Nissan Way, our 15-year-old set of guiding principles and values that all our employees across the globe share. We count on our employees to carry out the Nissan NEXT plan and restore our company culture. We have to revisit the culture and evolve it to agile organization that responds to the changing times. We have to go back to basics, make a new start. It's going to take some time for

all our people to understand and practice our guiding principles. The most important challenge is to communicate with employees, agree on a common direction, and motivate everyone.



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## Contributing to society

### Q: How do you define Nissan's culture and its values?

A: The words “Driving Innovation to Enrich People's Lives” describe our purpose. Since the founding of our company in 1933, we've been a “passionate challenger,” delivering innovative technologies and products to as many people as possible. This spirit is embedded in our culture and our values.

In 2010, Nissan started mass production of electric vehicles before anyone else. We launched the 100% electric Nissan LEAF based on our belief that EVs are essential to reducing CO<sub>2</sub> emissions and fighting climate change. We've sold approx. 500,000 LEAF vehicles, and it's still going strong. Also, the LEAF isn't just a car – you can use your EV as a power source. We've dispatched EVs to communities suffering blackouts following natural disasters. The LEAF can serve as a mobile storage battery, allowing it to play a new role as part of social infrastructure.

Nissan was also one of the first carmakers to offer advanced driver assistance technology. Our ProPILOT system helps people enjoy mobility with peace of mind. Another example is e-POWER. Nissan's e-POWER system uses an all-electric drivetrain, which is powered by electricity generated by a gasoline engine. Vehicles equipped with e-POWER contribute to reducing CO<sub>2</sub> emissions and deliver strong acceleration and quiet performance.



I've had many opportunities since becoming Nissan's CEO to interact with our people and discover their strong potential. Our employees care about social issues and are eager to contribute to society. I find their attitude very encouraging. This is one of the reasons why I believe Nissan still has untapped potential.

Nissan is committed to the 10 universal principles of the U.N. Global Compact, which the company signed in 2004. We will continue enriching people's lives. We will work to move society in a new and better direction, and to energize the world through advanced technologies and innovative products, remaining true to our founding spirit. You can count on Nissan to take on these challenges.

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Driving sustainability  
across the globe to  
build trust

The signature of Seiichi Tagawa, written in black ink.

Nissan Motor Co., Ltd.  
Senior Vice President, Chief Sustainability Officer

## Guiding Nissan toward sustainability

Under the Nissan Sustainability 2022 plan, Nissan clearly defined its activities in the areas of the environment, social, and governance. Work within this sustainability strategy began in fiscal year 2018, and Nissan is on track to reach our sustainability goals by fiscal year 2022. At the same time, Nissan faces a number of unforeseen challenges as the COVID-19

coronavirus pandemic and other factors rapidly transform the world. Nissan is working to promptly cope with and adapt to the changes.

Driven by a strong focus to identify social challenges and expectations, incorporate them into corporate strategies, and drive global

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implementation, Nissan created the position of chief sustainability officer (CSO) in 2016. The CSO is also responsible for interacting with stakeholders and communicate what Nissan's contribution to sustainability.

Through promoting our sustainability strategy in all aspects of our business, we are striving to make the world cleaner and safer. Our continued investment for a better environment and to support efforts to address social challenges will surely generate business returns and become strengths for Nissan in the long run. Electric vehicles provide a good example, as they have come to be recognized for their effectiveness in developing disaster-resilient communities. In fact, we are seeing an accelerated increase in partnerships with local governments and authorities. We are also seeing the benefits of our diversity and inclusion policies in our performance.

My role as the CSO is to guide the entire organization toward sustainability and manage all activities with the support of Global Sustainability Steering Committee.



53 Nissan LEAF electric vehicles supplied electricity to local government authorities and welfare facilities during power outages caused by Typhoon Faxai in 2019.

## Global efforts to address societal challenges

The Global Sustainability Steering Committee is an effective forum through which to drive our sustainability strategy across Nissan's global operations and implement the plan in each market. The committee meets biannually and consists of representatives of Nissan's operations around the world.

The committee focuses on the progress of Nissan Sustainability 2022 and discusses issues and impediments for achieving the goals, and emerging societal challenges. Through determining policy and approach, the committee plays a key role in maintaining and enhancing the

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competitiveness of Nissan's sustainability initiatives. For the company to appropriately handle societal issues in each region, regional best practices and insights are shared.

As Nissan has increasingly placed greater emphasis on human rights, the committee identified four priority areas: employee labor conditions, supplier

labor conditions, customer privacy and product safety. The committee also discussed and drafted the Nissan Global Minerals Sourcing Policy Statement that was released in July 2020.

## Efforts to enhance resilience

In the past financial year, Nissan strengthened its efforts in the areas of environment strategy, human rights, and corporate governance. In the face of the increasing threat of climate change, in 2006, we defined a long-term vision to help limit the average global temperature rise to 2°C above pre-industrial levels by 2050. Nissan believes that it is essential

to develop more resilient strategies, and to that end analyzed additional climate change scenarios assuming 1.5°C and 4°C. Irrespective of the scenario, Nissan remains focused on achieving its ultimate goal of a zero emission and zero fatality society. In line with this, Nissan continues to promote electrification to eliminate CO<sub>2</sub> emissions from new cars. Nissan's electrification drive is one of the objectives defined in its business transformation plan, Nissan NEXT.

In the area of human rights, Nissan was one of the first participants in the United Nations Global Compact, joining in 2004. In 2011, the UN Human Rights Council unanimously approved the UN Guiding Principles on Business and Human Rights (UNGPs), and Nissan started work on human-rights strategic initiatives in 2016. To strengthen our corporate stance defined in the Nissan Human Rights Policy Statement, the company conducted an assessment at Nissan South Africa in fiscal year 2019 to evaluate human-rights-related risks associated with employee labor conditions. Our local teams are leading actions to address the identified issues, and share best practices with other regions to boost global performance.



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To enhance corporate governance, in June 2019 Nissan adopted a three statutory-committee (nomination, compensation and audit) format. In each committee meeting, independent outside directors of diverse backgrounds, who make up the majority of the board, are engaged in proactive and positive discussion under the new format that separates supervision

and business execution. As part of these corporate governance efforts, Nissan is working to enhance transparency by promoting disclosure of governance-related information. To be a trusted company within society, Nissan is committed to timely and appropriate disclosure of information.

## Always considering both short-term and long-term impact

Finally, as CSO, it is essential for me to assess short-term and long-term consequences, identify what is expected by the outside world, and utilize this information for management and strategy. In my previous roles as head of finance and IR, I had the privilege to interact with financial institutions, rating agencies, analysts, and investors. Now, ESG investment has become commonplace, but at core this form of investment requires a focus on both short-term and long-term thinking. As the world transforms during these times, society is calling into question disparity in corporate stances on societal challenges, including the environment, human rights, and poverty.

As CSO of Nissan, I am committed to enhancing our efforts globally, and fulfilling my duties to help Nissan become a company that is both needed and trusted by society.



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# *Driving Innovation to Enrich People's Lives*

## — Corporate Purpose of Nissan Motor Corporation —

Nissan has defined its corporate purpose as "Driving Innovation to Enrich People's Lives".

Based on "Enriching People's Lives" that has been a Nissan's corporate vision for years, and the founder's spirit of "Do what others don't dare to do," this statement of purpose is the answer to the question of why we exist and the role we play for the society.

Innovation is the key enabler for Nissan to meet customer needs, deliver societal impact, and motivate employees and stakeholders. Nissan employees throughout the world relentlessly and passionately, drive for customer satisfaction, drive for success, drive for social development and drive for innovation.

Nissan continues to take on the challenges of delivering cleaner and safer journey to customers and society, contributing to the preservation and flourishing of a beautiful Earth and protecting people's lives.

**Do what others don't dare to do**

**NISSAN DNA**

**Passionate**

**Innovative**

**Challenger**

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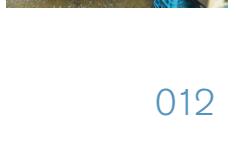
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# E Scenario Analysis for Strengthening Climate Strategy

Nissan's environmental efforts have achieved continuous results by consistently reaching milestones back-casted from our Long-term Vision. However, compared to the time when we formulated the Long-term Vision based on the 2°C scenario from the 2006 Intergovernmental Panel on Climate Change (IPCC) report, the threat of extreme weather due to climate change is increasing, thus we believe it is necessary to enhance our strategy and make it more resilient amid growing uncertainties.

Scenario analysis is a tool for examining future possibilities, confirming the fluctuation range of the impact on the environmental strategy that has been premised at 2°C and examining the flexibility of adapting to these expanding transitions, physical risks, and changing opportunities.

Envisioned scenarios and associated opportunities and risks

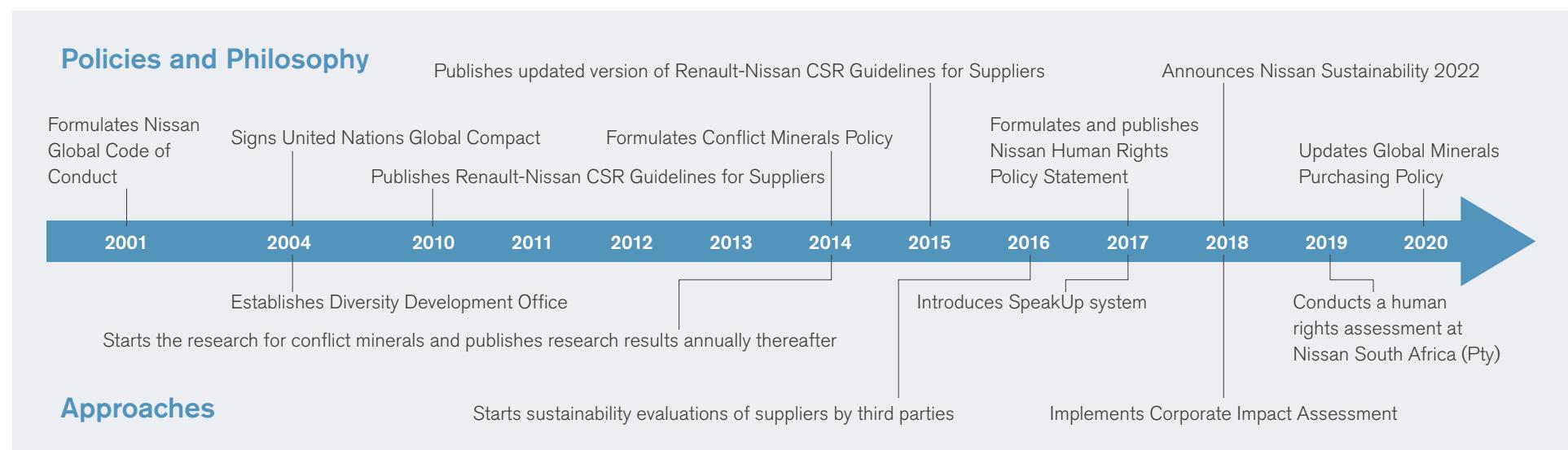
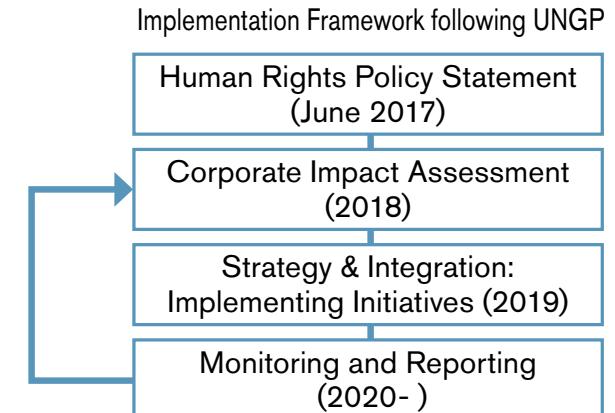
Scenario Assumption	Area of impact	Business Activity Opportunities and Risks Related to Ongoing Climate Change	
1.5°C	Policies and regulations	Respond to further tightening of vehicle fuel efficiency and exhaust gas regulations, develop electric powertrain technologies and increase production costs	
		Increased burden of energy costs due to expansion of carbon taxes, expand investment in energy-saving equipment as policy	
	Technological changes	Cost effects of utilizing next-generation vehicle technologies such as in-vehicle batteries and other EV-related technologies as well as expanding autonomous driving technologies	
		Increased demand will affect supply chains for rare earth metals used for in-vehicle battery material and cause an increase in stabilization costs	
	Market changes	Changes in consumer awareness leads to reduce new vehicle sales due to the selection of public transportation and bicycles and the transition to mobility services	
		Expand the provision of power management opportunities with Vehicle to Everything (V2X), an EV energy charging/discharging technology, and redefine the value of EV, especially with Vehicle to Grid (V2G)	
	Extreme weather	The impact on the supply chain and the operation of production bases due to extreme weather such as heavy rain and drought will increase in property insurance costs and air conditioning energy costs	
		The need for securing emergency power sources using EV batteries is increasing as a disaster prevention and mitigation measure	

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# S Social Nissan's Approaches to Respect for Human Rights

The automotive industry works with a broad range of stakeholders throughout the vehicle lifecycle, from purchasing to manufacturing, sales, usage, and recycling. In 2004, Nissan was an early signatory of the United Nations Global Compact and has organized various guidelines to undertake initiatives together with its suppliers. From 2016 Nissan undertook an even more strategic approach, and in 2017, it referenced the United Nations Guiding Principles on Business and Human Rights(UNGP) as framework and formulated and issued the Nissan Human Rights Policy Statement. As one facet of due diligence, from 2018 we have implemented impact assessments for human rights. We aim to further strengthen these initiatives by understanding issues and correcting them and reporting them on an annual basis. Furthermore, we have implemented a globally consistent system called SpeakUp for internal reporting that is accessible by all stakeholders, not just employees, in which action is taken on all reported concerns.



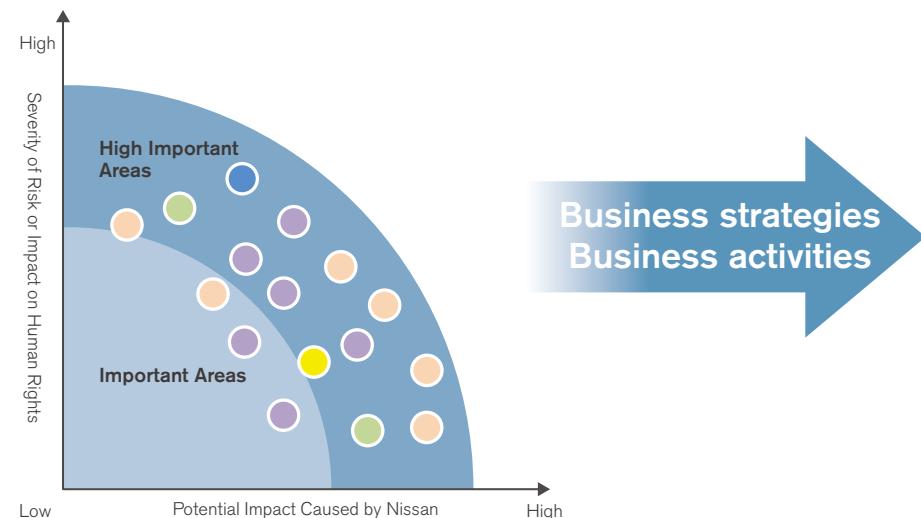
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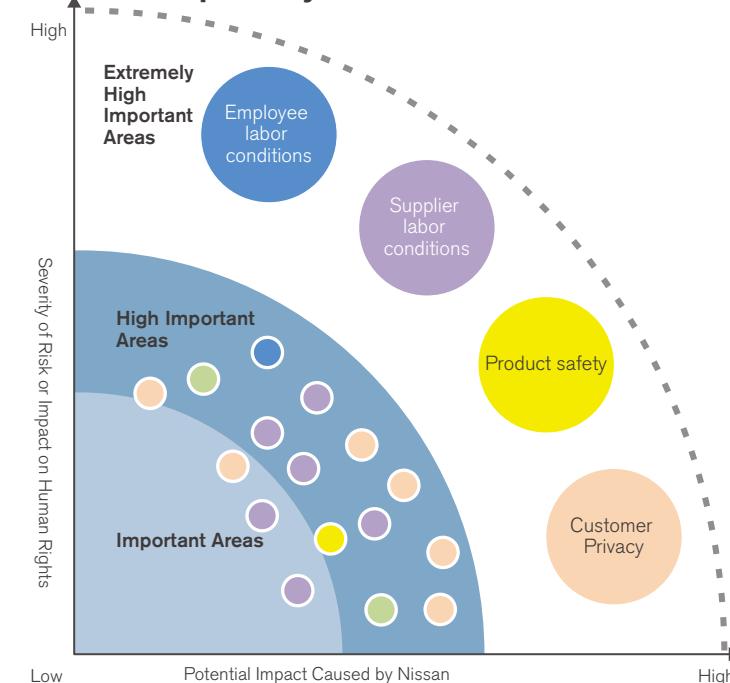
## Materiality Analysis in Respecting Human Rights

Nissan is a signatory of the United Nations Global Compact and is also informed by the Universal Declaration of Human Rights as well as the International Labor Organization (ILO)'s Declaration on Fundamental Principles and Rights at Work and acts in accordance with the United Nations Guiding Principles on Business and Human Rights. First of all, to specify the elements that could impact human rights as an auto company, we conducted human rights impact assessments along two dimensions: impact on human rights and potential impact caused by Nissan and categorized elements into important areas and high important areas. Furthermore, business strategies and business activities were factored into the elements identified as four priority focus areas that Nissan needs to address.

### Human rights impact assessments



### Four priority focus areas identified



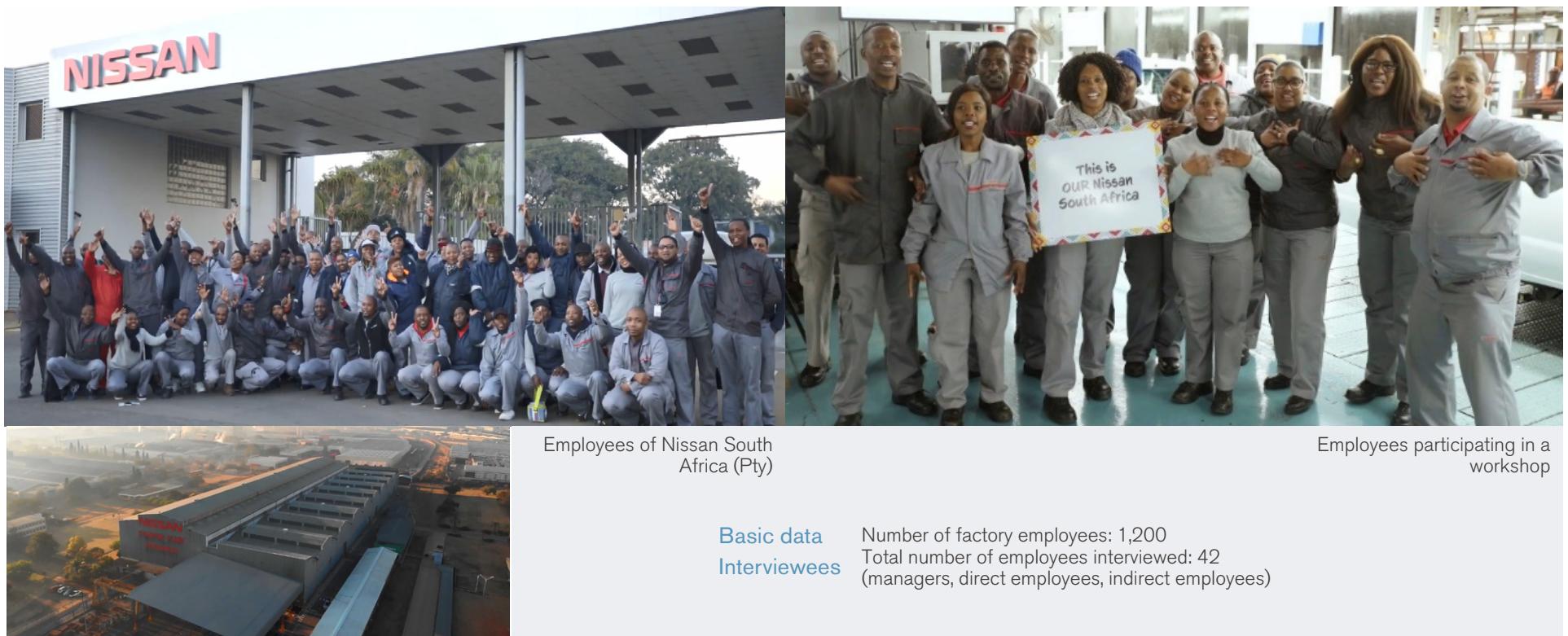
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## Initiatives Related to Employee Labor Conditions

In November 2019 we worked with Business for Social Responsibility (BSR), a US organization promoting sustainability, to conduct a human rights assessment at Nissan South Africa (Pty). A human rights risk assessment related to employee labor conditions was conducted and concluded that human rights risk was low overall at the company. For items that need to be improved, we formulated a follow-up plan and will work on those items from fiscal 2020 onward.

\* Human rights assessment criteria: Labor management structure and access to remediation measures, forced labor, child labor & youth workers, living conditions, discrimination, and freedom of association



Nissan South Africa (Pty)

Employees of Nissan South Africa (Pty)

### Basic data Interviewees

Number of factory employees: 1,200  
Total number of employees interviewed: 42  
(managers, direct employees, indirect employees)

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## Initiatives Related to Supplier Labor Conditions: Responsible Minerals Sourcing

Nissan's goal is to conduct ethical, social and environmentally conscious business practices at every level of our supply chain in global markets. In 2013, Nissan established a policy against use of conflict minerals and in July 2020, it formulated and published its Global Minerals Sourcing Policy. The policy has been expanded in scope from the conflict minerals known as 3TGs (tin, tungsten, tantalum, and gold) to cover all minerals including cobalt sourced from conflict-affected and high-risk areas. Based on this policy, Nissan references the OECD's due diligence guidance to implement due diligence related to minerals sourcing in its supply chain. We work with our suppliers to assess risks and will strengthen our efforts to take corrective actions furthermore whenever issues are identified.

### Due diligence regarding conflict minerals

In fiscal 2019 we conducted surveys in 11 markets, Japan, the United States, Mexico, Europe, China, Thailand, Indonesia, Taiwan, India, South Africa and Brazil. No suppliers were found to be using minerals from smelters/refineries believed to be connected to armed groups.

### Due diligence regarding cobalt

Since 2018, Nissan has conducted interviews with its major battery suppliers and follows up with them on a regular basis. We are enhancing our approach to identifying cobalt smelters/refineries by referencing the OECD's due diligence guidance.



#### Global Minerals Sourcing Policy Statement

##### Purpose and Scope

**Purpose**  
Nissan Motor Co., Ltd. ("Nissan") respects human rights and is committed to avoid contributing to conflict through its mineral purchasing decisions and practices. In addition to the laws and regulations of the markets in which Nissan does business, this policy defines principles of Nissan on global minerals sourcing, with the recognition of the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* ("OECD Guidance") as reference.

**Scope**  
This Policy applies to Nissan and all Nissan subsidiaries, and also encourages its suppliers to implement the same principles in their own supply chain.

##### Policy

**Nissan's goal**  
Nissan's goal is to conduct ethical, social and environmentally conscious business practices at every level of its global supply chain. We monitor our supply chain to assess whether the mineral resources contained in materials or components used to manufacture our products have any harmful social effect, such as on human rights or the environment. When there are concerns about the minerals being used, Nissan actively works to end that use.

##### Due Diligence for minerals

Nissan is aiming to achieve responsible sourcing for all parts and components, working together with its suppliers. To this end, Nissan implements, and expects its suppliers to implement the following, not only for the traditional conflict minerals such as tin, tungsten, tantalum, gold (3TGs), but all minerals (including cobalt) from Conflict-Affected and High-Risk Areas, referring to the OECD Guidance and its due diligence processes.

- Develop company management system to conduct due diligence in the supply chain
- Strive to identify and assess risks in the supply chain
- Manage risks by implementing risk management plan, monitor and track progress
- Report on supply chain due diligence



# Governance Structure Transformation

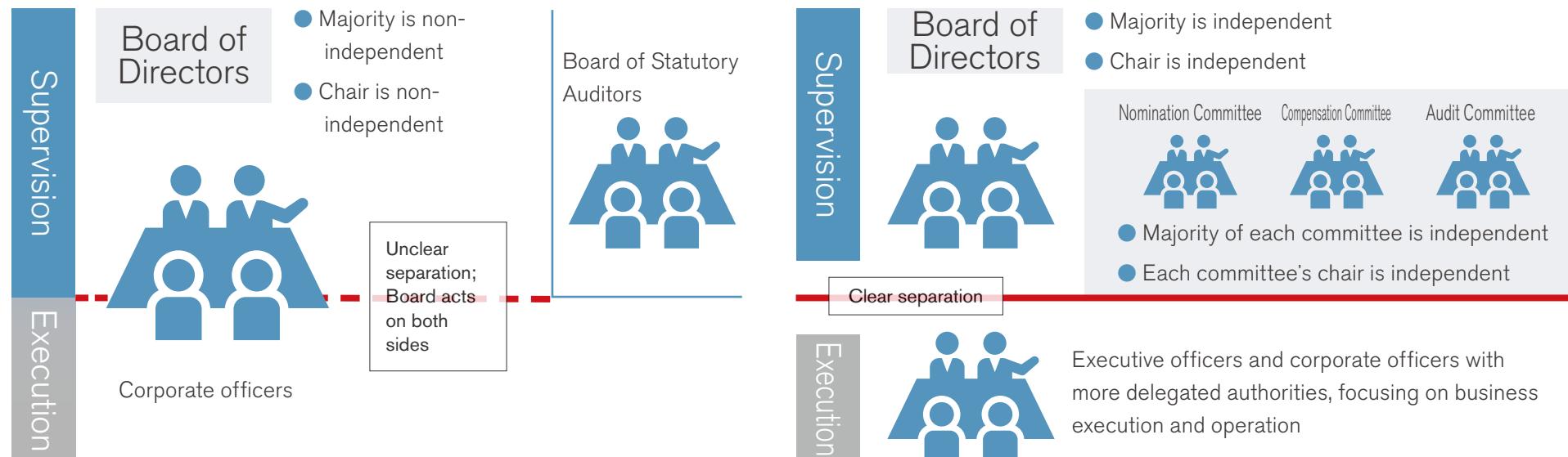
Nissan transitioned to a company with three statutory committees on June 25, 2019, by establishing a Nomination Committee, a Compensation Committee and an Audit Committee. Governance is the foundation of our corporate activities and an indispensable part of being a company that is trusted by society. We will continue to engage in our efforts to improve corporate governance as a top-priority management issue, while also developing our business activities with an eye to the demands of society and our social responsibility so that we can contribute to the development of a sustainable society.

## Key focuses of the new governance structure

- 1. Separation of management function and supervisory function
- 2. Increased independence of Board of Directors
- 3. Transparency of decision-making process
- 4. Speedy and flexible business execution

Before June 24, 2019

From June 25, 2019



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## Board of Directors System FY2019

Our Board of Directors, led by independent outside directors, decides the basic direction of management by taking a variety of perspectives into account and plays the role of supervising the executive directors.

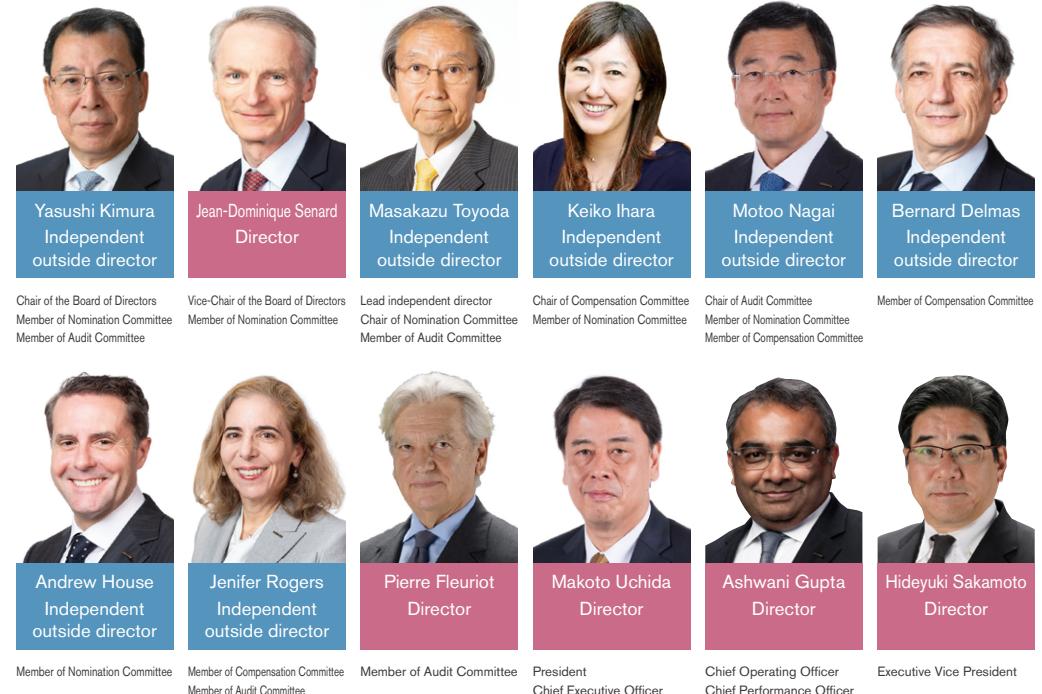
### Board of Directors Activities in FY2019

- Based on laws and the Regulations of the Board of Directors, the Board of Directors makes decisions on important matters related to the our company's group management such as the draft agenda of general meeting of shareholders, members of each committee, business plans and product strategies. In addition to quarterly financial reports, we regularly report on the status business execution and activities related to internal control, and started regular discussions on mid-term plan.
- For the purpose of enhancing the discussion of the Board of Directors, we hold independent outside directors meetings regularly, chaired by the lead independent outside director to discuss a wide range of issues related to our company's corporate governance and business etc. We manage business and operate further board discussion with reflecting the opinions gained through these meetings.
- In order to promote understanding of our business, we carry out various training programs for directors throughout the year, such as business briefings from executives, site visits and test driving etc.
- In fiscal 2019 (June 1, 2019 to March 31, 2020), the Board of Directors met 11 times, with an average participation rate per meeting of 99%.

### Board of Directors

Independent

Non-independent



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## Training FY2019

To deepen the understanding of Nissan's business, company provided board members with a number of on-board trainings, business briefings, site visits and test drives throughout the year.

### Business briefing

- Nissan business overview including key products and technologies, global footprint, etc.
- Midterm plan, performance recovery plan, etc.
- Nissan products, brand, lineup, technology, markets, future plan, etc.

### On-boarding training

- Duties and liabilities of board members and executive officers under Japanese Company Act
- Corporate Governance Guidelines, Independence Standards, Regulation of BOD, Internal Control Basic Policy, Regulations of Committees, and other corporate-level rules and regulations
- Compliance rules, Nissan Code of Conduct

### Site visit and others

- Oppama plant visit and test drive (August 2019)
- Tokyo Motor Show 2019 (October 2019)
- Global Design Center (November 2019)
- Global R&D facility (November 2019)



At product briefing



Tokyo Motor Show 2019



At Global Design Center

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## Committee Activity FY2019 – Nomination

The Nomination Committee has the authority to determine the content of the General Shareholders Meeting agenda concerning the appointment and dismissal of directors. In addition, the committee has the authority to determine the content of the Board of Directors meeting agenda concerning the appointment and dismissal of the representative executive officer and the authority to formulate an appropriate succession plan regarding the President and Chief Executive Officer.

### Members

#### Chair



Masakazu Toyoda

Since Jun 2019



Yasushi Kimura  
Since Jun 2019



Jean-Dominique Senard  
Since Jun 2019



Motoo Nagai  
Since Jun 2019



Keiko Ihara  
Since Jun 2019



Andrew House  
Since Jun 2019

5 out of 6 members are independent outside directors

Total number of committee meetings held\*: 9

Average participation ratio\*: 96%

\* Between June 2019 and March 2020

Note: Month and year that is indicated below each director name is the month and year when he/she joined the committee, and not necessarily the month and year when he/she became a director.

### Major activities in FY2019

- Discussed representative executive officer's appointment proposal
- Discussed directors' appointment proposal to be submitted the Extraordinary General Shareholders' meeting
- Discussed director's appointment proposal to be submitted to 121st Annual General Shareholders meeting
- Discussed the President and Chief Executive Officer's succession plan process

Blue:  
Independent  
Red:  
Non-independent

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## Committee Activity FY2019 - Compensation

The Compensation Committee has the authority to determine the policy on decisions on the content of the compensation for individual directors and executive officers and the contents of the compensation for individual directors and executive officers. In addition, the Compensation Committee has the authority to determine the specific amount for each individual director and representative executive officer.

### Members

Chair



Keiko Ihara

Since Jun 2019



Motoo Nagai

Since Jun 2019



Bernard Delmas

Since Jun 2019



Jenifer Rogers

Since Jun 2019

4 out of 4 members are independent outside directors

Total number of committee meetings held\*: 13

Average participation ratio\*: 100%

\* Between June 2019 and March 2020

Note: Month and year that is indicated below each director name is the month and year when he/she joined the committee, and not necessarily the month and year when he/she became a director.

### Major activities in FY2019

- Formulating policies regarding compensation for directors and executive officers
- Selecting benchmark companies and discussing the level of compensation based on the benchmark results of these companies and the results of surveys by external experts
- Determining the amount of compensation for the current fiscal year and individual compensation for directors and executive officers
- Formulating policy for executive officers compensation upon separation and determining the amount of compensation for resignation
- Resolving to abolish the share appreciation rights as performance-linked incentive compensation from fiscal 2020 onwards, and evaluating new incentive plan

Blue:  
Independent  
Red:  
Non-independent

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## Committee Activity FY2019 - Audit

As part of audits on business execution including the organization and operation of Nissan's internal control systems, the Audit Committee receives reports from executive officers, corporate officers and employees on their business execution for Nissan and its group companies, in accordance with the Audit Committee's annual audit plan and on an ad-hoc basis as necessary.

### Members

#### Chair



**Yasushi Kimura**  
Since Jun 2019



**Masakazu Toyoda**  
Since Jun 2019



**Motoo Nagai**  
Since Jun 2019



**Jenifer Rogers**  
Since Jun 2019



**Pierre Fleuriot**  
Since Feb 2020

Blue:  
Independent  
Red:  
Non-independent

4 out of 5 members are independent outside directors

Total number of committee meetings held\*: **10**

Average participation ratio\*: **100%**

\* Between June 2019 and March 2020

Note: Month and year that is indicated below each director name is the month and year when he/she joined the committee, and not necessarily the month and year when he/she became a director.

### Major activities in FY2019

- Implementation of appropriate measures to seek responsibility for serious misconduct by former chairman and others and to recover damages, including the filing of a lawsuit against former chairman to claim damages
- Receipt of quarterly review result reports for the current fiscal year from the independent auditors
- Audit visits to manufacturing plants and major domestic and overseas subsidiaries (3 plants and 21 subsidiaries)
- Conference with statutory auditors of Group companies to improve their audit quality

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## A Message from Yasushi Kimura, Chair of the Board of Directors

The auto industry has a major role to play in the sustainable development of society even as it continues to undergo a major transformation. I think it is fair to say that this role has grown even more important in light of the dramatic changes to society brought on by the novel coronavirus (COVID-19) pandemic. Nissan will contribute to create value that is appreciated by its stakeholders by providing valuable mobility and services and pursuing further technological innovation. As the same time, Nissan is now expected to respond flexibly and resolutely to unprecedented global risks. It will do so by harnessing the full power of its organization and capabilities as well as through the solutions it delivers. This will ultimately contribute to society in addition to economic growth and recovery. It goes without saying that Nissan must execute its new business plan with the aim of achieving sustained growth and stable earnings. In my view, steadily managing an effective governance system and thoroughly pursuing compliance are increasingly important for the peace of mind and regaining the trust of Nissan's stakeholders especially in this time of great uncertainty.

During fiscal 2019, Nissan transitioned its governance system to a company with three statutory committees. During the first year under the new system, I served as Chair of the Board of Directors and focused

on a return to the basics of managing and revitalizing the Board with the spirit of transparency, fairness and impartiality. In this connection, I worked to convene Board of Directors meetings that are characterized by lively discussion and effective advice to and supervision of the executive officers. Together with directors with a diverse range of experience and viewpoints, we deliberated over proposals to be raised at the Ordinary General Meeting of Shareholders, business plans and product strategies, the state of achievement in business execution and internal control activities. The Board supervised the executive officers in addition to deciding the fundamental policies for business management at Nissan. In particular, the executive side formulated the first draft of our transformation plan called Nissan NEXT announced in May 2020 while the directors helped to complete it by offering advice and supervision from an independent and objective standpoint, marking a significant achievement in collaboration within our governance structure. Furthermore the three committees of nomination, compensation and audit each delivered meaningful results during the year, driven by the independent outside directors who chair each committee, such as the selection of a new Chief Executive Officer, deciding on the compensation of directors and executive officers, and responding to the

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criminal and civil actions related to improprieties of the former Chairman. In addition to these meetings, the Board endeavored to deepen its understanding of Nissan's business and industry by convening regular meetings attended only by outside directors, aiming to further revitalize the Board of Directors by discussing corporate governance and business from a broad perspective, making periodic visits to the front lines, participating in onsite reviews and test drive events, and receiving briefings from the executive side. Since the debut of the new structure, the directors have worked to enhance the effectiveness of the Board of Directors with a sense of mission and performed their supervisory function.

Fiscal 2020 marks the second year of Nissan's new governance system. We will fortify the management foundations built over this past year and utilize the wisdom of our directors to balance sound supervision and execution. For Nissan NEXT as well, which has just kicked off, the Board of Directors conduct ongoing monitoring and supervision of Nissan's executives who will be delivering on the plan with speed and decisiveness. In this way, I would like the Board to support taking on challenges in Nissan-like manner and contribute to the comeback story that is unfolding as a result.

The auto industry is in the midst of a transformation seen once in century and while facing the difficult environment brought on by the spread of COVID-19 is also in the midst of the evolution to automotive electrification, autonomous driving technologies and connected technologies and services. It is therefore even more important that we break free from conventions of the past. The Board of Directors will fulfill its mission to contribute to Nissan's return to a growth trajectory and the ongoing development of society and the company, in other words, further enhancing sustainability.



Chair of the Board of Directors  
Nissan Motor Co., Ltd.



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# SUSTAINABILITY AT NISSAN

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## SUSTAINABILITY STRATEGY

### Sustainability at Nissan

Guided by the corporate purpose of “Driving Innovation to Enrich People’s Lives,” Nissan, as a company worthy of trust, provides unique and innovative automotive products and services that deliver superior measurable values to all stakeholders.

As it develops as a company through its full range of global activities, Nissan seeks to not only create economic value but also contribute solutions to society as a leading global automaker. Nissan is committed to all stakeholders—including customers, shareholders, employees and the communities where it does business—and contributing to the development of society, through the realization of a cleaner, safer and more sustainable mobility.

### Corporate Purpose Driving Innovation to Enrich People’s Lives

### Societal Issues Analysis and Identification of Key Issues

At Nissan, top management regularly discuss key societal and environmental themes in order to determine which key issues Nissan and all its Group companies should address as both a global corporation and an automobile manufacturer, and then ensure that the results are reflected in its sustainability strategy. Nissan also reviews key issues in light of the latest trends, including stakeholder concerns and interests as well as technological developments, and incorporates them into the formulation of its sustainability strategy.

As expectations on corporate human rights initiatives grow higher, Nissan continuously works to meet these expectations through the development of its own initiatives. Nissan has identified focus areas to work on by clarifying the types of human rights issues relevant to the company and checking them against our business strategies and activities.

\*For a highlight of our human rights initiatives

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## Sustainability Strategy: “Nissan Sustainability 2022”

Today's society is broadly affected by megatrends like demographic shifts and advancing urbanization, both of which are increasing global demand for mobility. Rapid technological advances are transforming the automobile industry, inaugurating a period of unprecedented change. To allow Nissan to lead in responding to these social trends and providing new value through innovation, the company has formulated a sustainability strategy in 2018 called Nissan Sustainability 2022.

Under Nissan Sustainability 2022, Nissan clarifies its activities in terms of the ESG (Environmental, Social and Governance) aspects. Nissan Sustainability 2022 also outlines Nissan's initiatives toward contributing to the sustainability of society as well as its own sustainable growth as a company.

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### Key Themes for Nissan Sustainability 2022: Realizing a Zero-Emission, Zero-Fatality Society

The wide availability of automobiles has let countless people enjoy the convenience that comes with automotive mobility as well as the pleasure of driving itself. At the same time, however, increased greenhouse gas emissions and traffic accidents are pressing issues for the world today. Nissan is using its position as a world-leading automaker to pursue the ultimate goals of achieving zero emissions, through the elimination of CO<sub>2</sub> emissions from new Nissan vehicles, and zero fatalities, through the elimination of virtually all fatalities that result from traffic accidents involving Nissan cars. To this end, the company will work together by growing as



an inclusive organization that supports a diverse range of employees in demonstrating their abilities and developing as professionals over the medium and long term.

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**Environmental: Under its environmental philosophy of “a Symbiosis of People, Vehicles and Nature,” Nissan contributes to resolving environmental challenges based on social needs together with long-term vision.**

**Nissan Green Program 2022**

- Nissan's midterm environmental action plan Nissan Green Program 2022 (NGP2022) calls for actions to be taken on four challenges: Climate Change, Resource Dependency, Air Quality and Water Scarcity.

**Social: Nissan respects the rights of all stakeholders.**

**Traffic safety**

- Aiming for virtually zero fatalities in traffic accidents involving Nissan vehicles as an ultimate goal, Nissan will promote the development and implementation of autonomous driving and other effective safety technologies.

**Diversity and inclusion**

- Nissan will build an inclusive, innovation-creating organization designed for sustainable development, where individual employees with diverse backgrounds in terms of gender, nationality, ethnicity, race and age can demonstrate their potential to the fullest.

**Quality**

- With the voice of the customer as our top priority, Nissan will provide top-level quality in its products and services around the world.

**Supply chain**

- Nissan will establish a sustainable supply chain with due regard to human rights and the environment.

**Employees**

- To ensure that each individual employee can continuously learn and develop their potential to the fullest, Nissan will provide opportunities for learning that employees can access wherever and whenever they wish. Furthermore, Nissan will also aim to create lively workplaces where the health and safety of employees is the top priority.

**Community engagement**

- Through activities that contribute to local communities on the themes of “zero emission,” “zero fatality” and “zero inequality,” Nissan will aim to realize “a Cleaner, Safer and More Inclusive Society.”

**Governance: Nissan complies with laws, regulations and rules and engages in business activities that are just, fair and transparent.**

**Corporate governance/internal control**

- Nissan will strengthen its corporate governance and enhance its compliance systems globally, promoting business activities that comply with laws and regulations and are highly transparent.

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## Selecting Key Report Themes

To share the company's sustainability activities and the thinking behind them to as broad an audience as possible, each year Nissan publishes a Sustainability Report. By sharing this information, we increase the level of transparency of our actions while creating opportunities to improve our activities by incorporating feedback from stakeholders, thereby contributing to the development of a sustainable society.

Reporting themes are selected on the basis of potential impact on business activities and level of interest from stakeholders. Potential impact on business activities is evaluated by referring to previously recognized issues, various sustainability guidelines, trends and current global events inside and outside the automobile industry. Stakeholder interest is evaluated based on interviews conducted as necessary with both internal and external stakeholders and analyses provided by external consultants.

## Participation in the U.N. Global Compact

Nissan actively supports a number of international guidelines and agreements, respecting international policies and standards as it conducts its business operations.

Since January 2004, Nissan has participated in the United Nations Global Compact, a corporate responsibility initiative built around 10 universal principles regarding human rights, labor, the environment and anti-corruption. The U.N. Global Compact was originally proposed by U.N. Secretary-General Kofi Annan in an address to the World Economic Forum (Davos forum) in 1999. Businesses may pledge to support its principles of their own free will. Nissan's sustainability management aims to enhance the full range of the company's activities based on these 10 principles.



WE SUPPORT

Click here for more information on the U.N. Global Compact.  
<https://www.unglobalcompact.org/>

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## STAKEHOLDER ENGAGEMENT

### Dialogue with Stakeholders

Nissan defines its stakeholders as those individuals and organizations that affect or are affected by the company's business. Our management approach aims to align corporate activities with societal needs. We focus on gathering feedback from stakeholders and building relationships of trust, reflecting this input in our operations. To incorporate as many voices as possible, we provide a variety of opportunities for dialogue with stakeholders and work to identify opportunities and risks in their early stages. This interaction takes place at Global Headquarters and at other business facilities in Japan and overseas. Structures are in place to ensure that feedback is shared within the company.

For specific examples of our dialogue with stakeholders, see the pages introducing our sustainability strategy.

### Nissan's Stakeholders and Engagement Opportunities



Stakeholders	Stakeholder Engagement	Stakeholder Interests, Main Topics
Customers	Customer service interaction, contact through dealers, websites, showrooms, events, customer surveys, media (TV, magazines, social media, etc.), owners' meetings, vehicle maintenance, mailing service	<ul style="list-style-type: none"> <li>Product and service quality</li> <li>Customer support</li> </ul>
Employees	Direct contact (including whistleblowing system), intranet, internal events, interviews, surveys	<ul style="list-style-type: none"> <li>Company performance and issues</li> <li>Workplace diversity</li> <li>Workplace environment</li> <li>Career, training</li> </ul>
Suppliers and Dealers	Suppliers conferences, dealer conventions, business meetings, direct contact, briefings, events, corporate guidelines, websites	<ul style="list-style-type: none"> <li>Fair trade</li> <li>Nissan's sustainability policies, medium-term business plan, and purchasing policies</li> </ul>
Shareholders and Investors	Direct contact with IR team, shareholders meetings, financial results briefings, IR events, IR meetings, websites, Annual Report, mailing service	<ul style="list-style-type: none"> <li>Nissan's business strategies, performance and sustainability initiatives</li> </ul>
Governments, Industrial Associations and Business Partners	Direct contact, joint research studies, initiatives with industry organizations, roundtables, working groups, conferences, events	<ul style="list-style-type: none"> <li>Legal compliance</li> <li>Cooperation with demonstration experiments and other public measures</li> <li>Promote joint programs</li> </ul>
NGOs and NPOs	Direct contact, management of philanthropic programs, donations, disaster relief activities, events, assistance via foundations	<ul style="list-style-type: none"> <li>Cooperation with and support for the resolution of societal issues</li> </ul>
Local Communities and Future Generations	Direct contact with business facilities, local events, plant visits, philanthropic activities, conferences, traffic safety awareness campaigns, assistance via foundations, educational programs, websites	<ul style="list-style-type: none"> <li>Local community contributions</li> <li>Corporate philosophy</li> <li>Nissan's sustainability initiatives</li> </ul>
Media	Contact with PR team, press conferences, PR events, press releases, interviews, mailing service, websites	<ul style="list-style-type: none"> <li>Announcement on organizational structure, business performance, and business plans</li> <li>Announcement of sustainability strategies</li> </ul>

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## Nissan's Approach to Shareholder and Investor Engagement

Nissan's shareholders and investors are partners in the creation of a more sustainable society. To facilitate a deeper understanding of our company, we have an active investor relations (IR) program that provides information both promptly and transparently. Our Chief Financial Officer (CFO) and the IR department conduct constructive dialogue with shareholders and investors. To build trusting relationships, we communicate our long-term vision, the innovations we are adopting to boost our competitiveness and the latest market trends on a timely basis. The IR department is responsible for working with the relevant sections, such as corporate planning, general affairs, finance, accounting and legal affairs, to collect the information needed to make appropriate disclosures. The questions and opinions of our shareholders and investors are reported to our executives by the corporate officers in charge so that they can be reflected in our management decisions. To prevent insider trading, we refrain from conducting dialogues between the quarter end and the announcement of our quarterly results.

## Communication with Shareholders and Investors

To communicate with shareholders and investors, our IR department holds quarterly results briefings, meets frequently with institutional investors and sell-side analysts and responds to inquiries in a timely manner. We proactively disclose information on our operations through business briefings and participation in conferences hosted by securities companies. We also cooperate with securities companies to hold briefings for individual investors. The latest information is also available on our IR website.

Each year we hold events to present our business activities to investors and analysts, focusing on themes most relevant to them and making available our divisional and regional managers to actively provide the required information. In fiscal 2019, the Nissan CEO and independent outside directors held briefings on governance and efforts to prevent the recurrence of final vehicle inspection problems. In addition, factory tours were conducted with a focus on final vehicle inspection lines.

We will continue to disclose information appropriately to meet the needs of stakeholders and investors, thereby increasing understanding of our business.

### Major shareholder engagements in FY2019

Q1	<ul style="list-style-type: none"> <li>• The Extraordinary General Shareholders Meeting</li> <li>• FY2018 full year financial results</li> <li>• The 120th Annual General Shareholders Meeting</li> </ul>	Q3	<ul style="list-style-type: none"> <li>• FY2019 first half financial results</li> <li>• Annual Report 2019 launch</li> </ul>
Q2	<ul style="list-style-type: none"> <li>• FY2019 Q1 financial results</li> </ul>	Q4	<ul style="list-style-type: none"> <li>• FY2019 Q3 financial results</li> <li>• The Extraordinary General Shareholders Meeting</li> </ul>

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## Shareholders Meeting

The General Meeting of Shareholders is an opportunity for Nissan's executive team and the company's owners to communicate directly. We aim to develop trust through these meetings and various other forms of interaction with shareholders, paying full attention to their opinions and offering appropriate explanations to enhance their understanding.

The 120th Ordinary General Meeting of Shareholders was held at Pacifico Yokohama on June 25, 2019, and was attended by 2,814 shareholders.

Extraordinary Shareholders Meetings were also held on April 8, 2019, at the Grand Prince Hotel Shin Takanawa, and on February 18, 2020, at Pacifico Yokohama. The attendance was 4,119 and 666 shareholders, respectively.

\* Click here for more IR information.

<https://www.nissan-global.com/EN/IR/>

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## INTERNAL EFFORTS TO PROMOTE SUSTAINABILITY

Company-wide management of specific activities under Nissan's sustainability strategy, from setting goals to monitoring progress, is the responsibility of the Global Sustainability Steering Committee chaired by the company's Chief Sustainability Officer (CSO). The committee meets biannually and includes management representatives from functions for each of the ESG areas. Each function is responsible for advancing its own activities and progress is reported to the committee. Nissan swiftly implements the PDCA (plan, do, check, act) cycle in pursuit of improved sustainability performance. As in past years, two committee meetings were held in fiscal 2019.

Discussions at the Global Sustainability Steering Committee are reported and proposed to the Executive Committee (EC), Nissan's highest decision-making body, which then uses that information to make decisions on sustainability policies and future initiatives.

### Nissan's Sustainability Decision-Making Process



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## LONG-TERM VISION AND GOALS FOR 2022

In promoting its sustainability strategy, Nissan Sustainability 2022, Nissan has established goals that must be achieved by 2022 in accordance with initiatives for each of the ESG (Environmental, Social and Governance) aspects. The 2022 goals are an important milestone towards realizing our Long-Term Vision, which were developed based on consideration of opportunities and issues in our business operations, as well as societal expectations and issues. In achieving goals for each of the initiatives and realizing our Long-Term Vision, we are aiming to achieve both our own sustainable growth and the sustainable development of society.

### Approach to Nissan's Long-Term Vision and Goals for 2022



### Long-Term Vision Initiatives and Main Goals for 2022

Activities within ESG	Long-Term Vision		Main Goals for 2022
Environmental	Manage the environmental dependence/impact caused by our operations and products to a level that can be absorbed by nature, and pass on rich natural capital to future generations		
	Climate change	Carbon-neutral · Achieve 90% reduction of CO <sub>2</sub> emissions from new vehicles by 2050 (vs. FY2000) · Achieve 80% reduction of CO <sub>2</sub> emissions from corporate activities by 2050 (vs. FY2005)	· Product CO <sub>2</sub> emissions reduction: 40% reduction of CO <sub>2</sub> emissions from new cars (vs. FY2000; JPN, U.S., Europe, China) · Overall reduction of CO <sub>2</sub> emissions from corporate activities: 30% reduction of CO <sub>2</sub> emissions per vehicle sold (vs. FY2005; global)
	Resource dependency	Zero new material resource use · Reduce dependency on new materials by 70%	New resource usage minimization · Reduce new natural resource usage by 30% per vehicle
	Air quality	Zero impact	· Cabin air quality improvement: Promote research on technical solutions · Reduce VOC from MFG: Promote reduction of VOC per paint area (vs. FY2010)
	Water scarcity	Zero stress	· Water withdrawal reduction (manufacturing): 21% reduction of water withdrawal per global production (vs. FY2010)

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Activities within ESG	Long-Term Vision		Main Goals for 2022	
Social	Traffic safety	Reduce the number of fatalities involving Nissan vehicles to virtually zero		75% reduction from 1995 levels in fatalities involving Nissan vehicles by 2020
		Achieve sustainable development by creating innovation through building an inclusive organization where individual employees with diverse backgrounds in terms of race, nationality, gender, religion, disability, age, place of origin, gender identity and sexual orientation can demonstrate their potential to the fullest		Improvement in ratio of women in managerial positions · Global: 16% by 2023 · Japan: 13% by 2023
	Diversity and inclusion	Product quality	Strive for top-level quality from the customer's perspective	
		Sales and service quality	Achieve top-level quality in all focus markets and maintain top-level quality for sales and service over the longer term	
	Quality	Aim to establish a sustainable supply chain with due regard to the environment and human rights	<ul style="list-style-type: none"> <li>All of our suppliers follow Renault-Nissan CSR Guidelines for Suppliers</li> <li>Aim to reduce our collective environmental footprint through environmental data survey and collaboration with suppliers</li> </ul>	
		Learning and development	Nurture an ability to cope with a range of potential future developments	Create a continuous learning culture at Nissan by: <ul style="list-style-type: none"> <li>Launching an integrated development framework</li> <li>Optimization of Leadership Development Programs</li> <li>Providing digital solutions to realize "anytime, anywhere learning" utilizing great digital solutions</li> </ul>
	Employees	Occupational safety and health	Realize zero-accidents, zero-illnesses and a safe workplace	Reduce accident frequency rate (globally) by 50% by FY2022 vs. FY2016 (Total injury cases ÷ total working hours × 1 million)
		Realize a cleaner, safer and more inclusive society		All regions are executing philanthropy programs for strategic areas, such as "zero emission," "zero fatality" and "zero inequality"

Activities within ESG	Long-Term Vision		Main Goals for 2022	
Governance	A fully functioning framework for the prevention of conduct violations and for compliance at Nissan globally		<ul style="list-style-type: none"> <li>Enhance monitoring of each compliance risk area, and establish framework to oversee progress of each monitoring activity</li> <li>Enhance third-party compliance system to ensure entire Nissan business process is compliant</li> </ul>	
	Achieve benchmark levels for maintenance and enhancement of information security, prevention of information leaks, damage limitation and maintenance of transparency in the event of leaks		Achieve benchmark levels for maintenance and enhancement of information security in each area, including new environments and areas	
Risk management				

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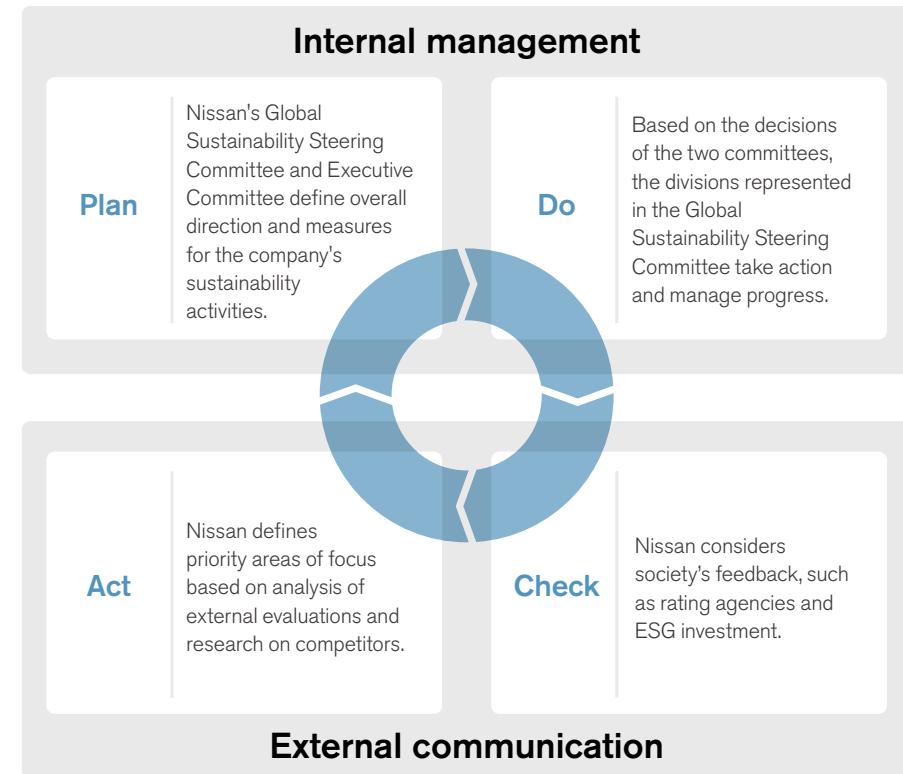
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## MANAGING THE ADVANCEMENT OF SUSTAINABILITY

### PDCA Cycle to Promote Sustainability

At Nissan, sustainability activities are promoted through the PDCA (plan, do, check, act) cycle. After the Global Sustainability Steering Committee and Executive Committee (EC) decide the overall direction on sustainability initiatives, progress on activities is managed, societal views are incorporated into corporate activities, and external trends are analyzed.

### PDCA Cycle



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## EXTERNAL ASSESSMENT

Today companies are assessed on their environmental and social performance as well as their financial performance. An increasing number of investors use these assessments to guide their ESG investment decisions. To meet these investor needs, Nissan takes a focused approach to sustainability activities and proactively discloses information about its business operations. Our initiatives for sustainability have received high praise from external assessors.

### FTSE4Good Index Series

The FTSE4Good Index Series was developed by FTSE, an independent company jointly funded by the Financial Times of the UK and the London Stock Exchange. Nissan continues to be a constituent of this index in the 2019 review.

Click here for more information on the FTSE4Good Index Series  
<https://www.ftserussell.com/products/indices/ftse4good>



FTSE4Good

### FTSE Blossom Japan Index

Developed by global index provider FTSE Russell, the FTSE Blossom Japan Index measures the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index are used by a wide variety of market participants to create and assess responsible investment funds and other products.

Nissan continues to be a constituent of the FTSE Blossom Japan Index for the fourth consecutive year.

Click here for more information on the FTSE Blossom Japan Index  
<https://www.ftserussell.com/products/indices/blossom-japan>



FTSE Blossom Japan

### CDP Climate Change and Water Security 2019

Nissan was certified as an “A List” company by CDP, a non-profit and world-class authority on the environment, in the survey conducted on its commitment to climate change countermeasures as well as its water resource management. Nissan achieved the top-rated “A List” in both categories announced in January and February 2020, respectively.



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## Derwent Top 100 Global Innovators 2020

For the seventh consecutive year, Nissan was selected as one of the Derwent Top 100 Global Innovators by Clarivate Analytics. In deciding this award, Clarivate Analytics uses its proprietary database of patent information to analyze not just recipients' advanced and innovative technologies but also whether or not their development of solutions has broad application in the real world. The award recognizes the most innovative companies and organizations in all industries around the world.



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# NISSAN'S CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

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With the world population expected to reach nine billion by 2050, societies are facing a range of issues, such as climate change, poverty and ongoing urbanization. To deal with such issues, the United Nations has adopted a set of Sustainable Development Goals (SDGs), and companies have an increasingly important role to play in achieving these goals. The automobile industry, too, faces an increasingly important responsibility to provide value to society by delivering safe, secure and sustainable mobility for all. Nissan supports the SDGs and contributes toward the achievement of these goals through its initiatives.



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SDG	Goal Targets	Nissan's Contribution	Nissan's Approach		Indicators	FY2017 Results	FY2018 Results	FY2019 Results	Targets
1	1.2	Improving livelihoods	Through community engagement activities, aim to realize a cleaner, safer and more inclusive society where everyone is given equal opportunities.	—	—	—	—	—	—
2	2.1	Emergency food assistance	Ascertain the needs of areas affected by natural disasters, providing supplies and other support.	—	—	—	—	—	—
3	3.6	Reducing traffic accidents	Reduce the traffic fatalities by taking measures in the areas of vehicles, individuals and society.	Number of fatalities from accidents involving Nissan vehicles compared to 1995 level (Japan)	73% reduction	76% reduction	(Most recent data is 2018)	75% reduction compared to 1995 levels by 2022	
	3.9	Reducing health impacts	Improve air pollution in urban areas through the spread of zero-emission vehicles, etc.	—	—	—	—	—	—
4	4.2 4.3	Supporting youth education	Provide educational programs that make use of the knowledge and technologies built up during business activities.	—	—	—	—	—	—
	4.7	Promoting understanding of sustainability	Promote understanding of sustainability among employees, sales companies, business partners and others.	—	—	—	—	—	—
5	5.1	Advancing gender equality	Promote support for advancement of women in the workplace globally through diversity and inclusion and community engagement activities.	—	—	—	—	—	—
	5.5	Advancing gender equality	Establish an inclusive organization where individual employees with diverse backgrounds can demonstrate their potential to the fullest.	Ratio of managerial posts filled by women	14%	13.6%	13.9%	Global target of 16% by 2023	

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SDG	Goal Targets	Nissan's Contribution	Nissan's Approach	Indicators	FY2017 Results	FY2018 Results	FY2019 Results	Targets
6	6.4	Improving efficiency in water usage	Manage and reduce water usage at all of production plants producing Nissan vehicles and parts located all over the world.	Rate of reduction in water usage per vehicle produced (vs. 2010)	16.2%	18.7%	23.0%	21% reduction in water usage at manufacturing plants across the world by 2022
7	7.2	Increasing renewable energy usage	Promote adoption of renewable energy according to the characteristics of each region by taking three approaches: generating its own power in company facilities; sourcing energy with a higher proportion of renewables; and leasing land, facilities and other Nissan assets to power companies.	Renewable energy usage rate in manufacturing plants	10.0%	10.2%	10.2%	—
	7.3	Improving energy efficiency	Promote initiatives to reduce energy consumption in the manufacturing process.	Energy per vehicle produced	1.68 MWh	1.73 MWh	1.78 MWh	—
8	8.1	Economic development	Encourage the growth of the world economy through automobile manufacture and sales.	Net sales	12 trillion yen	11.6 trillion yen	9.88 trillion yen	—
	8.2	Offering learning opportunities	Provide every member of a diverse workforce with opportunities for self development "anytime and anywhere."	Hours per learner	30.6	21.5	26.0	—
	8.5	Establishing decent work	Promote workstyle reforms that provide a crucial foundation for supporting diversity and inclusion, allowing employees with a range of values and life needs to perform at their best.	Employee turnover rate	5.4%	6.2%	6.6%	—
	8.7	Respect for human rights	Promote initiatives based on the Nissan Human Rights Policy Statement in recognition of the U.N. Guiding Principles on Business and Human Rights as the standard reference.	—	—	—	—	—
	8.8	Reducing industrial accidents	Set up occupational health and safety management systems and put in place structures for the steady implementation of employee safety and health activities.	Accident frequency rate (Japan)	0.37	0.35	0.49	—

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SDG	Goal Targets	Nissan's Contribution	Nissan's Approach	Indicators	FY2017 Results	FY2018 Results	FY2019 Results	Targets
9	9.4	Improving environmental preservation technology	Work to protect the environment through business activities and the provision of revolutionary products, technologies and services.	Environmental conservation costs (Japan)	Investment: 4.67 billion yen, Cost: 174 billion yen	Investment: 3.79 billion yen, Cost: 171 billion yen	Investment: 2.54 billion yen, Cost: 184 billion yen	—
			Solicit the necessary facility proposals from each global site, preferentially allocating investment based on the benefit in CO <sub>2</sub> reduction compared to project costs.	—	—	—	—	—
10	10.2	Advancing diversity	Establish an inclusive workplace where individual employees with diverse backgrounds can demonstrate their potential to the fullest.	—	—	—	—	—
11	11.1	Creating sustainable cities	Through community engagement activities, and together with partners such as NGOs, aim to realize a cleaner, safer and more inclusive society where everyone is given equal opportunities.	—	—	—	—	—
			Establishing resilient transport infrastructure	Contribute to the development of a sustainable mobility society through use of electric vehicles, autonomous driving and other technologies.	—	—	—	—
12	12.4	Reducing air pollutants	Reduce air pollutants from the manufacturing process.	VOC emissions (main regions)	10,564 tons	8,433 tons	6,465 tons	—
				NOx emissions	619 tons	418 tons	380 tons	—
				SOx emissions	36 tons	34 tons	14 tons	—
				Emissions of substances designated by PRTR	4,422 tons	3914 tons	(Most recent data is 2018)	—
12	12.5	Reducing waste	Incorporate the three Rs at the new car design stage and reduce waste materials.	End-of-life vehicle recovery rate (Japan)	99.7%	99.6%	99.2%	—
			Reduce waste materials from the manufacturing process with methods such as recycling.	Waste reduction rate (BAU ratio)	10.5%	10.2% (Japan) 2.6% (Overseas)	5.8% (Japan) 4.3% (Overseas)	BAU -2% (Japan) and BAU -1% (overseas) of waste reduction
			Provide stakeholders with information through a sustainability report and other media.	—	—	—	—	—

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SDG	Goal Targets	Nissan's Contribution	Nissan's Approach	Indicators	FY2017 Results	FY2018 Results	FY2019 Results	Targets
13	13.1	Reducing greenhouse gas emissions	Reduce CO <sub>2</sub> emissions from new cars.	Reduce CO <sub>2</sub> emissions by 40% relative to FY2000 levels by FY2022	33.4%	33.0%	34.8%	Reduce CO <sub>2</sub> emissions by 40% relative to FY2000 levels by FY2022
			Reduce CO <sub>2</sub> emissions from corporate activities.	CO <sub>2</sub> emission reduction per vehicle sold (vs. FY2005)	29.2%	31.4%	34%	Reduce CO <sub>2</sub> emissions by 30% relative to FY2005 levels by FY2022
			Use carbon credits and reduce CO <sub>2</sub> emissions.	Credit amount (Spain)	45,477 t-CO <sub>2</sub>	42,787 t-CO <sub>2</sub>	38,845 t-CO <sub>2</sub>	—
14	14.1	Preventing marine pollution	Manage the water quality of waste water at all of our manufacturing sites according to standards that are even stricter than local regulations.	—	—	—	—	—
15	15.5	Preserving biodiversity	Based on the U.N. Millennium Ecosystem Assessment framework, identify issues and implement initiatives that include cooperation with outside organizations.	—	—	—	—	—
16	16.3	Respect for the rule of law	Strengthen the legal order through strict adherence to law.	Significant violations of laws and regulations which resulted in government penalties (Environment)	None	None	None	—
	16.4	Preventing illegal product trading	Thoroughly comply with export control laws and regulations that relate to national security issues.	—	—	—	—	—
	16.5	Reducing corruption and bribery	Reduce violations by carefully following the Nissan Global Anti-Bribery Policy.	—	—	—	—	—
17	17.16	Technological cooperation toward a sustainable society	Serve as a technology leader in the automobile industry through the Renault-Nissan-Mitsubishi alliance.	—	—	—	—	—

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# The Alliance



**RENAULT NISSAN MITSUBISHI**

The Renault-Nissan-Mitsubishi alliance is one of the world's leading automotive alliances. Through a new cooperation business model, the Alliance aims to enhance the competitiveness and profitability of each of the member companies by capitalizing on individual company's strengths and complimenting their strategies.



Jean-Dominique Senard

Chairman of the Board at Renault S.A. and Chairman of the Alliance Operating Board



Luca de Meo

Chairman of the Board at Renault S.A.S. and Chief Executive Officer of Renault S.A.



Makoto Uchida

Director, Representative Executive Officer, President and Chief Executive Officer of Nissan Motor Co., Ltd.



Takao Kato

Member of the Board, Representative Executive Officer, and Chief Executive Officer of Mitsubishi Motors Corporation

## The Alliance Operating Board

Established in March of 2019, the Alliance Operating Board acts as the sole body responsible for the overall governance, management and strategic direction of the Alliance, ensuring effective and efficient decision making.

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## A Business Model for Enhancing Competitiveness and Profitability

Following many years of collaboration, the Alliance announced its next step forward on January 2020, with the launch of a new cooperation business model that will build on existing Alliance benefits by leveraging individual member's leadership position and geographic strengths to support the others' business development.

Each with its unique set of strengths, culture and legacy, the three companies have agreed to contribute to each other's continued development, by working together through a business model that allows for each company to bring out the most of its assets as well as its performing capabilities.

Under the new business model, the Alliance has implemented the following initiatives:

- Adopting a leader-follower scheme in order to enhance efficiency in product and technology development
- Each company takes on the role of reference company in specific regions where they have their strengths in, and provides support to other member companies to enhance their competitiveness
- Benchmarking against top industry standards for performance in products, technologies and markets

The aim of the leader-follower scheme is to enhance return on investment by expanding the Alliance's existing standardization strategy. This collaborative

investment in platforms, powertrains and technologies reaches across all product segments, technologies, and across all geographies, enabling the companies to maximize fixed cost sharing as well as leverage existing assets.

At the same time, by appointing a reference company to specific regions and allowing that company to utilize and build on its strengths, the Alliance aims to strengthen its competitiveness as a whole. For example: Nissan is the reference company for China, North America and Japan; Renault for Europe, Russia, Latin America and North Africa; and Mitsubishi for ASEAN and Oceania.

Through these strategic initiatives, the Alliance enables each member company to utilize their expertise to full potential, which in turn reinforces their competitiveness, sustainable profitability and social and environmental responsibility.

### ALLIANCE NEW COOPERATION BUSINESS MODEL MORE COMPETITIVENESS AND SUSTAINABLE PROFITABILITY



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# Environmental

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# ENVIRONMENTAL POLICIES AND PHILOSOPHY

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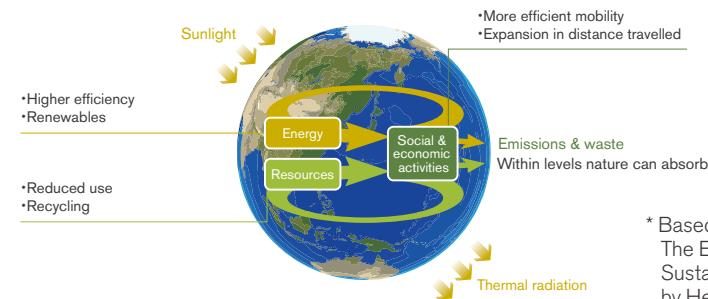
## Environmental Principles

As we strive to understand the environment better, all of us at Nissan bring to our activities a shared concern for people, society, nature and the earth. This commitment and concern is embodied in every Nissan product and in all of the company's operations, including sales, as the driving force of Nissan's ongoing contributions to a better society.

We provide customers with innovative products and services, by promoting the effective use of energy and resources, by diversifying our sources and making active use of renewable energy and recycled materials. These are just some of the ways in which Nissan is striving to achieve "a Symbiosis of People, Vehicles and Nature."

To this end, we have clearly defined our ultimate goal: "To reduce the environmental impact and resource consumption of our corporate operations and vehicles throughout their lifecycle to a level that can be absorbed naturally by the Earth." and set what we want to be. This means endeavoring to leave as small an ecological footprint as possible.

## Nissan's Environmental Philosophy: A Symbiosis of People, Vehicles and Nature



\* Based on Beyond Growth: The Economics of Sustainable Development, by Herman E.

## Nissan's Environmental Philosophy: A Symbiosis of People, Vehicles and Nature

In addition to deepening our understanding of the environment, we conduct all of our operations, including production and sales, with consideration for people, society, nature and the Earth, as a means of contributing to the building of a better society.

## Ultimate Goal

We will manage the environmental impact caused by our operations and products to a level that can be absorbed by nature and pass on rich natural capital to future generations.

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## What We Want to Be: A Sincere Eco-Innovator

**Sincere:** Proactively address environmental challenges and reduce our impact on the environment.

**Eco-Innovator:** Develop a sustainable mobility society through innovative technology in products and services.

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## Nissan's Understanding of Environmental Issues

Environmental and social issues are attracting more and more attention in recent years. With the world's population expected to reach 9 billion by 2050, society faces problems in areas such as poverty and hunger, energy, climate change and various conflicts. To address these issues, the United Nations adopted a resolution in September 2015 titled "Transforming Our World: the 2030 Agenda for Sustainable Development." The Agenda contains 17 Sustainable Development Goals (SDGs) and 169 targets, and there are high expectations that corporations as well as nations will play a major role in realizing the SDGs. Nissan supports the SDGs, as it recognizes the growing importance of delivering safe, secure and sustainable mobility for all and providing value to society.

The auto industry is dependent on the global environment in complex and diverse ways, while also having significant impact on the environment. Nissan is tackling a range of issues to promote sustainability by advancing measures to mitigate climate change and conserve energy, preserve air quality and other natural capital, use mineral resources efficiently, properly manage chemical substances, efficiently allocate scarce resources and promote good health. We are also improving our business to reduce our

dependence on fossil fuels.

As a global automaker, we take active steps to identify the direct and indirect environmental impacts of our activities, working with business partners and society to minimize the negative impacts of our products and services throughout their lifecycle. We acknowledge that our activities and efforts must be continuously improved and advanced; we seek to provide greater value to society by delivering sustainable mobility for all while alleviating environmental impacts associated with climate change, natural resource dependency, water use and other issues.

We decide which environmental priorities we address and our level of engagement based materiality assessments in light of social trends and consultations with various stakeholders.

\* Click here for more information on how Nissan supports the SDGs.

<https://www.nissan-global.com/EN/ENVIRONMENT/GREENPROGRAM/FRAMEWORK/>

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## Nissan's Strategic Approach to Environmental Issues

To positively contribute to the resolution of global environmental issues, Nissan believes in the importance of listening to various voice from society and undertaking an assessment process to identify priority issues. These materiality assessments involve analyzing latent opportunities and risks, determining material issues that are of mutual relevance to Nissan and our stakeholders and drafting mid and long term environmental strategies.

In assessing environmental materiality, we applied the methods of the

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Corporate Ecosystem Services Review (ESR),\* developed by the World Resources Institute (WRI) in cooperation with the World Business Council for Sustainable Development (WBCSD) and the Meridian Institute based on the U.N. Millennium Ecosystem Assessment (MA). As a result, we specified three priority areas on which we should focus as an automaker: Procurement of Energy, Procurement of Material Resources and Usage of Water Resources. A fourth area that is linked directly to people's health—Air Quality—was cited as being within the scope of consideration, as the swelling of urban populations and economic development are often accompanied by deteriorating air quality.

These were analyzed internally in terms of opportunities and risks for Nissan with reference to the 2030 Agenda for Sustainable Development, centered on the SDGs, as well as the discussions at the World Economic Forum, the Paris Agreement adopted at the 21st Conference of the Parties (COP21) and other global agendas. Through direct discussions with international environmental experts, investors and NGOs/NPOs, as well as through separate dialogues with our Alliance partners, we subsequently identified environmental materiality for Nissan. Moreover, Comparison between this environmental materiality and the objectives of the SDGs showed that Nissan's approach contributes to the realization of the SDGs.

\* Click here to read "Ecosystem Services and the Automotive Sector," a report outlining the conclusions of the Corporate Ecosystem Services Review conducted by Nissan.

[https://www.nissan-global.com/EN/DOCUMENT/PDF/ENVIRONMENT/SOCIAL/ecosystem\\_services\\_and\\_the\\_automotive\\_sector.pdf](https://www.nissan-global.com/EN/DOCUMENT/PDF/ENVIRONMENT/SOCIAL/ecosystem_services_and_the_automotive_sector.pdf)

## Materiality Analysis (Environment) and SDGs Comparison

Materiality
Fuel economy
Transition and physical risks induced by climate change
Electrification
Introduction of renewable energy at facilities
Promotion and development of MaaS (Mobility as a Service)*
Energy efficiency at facilities
Reduce, reuse, recycle
Resource efficiency
Chemical substance management
Material sourcing
Emissions from products, in-cabin air quality
Human health
Emissions from facilities
Water use at facilities
Wastewater and landfill management
Ecosystem services and biodiversity
Stakeholder engagement
Occupational health and safety



SDGs	Nissan Principal Approach
3 GOOD HEALTH AND WELL-BEING	Lower vehicle emissions, improve in-cabin air quality
6 CLEAN WATER AND SANITATION	Reduce water consumption and manage water quality
7 AFFORDABLE AND CLEAN ENERGY	Reduce CO <sub>2</sub> emissions from vehicles and corporate activities
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Vehicle-to-Grid (V2X) electric power management
11 SUSTAINABLE CITIES AND COMMUNITIES	Expand autonomous drive and other technologies
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Effective use of resources
13 CLIMATE ACTION	Reduce CO <sub>2</sub> emissions from vehicles and corporate activities
14 LIFE BELOW WATER	Appropriate management of chemical substances
15 LIFE ON LAND	Reduce water consumption and manage water quality
17 PARTNERSHIPS FOR THE GOALS	Collaborations with stakeholders such as local governments and NGOs

\* MaaS: Car sharing and other mobility services that do not require actual car ownership.

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## Scenario Analysis to Strategies for 2050 Society

Nissan's environmental efforts have achieved continuous results by consistently reaching milestones back-casted from our Long-term Vision. However, compared to the time when we formulated the Long-term Vision based on the 2°C scenario from the 2006 Intergovernmental Panel on Climate Change (IPCC) report, the threat of extreme weather due to climate change is increasing, thus we believe it is necessary to enhance our strategy and make it more resilient amid growing uncertainties.

The scenario analysis conducted for the purpose of strategic enhancements assumes societies based on the 4°C and 2°C scenarios presented in the International Energy Agency (IEA) 2050 time horizon and the 1.5C scenario in the IPCC special report. Furthermore, in consideration of factors including changes in customer and market acceptance, tightening automobile regulations and the transition toward clean energy, Nissan's business activities, products and services were examined in terms of strategic resilience to the opportunities and risks posed by climate change in the following four steps.

- Evaluate past materiality, investigate risk factors with a decisive impact on the automotive sector due to climate change in documented studies and define main drivers in categories such as population, economy, geopolitics, climate change policy and technology.
- Categorizing main drivers into physical risks and transition risks, then considering the trade-off relationships of each, we confirmed the degree of risk in three scenarios where the average temperature on Earth increased by 1.5°C, 2°C and 4°C.

- Based on the degree to which the automobile sector was impacted and the timeline, items with a more substantial impact were screened from the main drivers.
- Changes, conditions, and effects were adjusted in each scenario to provide guidance based on qualitative evaluation of the elements necessary for enhancing strategies.

As a global automobile company, the production facilities and market for our products will be 170 markets globally, and the effects of climate change will not be limited to Japan. When taking a comprehensive perspective of this scenario analysis, even the market infrastructure, regulations and actual usage are different, Nissan's electrification technologies have the potential to create opportunities for effective capabilities in scenarios other than 2 °C. Nissan has come to recognize once again the importance of further accelerating efforts toward this realization as well as the fact that activities integrated with the supply chain are essential for responding to risks.

In particular, the expansion of zero-emission vehicles is not only a major step towards the shift to a carbon-free society as an automobile sector, it is also a technology that contributes to the resilience of society in power management and disaster mitigation and prevention. Nissan believes that it will be possible to strike a balance between value creation for society and business.

However, if the societal response to climate change is delayed, transition risks such as additional policies and regulations for a decarbonized society, increases in R&D efforts and changes in market demand or corporate

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reputation, and physical risks such as an increase in abnormal weather and rising sea levels may lead to cost increases and declines in vehicle sales that have the potential to substantially influence on our financial situation.

To avoid risks such as these to the extent possible and create future opportunities, Nissan is leveraging knowledge gained from scenario analysis for use in actual activities and reviewing strategies for expanding resilience. We will continue to implement these initiatives by embodying our vision for 2030, further enhancing the disclosure of information and placing importance on dialogues with our stakeholders.

Envisioned scenarios and associated opportunities and risks

Scenario Assumption	Area of impact	Business Activity Opportunities and Risks Related to Ongoing Climate Change
1.5°C	Policies and regulations	Respond to further tightening of vehicle fuel efficiency and exhaust gas regulations, develop electric powertrain technologies and increase production costs
		Increased burden of energy costs due to expansion of carbon taxes, expand investment in energy-saving equipment as policy
	Technological changes	Cost effects of utilizing next-generation vehicle technologies such as in-vehicle batteries and other EV-related technologies as well as expanding autonomous driving technologies
		Increased demand will affect supply chains for rare earth metals used for in-vehicle battery material and cause an increase in stabilization costs
	Market changes	Changes in consumer awareness leads to reduce new vehicle sales due to the selection of public transportation and bicycles and the transition to mobility services.
4°C	Opportunities	Expand the provision of power management opportunities with Vehicle to Everything (V2X), an EV energy charging/discharging technology, and redefine the value of EV, especially with Vehicle to Grid (V2G)
		The impact on the supply chain and the operation of production bases due to extreme weather such as heavy rain and drought will increase in property insurance costs and air conditioning energy costs
	Extreme weather	The need for securing emergency power sources using EV batteries is increasing as a disaster prevention and mitigation measure

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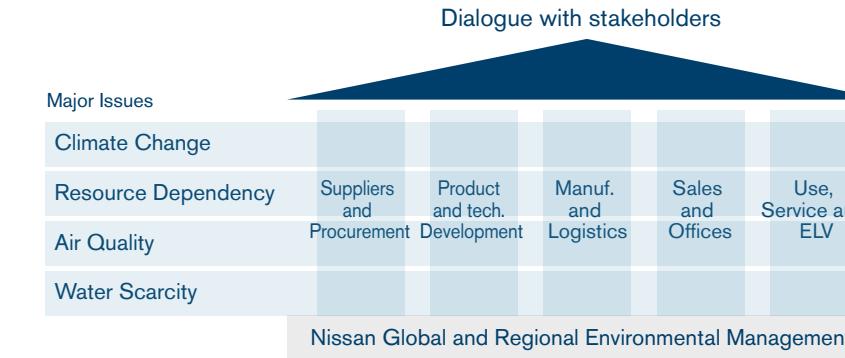
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## Global Environmental Management Framework and Governance System

To promote comprehensive environmental management as a global company while responding to a diverse array of environmental issues, Nissan has a governance system built on dialogue and partnership with each region and many corporate functions, as well as with a variety of stakeholders. The Global Environmental Management Committee (G-EMC), co-chaired by a board member, determines overall policies and the content of reports put before the Board of Directors. Its meetings are attended by corporate officers chosen based on the issues to be discussed. Executives also clarify the risks and opportunities before the company and determine the specific programs to be undertaken by each division, using the PDCA cycle to manage and operate the environmental programs efficiently. In addition, environmental risks are regularly reported in the Internal Control Committee meetings to strengthen corporate governance.

Corporations today are expected to disclose their environmental initiatives and related decisions in a reliable and transparent manner. We actively communicate with a broad range of stakeholders through our Sustainability Report and by answering inquiries from various environmental rating agencies.

## Global Environmental Management Framework



## Environmental Management Organization



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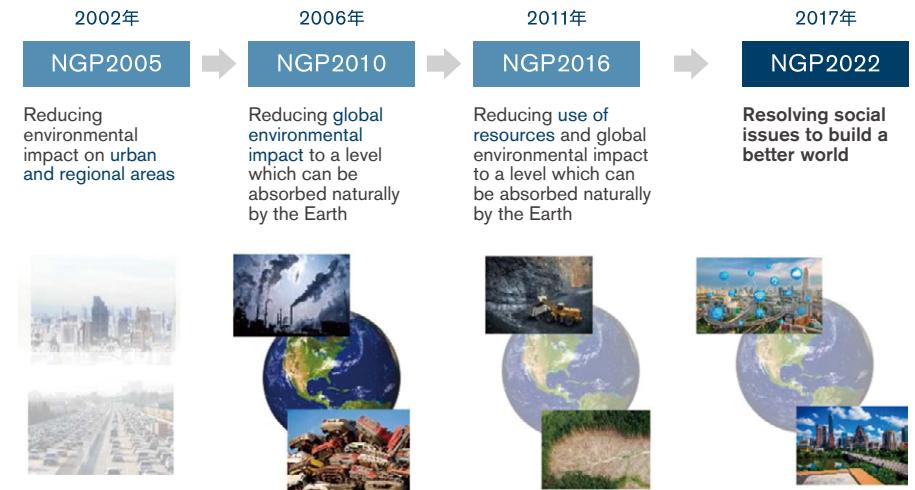
## Environmental Action Plan: Nissan Green Program (NGP)

We first announced the Nissan Green Program (NGP) midterm environmental action plan in 2002 to achieve our environmental philosophy of "A Symbiosis of People, Vehicles and Nature" and to ultimately reduce our environmental dependence and impact to levels that nature can absorb. Under NGP2016, launched in fiscal 2011, we fully achieved our targets for the four key initiatives of zero-emission vehicle penetration, fuel-efficient vehicle expansion, corporate carbon footprint minimization and natural resource use minimization. New plan NGP2022 was launched in fiscal 2017.

\* Click here for more information on NGP2022.

<https://www.nissan-global.com/EN/ENVIRONMENT/GREENPROGRAM/FRAMEWORK/>

### Evolution of NGP



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## NGP2022 Key Issues and Challenges

Based on environmental materiality analysis, Nissan has identified “climate change,” “air quality,” “resource dependency” and “water scarcity ” as important issues under NGP2022. Furthermore, in order to contribute to the resolution of these four important issues and create new value, we are also working to strengthen the business foundation related to environmental issues through stakeholder engagement aimed at understanding the needs of stakeholders.

NGP2022 discloses indicators and progress on initiatives related to the four identified material issues every year. In addition to the development and production departments involved in car manufacturing, the sales and service departments and Nissan as a whole are also accelerating efforts related to environmental issues while strengthening our business foundation and working to create social value.

Under NGP2022, we will take on the challenge of addressing the following key issues, striving not just to attain compliance but also to meet society’s expectations and to realize our long-term vision.

- Climate Change: We aim for carbon neutrality  
Promote society’s decarbonization through vehicle electrification/intelligence and innovative future monozukuri
- Resource Dependency: We aim to eliminate the use of new material resources  
Create systems that use resources efficiently and sustainably, and create services able to use vehicles more effectively (circular economy)

·Air Quality: We aim for zero impact

Ensure cleaner exhaust emissions and create a comfortable in-cabin environment to protect human health and reduce the impact on ecosystems

·Water Scarcity: We aim for zero stress

Reduce water consumption and manage water quality with monozukuri that is considerate of impact and dependency on ecosystems

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## NGP2022 Action Plan

Activities		NGP2022 Objectives	FY2019 Results
<b>Climate change (Product)</b>			
Long-term vision: Achieve 90% reduction of CO <sub>2</sub> emissions from new vehicles by 2050 (vs. 2000)			
1	Product CO <sub>2</sub> emission reduction	40% reduction of CO <sub>2</sub> emissions from new cars (vs. FY2000; Japan, U.S., Europe and China)	Reduced by 34.8%
2	Solid EV leadership	— Global sales increase of Nissan LEAF e+. Nissan LEAF is the first mass market EV and accumulated sales over 470,000 units. Release the concept of new EV[ARIYA] with advanced technologies.	
3	Support driver's behavior	Pilot program with connected cars	Activities underway
4	Expansion of vehicle usage	Global expansion of V2X for energy management (Japan, U.S. and Europe)	Promoted expansion of usage
<b>Climate change (Corporate)</b>			
Long-term vision: Achieve 80% reduction of CO <sub>2</sub> emissions from corporate activities by 2050 (vs. 2005)			
5	Overall reduction of CO <sub>2</sub> emissions from corporate activities	30% reduction of CO <sub>2</sub> emissions per vehicle sold (vs. FY2005; global)	Reduced by 34.0%
6	Reduction of CO <sub>2</sub> emissions at manufacturing sites	36% reduction of CO <sub>2</sub> emissions per vehicle produced (vs. FY2005; global)	Reduced by 30.1%

7	Reduction of CO <sub>2</sub> emissions of logistics	12% reduction of CO <sub>2</sub> emissions per production (vs. FY2005; Japan, North America, Europe and China)	Reduced by 11.5%
8	Reduction of CO <sub>2</sub> emissions at offices (including R&D sites)	12% reduction of CO <sub>2</sub> emissions per floor area (vs. FY2010)	Reduced by 14.3%
9	Reduction of CO <sub>2</sub> emissions at dealers	12% reduction of CO <sub>2</sub> emissions per floor area (vs. FY2010; Japan)	Reduced by 17.8%
10	Expansion of renewable energy use	Expansion of renewable energy introduction	consumption rate of renewable energy at manufacturing plants 10.2%
<b>Air quality</b>			
11	Cabin air quality improvement	Promotion of research on technical solutions	Activities underway
12	Reduction of VOC emissions at manufacturing sites	Promotion of VOC emission reduction per paint area (vs. FY2010)	Reduced by 27.5%
<b>Resource dependency</b>			
Long-term vision: Reduce dependency on new materials by 70%			
13	Development of biomaterials	Promotion of research on technical solution	Development underway

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Activities		NGP2022 Objectives	FY2019 Results
14	Proper use of chemical substances	Implementation of the Alliance policy on chemical substance management	Strengthened Alliance policy and continued steady implementation
15	New resource usage minimization	30% reduction of new natural resource usage per vehicle	Promoted activities toward NGP2022 target
16	Expansion of remanufactured parts	Duplication of remanufactured item coverage (vs. FY2016)	Promoted activities toward NGP2022 target
17	Expansion of battery reuse	Expansion of the EV battery reuse business	Promoted EV battery reuse
18	Adoption of die-less forming	Plan and implement technical development	Start adoption to heritage parts
19	Waste reduction (manufacturing)	BAU 2% (Japan) and BAU 1% (overseas) reduction of waste	Reduced by 5.8%(Japan) Reduced by 4.3%(overseas)
20	Waste to landfill reduction (manufacturing)	Landfill ratio reduction	Reduced waste to landfill ratio to 3.2% (global)
Water scarcity			
21	Water withdrawal reduction (manufacturing)	21% reduction of water withdrawal per global production (vs. FY2010)	Reduced by 23.0%

Business foundations			
22	Governance enhancement	Implementation of our environmental compliance policy	Adhered to environmental compliance policy
23	Further application of LCA	Measure lifecycle environmental impact of vehicle and new technology	Continue to measure lifecycle environmental impact for new launched products in 2019.
24	Engagement with suppliers	Implementation of environment data survey to promote engagement and reduce environmental impact	Expand the supplier engagement opportunity through CDP survey
25	THANKS activities promotion	Further promotion of Supplier THANKS activities	Continued to promote THANKS activities
26	Nissan Green Purchasing Guidelines	Adoption of updated policy	Strengthen the Nissan Green Purchasing Guidelines and its adoption
27	Education program for the next generation	Global expansion of Nissan Waku-Waku Eco school program	Training of instructor among domestic sales staff and conduct education program on site. Start education program at elementary school near Nissan plant in Brazil
28	Collaboration with NGOs for ecosystem conservation	Enhancement of collaboration and partnerships with NGOs	Continued joint projects with WWF and Conservation International

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# CLIMATE CHANGE

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## Toward a Carbon-Neutral Society

In 2015, the United Nations Climate Change Conference (COP21) adopted the historic Paris Agreement to keep the increase in global temperature to “well below” 2 degrees Celsius.

At COP24, held in 2018, parties agreed on concrete guidelines to achieve the goals of the Paris Agreement, namely, to peak-out global greenhouse gas (GHG) emissions as early as possible and to strike a balance between GHG emissions from human activity and carbon absorption by nature by the second half of this century.

One of the United Nations' Sustainable Development Goals (SDGs), announced in 2015 as part of its 2030 Sustainable Development Agenda, set goal for climate actions. Nissan is responding to these developments by focusing on electrification and other innovative technologies and by promoting decarbonization through reductions in CO<sub>2</sub> emissions throughout the value chain, including by suppliers.

## Nissan's Steps to Reduce CO<sub>2</sub> Emissions

The business structure of the automobile industry is changing greatly in the face of demands to reduce CO<sub>2</sub> emissions and dependence on fossil fuels. As a global automaker, Nissan considers emissions across the entire value chain it shares with its suppliers, from procurement of raw materials to transportation and operation of vehicles. We understand how important it is to balance environmental initiatives with business activities, and strive to reduce emissions through new technology development, renewable energy use and other measures.

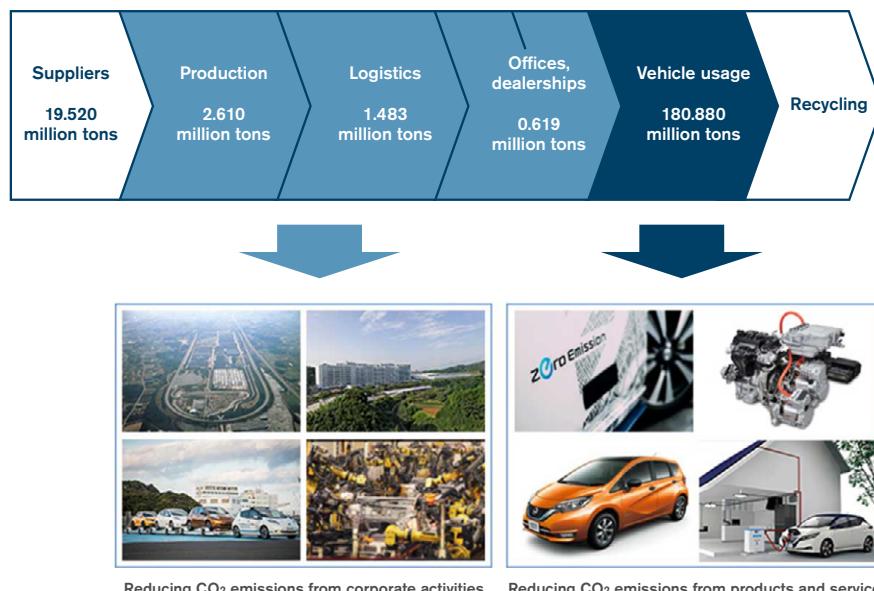
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## Efforts at Every Link in the Value Chain

The Nissan Green Program 2022 (NGP2022) aims to achieve carbon neutrality by reducing emissions from our corporate activities, products and services.

### CO<sub>2</sub> Emissions in the Value Chain\*



\* Actual emissions in 2018.

## Building a Resilient Climate Change Strategy

The incremental move toward decarbonization could generate major new risks for businesses. In addition to transition risks resulting from changes in policies and regulations, technologies, markets and reputation, there are also growing physical risks, as climate change raises the frequency of extreme weather conditions. Recognizing climate change as a risk for the financial system, the G20 Financial Stability Board established the Task Force on Climate-related Financial Disclosures (TCFD) to encourage disclosures that would enable investors to make informed decisions. In its June 2017 final report, the Task Force proposed a recommendations framework for information disclosure.

Nissan considers climate change to be an issue that goes to the heart of its operations. The Global Environmental Management Committee (G-EMC), co-chaired by a board member, identifies trends in climate-related risks and business opportunities and adopts strategies accordingly. Climate change and other environmental risks comprise a category of risks for corporate management and are regularly monitored by the Internal Control Committee to strengthen corporate governance.

We analyze climate-related risks on an ongoing basis, and have specified as major risks tighter regulations on fuel economy and CO<sub>2</sub> emissions, intensifying competition in the EV market and physical damage due to extreme weather conditions. We determine specific measures to be taken by each division after clarifying the risks and opportunities—including those relating to climate change—for our company.

Additionally, climate change also greatly heightens customer needs for energy-efficient mobility. We are meeting those needs by clearing stringent CO<sub>2</sub> emissions regulations, as outlined in the Nissan NEXT\*<sup>1</sup> midterm plan

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calling for annual aggregate sales of 1 million 100% EV and e-POWER vehicles by fiscal 2022. In our corporate activities, we are actively advancing energy-saving measures, shifting to climate-efficient logistics and introducing renewable energy sources.

In the light of these climate-related risks and opportunities, we established a long-term vision for climate change\*2 objective of reducing CO<sub>2</sub> emissions from new vehicles in the year 2050 by 90% compared to emissions in fiscal 2000, while at the same time engaging in corporate activities aimed at achieving the target of reducing CO<sub>2</sub> emissions in the year 2050 by 80% compared to emissions in fiscal 2005.

In addition to establishing the Nissan Green Program 2022 (NGP2022)\*3 midterm environmental action plan, we will formulate various future climate change scenarios to reinforce the resilience of our climate change strategy. We also seek to disclose information in line with the TCFD framework in order to facilitate further awareness of our actions among investors and other stakeholders.

\*1 Click here for more information on Nissan NEXT

<https://www.nissan-global.com/EN/IR/MIDTERMPLAN/>

\*2 Long-term vision for climate change:

·Products: Reduce CO<sub>2</sub> emissions from new vehicles by 90% compared to 2000 levels by 2050.

\* For more information on Policies and Philosophy for Product Initiatives.

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·Corporate activity: Reduce overall corporate CO<sub>2</sub> emissions by 80% compared with 2005 levels by 2050.

\* For more information on Policies and Philosophy for Corporate Activity Initiatives.

[">>>> P072](#)

·Climate change indices, targets and achievements, along with Scope 1, 2 and 3 emissions are contained in this report under "NGP2022 Framework and Action Plan," "Product Initiative: Achievements" and "Environmental Data."

## Policies and Philosophy for Product Initiatives

### Reduction of Emissions from Products and Services

According to a 2014 report from the Intergovernmental Panel on Climate Change (IPCC), the transport sector was responsible for 14% of anthropogenic greenhouse gas emissions from all economic sectors in 2010. As a business in this sector with continued growth in both unit sales and amount of passenger activity, Nissan is aiming to decouple emissions from company growth.

### Our Long-Term Vision

In 2006, based on calculations incorporating the findings of the IPCC's Third Assessment Report and the goal of keeping global temperatures from rising more than 2 degrees Celsius, we set a scientifically grounded target for 2050 of reducing product CO<sub>2</sub> emissions from new vehicles by 90% compared to 2000 levels.

Recognizing that this would require drastic reduction of "well-to-wheel" CO<sub>2</sub> emissions from new vehicles, we set about developing a new scenario for powertrain technologies.

Under the Nissan Green Program 2022 (NGP2022), to remain on track with this target, we are aiming to reduce CO<sub>2</sub> emissions from new vehicles by 40% compared to fiscal 2000 by 2022 (in Japan, the U.S., Europe and

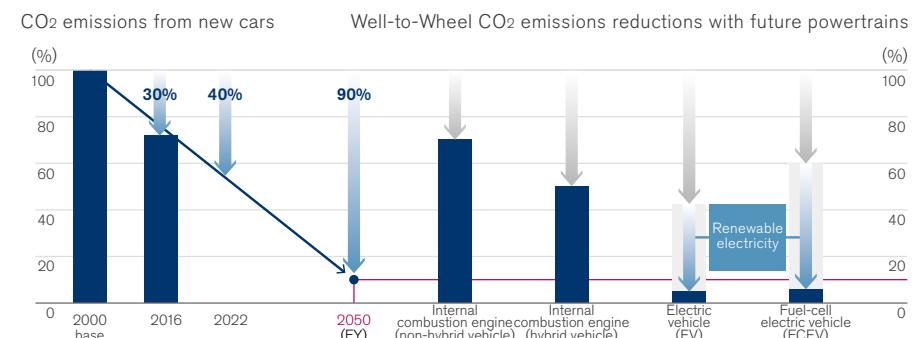
China) throughout the value chain as a whole.

As a global leader in technological advancements through the electrification of our products, we believe we can substantially contribute to the global efforts to keep the temperature increase "well below" 2 degrees Celsius. These initiatives also reinforce the sustainability of our own business. We are driving the evolution of new technologies and businesses. Under the umbrella of Nissan Intelligent Mobility,\* we take a unified approach to introducing, marketing and deploying new technologies, functions, businesses and services.

\* Click here for more information on Nissan Intelligent Mobility.

<https://www.nissanusa.com/experience-nissan/intelligent-mobility.html>

### CO<sub>2</sub> Reduction Scenario



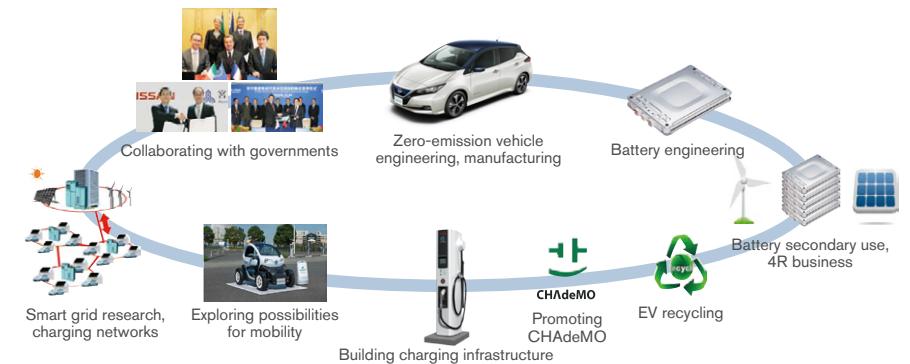
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## Pursuing a Zero-Emission Society

Electric vehicles (EVs) demonstrate that what is good for drivers and the planet is also good for business. Widespread use of zero-emission vehicles, which produce no CO<sub>2</sub> emissions during operation, is an effective way of moving toward a sustainable society. The auto industry must go beyond simply producing and selling these vehicles to help establish the infrastructure necessary to make them economical to use. No company can achieve this on its own. We consider the introduction and adoption of zero-emission vehicles one of the pillars of our corporate strategy. We are taking a comprehensive approach that involves boosting production and sales of zero-emission vehicles along with other activities coordinated with a variety of partners to popularize their use. We are committed to becoming a leader in the field of zero-emission vehicles. Not only are we increasing our development and production of zero-emission vehicles, we are forging numerous zero-emission partnerships with national and local governments, electric power companies and other industries to promote zero-emission mobility and explore how the necessary infrastructure can be built.

We participate in a comprehensive range of vehicle-related initiatives, including the development of lithium-ion batteries, secondary use and recycling of batteries, construction of vehicle-charging infrastructure, helping to make smart grids a reality and standardization of charging methods with other manufacturers. Increasing uptake of zero-emission vehicles will bring lifestyle changes that lay the groundwork for a new mobility society. We provide more than just EVs themselves—we also embrace the new values that they represent.

## Building a Zero-Emission Society with EVs



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## Establishing Leadership in the EV Sector

Our commitment to sustainable mobility addresses concerns over climate change and supports the sustainable growth of the company.

Our 2010 launch of the first Nissan LEAF made us pioneers of mass-produced EVs. Since then, we have sold more than 620,000 EVs (including joint venture sales) around the world in total, and our transformation plan, Nissan NEXT, calls for even more Nissan EVs, designed to appeal to customers with an ever-wider range of needs.

Furthermore, our history with EVs goes deeper than simply manufacturing and selling the vehicles themselves. We helped to establish an environment allowing EVs to become part of our customers' lifestyles, and developed the Nissan Energy solution for enjoying life with an EV to the fullest. Together, these initiatives created what we call the Nissan EV Ecosystem.

As we continue to strive for a zero-emission society, we will expand and develop the Nissan EV Ecosystem even further.

## Nissan EV Ecosystem



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## Management of Product Initiatives

### Key Activities in NGP2022

The CO<sub>2</sub> emissions of a vehicle in use are influenced not only by engine performance and fuel type but also by traffic conditions and driving skills. Decarbonizing society will require new vehicle usage patterns. Nissan takes a threefold approach to mitigating real-world CO<sub>2</sub> emissions that addresses vehicle, driver and new mobility value.

#### 1. Adopt cleaner energy to reduce vehicle CO<sub>2</sub> emissions

Extend electrification across all brands under the Nissan Intelligent Mobility strategy.\*1 Expand electric vehicle (EV) lineup and deploy e-POWER technology in core Nissan products.

#### 2. Promote technology-based driver assistance and accelerate connected car development and commercialization

In consideration of environmental performance, Nissan developed the ECO Pedal to control excess fuel consumption during vehicle start and acceleration in an effort to promote technologies that support eco-driving.

#### 3. Provide new mobility value

Provide new mobility services and expand the value of vehicle use. Pursue global expansion of V2X\*2 energy management solutions (commercialization in the United States and Europe, and expansion of LEAF to Home in Japan) and engage with stakeholders to support V2X device commercialization.

\*1 Click here for more information on Nissan Intelligent Mobility.

<https://www.nissanusa.com/experience-nissan/intelligent-mobility.html>

\*2 V2X: Abbreviation for Vehicle to Everything, a term describing technology and systems for handling communication in vehicles. One example of V2X technology is Vehicle-to-Grid (V2G), which allows smart optimization of electricity supply according to demand.

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## Product Initiatives: Achievements

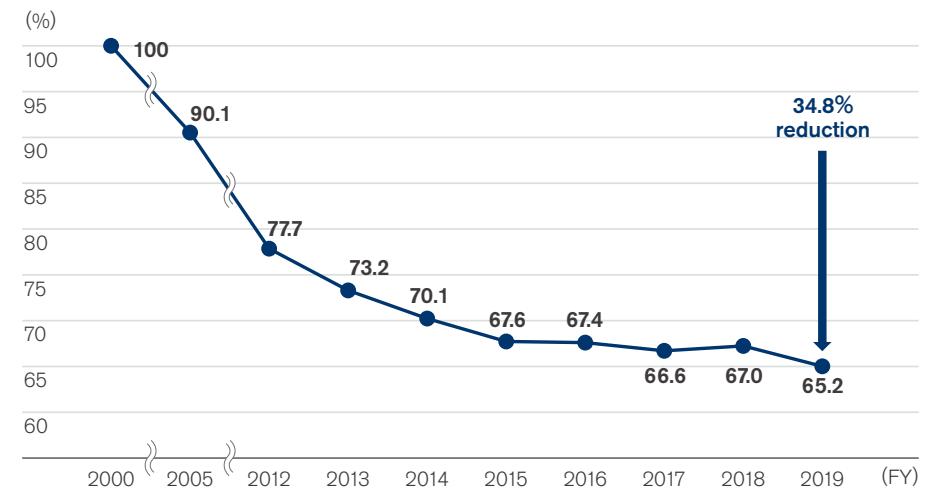
### Toward a 40% Reduction in New Vehicle CO<sub>2</sub> Emissions

Nissan strives to develop technologies that maximize the overall energy efficiency of conventional internal combustion engines and improve transmission performance. We are also working to boost the efficiency of electrification systems that capture and reuse kinetic energy from braking. Electrification is just one of our concrete monozukuri initiatives in technical innovation. We select the optimal fuel economy technologies for particular vehicles, taking into consideration factors like space within the vehicle, usage and economics, and bring them to market. Our goal is to reduce fuel consumption and CO<sub>2</sub> emissions without sacrificing the pleasure and ease of driving.

By fiscal 2022, we aim to achieve a 40% reduction in CO<sub>2</sub> emissions\* compared to fiscal 2000 levels.

\* From new vehicles in the Japanese, U.S., European and Chinese markets.

### CO<sub>2</sub> Emissions from New Vehicles (Global)\*



In fiscal 2019, CO<sub>2</sub> emissions in Nissan's main markets of Japan, the U.S., Europe, and China were 34.8% lower than fiscal 2000 levels, as measured by Corporate Average Fuel Economy (CAFE). Especially, improved in China from 2018 due to EV expansion and fuel consumption improvement.

\* Reduction in CO<sub>2</sub> emissions calculated by Nissan.

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## Electrification and Internal Combustion Engine Initiatives

### Nissan LEAF Sales Exceed 470,000, Further Reducing Environmental Burden

The Nissan LEAF emits no CO<sub>2</sub> or other exhaust during operation. Since its launch in 2010, it has earned high praise for the smooth, strong acceleration and quiet operation of its electric motor powered by a lithium-ion battery. As part of our midterm plan, Nissan NEXT, we are aiming for annual aggregate sales of 1 million 100% electric vehicles (EVs) and e-POWER vehicles by fiscal 2022. Total cumulative sales of the Nissan LEAF worldwide exceeded 470,000 vehicles as of March 2020. In China, we manufacture the Nissan Sylphy Zero Emission model, which inherits the core technologies of the Nissan LEAF, for the local market. While the low environmental impact of Nissan's EVs is attractive, these figures were likely driven at least in part by consumer awareness of other factors, such as low fuel and maintenance costs and superior acceleration and steering performance.

Nissan calculations show that the Nissan LEAF and other EVs can produce fewer CO<sub>2</sub> emissions over their entire lifecycle compared to gasoline-powered vehicles of the same class—from the extraction of raw materials, manufacturing, logistics and use, to end-of-life disposal. By contributing to the shift to renewable energy, EVs play an essential role beyond transportation in helping to achieve a low-carbon society.

\* For more information on Nissan LEAF lifecycle assessment.

[">>>> P107](#)

Launched in October 2017, the new Nissan LEAF is a zero-emission vehicle equipped with innovative semi-autonomous drive technologies like ProPILOT, ProPILOT Park and e-Pedal. It offers greater power output, a longer driving range and more convenience than ever.

The Nissan LEAF rated highly throughout the world, in Japan, it won the Japan Automotive Hall of Fame (JAHFA) "Car Technology of the Year" award. In the United States, at the 2018 CES®, it was among the "Best of Innovation Award" winners for 2018; at the 2018 New York International Auto Show, it was recognized as the "2018 World Green Car" and it also received the "J.D. Power Engineering Award for Highest-Rated Vehicle Redesign" at the 2019 SAE International World Congress Experience. In Europe, it received the "Best Electric Car" award at the 2018 What Car? Awards.

This significant improvement in power output and driving range is made possible by a lighter and more compact high-capacity lithium-ion battery. By adopting a new material<sup>\*1</sup> capable of storing energy at a higher density, Nissan is able to decrease the battery's size while increasing its capacity. This innovation made it possible to expand the Nissan LEAF's driving range from 200 kilometers (JC08 mode) to 400 kilometers<sup>\*2</sup> for the new Nissan LEAF, while at the same time improving electricity consumption.

In January 2019, Nissan introduced the Nissan LEAF e+, equipped with a



Nissan LEAF

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newly developed electric powertrain  
that further enhances its acceleration capabilities during high speed  
operation and increases its maximum speed by about 10%.<sup>\*3</sup>

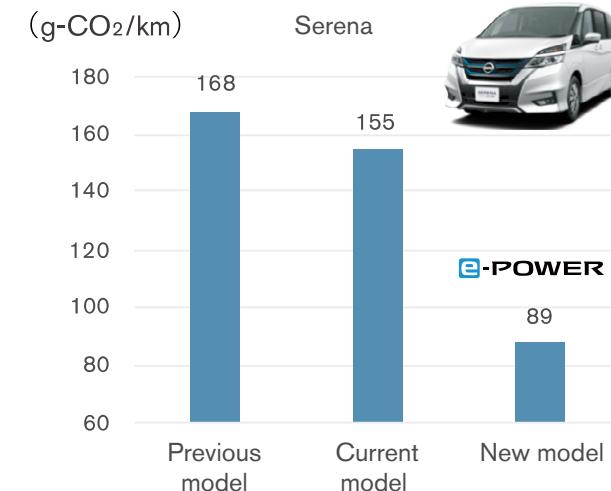
\*1 Our newly adopted layered structure for cathode material contributes to larger battery capacity by helping to store lithium ions at high density.

\*2 322km in WLTC mode, 150 miles under U.S. EPA standards.

\*3 458 km in WLTC mode. The maximum range is 226 miles under U.S. EPA standards and 385 km in European WLTP (combined cycle).

## Enhancing Our 100% Electric-Motor-Powered e-POWER Drivetrain

In November 2016, in Japan, we launched the first vehicle to feature our innovative new e-POWER drive system: the new compact Note e-POWER. In March 2018, the e-POWER system was further expanded to the Serena, also for the Japanese market. Both the Note e-POWER and the Serena e-POWER have received high praise from customers, achieving No. 1 sales rankings in their respective segments again in 2019 as in the previous year. Favorable evaluations also included receiving the 2019 annual "RJC Technology of the Year" award, the Global NEV Top Innovation Technology Award at the first 2019 World New Energy Vehicles Congress (WNEVC) sponsored by the China Association for Science and Technology and other organizations, and "The Ichimura Prize in Industry for Distinguished Achievement" by the Ichimura Foundation for New Technology.



\* CO<sub>2</sub> emissions calculated from the fuel consumption rate in JC08 mode (measurement method of Japan's Ministry of Land, Infrastructure, Transport and Tourism).

The e-POWER system combines an electric motor, which drives the wheels, with a gasoline engine that charges the vehicle's battery. e-POWER is a technology that balances smoothness and the strength of a 100% motor drive with the highest level of fuel efficiency. In addition, because the actual drive comes from an electric motor, it offers driving comfort similar to that of an EV, making e-POWER a new powertrain completely different from the hybrid systems commonly used in previous compact cars.

As the gasoline engine does not directly drive the wheels, it can be run under optimal conditions (RPM, load) at all times to generate electricity. In city driving, where it is expected to see frequent use, the Serena e-POWER achieves top-class fuel economy\* compared with standard hybrid vehicle types.

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In e-POWER Drive mode, the driver can accelerate or decelerate simply by using the accelerator pedal, while the regenerative brake system also helps improve fuel economy by charging the battery.

\* As of when the model first went on sale, as measured in JC08 mode: Serena e-POWER, 26.2 km/L.

## The e-NV200: A Practical, Sustainable City Delivery Vehicle

Based on the Nissan NV200, a multipurpose commercial van, the e-NV200 retains the roominess and versatility of the NV200 and adds the acceleration performance and refinement of an EV. It has been produced at our Barcelona Plant in Spain since June 2014 and is sold mainly in Europe as well as Japan. The e-NV200 is used by taxi services in Barcelona and Amsterdam. In Japan, it has been adopted by a wide range of customers, from urban delivery businesses to local authorities.

Compared to commercial vehicles using internal combustion engines, the e-NV200 reduces operating costs and excels in environmental performance with reduced noise pollution and other features. Equipped with two power outlets that can draw a maximum of 1,500 watts of power from the battery, the vehicle



As a mobile power source, the e-NV200 has a range of business applications.

provides a convenient and safe electrical power source that comes in handy for offsite jobs and outdoor events as well as emergencies. At construction sites, the e-NV200 contributes to reducing noise levels by providing electricity in place of engine generators.

## Progress in Plug-in Hybrid Vehicles

Plug-in hybrid electric vehicles (PHEVs) are hybrid cars that can run on electricity charged from an external source as well as fuel. With this combination of engines and electric motors, they provide motor operation equivalent to EVs. We are actively developing PHEVs, leveraging Alliance technologies with a view to launching them in the future.

## Fuel-Cell Electric Vehicles

Powered by electricity generated from hydrogen and oxygen, fuel-cell electric vehicles (FCEVs) are another type of zero-emission vehicle that does not produce CO<sub>2</sub> or other harmful emissions. We believe that, as part of building a sustainable mobility society, both FCEVs and EVs are viable options from an energy diversity perspective.

In alignment with Japanese government policies, we joined forces with Toyota Motor Corp., Honda Motor Co. and other companies to establish Japan H2 Mobility, LLC (JHyM), targeting the full-fledged development of hydrogen stations for FCEVs in Japan. Addressing the key issues raised during the initial stage of FCEV promotion, JHyM will ensure that infrastructure developers, automakers and investors all do their part to support the successful strategic deployment of hydrogen stations and effective operation of the hydrogen station business in Japan.

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## New e-Bio Fuel-Cell Technology Announcement

In June 2016, Nissan unveiled an e-Bio Fuel-Cell system that runs on bio-ethanol electric power. The new system—a world first for automotive use—features a solid oxide fuel-cell (SOFC) power generator. SOFC technology can produce electricity with high efficiency using the reaction of oxygen with multiple fuels, including ethanol and natural gas.

Infrastructure to support e-Bio Fuel-Cell usage is relatively easy to deploy, and vehicles using this technology feature running costs as low as those of EVs, promising a smooth introduction to the market. Because our technology combines the efficient electricity generation of SOFC with the high energy density of liquid fuels, it can enable driving ranges on a par with gasoline-powered vehicles. Commercial users that require higher uptime for their vehicles should increasingly be able to take advantage of this solution thanks to the short refueling times it offers.

## VC-Turbo : World's first variable compression ratio engine in the market

The VC-Turbo is the world's first mass produced variable compression ratio engine, first deployed in November 2017 in the new QX50, part of our INFINITI brand's premium vehicle lineup. The VC-Turbo has also been deployed in the United States and China, in the new Altima. This technology, which realizes a significant improvement in fuel efficiency, has received high praise and several awards, which in Japan include the Society of Automotive Engineers of Japan, Inc., "Technological Development Award," the 54th Japan Society for the Promotion of Machinery Industry "Chairman's Award," and in the United States, the 2020 Wards "Wards 10 Best Engines." The engine swiftly selects the optimum compression ratio between 8:1 (for high performance) and 14:1 (for high efficiency) based on driving conditions and driver input. In addition to being lighter and more compact than comparable non-turbocharged engines, the VC-Turbo delivers reduced fuel consumption and emissions, lower noise levels and reduced vibration.

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## Development and Introduction of New Powertrains

Nissan is working to enhance fuel economy by improving gasoline-powered engines, the engines that are still the most widely used in the automobile market.

In Europe, we adopted a new 1.0-liter, three-cylinder turbo gasoline engine in the Nissan Juke. The new engine features gasoline particulate filters to reduce air pollution, and improves fuel economy by 11% compared to the previous model equipped with a diesel engine through reduced wear loss and optimized designs for the combustion chamber and turbo system.

The new “kei” minicar Nissan Roox released in Japan in March 2020 provides significantly improved fuel efficiency through the adoption of a new 0.66 liter gasoline engine and a newly designed powertrain that combines a new CVT with a smart and simple hybrid system.

## Initiatives for Lighter Vehicles

### Toward Lighter Vehicles

Making vehicles lighter is an important part of improving fuel economy. Nissan promotes three methods to achieve this aim: substituting materials, developing better forming and joining techniques and optimizing vehicle body structure. In terms of materials, we are rapidly expanding the adoption of ultra-high tensile strength steel facilitating both high strength and formability, and in recent years, we have adopted this material for use in body frame parts in a wide range of vehicle models, including “kei” vehicles such as the Nissan Dayz and Nissan Roox.

Further, in 2018, we adopted highly processible 980 megapascal (MPa) Ultra High Tensile Strength Steel for the INFINITI QX50 that can be processed using conventional methods making it applicable for a wide range of parts. This results in the realization of enhanced driving performance and weight reductions, and achievement that was recognized in 2019 with the SAE/AISI Sydney H. Melbourne Award for Excellence in the Advancement of Automotive Steel Sheet. It also contributes to a reduction in total costs by reducing the amount of steel used and utilizing existing production lines. In addition to technological advances in materials and production methods, platform improvements, high-efficiency three-cylinder engines and other advances were adopted for the 2019 Nissan Juke and it realized to reduce vehicle weight by more than 20 kg while improving vehicle size and performance.

Nissan will proactively promote the development of weight reduction technologies to reduce CO<sub>2</sub> emissions and dependence on newly extracted natural resources.

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## Initiatives for Partnerships with Society

### Nissan Energy: Solutions that Enrich Life and Society with EVs

As part of our efforts to help build the EV ecosystem, we launched a group of solutions we call Nissan Energy. Nissan Energy has three main components, each of which is designed to support our customers' lifestyles with EVs in a different way.

#### Nissan Energy Supply

Nissan Energy Supply includes various electric charging solutions that bring ease and convenience to the lifestyles of our EV customers.

The majority of our EV customers find it convenient to charge their EVs at home. To help ensure that our vehicles can be safely charged, we guide customers to use suitable charging equipment and engage qualified installers to install electrical outlets dedicated to EVs.

The Nissan LEAF, which offers an ample driving range for daily use, utilizes a fast-growing charging network, providing drivers with confidence during longer distance drives and short outings.

Our dedicated EV app lets customers find and check the real-time status of charging stations. This not only makes charging easier and more convenient but also provides a seamless charging experience. As of the end of fiscal 2019, approximately 32,300 quick chargers conforming to the CHAdeMO protocol have been installed worldwide.

#### Nissan Energy Share

The electricity stored in the Nissan EV's battery can do more than just power the vehicle; it can be shared with homes, buildings and local communities through power conditioning systems.

Using inexpensive electricity during off-peak periods and excess electricity generated by solar panels during daytime reduces electricity bill and helps promote a model of local generation of electricity for local-consumption. Furthermore, Nissan Energy Share makes it possible for EVs to provide backup power during blackouts or emergencies.

Local communities can connect multiple EVs to regional power grids to store or discharge electricity in accordance with power supply and demand balance, which contributes to the stability of the entire community's power supply and promotes renewable energy use. EV's high capacity batteries are highly expected as usage as social infrastructure, which enables to store renewable energy like solar power of which generation is difficult to control.

#### Local Energy Production and Consumption and EVs

Since 2018, Nissan along with Nippon Telegraph and Telephone West Corporation and NTT Smile Energy has verified the efficacy and business potential of Vehicle-to-Building (V2B) by conducting projects combining remote control EV charging and discharging with solar power generation systems in an attempt to simultaneously reduce both electric power consumption and CO<sub>2</sub> by reducing office building peak energy consumption. Also, since 2018, Nissan, the Tohoku Electric Power Co., Ltd., and other companies have participated in the Ministry of Economy, Trade and Industry Agency for Natural Resources and Energy "Virtual Power Plant Construction

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Demonstration Project That Utilizes Demand-side Energy Resources." In anticipation of the introduction of wind power and other energy sources of which generation varies at any time, we are conducting technical verifications to understand how EVs are effective in adjusting supply and demand aiming for Vehicle to Grid (V2G), by remotely controlling the charging and discharging of multiple EVs.

## Nissan Energy Storage

The life of an EV battery is not over when it has finished its first life of powering a car. As more and more customers switch to EVs, the supply of batteries capable of secondary use is expected to increase significantly. In 2010, Nissan, as an EV pioneer, joined forces with Sumitomo Corp. to establish 4R Energy Corp., which specializes in repurposing lithium-ion batteries. The intention is to fully utilize resources by promoting the four Rs of lithium-ion batteries—reuse, resell, refabricate and recycle—with the aim of building an efficient cycle of battery use.

## Reuse system realized using EV batteries

In conjunction with 4R Energy Corp., Nissan aims to create secondary usage method business models compatible with the capacity changes of individual Nissan EVs and batteries that will be fully utilized (cascade reuse) throughout the electric vehicle lifecycle.

In September 2019, Nissan and 4R Energy announced the establishment of

a new solution for fixed storage batteries built with used batteries from the Nissan LEAF. To get started, we launched a proof-of-concept demonstration of "procuring electric power from renewable energy" at 7-Eleven stores in 10 locations across Kanagawa Prefecture. Under this scheme, 7-Eleven will introduce a package consisting of the Nissan LEAF electric vehicle and fixed storage batteries built with used batteries from the Nissan LEAF. The Nissan LEAF, which will be introduced as a commercial vehicle, will become a stationary storage battery after its use as a car has ended. The introduction of a package like this facilitates the creation of a circular system that takes into account the reuse of batteries.

## Launched Testing to Expanding EV Usage in California

California's active promotion of five million zero-emission vehicles by 2030 has helped make it the U.S. state with the largest volume of private EV sales. Even so, drivers still tend to use EVs for short-distance travel such as shopping or commuting. At the request of NEDO, and with the California government's cooperation, Nissan Motor Co., Ltd. (NML) and Kanematsu Corp. started a project in November 2016 in partnership with U.S. charging infrastructure service provider EVgo to install over 55 fast chargers in more than 25 new locations along one of California's most important travel arteries. Additionally, the project has created information service systems to guide EV users to the most appropriate fast charger. These initiatives are part of a pilot business to demonstrate the efficacy of expanding the driving range of EVs. The project is designed to expand the driving range of EVs

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to include intercity travel, and will run until September 2020, collecting and analyzing a range of EV data to establish models for further expansion of EV usage.

## The Nissan New Mobility Concept

The Nissan New Mobility Concept is an ultracompact 100% electric vehicle that was developed in response to social trends like rising numbers of senior citizens, single-member households and the increasing use of automobiles for short-distance trips by just one or two people. Even smaller than a "kei" minicar, the Nissan New Mobility Concept offers the driver excellent visibility and a good feel for the dimensions of the vehicle, making it an ideal choice for use in residential neighborhoods and other areas with narrow streets and poor visibility, as well as regional cities and islands pursuing compact-city policies.

Since fiscal 2011, with cooperation from Japan's Ministry of Land, Infrastructure, Transport and Tourism (MLIT), we have conducted tests and surveys through driving trials held together with corporations and local governments. Based on MLIT's January 2013 announcement of an authorization system for use of ultracompact vehicles on public roads, we are currently testing vehicles in 25 areas, including the area covered by Choimobi Yokohama, a round-trip urban ride-sharing service that we operate together with the city of Yokohama. To date, the vehicles have mainly been used for tourist purposes as part of regional revitalization, but, in preparation

for the 2020 Tokyo Olympics and Paralympics, we have been testing ultracompacts as rental cars for sightseeing on the island of Shikine-jima, Tokyo, since May 2018. This is a trial business aimed at expanding the use of EVs on small islets, an idea promoted by the Tokyo metropolitan government. We make full use of the knowledge and information acquired from all of our nationwide projects, offering advice on new uses for EVs and ways to improve traffic flow and implement smart mobility for the next generation.

\* For more information on Climate Change (Products)  
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The Choimobi Yokohama round-trip ride-sharing service using the Nissan New Mobility Concept.

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## Policies and Philosophy for Corporate Activity Initiatives

### Reducing CO<sub>2</sub> Emissions from Corporate Activities

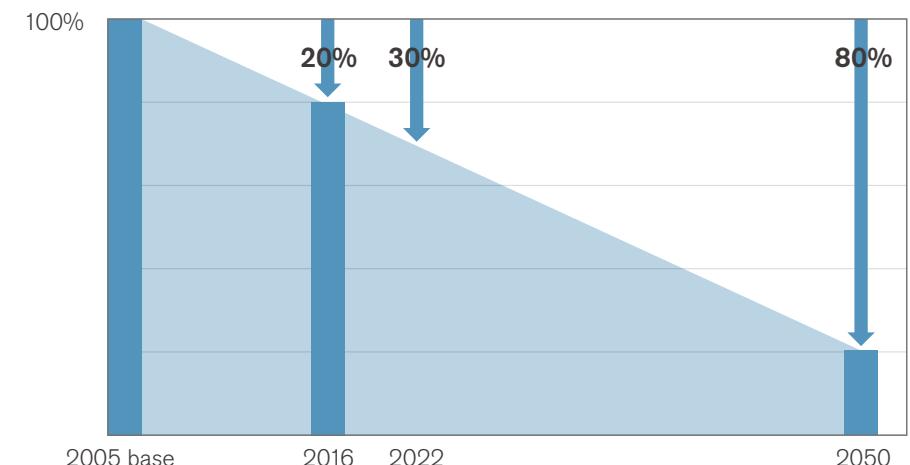
Nissan is taking steps to reduce its greenhouse gas emissions from corporate activities by promoting energy efficiency measures and also the use of renewable energy.

Based on calculations incorporating the findings of the Fourth Assessment Report from the Intergovernmental Panel on Climate Change (IPCC), Nissan established the goal of reducing its overall corporate CO<sub>2</sub> emissions by 80% compared with 2005 levels by 2050. As part of the Nissan Green Program 2022 (NGP2022), we set the midterm goal of a 30% reduction in overall corporate CO<sub>2</sub> emissions by 2022. Manufacturing is our largest emissions source, but we are also aiming to reduce greenhouse gas emissions from logistics, offices and dealerships, setting targets and taking action in each area.

### Long-Term Vision and Road Map

Long-Term Vision of Reducing CO<sub>2</sub> Emissions from Corporate Activities  
As a long-term vision for climate change, we aim to realize an 80% reduction in CO<sub>2</sub> emissions per vehicle from corporate activities by 2050 (vs. 2005).

#### NGP2022 Long-Term Vision



\* CO<sub>2</sub> emission per vehicle

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## Management of Corporate Activity Initiatives

### NGP2022 Objectives

Targets for each link in the value chain under the Nissan Green Program 2022 (NGP2022) aimed at achieving our long-term goals in 2050 are as follows:

Overall: 30% reduction in CO<sub>2</sub> emissions from global corporate activities by 2022 (vs. 2005/per vehicle sold)

#### Manufacturing

36% reduction in CO<sub>2</sub> emissions from global manufacturing sites by 2022 (vs. 2005/per vehicle manufactured)

#### Logistics

12% reduction in CO<sub>2</sub> emissions from logistics in Japan, North America, Europe and China by 2022 (vs. 2005/per vehicle manufactured)

#### Offices

12% reduction in CO<sub>2</sub> emissions from global offices by 2022 (vs. 2010/per floor area)

#### Dealerships

12% reduction in CO<sub>2</sub> emissions from dealerships in Japan by 2022 (vs. 2010/per floor area)

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## Corporate Activity Initiatives: Achievements

### 30% Reduction in Emissions from Corporate Activities

In fiscal 2011, Nissan broadened the scope of its CO<sub>2</sub> reduction objectives to include logistics, offices and sales companies, as well as production sites. We expanded our emission-related initiatives, introducing high-efficiency equipment, energy-saving measures and the use of renewable energy, and also strengthened our management of these initiatives. Our objective is to reduce CO<sub>2</sub> emissions associated with corporate activities by 30% globally by fiscal 2022 compared to fiscal 2005 levels, as measured by the index of CO<sub>2</sub> emissions per vehicle (total emissions generated from Nissan global corporate activities divided by total Nissan vehicles sales volume). In fiscal 2019, we achieved a 34.0% reduction from the fiscal 2005 t-CO<sub>2</sub>/vehicle level.

\* Global CO<sub>2</sub> emissions per vehicle: The total volume of CO<sub>2</sub> emissions produced through Nissan's corporate activities globally divided by the number of Nissan vehicles sold globally.

### Next-Generation Vehicle Manufacturing Concept: Nissan Intelligent Factory

In line with the acceleration of vehicle electrification, intelligence and the Nissan Intelligent Mobility concept promoted by Nissan, vehicle functions and construction are becoming increasingly complex. As further technological innovations will be essential in the production process, we announced the Nissan Intelligent Factory vehicle manufacturing concept. These innovations include Nissan's development of a new water-based paint that successfully controls the viscosity of body paint, which had been difficult

to control at low temperatures, realizing a low-temperature body paint. This enables the simultaneous painting of the body and bumpers, reducing CO<sub>2</sub> emissions by 25%. In the past, residual airborne paint was mixed with water and disposed of as waste. However, the adoption of dry booths do not use any water at all and enable to collect 100% of the residual airborne paint, which is reused as an alternative to auxiliary agents to remove impurities in the iron casting process.

\* Click here for more information on Nissan Intelligent Factory

<https://global.nissannews.com/en/releases/release-ca298f94d2418782118342f5fd0448b6-191128-02-e>



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## Saving Energy in Global Production

Most CO<sub>2</sub> emissions in the manufacturing process come from the consumption of energy generated by fossil fuels. We engage in a variety of energy-saving activities in the manufacturing process in pursuit of the lowest energy consumption and CO<sub>2</sub> emissions of any automaker.

In the realm of automotive production technology, we are introducing highly efficient equipment, improving manufacturing techniques and using energy-saving lighting in our assembly plants. Another key approach is our three-wet paint process. Vehicle painting is responsible for approximately 30% of all CO<sub>2</sub> emissions from plants; and shortening or eliminating baking stages substantially reduces emissions.

The three-wet paint process adopted by Nissan removes the need to bake between the primer and the topcoat layers. Instead, layers are applied successively before baking, reducing CO<sub>2</sub> emissions by more than 30%\*, according to our calculations. Starting in 2013, we introduced this process at Nissan Motor Kyushu (NMK), the Smyrna Plant in the United States, the second Aguascalientes Plant in Mexico (operational since November 2013), the Resende Plant in Brazil (operational since February 2014) and the COMPAS (Cooperation Manufacturing Plant Aguascalientes) manufacturing complex, a joint venture with Daimler México that started operations in December 2017, as well as the Sunderland Plant in the United Kingdom (operational since September 2018). At NMK, we were able to adopt the three-wet process with no shutdown of production lines, and as a result successfully shortened total production time. We also adopted dry paint booths at our Sunderland Plant in the United Kingdom. Previously, systems for recycling air expelled from booths for reuse needed dehumidifying processing to ensure that the air was at the humidity required. Dry paint

booths can reuse air without dehumidifying it, reducing energy consumption to less than half its previous levels.

\*1 Source: Nissan

### Three-Wet Paint Process (Combined Primer and Topcoat Application)



Processes consolidated in single primer booth



Oven process

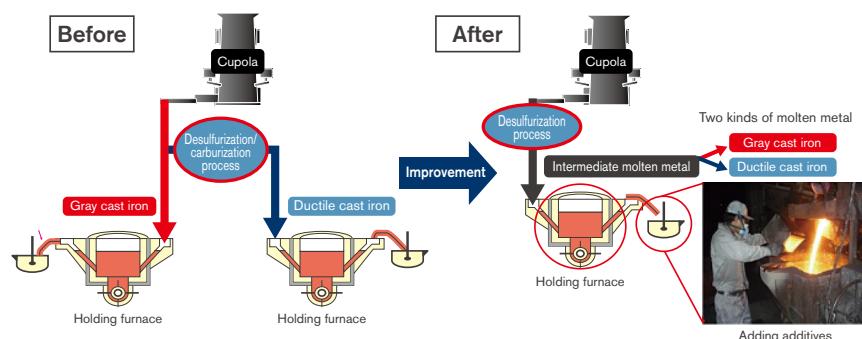
Reduces CO<sub>2</sub> emissions by applying primer and topcoat (base coat and clear coat) layers in succession, combining two processes (① and ② in the upper diagram) into one (① in the lower diagram).

At the same time, in the powertrain production technology area, Nissan is working to reduce holding furnace energy usage in cast iron melting processes conducted by the Casting Division. Traditionally, in the melting process, two holding furnaces were used to store two types of cast iron melts with adjusted carbon and sulfur component contents. Now, intermediate molten metal with a low carbon and sulfur content is stored in one holding furnace. When transporting from the holding furnace to another process, the ingredients are adjusted by adding additive materials, creating two types of molten metal and making it possible to eliminate one holding

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furnace. As a result, power consumption was reduced by approximately 3,600 MWh per year (CO<sub>2</sub> conversion: Approximately 1,700 tons per year; oil conversion amount: Approximately 900 kiloliters per year). This corresponds to about 11% of the power consumed in the melting processes conducted by the cast iron factory located onsite at the Tochigi Plant. In light of this achievement, Nissan won the Agency for Natural Resources and Energy Award in the Small Group Activities category at the Energy Conservation Grand Prize Awards for fiscal 2019, sponsored by The Energy Conservation Center, Japan (ECCJ).

## Cast iron melting process



To reach our defined objectives for CO<sub>2</sub> emissions and energy use, we solicit facility proposals from each global site, preferentially allocating investment based on the potential CO<sub>2</sub> reduction compared to project costs. Making the value of carbon a key factor in internal evaluations lets us invest more efficiently and be more competitive. In Japan, we converted outdated facilities into cutting-edge high-efficiency facilities with investments to improve energy efficiency, including energy-saving roof insulation upgrades. Our plants use finely controlled lighting and air conditioning for low-energy-use and low-energy-loss operations. We promote CO<sub>2</sub> emission reduction activities and introduced cutting-edge energy-conservation technology from Japan in our plants worldwide. Around the globe, our plants learn and share best practices with each other, while Nissan Energy Saving Collaboration (NESCO)<sup>\*2</sup> diagnoses energy loss at plants in regions where it is active and proposes new energy-saving countermeasures. These proposals amount to a potential reduction in CO<sub>2</sub> emissions of some 53,000 tons<sup>\*3</sup> in fiscal 2019, according to our calculations.

When sourcing energy, we consider the balance of CO<sub>2</sub> emissions for the entire company alongside renewable energy usage rate and cost, choosing suppliers best suited for achieving each goal. Through such activities, CO<sub>2</sub> emissions per vehicle produced in fiscal 2019 were brought down to approximately 0.51 tons, a reduction of 30.1% from the fiscal 2005 level.

\*2 Established in Japan in 2003, then in Europe, Mexico and China in 2013

\*3 Source Nissan

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## Energy Input

(FY)

	Unit	2015	2016	2017	2018	2019
Total	MWh	9,683,528	10,189,082	9,532,840	9,252,737	8,443,465
By region						
Japan	MWh	4,115,353	4,497,562	4,084,912	3,700,532	3,522,281
North America	MWh	2,583,613	2,643,303	2,452,299	2,570,438	2,269,797
Europe	MWh	1,107,279	1,093,103	1,126,186	1,048,201	838,714
Other	MWh	1,877,283	1,955,115	1,869,443	1,933,566	1,812,673
By energy source						
Primary						
Natural gas	MWh	3,346,141	3,537,674	3,701,640	3,579,998	3,126,933
LPG	MWh	303,826	249,426	179,945	191,405	175,996
Coke	MWh	206,307	217,431	218,618	200,527	172,500
Heating oil	MWh	188,943	209,232	147,522	113,200	91,315
Gasoline	MWh	302,564	303,040	299,000	259,045	241,010
Diesel	MWh	55,099	57,488	48,259	53,074	23,044
Heavy oil	MWh	34,289	43,853	27,652	15,995	16,287

(FY)

	Unit	2015	2016	2017	2018	2019
External						
Electricity (purchased)	MWh	4,979,114	5,247,663	4,755,897	4,711,467	4,445,380
Renewable energy* <sup>1</sup>	MWh	141,076	157,226	133,212	135,574	153,773
Chilled water	MWh	12,116	12,919	6,661	7,487	7,025
Heated water	MWh	4,630	4,690	5,000	5,000	5,000
Steam	MWh	100,000	136,593	128,038	102,324	126,811
Internal						
Electricity (in-house generation)	MWh	9,423	11,847	14,609	13,214	12,164
Renewable energy* <sup>2</sup>	MWh	9,423	11,847	14,609	13,214	12,164
Total renewable energy	MWh	150,499	169,073	147,821	148,788	165,937

\*1 Volume of renewable energy in electricity purchased by Nissan.

\*2 Volume of renewable energy generated by Nissan at its facilities and consumed for its own purposes.

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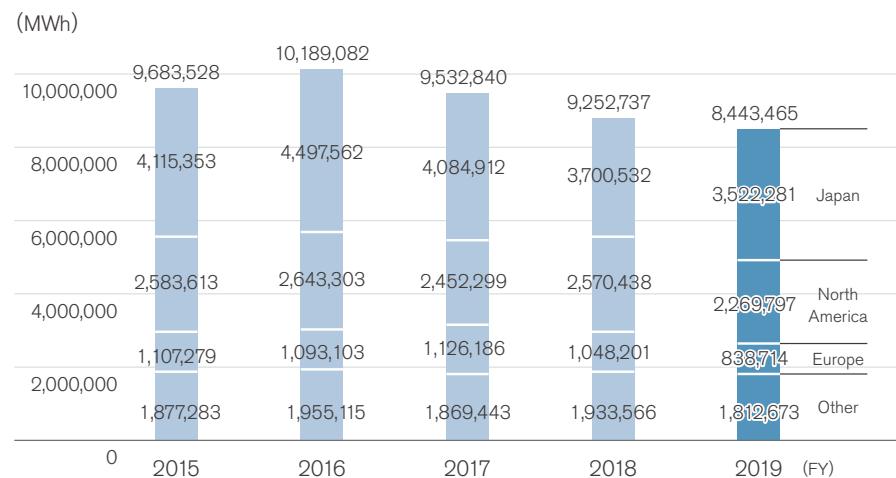
## Energy Inputs and Energy Consumption

The total energy consumption of our global corporate activities during fiscal 2019 was about 8.443 million MWh, a 9% decrease from fiscal 2018. This reduction was primarily due to the promotion of energy-saving activities at facilities and a decline in total production volume. Production sites globally accounted for 7.486million MWh\* of total energy consumption.

\* This figure is subject to assurance by KPMG AZSA Sustainability Co., Ltd. For details, please see here.

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\* Energy inputs and CO<sub>2</sub> emissions at global production sites are assured by a third party.



## Carbon Footprint of Corporate Activities (FY)

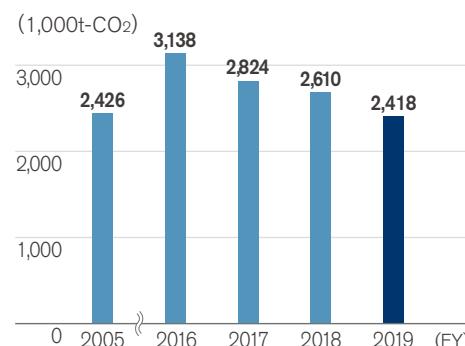
	単位	2015	2016	2017	2018	2019
Scope 1	t-CO <sub>2</sub>	926,790	963,661	912,476	889,444	765,370
Scope 2	t-CO <sub>2</sub>	2,547,951	2,614,028	2,394,109	2,339,883	2,173,236
Scope 1+2	t-CO <sub>2</sub>	3,474,741	3,577,689	3,306,584	3,229,327	2,938,606
Japan	t-CO <sub>2</sub>	1,479,572	1,579,089	1,333,335	1,208,303	1,142,233
North America	t-CO <sub>2</sub>	800,724	823,340	683,332	738,234	607,605
Europe	t-CO <sub>2</sub>	208,088	176,285	228,998	221,692	182,973
Other	t-CO <sub>2</sub>	986,359	998,976	1,060,920	1,061,098	1,005,794
Scope 3	t-CO <sub>2</sub>	144,145,000	150,462,000	213,715,000	203,106,900	173,138,601

In fiscal 2019, the total of Scope 1 and 2 emissions was 2.939 million tons. Total CO<sub>2</sub> emissions from manufacturing processes were 2.408million tons (Scope 1 emissions: 0.670million tons; Scope 2 emissions: 1.738million tons).\*

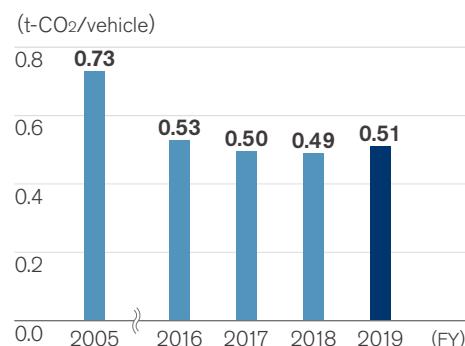
\* This figure is subject to assurance by KPMG AZSA Sustainability Co., Ltd. For details, please see here.

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## Carbon Footprint of Manufacturing Activities



## Manufacturing CO<sub>2</sub> per Vehicle Produced



In fiscal 2019, our manufacturing CO<sub>2</sub> emissions per vehicle produced were 0.51 tons, 30.1% less than fiscal 2005.

## Promoting Renewable Energy

Nissan takes three approaches toward promoting the adoption and integration of renewable energy in line with the characteristics of each region: (1) generating our own power in company facilities; (2) sourcing energy with a higher proportion of renewables; and (3) leasing land, facilities and other assets to power companies.

As an example of the first approach, our Sunderland Plant in the United Kingdom introduced 10 wind turbines supplying up to 6.6 MW of power. The plant also has a 4.75-MW solar farm, installed in 2016, and together these renewable sources account for about 8% of the power it uses. At our Iwaki Plant, the guest hall for plant visitors is powered by solar energy. By storing surplus electricity in secondhand Nissan LEAF batteries, the plant both stabilizes the energy supply and uses resources more effectively. At the Huadu Plant of Dongfeng Nissan Passenger Vehicle (DFL-PV) in China, solar panels with a total capacity of 30 MW have been in operation since 2017, providing roughly 8% of the electricity used at the plant.

Regarding the second approach, our first Aguascalientes Plant in Mexico actively uses energy generated from biomass gas and wind power and has achieved a renewable energy usage rate of 50% since 2013.

Finally, we leased approximately 350,000 square meters of unused land in Oita Prefecture for solar power generation in May 2013, and the roof of group company Nissan Kohki's Samukawa Plant was leased for the same purpose in January 2014.

Through these efforts, we have enhanced the renewable energy usage rate at our production plants as part of reducing CO<sub>2</sub> emissions. In fiscal 2019, our renewable energy usage rate reached 10%.

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\*In addition, we installed a solar farm (with an output of approximately 200 kW) at a plant in Spain.

## More Efficient Logistics and Modal Shifts

In 2000, Nissan began sending chartered trucks for pickup and delivery of parts. This approach—adopted widely across the company, including at overseas manufacturing sites—has increased global operational efficiency. We work together with suppliers to optimize the frequency of deliveries and transport routes and improve packaging specifications for better loading ratios so fewer trucks are required. We are also pursuing a modal shift from trucks to rail for transport.

Through a 2014 expansion of this approach to include cooperative transport of production parts with other original equipment manufacturers (OEMs), in addition to complete vehicles and service parts, we are seeking further efficiency in this area. We work from the design stage of new vehicles to reduce transportation distances by sourcing necessary production components for plants through localization as much as possible.

Our engineers devise efficient packaging for the huge number of parts of different shapes and materials that go into automobiles. Through simultaneous-engineering logistics, we work from the design stage to create parts and develop new vehicles that enhance transportation efficiency, as well as reduce parts shipments per vehicle.

In container transport, we have taken a range of measures to improve container filling rates for parts transport, from 40-foot "high cube" containers to software simulations that reduce wasted container space.

We constantly review transport methods and are currently undertaking a modal shift to rail and maritime transport. Some 80% of completed vehicles

in Japan are now transported by sea. Parts shipments to NMK from the Kanto area in and around Tokyo are nearly all conducted by rail and ship. The Japanese Ministry of Land, Infrastructure, Transport and Tourism (MLIT) has recognized Nissan as an outstanding enterprise for this modal shift to sea transport.

At Nissan sites outside Japan, transport methods are selected to best match the local geographical conditions. Transport of completed vehicles is increasingly shifting from truck to rail or ship, depending on the destination. In China, we are increasing the proportion of completed vehicles that are transported domestically by ship or rail.

Since 2010, we have also been promoting the use of energy-efficient vessels for sea shipments of our vehicles. Today, our fleet has grown to include seven energy-efficient car carriers.\*1

As we expand our global logistics operations, we will continue to increase efficiency and effect a modal shift in transportation, targeting a 12% reduction in CO<sub>2</sub> emissions by fiscal 2022 compared to fiscal 2005 levels, as measured by the index of CO<sub>2</sub> emissions per vehicle.\*2 In fiscal 2019, CO<sub>2</sub> emissions per global vehicle were approximately 0.38 tons—a reduction of about 11.5%.

\*1 More information can be accessed on Nissan's energy-efficient car carriers' page.

\*2 Total emissions generated from transportation to Nissan manufacturing sites and retail outlets in Japan, North America, Europe and China divided by the total number of vehicles transported.

\* Data related to climate change (initiatives through corporate activities) is also available here.

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## CO<sub>2</sub> Emissions from Logistics

(FY)

	Unit	2015	2016	2017	2018	2019
Total	t-CO <sub>2</sub>	1,598,891	1,926,477	1,567,248	1,482,982	1,144,338
Inbound*	t-CO <sub>2</sub>	797,034	809,088	739,610	762,314	582,957
Outbound*	t-CO <sub>2</sub>	801,857	1,117,389	827,638	720,667	561,381

Sea	%	18.3	17.8	20.0	19.9	21.1
Road	%	65.7	62.1	64.6	60.3	64.1
Rail	%	5.4	5.6	7.0	6.7	5.9
Air	%	10.6	14.5	8.4	13.1	8.9

\* "Inbound" includes parts procurement from suppliers and transportation of knockdown parts;

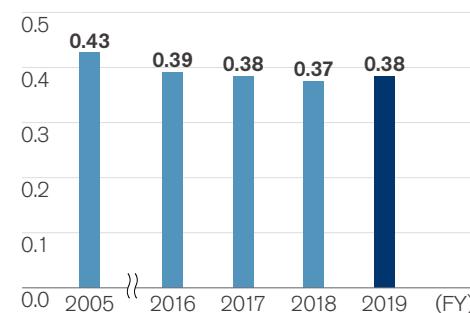
"Outbound" includes transportation of complete vehicles and service parts.

\* Value in 2016 were corrected after recalculation.

In fiscal 2019, CO<sub>2</sub> emissions from logistics were 1,144,338 tons, down approximately 23% from the previous fiscal year. Emissions from transportation of parts and completed vehicles declined due to air freight reduction and production volume reduction in China and North America decreasing our overall CO<sub>2</sub> emissions.

## CO<sub>2</sub> Emissions per Vehicle Transported

(t-CO<sub>2</sub>/vehicle)



In fiscal 2019, CO<sub>2</sub> emissions per vehicle transported were 0.38 tons.

## Office Initiatives

We promote efforts to reduce CO<sub>2</sub> emissions at Nissan offices in Japan, North America, Europe and China.

In Japan, through Nissan Trading, we operate the Nissan Power Producers and Suppliers (PPS) scheme, sourcing clean energy for which CO<sub>2</sub> emissions and costs have been taken into account through Japan's PPS system. In 2019, approximately 26,657 MWh of clean energy was supplied to five Japanese business locations.\*

NESCO teams have also expanded the scope of their activities beyond production plants to contribute to reducing emissions in the Nissan Technical Center in Atsugi.

Our efforts go beyond just CO<sub>2</sub> management. We are pursuing other environmentally-friendly policies, such as improving our video and telephone conference facilities and using software to bring participants in multiple locations together when they need to share documents. This reduces the

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number of business trips required worldwide, improves workplace efficiency and reduces costs.

\* Global Headquarters, Sagamihara Parts Center, Nissan Education Center, Customer Service Center and Honmoku Wharf (all in Kanagawa Prefecture).

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## Green Building Policy

Based on ISO 14001 management processes to evaluate environmental impact, we make it a key task to optimize our buildings during construction or refurbishing to make all our structures greener. Evaluation metrics in this area include environmental footprint, such as CO<sub>2</sub> emissions; waste and emissions from construction methods; and use of hazardous materials and other quality control issues. Furthermore, one performance index for Nissan in Japan is MLIT's Comprehensive Assessment System for Built Environment Efficiency (CASBEE)\*.

Among our current business facilities, our Global Headquarters in the city of Yokohama has earned CASBEE's highest "S" ranking, making it the second Nissan structure to do so following the Nissan Advanced Technology Center (NATC) in Atsugi, Kanagawa Prefecture.

Global Headquarters gained a Built Environment Efficiency Rating of 5.6, the highest CASBEE rating for a new structure, making it one of Japan's greenest office buildings. The building's use of natural energy sources to reduce its energy usage and its CO<sub>2</sub> emissions were evaluated highly, as were its methods of water recycling and its significant reduction in waste produced.

\* Comprehensive Assessment System for Built Environment Efficiency

## Dealership Initiatives

Nissan promotes CO<sub>2</sub> management at dealerships with the aim of reducing total emissions per floor area by 1% each year. Our retail outlets also work continually to increase energy efficiency. Many have adopted high-efficiency air conditioning, insulation films, ceiling fans and LED lighting. During renovation work, some outlets have installed lighting systems that make use of natural daylight, as well as insulated roofs. In addition, to source electricity with low environmental load, we have broadened supply from PPS systems, including our own, to provide 123,115 MWh of power (equivalent to an annual reduction of some 1,045 tons in CO<sub>2</sub> emissions) to 760 retail outlets in the Kanto, Chubu, Tohoku, Kansai, Chugoku and Kyushu regions.

Since April 2000, we have run a unique environmental facility certification system based on ISO 14001 for dealerships called "Nissan Green Shop." Our environmental policy requires all dealerships in Japan to meet certain standards and undergo annual audits performed by our teams. The dedicated evaluation sheet has a total of 84 key performance indicators (KPIs) and is regularly revised to reflect the requirements of national legislation, local communities and the Nissan Green Program (NGP).



Solar panels installed on the roof of a Kanagawa Nissan dealership. Power from the panels is supplied to dealerships through the Nissan PPS system.

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# AIR QUALITY

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## Air Quality Policies and Philosophy

Nissan approaches air quality by focusing on two points: greener exhaust emissions and providing a pleasant in-cabin environment to customers. In this way, we will strive to consider ecosystems while pursuing mobility that provides more comfort and security to customers. According to the State of Global Air 2018 report issued by the U.S.-based Health Effects Institute (HEI), 95% of the world's population currently lives in regions where particulate matter smaller than 2.5  $\mu\text{m}$  (PM2.5) exceeds the 10  $\mu\text{g}/\text{m}^3$  basic level specified by World Health Organization (WHO) Air Quality Guidelines. Furthermore, the Organization for Economic Cooperation and Development (OECD) predicts that the global population will exceed 9 billion by 2050, with around 70% of people concentrated in cities, making air pollution in urban areas an even more pressing issue.

For an automaker, air pollution stands alongside climate change and congestion as an issue for cities in particular that must be remedied. Nissan is advancing its efforts to improve air quality with two approaches:

### 1. Promoting Zero-Emission Vehicles

Electric vehicles (EVs), such as the Nissan LEAF, which has cumulative global sales of more than 470,000 units as of March 2020, are an effective tool for reducing air pollution in urban areas. As a leader in this field, we are promoting zero-emission mobility and infrastructure construction in

partnership with national and local governments, electric power companies and other industries.

### 2. Enhancing Internal Combustion Engines

We have proactively set voluntary standards and emission-reduction targets for conventional internal combustion engines. With the ultimate goal of making automotive emissions as clean as the atmosphere itself, we have developed a wide range of technologies and achieved the results listed below through cleaner combustion technologies, catalysts for purifying emissions and countermeasures against gas vapors from gasoline tanks. We will continue our efforts to ensure cleaner exhaust emissions from internal combustion engines, which remain the most commonly used in the automotive market.

- Sentra CA (released in the United States in January 2000): The world's first gasoline-powered vehicle that satisfied all the exhaust gas requirements set by the California Air Resources Board to receive Partial Zero Emissions Vehicle (PZEV) certification.
- Bluebird Sylphy (released in Japan in August 2000): The first passenger vehicle made in Japan to achieve Ultra-Low Emission Vehicle (U-LEV)\* certification.

\* U-LEV: Vehicle that produces 75% less nitrogen oxide (NOx) and nonmethane hydrocarbon (NMHC) than the 2000 emission standards level in Japan.

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## Improving In-Cabin Air Quality

With autonomous drive technologies currently in development and projected to be in practical use from 2020, drivers are expected to spend more time in their vehicles, making it even more important for that space to be pleasant and safe. The Nissan Green Program 2022 (NGP2022) is calling for research and development not just to make exhaust emissions cleaner but also to improve in-cabin air quality as well.

As part of our continued efforts concerning volatile organic compounds (VOCs)\* such as formaldehyde and toluene, Nissan is further reviewing and reducing materials for seats, door trim, floor carpet and other parts as well as adhesives. We voluntarily set more stringent standards than those of the Japanese government and automotive industry body regulations, and have applied them to all new vehicles introduced to the market from July 2007 onward.

\* VOCs: Organic chemicals that readily evaporate and become gaseous at normal temperature and pressure conditions.

## Reducing VOC Emissions from Production

Nitrogen oxide (NOx), sulfur oxide (SOx) and VOCs are recognized as common forms of emissions created by vehicle manufacturing facilities. We are taking firm measures to ensure that management standards and systems for atmospheric emissions are thoroughly followed; and working to reduce both VOC exhaust volumes and the use of VOC-emitting substances to levels lower than required by national regulations.

We are actively working to increase the recovery of cleaning solvents and other chemicals in order to reduce the amounts of these substances emitted from our plants ahead of the implementation of new regulations in each country where we operate. Also, we are systematically introducing water-based paint lines that emit fewer VOCs and improving thinner-solvent recycling rates to reduce our use of VOC-emitting substances.

As one example, the water-based paint line in the Nissan Motor Kyushu Plant has VOC emissions of less than 20 grams per square meter of painted surface, which is top-class in the industry. These lines have also been adopted at two Aguascalientes plants in Mexico, the Resende Plant in Brazil, the Smyrna Plant in the United States, the Huadu Plant in China and other plants.

Additionally, we have adopted low-NOx burners as the heat source for the ovens and boiler equipment used in the car painting process and promote the switch from heavy oil and kerosene to fuels with low SOx emissions to reduce the emission and concentration of NOx and SOx.

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## Air Quality: Achievements

### Compliance with Emissions Regulations (Passenger Cars Only)

Nissan not only works to develop and promote zero emission electric vehicles (EVs) but continues to promote cleaner exhaust emissions from all of our engines. For example, the Qashqai released in Europe in October 2018 has a new fuel-efficient 1.3-liter turbo gasoline engine fitted with a particulate filter that meets the Euro 6d-Temp\* emissions standard. In Japan, our e-POWER electrification technology has resulted in a significant lowering of fuel consumption while achieving 75% reductions in exhaust emissions from 2005 standards. As part of these efforts, our compliance with emissions regulations goes far beyond current legal requirements to meet more stringent specifications. Due to differences in regulations, there is no direct way to compare by region or country, but the table below shows the percentage of Nissan vehicles in each location produced to the strictest local standards.

\* Euro 6d-Temp: All Euro 6 standards and the initial Real-Driving Emissions (RDE) limit for new car models.

### Compliance with Emissions Regulations (By Region) (FY)

		unit	2019
Japan	75% lower than 2005 standard and 50% lower than 2018 standard	%	92.1
Europe	Euro 6b/c	%	(TBD)*
U.S.	U-LEV/SULEV/ZEV	%	99.8
China	National 5	%	100

\* Passenger cars and light commercial vehicles only.

To be updated in WEB site after EUR result is available.

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## Plant Emission Management

We thoroughly implement systems and control standards at our production plants to reduce the amount of air pollutants emitted during operation. Our air pollution control targets are more stringent than those mandated by the countries in which we operate.

In Japan, we have adopted strict measures for emissions of NOx and SOx pollutants from our factories, reducing the amount of these emissions to one quarter of the levels emitted in the 1970s. We have lowered NOx and SOx emissions by introducing low-NOx burners in the ovens and boilers that provide heat for painting lines, and by switching the fuel used by those burners from heavy oil and kerosene to alternatives with low SOx emissions.

## Lower VOC Emissions

Volatile organic compounds (VOCs), which readily evaporate to become gaseous in the atmosphere, account for approximately 90% of the chemicals released as the result of our vehicle production processes. Lowering VOC emissions is a challenge that we are working to address. We strive to increase our recovery of cleaning solvents and other chemicals in order to limit the amounts of these substances emitted from our plants ahead of implementation of new regulations in each country where we operate, while also advancing planned measures to increase the recycling rate for waste solvents. We are also introducing water-based paint lines that limit VOC emissions to less than 20 grams per square meter of painted surface. We have adopted these lines in Nissan Motor Kyushu as well as at two plants in Aguascalientes in Mexico, the Resende Plant in Brazil, the Smyrna Plant in the United States, the Huadu Plant in China and the Sunderland Plant in the United Kingdom. We achieved a reduction of 27.2% in fiscal 2019 in VOC emissions per painted surface area compared with fiscal 2010 levels.

\* For more information on Air Quality.

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# RESOURCE DEPENDENCY

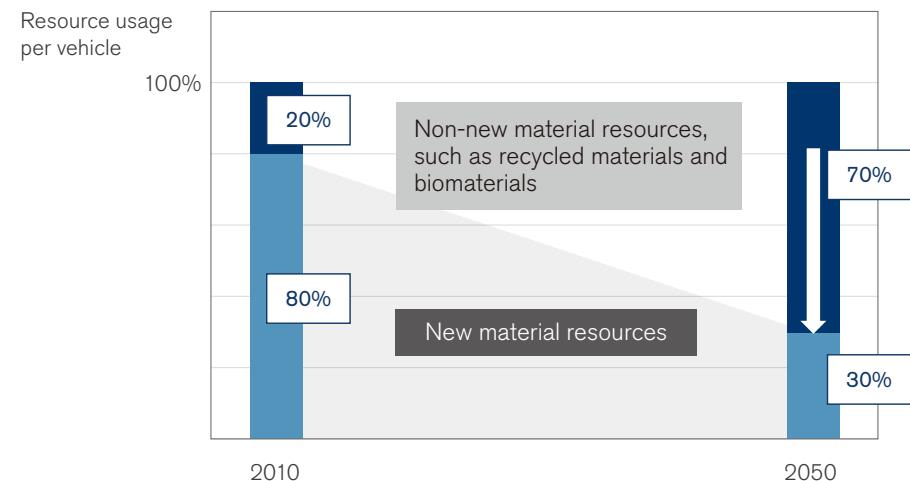
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## Resource Dependency Policies and Philosophy

With the world's population forecast to exceed 9 billion by 2050, demand for natural resources like minerals and fossil fuels is set to rise. This makes it even more important to maximize the value obtained from these resources. The Sustainable Development Goals (SDGs) adopted by the United Nations in 2015 also emphasize the importance of managing resources sustainably and using them efficiently.

Automobiles are made of many components, incorporating a diverse range of resources. The combination of these resources creates new value. In addition to using resources as efficiently as possible, Nissan has increased its resource diversification and improved the proportion of renewable resources and recycled materials among them. Giving due consideration to ecosystems, we must become more competitive as we pursue green growth. Working toward the long-term vision of reducing dependency on new materials by 70% by 2050, we are striving to minimize our use of natural resources in order to maintain our new resource usage at 2010 levels.

## Long-Term Vision for Reducing Resource Dependency



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## Resource Dependency Management

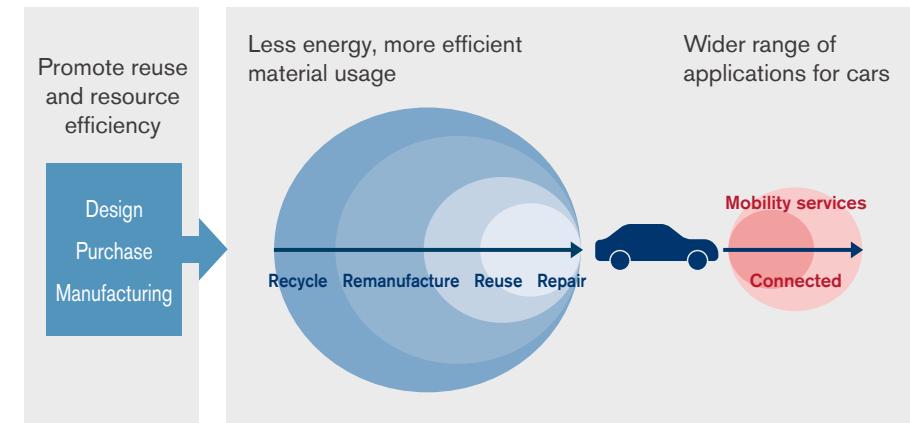
In order to use the Earth's precious and limited resources efficiently, the environmental impact when extracting these resources must be kept to a minimum. At the same time, waste generated during vehicle production and scrap from end-of-life parts must be recycled as extensively as possible without compromising quality, producing materials that can be used in the same types of products. Based on this approach, known as closed-loop

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recycling, we have focused our efforts on recycling steel, aluminum and resin—three kinds of material which account for a large proportion of vehicle content yet also have a major impact on the environment.

As part of the Nissan Green Program 2022 (NGP2022), Nissan is developing systems for using resources efficiently and sustainably across their entire lifecycle, and has adopted the concept of the “Circular Economy” to maximize the value it provides to customers and society. In an attempt to use resources efficiently with less energy, we will promote the use of recycled materials and recycling end-of-life vehicles, and strive to incorporate reusable resources in our activities at the design, purchasing and manufacturing stages. We are using fewer resources overall, both through appropriate use of chemical substances and making vehicles more lightweight. We will continue to promote the efficient use of resources with further reduced energy requirements and the expanded use of repaired and remanufactured parts as well as the secondary use of electric vehicle (EV) batteries in the vehicle use stage, and foster the development of biomaterials and dieless forming technology for practical use. We will also increase the value cars provide to society and ensure that cars can be put to best use by promoting electrification and autonomous drive in our products, pursuing connectedness and providing mobility services such as ride sharing.

## Nissan’s Circular Economy Concept



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## Resource Dependency: Achievements

### Reducing Dependence on Newly Extracted Resources to 70%

Demand for mineral and fossil resources is rising rapidly with the growth of emerging economies. According to forecasts, if growth in extraction volumes continues, all currently known mineral resources will have been extracted by 2050. There are some existing mining sites and others under exploration that are located in areas with vulnerable local ecosystems, generating concern about the environmental effects of topsoil excavation, deforestation and wastewater.

To address these issues, Nissan has implemented a policy of minimizing the use of newly extracted natural resources and maximizing the use of recyclable materials from the early development stage while also making structural improvements to facilitate recycling. We are also reducing the use of resources in the manufacturing process and making more efficient use of resources.

In the Nissan Green Program 2022 (NGP2022), our goal is to cut the use of newly extracted resources by 30% per vehicle in fiscal 2022. We intend to increase the use of recycled materials in our vehicles on a global scale, including Japan, Europe and North America, in cooperation with our suppliers.

### Initiatives to Expand Use of Recycled Materials (Ferrous and Nonferrous Metals)

In 2018, ferrous metals accounted for 61% of the materials used in our

automobiles by weight. Nonferrous metals made up another 15% and resins 14%, with miscellaneous materials making up the final 10%. To further reduce our use of natural resources, we are advancing initiatives to expand the use of recycled materials in each of these categories.

We are taking steps to reduce the steel and aluminum scrap left over in the manufacturing process, and working globally with business partners to collect and reuse this scrap as material for new vehicles through closed-loop recycling initiatives. For example, we use electric-furnace sheet steel made from steel scraps in the Rogue, Murano and other vehicles produced in North America. End-of-life aluminum wheel rims are also collected for recycling to be used in new wheel and chassis components. In fiscal 2019, we collected about 3,000 tons of used wheel rims.

### Initiatives to Expand Use of Recycled Materials (Resins)

In addition to our initiatives to expand use of recycled steel and aluminum, Nissan also strives to use more recycled resins.

As a closed-loop recycling initiative, we are collecting finished bumper scrap generated at our plants and sending it to our Oppama Plant, where we process it by removing the paint film and recycling it. These recycled resins have been given new life as bumpers in the Nissan LEAF and many other



Research on optimization of ASR recovered resin recycling process. Left photo is ASR, right photo is resin recovered from ASR

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new vehicles. This initiative was expanded to Dongfeng Motor Co. (DFL), our joint venture in China, where they have been used to produce replacement bumpers since 2014.

Additionally, exchanged bumpers collected from dealerships are being recycled as materials used in under covers and for other components. An enhanced bumper return program allowed us to collect and recycle about 122,000 bumpers in fiscal 2019, representing 67.9% of bumpers removed at Japanese dealerships.

Furthermore, 30% of the automotive shredder residue (ASR) processed at dedicated processing plants is made up of resins. In order to use these resins in automobiles, we are running a number of R&D projects on topics like optimizing the recycling process for resins recovered from ASR, liquidation of auto waste plastic and recycling polypropylene with microbes.\*

\*These R&D projects are undertaken as part of our recycling optimization support business using surplus money from recycling fees deposited for three specified components (refrigerant, airbags, ASR) based on Japan's End-of-Life Vehicle Recycling Law.

## End-of-Life Vehicle (ELV) Recycling

Nissan considers the three Rs—reduce, reuse and recycle—from the design stage for new vehicles. Since fiscal 2005, all new models launched in the Japanese and European markets have achieved a 95% or greater recyclability rate.\*<sup>1</sup>

We have also joined forces with other automotive companies to promote the recycling of end-of-life vehicles (ELVs\*) through dismantling and shredding. Based on Japan's End-of-Life Vehicle Recycling Law, Nissan has achieved at least 95% effective recycling rate of ELVs in Japan since fiscal 2006. In

fiscal 2019, we achieved a final recovery ratio for ELVs of 99.20%\*<sup>3</sup> in Japan, greatly exceeding the target effective recycling rate of 95% set by the Japanese government.

ELV processing consists of four phases. First, Nissan ELVs entering the dismantling process are recycled, including flat steel, cast aluminum, bumpers, interior plastic parts, wire harnesses and precious rare earth metals. Second, specific items like lithium-ion batteries are collected individually and directed to a dedicated recycling process. Third, residues from the dismantling process are crushed and the metallic portions recovered. Fourth, the resulting ASR is turned into recycled materials. Since 2004, Nissan and 12 other Japanese auto manufacturers have supported ASR recycling facilities, as called for in Japan's End-of-Life Vehicle Recycling Law, as an integral part of a system to recycle ASR effectively, smoothly and efficiently. Nissan is taking an important role in this joint undertaking.

We have also established a take-back system for ELVs in Europe. This network of Authorized Treatment Facilities was developed for individual countries in collaboration with contracted dismantlers, contracted service providers and governments in alignment with a European ELV directive. Additionally, the Japan Automobile Manufacturers Association, Inc. established a common scheme for recovering used lithium-ion batteries along with a system for processing these batteries appropriately, and put both into operation in fiscal 2018.

\*1. Calculated based on 1998 Japan Automobile Manufacturers Association definition and calculation guidelines (in Japan) and ISO 22628 (in Europe).

\*2. ELV is an acronym for end-of-life vehicle.

\*3. Based on Nissan research

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## Developing Biomaterials

Nissan is promoting technical research to replace plastics and other resin materials used in automobiles with biomaterials derived from plants. NGP2022 contains concrete goals for biomaterials development, and these materials are already being used in cars. For example, the coverings on the seats in the new Nissan LEAF are made using biomaterials.



Seat coverings made from biomaterials in the new Nissan LEAF.

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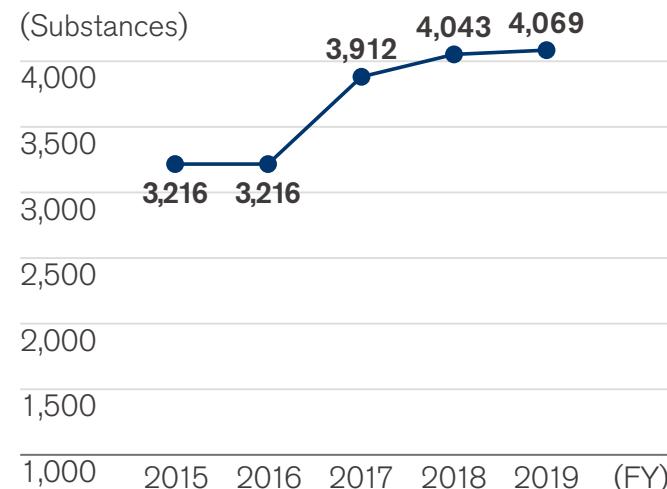
## Proper Use of Regulated Chemical Substances

Nissan revised its standard for the assessment of hazards and risks in the Renault-Nissan Alliance, actively applying restrictions to substances more stringent than existing regulations in areas of growing concern around the world. As a result, the number of substances covered by the Nissan Engineering Standard in fiscal 2019 rose to 4,069. These steps are thought to be necessary for future efforts in the repair, reuse, remanufacture and recycle loop for resources.

\* Please click below for further details related to our governance system for chemical substances.

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## Defined Chemical Substance



## Expansion of Remanufactured Parts

Parts with the potential for recycling include those reclaimed from end-of-life vehicles, as well as those replaced during repairs. In Japan, we collect and thoroughly check the quality of these secondhand parts. Those that receive a passing grade are sold through our retail outlets as Nissan Green Parts. We sell these parts in two categories: remanufactured parts, which are disassembled and have components replaced as needed, and reusable parts, which are cleaned and tested for quality before sale.

In NGP2022, we are enhancing the deployment of Nissan Green Parts

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Alternator



Air conditioning compressor



Starter motor

in Japan, and we're also strengthening management to deploy similar kinds of activities in Europe and North America, aiming for twice the parts coverage in 2022 compared to 2016. This initiative provides customers who seek to use cars for a long period of time with the new option of using remanufactured parts.

## Joint Venture to Promote Second-Life Use for Batteries

Lithium-ion batteries used in Nissan's electric vehicles (EVs) retain capacity well beyond the useful life of the vehicles themselves. The "4R" business model—which reuses, refabricates, resells and recycles lithium-ion batteries—allows for their effective use as energy storage solutions in a range of applications, thus creating a much more efficient energy cycle of battery use.

As the EV market expands, we anticipate a need to utilize reusable lithium-ion batteries more effectively. In 2010, we launched 4R Energy Corp., a joint venture with Sumitomo Corp., that is engaged in establishing EV battery reuse and refabrication technologies. With the establishment of these technologies and an increase in the number of used batteries collected, in March 2018, operations commenced at Japan's first base and plant for the reuse and refabrication of used lithium ion-batteries located in the town of Namie, Fukushima Prefecture.

4R Energy is actively engaged in the development and production of various battery storage systems built with used Nissan LEAF batteries at the Namie facility. One example of these efforts is the development of stationary power storage systems that reuse 40 kWh batteries used in the Nissan LEAF for the purpose of enhancing resiliency. Since September 2019, this reuse stationary power storage system has been used in trials for procuring electricity using renewable energy at ten 7-11 convenience stores in Kanagawa Prefecture. Additionally, in conjunction with IKS Japan Co., Ltd., we are developing new models with vehicle-to-everything (V2X) functions that can also utilize electric power from EVs, sales of which are scheduled to launch by the end of fiscal 2020.

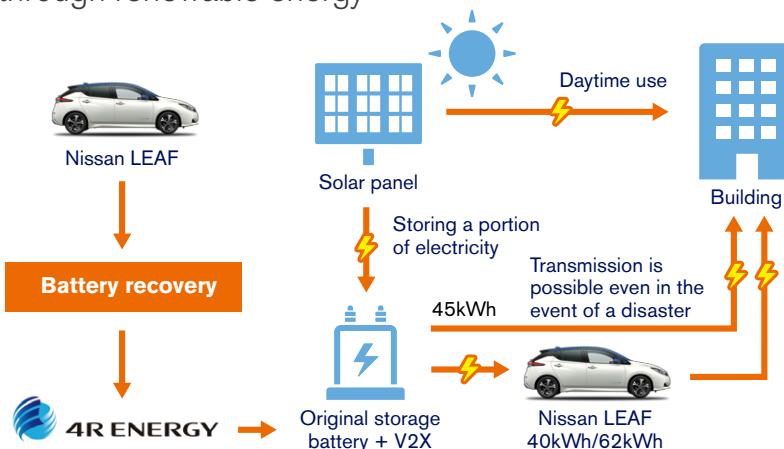
At the same time, 4R Energy acquired the world's first UL1974<sup>\*1</sup> certification in June 2019, which is an international evaluation standard for evaluating repurposing batteries, and 4R Energy has been certified by a third-

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party organization for reusage and refabricating processes and product manufacturing with an emphasis on safety. Furthermore, in recognition of these activities, in October 2019 4R Energy was presented with the Frost & Sullivan\*2 “2019 Strategy Innovation and Leadership Award,” and in March 2020, in conjunction with Nissan, 4R Energy and Nissan won the “Sixth Annual Japan Resilience Award 2020,’ sponsored by the Association for Resilience Japan\*3.

We are extensively involved with 4R activities globally as well.

### Overview of proof of concept for procuring electricity through renewable energy



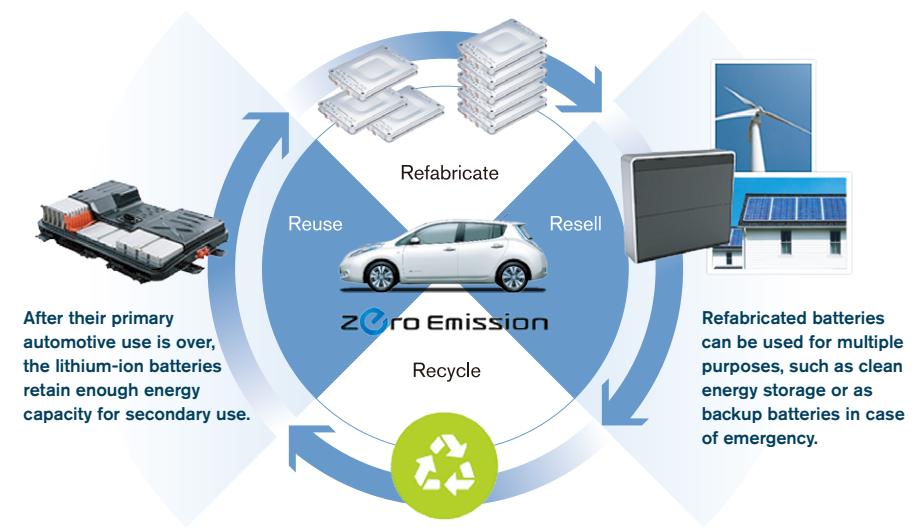
\*1. The UL1974 Standard for Evaluation for Repurposing Batteries defines the process for determining and classifying the suitability of usage when battery packs, modules or cells used to drive EVs have finished their intended period of use. Evaluating reused batteries in accordance with this process enables the provision of reused batteries that are safe and give a clear understanding of remaining capacity to meet a variety of demands.

\*2. Frost & Sullivan provides research and consulting services in 80 countries and over 300 major markets through a global network of more than 40 locations.

\*3. In light of the results of the National Resilience Minister’s Private Advisory Committee “National Resilience Roundtable,” to ensure the “Fundamental Plan for National Resilience” is executed smoothly, the Council aims to build a resilient nation with cooperation among industry, academia, government and the private sector.

### 4R Concept

Battery module structure will be redesigned to create new packages that satisfy the varying voltage or capacity needs of customers.



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## Reducing Use of Scarce Resources

Rare earth elements are scarce resources that are necessary components of EV and hybrid electric vehicle (HEV) motors. Reducing their usage is important because of procurement challenges, as rare earth elements are unevenly distributed around the globe, and the shifting balance of supply and demand leads to price fluctuations.

Nissan is expanding its use of an electric motor developed in 2012 that requires 40% less dysprosium (Dy) compared to conventional EV motors. The motor was first adopted in the Nissan LEAF, and reduced-dysprosium motors are now seeing increased use in hybrid vehicles as well. The 2016 Note e-POWER achieves a 70% reduction in Dy in its motor magnets, and these were also adopted for the new Nissan LEAF in 2017 and the Serena e-POWER in 2018. We are conducting technical research on further reductions in the future.

As a new initiative, Nissan is also promoting the development of rare earth metal recovery technologies from drive motor magnets. Up to now, in order to recycle magnets used in motors, multiple processes including manual disassembly and removal of the magnets have been required, making economic efficiency an issue. Nissan and Waseda University collaborated to establish technologies for recovering rare earth metals in highly pure states through direct dissolution using borate as a flux, eliminating the need to dismantle the motor rotors. Going forward, we will conduct trial testing aimed at practical implementation.

In these ways, with respect to motors, which are a key technology, Nissan is engaged in developments corresponding to the circular economy concept, from reducing the amount of rare earth metals used to reuse after use, that utilize resources efficiently and sustainably.

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## Resource Dependency: Achievements in Waste Reduction

### Thorough Measures for Waste Materials

Nissan actively promotes measures based on the 3R approach in its production processes whenever possible, striving to minimize the waste generated and maximize recycling efficiency by thoroughly sorting waste. At the end of fiscal 2010, we achieved a 100% recovery rate at all of our production sites in Japan, including five manufacturing plants, two operation centers and five affiliates. Overseas, we have reached 100% rates at plants in Mexico and elsewhere. We are striving to bring rates to industry-leading levels in each global region.

We have been making great efforts to reduce the number of wooden pallets and cardboard boxes used in import and export parts shipping. We began replacing them with units made from steel more than 30 years ago, and we rolled out plastic substitutes over 20 years ago that are foldable and can be reused. We have also been working with our Alliance partner Renault to expand use of globally standardized, returnable containers. Through design activities carried out concurrently with logistics operations, we have recently considered ways to optimize the shape of parts from the development stage, thus helping to reduce the packaging materials required.

Through such efforts, we plan to reduce waste from our production factories by 2% annually in Japan and by 1% annually worldwide—as compared to business as usual (BAU), that is, waste levels expected if no special steps had been taken.

### Waste

Waste generated globally in fiscal 2019 amounted to 188,556 tons, a slight decrease from 206,645 tons in fiscal 2018.

Waste generated globally from production sites in fiscal 2019 was 184,573 tons.\*

\* This figure is subject to assurance by KPMG AZSA Sustainability Co., Ltd. For details, please see here.

[">>> P100](#)

(FY)

	単位	2015	2016	2017	2018	2019
Total	ton	159,345	158,939	152,674	206,645	188,556

#### By region

Japan	ton	63,630	61,115	61,327	69,829	63,315
North America	ton	49,129	45,459	35,177	64,514	57,762
Europe	ton	37,204	41,110	45,268	49,662	48,187
Other	ton	9,382	11,255	10,903	22,639	19,291

#### By treatment method

Waste for disposal	ton	11,355	8,707	8,041	7,231	6,414
Recycled	ton	147,990	150,231	144,633	199,414	182,141

\* For more information on Resource Dependency (Facility Waste).

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# WATER SCARCITY

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## Policies and Philosophy for Water Resource Management

Demand for water is expected to continue to increase globally, driven by rising populations and economic development. With rain patterns also changing due to extreme weather events, the stability of water supplies is likely to become a more pressing social concern with every passing year. Forecasts suggest that the world will face a 40% shortfall in water supplies by 2030, and extreme weather events, natural disasters, water crises and other water-related risks rank highly in the annual Global Risks Report issued by the World Economic Forum. "Clean Water and Sanitation" is also one of the Sustainable Development Goals (SDGs) adopted by the United Nations in 2015. The 1.5°C Special Report\* released by the Intergovernmental Panel on Climate Change (IPCC) in 2018 reported that risks and effects from extreme weather events, such as heavy rain and drought, would increase if temperatures rose by 1.5°C, and that such risks and effects would be even more severe and become widespread if temperatures rose by 2°C. Water resource management to mitigate water shortages, flooding and many other challenges is a key factor in promoting

sustainable development.

Globally, the agricultural sector accounts for the largest share of water consumption at roughly 70%. The industrial sector comes second, consuming around 20% of water globally, and the municipal sector accounts for the remaining 10%. Automakers are not considered to face particularly high water risks within the industrial sector. However, we believe that reducing dependence on water resources is important to being a sustainable company and are taking steps to improve water quality management and reduce water usage across our production sites.

\* Full title: An IPCC Special Report on the Impacts of Global Warming of 1.5°C Above Pre-Industrial Levels and Related Global Greenhouse Gas Emission Pathways, in the Context of Strengthening the Global Response to the Threat of Climate Change, Sustainable Development, and Efforts to Eradicate Poverty.

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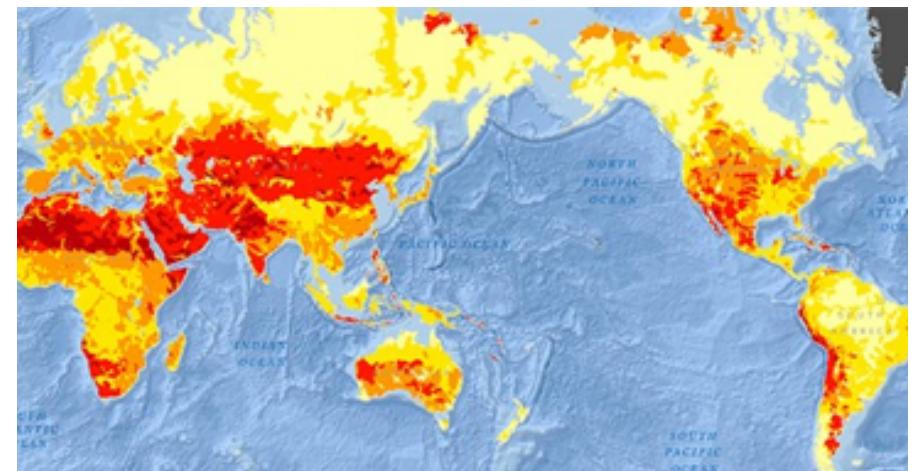
GRI103-2

## Water Resource Management

Nissan manages wastewater quality to even stricter standards than required by local regulations at each of its production sites. At sites in Japan, we have further strengthened measures against water pollution by attaching water quality sensors to the discharge points of our wastewater treatment facilities to automatically suspend water discharge if water quality problems are detected. Processing recycled water using reverse osmosis (RO) systems has allowed some sites to achieve zero wastewater discharge.

Under the Nissan Green Program 2022 (NGP2022), we aim to reduce water intake at global production sites by 21% by 2022. In order to achieve this, we are taking steps to reduce water usage, such as sharing best practices among plants, investing in equipment and expanding the Nissan Energy Saving Collaboration (NESCO) team into “r NESCO” (r[esource] NESCO). Additionally, since the water resource situation varies considerably from region to region, we assess water risk using our own methods for each of our production sites throughout the world. At sites where a high level of risk is found, we prioritize measures to expand dedicated water sources by building reservoirs to collect rainwater, improving wastewater recycling efficiency and reducing external water intake.

## Global Water Risks



Created based on the World Resources Institute's Aqueduct Water Risk Atlas ([aqueduct.wri.org](http://aqueduct.wri.org)).

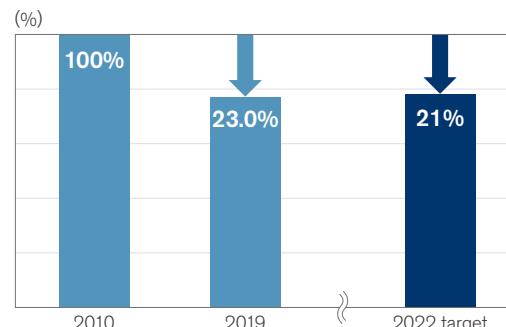
## Water Resource Achievements

### Water Use Reduction

Plants producing Nissan vehicles and parts are located throughout the world, and they all use water as part of the production process. Nissan strives to manage and reduce water usage at every plant, aiming to achieve a 21% reduction per vehicle produced by fiscal 2022 from 2010 levels. As of fiscal 2019, we had already reduced water usage by 23%, when compared to 2010.

To help achieve this goal, we built reservoirs to collect rainwater at the Chennai Plant in India and the second Aguascalientes Plant in Mexico, and installed wastewater recycling equipment at the Chennai Plant, the Huadu Plant in China and the Oppama Plant in Japan. Our efforts at the Chennai Plant, in particular, were recognized as an excellent example of water resource management by the Confederation of Indian Industry (CII). At Nissan North America (NNA), plants are competing among themselves to

### Water Usage per Vehicle Produced (Global)



find new ideas for reducing water usage, such as by filtering wastewater from pre-painting processes and thus improving water quality. We are also working to reduce water usage at Nissan's Global Headquarters in Yokohama, Japan by processing rainwater and wastewater from kitchens and other internal sources to be reused for flushing toilets and watering some plants.



### Innovative Car Wash Technique Introduced at Service Centers in India

Since 2014, the service centers of Nissan Motor India (NMIPL) have offered customers car washes that utilize an advanced foam washing technique. A traditional car wash requires about 160 liters of water for one car, but NMIPL's new service cuts consumption to approximately 90 liters—a 45% reduction in water use. Three years after the introduction of the foam wash technique, the total amount of water saved across Nissan service centers in India reached roughly 6,100 kiloliters—equivalent to the daily water consumption of 25,000 Indian households.

Along with reducing water consumption, the foam wash service is environmentally friendly due to the non-use of hard chemicals, shortens washing time, and even enhances the gloss of cars by roughly 40%.

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## Water Input for Corporate Activities

In fiscal 2019, water input for corporate activities was 23,714 km<sup>3</sup>, a 10% decrease compared with the fiscal 2018 level. Water input from production sites was 22,613,338 m<sup>3</sup>.\*

\* This figure is subject to assurance by KPMG AZSA Sustainability Co., Ltd. For details, please see here.

[>>> P100](#)

	Unit	2015	2016	2017	2018	2019
Total	1,000m <sup>3</sup>	28,570	29,118	26,197	26,420	23,714
Japan	1,000m <sup>3</sup>	14,990	15,563	13,115	13,022	11,932
North America	1,000m <sup>3</sup>	5,427	5,483	4,905	4,930	4,776
Europe	1,000m <sup>3</sup>	2,330	2,299	2,155	2,093	1,798
Other	1,000m <sup>3</sup>	5,823	5,774	6,023	6,376	5,207

## Cleaner Effluent Through Wastewater Treatment

Nissan thoroughly processes wastewater at its various plants. Wastewater from two Nissan plants in Aguascalientes, Mexico, is used to maintain landscaping on the sites, with no offsite discharge.

We also are strengthening water pollution prevention measures in our Japanese plants. In preparation for unexpected occurrences, such as the discharge of oil, we have attached water quality sensors to the discharge points of wastewater treatment facilities. Discharge of water outside the grounds is automatically suspended if water quality problems are detected.

	Unit	2015	2016	2017	2018	2019
Total	1,000m <sup>3</sup>	20,680	20,516	17,410	17,345	15,512

Japan	1,000m <sup>3</sup>	12,976	12,681	10,376	10,472	9,438
North America	1,000m <sup>3</sup>	3,916	4,028	3,382	3,190	2,752
Europe	1,000m <sup>3</sup>	1,740	1,767	1,564	1,539	1,528
Other	1,000m <sup>3</sup>	2,048	2,040	2,088	2,143	1,794

### Quality

Chemical oxygen demand (COD) Japan only	kg	28,042	29,730	26,451	21,149	18,795
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\* Click here for more information on Water Resource Management. [>>> P228](#)

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# THIRD-PARTY ASSURANCE

GRI102-56



## Independent Assurance Report

To the Representative executive officer, president and CEO of Nissan Motor Co., Ltd.

We were engaged by Nissan Motor Co., Ltd. (the "Company") to undertake a limited assurance engagement of the environmental performance indicators in the table below (the "Indicators") for the period from April 1, 2019 to March 31, 2020 included in its Sustainability Report (the "Report") for the fiscal year ended March 31, 2020.

- Total energy consumption at global production sites
- Total CO<sub>2</sub> emissions, Scope 1 emissions and Scope 2 emissions from manufacturing processes
- CO<sub>2</sub> emissions from the employee commuting
- CO<sub>2</sub> emissions from the use of sold products
- Water input from production sites
- Waste generated globally from production sites

### The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in the Report.

### Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information' and the 'ISAE 3410, Assurance Engagements on Greenhouse Gas Statements' issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than, for a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company's responsible personnel to obtain an understanding of its policy for preparing the Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and recalculating the Indicators.
- Visiting the Company's Iwaki Plant selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.

### Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Report.



### Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG AZSA Sustainability Co., Ltd.

KPMG AZSA Sustainability Co., Ltd.  
Tokyo, Japan  
September 16, 2020

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[Remarks] Basis of calculation for CO<sub>2</sub> emissions, waste generated and water input subject to third-party assurance

- CO<sub>2</sub> emissions from production sites: Calculated based on Nissan internal standards. The energy use data of each site is based on invoices from suppliers, which are multiplied by a CO<sub>2</sub> emissions coefficient publicly available for each production site.
- CO<sub>2</sub> emissions resulting from employee commuting Calculated based on the GHG Protocol Scope 3 Standard. Specifically, the annual CO<sub>2</sub> emissions resulting from each employee's commute are calculated using a standard unit of measurement announced by Japan's Ministry of Economy, Trade and Industry, Ministry of the Environment, and Ministry of Land, Infrastructure, Transport and Tourism. This figure is calculated on the basis that employees working at Global Headquarters commute by train and other employees use cars that are average vehicles designated by Nissan. This is multiplied by the number of employees at each facility or office.
- CO<sub>2</sub> emissions from the use of sold products: Calculated using the average regional CO<sub>2</sub> emissions per vehicle multiplied by the regional estimated average lifecycle mileage and multiplied by fiscal 2019 sales volumes. The average CO<sub>2</sub> emissions for the use phase (including direct emissions only) per unit are calculated for each of our main regions (Japan, U.S., EU and China) and extrapolated from average emissions of these markets for other markets. The Sustainable Mobility Project (SMP) model issued by the International Energy Agency was used to determine estimated average lifecycle mileages.

- Scope 3 emissions figures are estimates subject to varying inherent uncertainties.
- Waste generated from production sites: Calculated based on Nissan internal standards. The discharged waste is based on data from truck scales at the sites or data reported by disposal contractors. All discharged waste within the sites concerned is targeted. However, non-steady and irregular generated waste, waste generated in canteens, waste from permanently stationed companies at the sites, waste generated by external vendors and waste from construction are excluded. In addition, materials recycled in-house, used in reproduction (reused by Nissan) or recycled (as salable, valuable materials) are not categorized as generated waste.
- Water input from production sites: Calculated based on Nissan internal standards. Water input is the water withdrawal amount according to billing meters or company meters installed on site. The water withdrawal amount includes drinking water (tap water), industrial-use water, underground water (spring/well water) and rainwater or the like.

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# STRENGTHENING OUR BUSINESS FOUNDATIONS TO ADDRESS ENVIRONMENTAL ISSUES

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## Environmental Governance

\* For more information on our Environmental Governance [">>>> P051](#)

### Enhancing Environmental Management Based on ISO 14001

As of January 2011, the Nissan Global Headquarters and all other main Nissan facilities in Japan have acquired ISO 14001 certification for environmental management systems. We have appointed an environmental management officer to oversee our environmental activities. Through steady application of the PDCA (plan, do, check, act) cycle, we are improving our environmental performance worldwide. The coordinated goals set by the environmental management officer for the Company-wide management system are cascaded down to the employees working in all facilities through local offices.

Nissan's ISO secretariat oversees companywide efforts, while local offices in Japan are responsible for activities at each facility and division, and for coordinating the proposals submitted by employees. By engaging in discussions at least once a month, the ISO secretariat and local offices confirm progress made toward established goals, to share best practices, to improve management systems, to develop plans for the next fiscal year and to communicate requests from local facilities and divisions. The items discussed are reported to the environmental management officer twice a

year (once during the management review conference) so that Nissan can decide on needed improvements.

To confirm that management is functioning properly with respect to environmental management, we periodically retain third-party organizations to conduct audits. Additionally, to strengthen compliance, we conduct internal audits with respect to areas covered by third-party audits as well as all other environmental activities, prioritizing adherence to government reporting requirements and identifying risks. These third-party and internal audit initiatives are aimed at establishing a system capable of detecting human error, however small, and pursuing improved operations.

Nissan's production plants outside Japan have also acquired ISO 14001 certification. Nissan's policy is to establish environmental management systems in all regions where we operate in accordance with the same standards.

### Nissan's Voluntary Operational Standards

Stricter controls on environment-impacting substances are being implemented in countries around the world. Examples include the European ELV Directive, the European Union's Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) Regulation, which went into effect in June 2007, and Japan's Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture. The Japan Automobile Manufacturers Association has launched a voluntary program to help minimize the potential

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release of formaldehyde, toluene and other volatile organic compounds (VOCs)\* in vehicle cabins. This program utilizes the VOC guidance value established by the Ministry of Health, Labor and Welfare for specific substances in January 2002 to be met for all new models manufactured or sold in Japan after April 2007.

Nissan is strengthening its management of environment-impacting substances, adhering to a planned schedule for their reduction and advancing the use of alternative substances. In 2005, we drew up policies regarding the use of substances scientifically recognized as being hazardous or carrying high hazard risks, as well as those identified by NGOs as dangerous. In 2007, these policies, which restrict environment-impacting substances even more than the domestic laws of the countries where we operate, were rolled out globally.

Based on the above-referenced policies, Nissan developed a specific Nissan Engineering Standard (NES) for the Restricted Use of Substances, which identifies the chemical substances whose use is either prohibited or controlled. The NES is applied in material selection and also in the components and parts used in our vehicles from initial development onward. For example, four heavy metal compounds (mercury, lead, cadmium and hexavalent chromium) and the polybrominated diphenyl ether (PBDE) flame retardant have been either prohibited or restricted in models (excluding OEM vehicles) launched globally since July 2007. To control VOC use in car interiors, Nissan adopted the voluntary targets of the Japan Automobile Manufacturers Association as our own standards for global operations, and we are reviewing and reducing the use of prohibited and controlled chemical substances in materials and adhesives for seats, door trim, floor carpet and other parts.

Every year, we revise the Restricted Use of Substances standards to reflect changes in international laws and regulations and to add new substances covered by our voluntary internal standards. For the 2017 revision, the members of the Renault-Nissan Alliance implemented shared standards based on a reassessment of select criteria for hazards and risks that go beyond the level of compliance, strengthening Alliance activities. We build and maintain communication and management systems throughout the supply chain. For example, we disclose information to users and submit REACH reports to the relevant authorities about the vehicles and parts produced in or exported to Europe from Japan and other countries (including some from the United States). We also comply with Classification, Labeling and Packaging of Substances and Mixtures regulations.

\* VOCs: Organic chemicals that readily evaporate and become gaseous in the atmosphere.

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## Sanctions and Government Guidance at Nissan Production Facilities

During fiscal 2019, in relation to the environmental management system, none of Nissan's production facilities received notifications or sanctions from the government regarding significant violations of environmental laws or regulations.

## Raising Employee Awareness

Nissan's environmental activities are enabled by the knowledge, awareness and competency of its employees. Based on ISO 14001 standards, we will

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conduct employee education rooted in the Nissan Green Program 2022 (NGP2022) regarding CO<sub>2</sub> emission reductions, energy, water consumption and waste. In addition, education regarding environmental accident prevention and the management of hazardous materials is provided every year to all employees, including those from affiliated companies working in our production facilities. Training programs with quantitative evaluation are deployed to improve the skills and knowledge of each employee on how to reduce environmental impact in their activities. The content of these training programs is updated every year.

In Japan, we implement a curriculum to educate new employees during orientation and organize seminars for middle managers to deepen their understanding of NGP2022 and environmental issues surrounding the auto industry. We also hold “town hall” meetings to promote dialogue between executives and employees. Employees can stay up to date on our latest environmental initiatives through features in the intranet, internal newsletters and in-house video broadcasts. In addition, all employees receive an Environmental Policy Card with a pledge to pursue personal environmental activities, which they carry at all times.

Overseas, we share information and provide education to employees through the intranet, videos, events and various other communication approaches suited to each region.

## Employee-Initiated Activities and Evaluation System

In fiscal 2008, we added “environment” to the range of kaizen issues addressed by quality control (QC) circles. This has created opportunities for

employees to think proactively and propose ideas to improve environmental aspects of our business. Managers encourage the active participation of employees by communicating how these activities of QC circles are linked to the achievement of our midterm business plan. The ideas proposed by employees are evaluated by managers and QC circle secretariats for their potential contribution to environmental improvement, among other factors, after which we may implement those with the highest potential.

The knowledge and skills of the frontline employees on CO<sub>2</sub> emission reduction, energy management, water conservation and waste and landfill reduction have been compiled in a best practices manual and shared among global facilities. We hold contests in some facilities during officially designated months in Japan to keep employees motivated about participating in environmental activities. These include the Energy Use Reduction Idea Contest in February (energy-efficiency month), the Water Usage Reduction Idea Contest in June (environment month) and the Waste Reduction Idea Contest in October (3R promotion month).

We also use various methods to reward employees for their contributions to environmental improvement activities. These activities are included in the “commitment and target” annual performance goals used at some Japanese and overseas locations. This system assesses employees’ achievement of goals, reflecting this in performance-related elements of employee bonuses. Employees are also recognized for environmental improvement through Nissan prizes presented by the CEO or other executives, awards given by plant heads and “THANKS CARD” recognition from managers for excellent work or achievements.

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## Lifecycle Assessment to Reduce Environmental Impact

Nissan ensures solid environmental management policy by routinely assigning personnel to conduct risk management and having supervisors confirm their suitability and periodically conducting inspections. We also identify potential risks by conducting lifecycle assessments (LCAs). The LCA method is used to quantitatively evaluate and comprehensively assess environmental impact, not just while vehicles are in use, but at all stages of their lifecycle, from resource extraction, manufacturing and transport to disposal.

During the period of NGP2022, we are applying the LCA method to ensure steadfast implementation of our environmental activities, such as by identifying their progress and examining ways to further reduce our environmental impact. We are also carrying out LCAs for new technologies to develop environmentally friendlier vehicles.

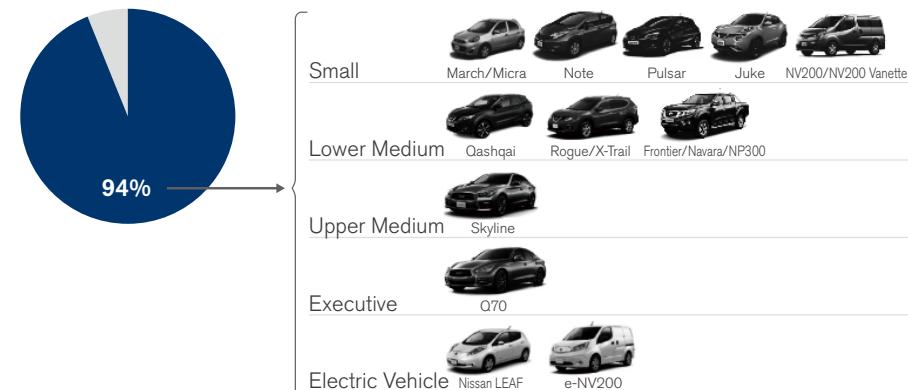
Our LCA methods have been certified by the Japan Environmental Management Association for Industry since 2010 and since 2013 by third-party TÜV Rheinland in Germany (ongoing as of November 2019). The latter certification is based on ISO 14040/14044 standards and validates the environmental impact calculations in our product LCAs.

We will use the above-certified calculations during the NGP2022 period to conduct LCAs of new vehicles and technologies and enhance efficiency during both the manufacture and operation of vehicles with the aim of further reducing environmental impact during the lifecycle of Nissan vehicles.

## Global Top Selling Model's Lifecycle Improvements

We have been expanding the application of the LCA method and enhancing the understanding of the environmental impact of our products in quantitative terms, especially our best-selling models worldwide. LCAs have been conducted for over 90% of these models.

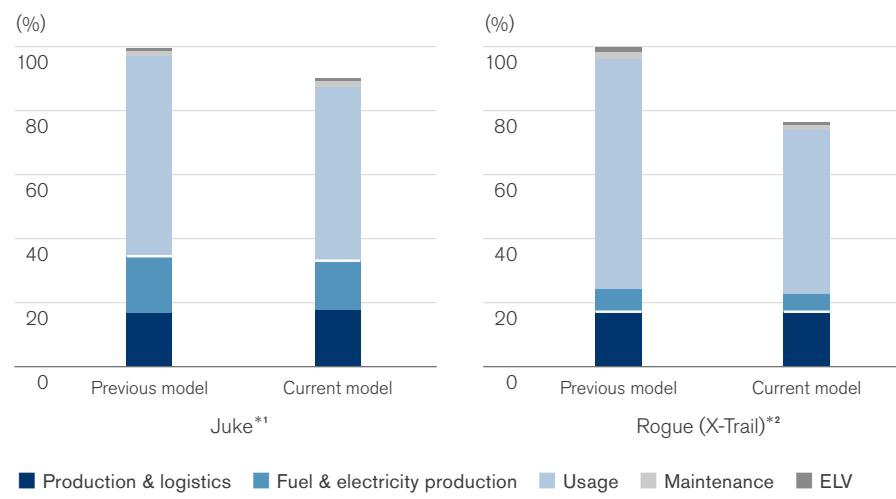
LCA Conducted Product Ratio in Sales Volume (EU Market)



With the Altima and Rogue, for example, improvements in internal combustion engine efficiency and vehicle weight reduction have led to both enhanced safety features and lower CO<sub>2</sub> emissions.

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## Lifecycle CO<sub>2</sub> Equivalent Emissions (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, etc.)



\*¹ Production in EU, 150,000 km driven in EU (basis for comparison).

\*² Production in EU, 150,000 km driven in EU (basis for comparison).

## LCA Comparison for e-POWER Models

Nissan introduced its new e-POWER powertrain in 2016, marking another significant milestone in the electrification strategy with lifecycle emission improvements.

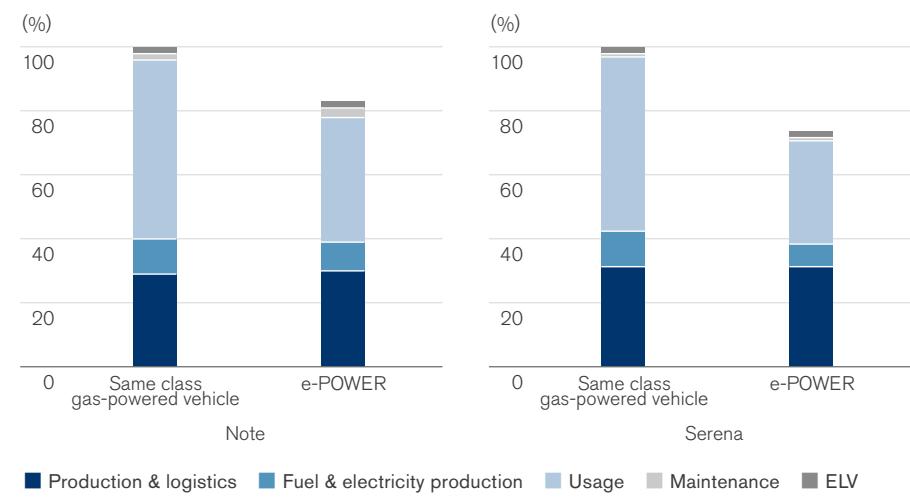
Compared to their gasoline-powered counterpart models, the Note e-POWER and Serena e-POWER have achieved an 18%—27% reduction in CO<sub>2</sub> emissions, respectively. Electrified e-POWER vehicles use a system in which a gasoline engine operates only under certain circumstances and is

used to generate electricity.

As a result, e-POWER vehicles achieve lower exhaust emissions and better fuel efficiency for driving than conventional gasoline engines. Also, since an e-POWER vehicle only requires a small battery (unlike one that is 100% electric), emissions from the manufacture of dedicated EV parts such as batteries can be kept at a level only slightly above that for parts for conventional vehicles.

There is future potential for further reductions in CO<sub>2</sub> emissions through additional weight reductions and the optimization of e-POWER energy management.

## Lifecycle CO<sub>2</sub> Equivalent Emissions (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, etc.)



Production in Japan, 100,000 km driven in Japan (basis for comparison).

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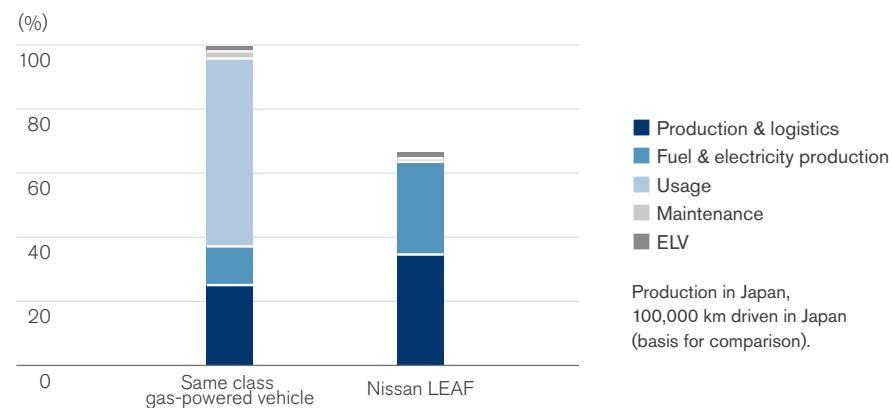
## LCA Comparison for the New Nissan LEAF

Compared to conventional vehicles of the same class in Japan, the Nissan LEAF results in approximately 32% lower CO<sub>2</sub> emissions during its lifecycle. We are making efforts to reduce CO<sub>2</sub> emissions during EV production by improving the yield ratio of materials, using more efficient manufacturing processes and increasing the use of recycled materials.

We are also continuing to pursue technology development for electric powertrains, power savings on ancillary devices and the use of renewable energy to reduce CO<sub>2</sub> emissions over the entire lifecycle of EVs.

Also, at the end-of-life stage, used batteries can be utilized for energy storage in various ways, contributing to reduced CO<sub>2</sub> emissions in society.

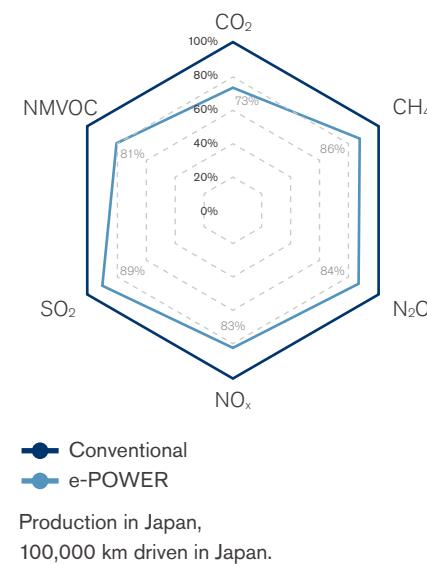
### Lifecycle CO<sub>2</sub> Equivalent Emissions (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, etc.)



## Lifecycle Improvements Beyond Climate Change

Nissan is expanding the scope of LCAs to include not just greenhouse gases but also a variety of chemicals amid growing societal concerns over air quality and ocean acidification and eutrophication. Our calculations show that, compared to conventional gasoline engines, the Serena e-POWER is significantly more environmentally friendly, achieving 11%—27% emission reductions for all targeted chemical substances and achieving environmental benefits throughout its lifecycle.

### Emissions Improvement in the New Serena e-POWER over Its Lifecycle



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## Stakeholder Engagement

### Working with Suppliers

As part of NGP2022, we are working to improve suppliers' environmental performance via the following three initiatives:

- We encourage all our global suppliers to manage parts and materials with a shared environmental philosophy in alignment with the Nissan Green Purchasing Guidelines. These guidelines are based on The Renault-Nissan Purchasing Way and the Renault-Nissan Supplier CSR Guidelines and provide detailed information regarding environmental matters. In August 2018, based on NGP2022, we revised the content of the guidelines, adding requests that suppliers undertake their own environmental activities. Additionally, in May 2019, in order to strengthen management of environment-impacting substances, we added requirements dealing with supplier self-diagnosis of environment-impacting substance management and related topics, and asked all suppliers to follow them.
- We also participate in the supply-chain program of CDP (previously known as the Carbon Disclosure Project), an international nonprofit, through which we request information on climate change and water from suppliers and conduct comprehensive performance reviews. During fiscal 2019, we asked our large contract suppliers to take part in the supply-chain program to provide responses on their environmental activities. 83% of them participated in the CDP program on climate change data and 77% in the CDP program on water security. Based on the results from these surveys, we engaged with a number of suppliers in order to incentivize work on the ongoing improvement of their environmental initiatives.
- We are promoting THANKS (Trusty and Harmonious Alliance Network

Kaizen activity with Suppliers) activities, a joint improvement program that emphasizes trust and cooperation with suppliers. Regarding energy use (electricity and gas) and CO<sub>2</sub> emission reduction in particular, we are taking the lead in cooperating with our main suppliers as part of the energy-efficient THANKS activities, based on the initiatives of our internal production facilities.

China's environmental regulations have become more stringent in recent years, forcing many companies to discontinue their business, temporarily suspend operations or to relocate their factories. Under the circumstances, we conducted an independent survey in fiscal 2019 of suppliers' compliance with environmental regulations. The results will be utilized to build a more resilient supply chain.

### Working with Consolidated Production Companies

We encourage our consolidated production companies in a variety of markets to acquire ISO 14001 certification and to undertake other environmental initiatives based on their respective policies. Meetings with major consolidated production companies in Japan are held to exchange views on cooperation toward the goals outlined in NGP2022. The meetings lead to a deeper shared understanding of the details of NGP2022 and the initiatives undertaken by each company.

### Working with Dealerships

Our dealerships in Japan have introduced an original approach to environmental management based on ISO 14001 certification called the

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“Nissan Green Shop” certification system. This program is managed through internal audits conducted by the dealerships every six months, in addition to annual reviews and certification renewal audits carried out every three years by Nissan Motor Co., Ltd. (NML). As of the end of March 2019, the system has certified approximately 2,700 dealerships of 156 dealers, including parts dealers, as Nissan Green Shops.

## Working with Future Generations

Today’s youths are the future leaders of our society. We are working to share information on environmental issues with the younger generation, and to raise awareness among tomorrow’s leaders.

We have been conducting environmental programs for students in school visits in Japan since 2008 in which more than 100,000 students had participated as of March 2020. In NGP2022, we will further expand the program in Japan and in other countries.

## Key Activities in NGP2022

Youth education programs, such as Nissan Waku-Waku Eco School, an interactive program delivered by Nissan employees to schoolchildren, will be expanded globally to:

- Share knowledge of global environmental issues



- Introduce our environmental initiatives, such as the Nissan LEAF electric vehicle and our other green technologies  
Through environmental education, the program encourages participants to adopt eco-friendly activities in their daily lives.

## Working with NGOs

Nissan believes that environmental activities are critical in social contribution activities, thus we are engaged in various activities to realize a low-carbon society, including implementing educational programs to deepen understanding of global environmental issues. At the same time, in order to respond to the increasing complexity of environmental issues, we believe that it is effective to collaborate with NGOs, NPOs, governments and various other stakeholders to enhance these activities while making the most of our mutual strengths.

Our Corporate Philanthropy Goal is to realize a cleaner, safer and more inclusive society. NGP2022 seeks to support local communities through various projects by collaborating globally with NGOs to respond to issues such as climate change and water scarcity.

## Key Activities in NGP2022

- Collaboration with the World Wide Fund for Nature Japan (WWF Japan) on climate change mitigation
- Support for WWF Japan’s climate & energy project
- Continue participation in WWF’s worldwide Earth Hour environmental enlightenment campaign for greenhouse gas emission reduction

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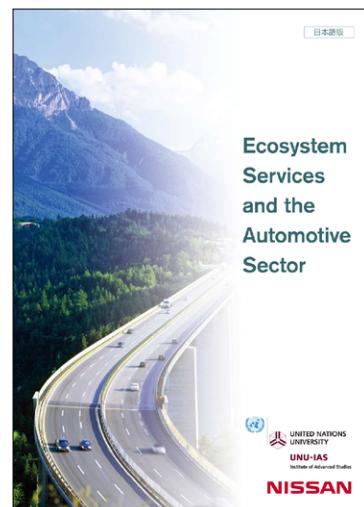
·Collaboration with Conservation International on protection of a critical watershed area  
Support for a forest restoration project through a Ridge to Reef approach in Bali, Indonesia.  
Create jobs and build capacity\* by developing community-based environmental conservation projects.

\* Build and improve capacities that groups, organizations and society need to achieve their goals

[GRI304-1](#) | [GRI304-2](#) | [GRI304-3](#) | [GRI304-4](#)

## Priority Issues for Automobile Manufacturers Regarding the Protection of Air, Water, Soil and Biodiversity

The United Nations Millennium Ecosystem Assessment report issued in 2005 concluded that ecosystem services had degraded over the past 50 years more rapidly and extensively than in any comparable period in history. Humankind depends on a number of ecosystem services, including the provision of food and fresh water, climate regulation and protection from natural disasters. The automotive industry must recognize both its impact on ecosystems and its dependence on these services. Companies today face the pressing need to



balance environmental preservation and economic progress as they pursue their business activities.

Using methods identified in the Corporate Ecosystem Services Review, we have evaluated the value chain from the extraction of material resources to vehicle production and operation. We have identified three response priority areas as an automobile manufacturer: energy sourcing, mineral material sourcing and water usage. We published a report titled "Ecosystem Services and the Automotive Sector"\*\*2 in 2010 collating the outcome of this work. Our calculations in June 2013 showed that more than 20 times as much water was used upstream in the supply chain than by Nissan itself. We are following up by re-evaluating and further developing our existing environmental initiatives and ecosystem conservation efforts from the viewpoint of business risks and opportunities.

\*1 Developed by the World Resources Institute in cooperation with the World Business Council for Sustainable Development and Meridian Institute, based on the U.N. Millennium Ecosystem Assessment.

\*2 Click here for more information on " Ecosystem Services and the Automotive Sector. "  
[https://www.nissan-global.com/EN/DOCUMENT/PDF/ENVIRONMENT/SOCIAL/ecosystem\\_services\\_and\\_the\\_automotive\\_sector.pdf](https://www.nissan-global.com/EN/DOCUMENT/PDF/ENVIRONMENT/SOCIAL/ecosystem_services_and_the_automotive_sector.pdf)

For more information on how we are strengthening our business foundation to address environmental issues. [>>> P229](#)

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# Social

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# SOCIAL POLICIES AND PHILOSOPHY

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Nissan's business activities are supported by various stakeholders. As well as respecting the rights of all stakeholders, as a global company we conduct our business activities with a constant awareness of society's needs and social responsibility in order to contribute to the sustainable development of society.

Through an assessment of various business risks and opportunities, we have identified six key areas in the Social dimension as part of Nissan Sustainability 2022, and we are conducting initiatives in these areas. The six areas are Traffic Safety, Diversity and Inclusion, Quality, Supply Chain, Employees, and Community Engagement.

In the area of Traffic Safety, we are promoting development and implementation of driver assistance technology and other traffic safety technologies to achieve our ultimate goal of virtually zero fatalities involving our vehicles. Regarding Diversity and Inclusion, we are proactively hiring more diverse talent with different backgrounds to embrace gender and national diversity as a strength for the organization. We also aim to be a truly inclusive company so that employees can demonstrate their potential to the fullest.

Quality is fundamental to Nissan's activities. Rooting the basis of all of our activities to the practice of listening to each one of our customers, we are making sure that employees are aware at all levels of the organization regarding the importance of quality improvement. We are strengthening our sustainability initiatives in all phases of our Supply Chain, from the procurement of raw materials to manufacturing, distribution, sales, and after-

sales service, covering all the activities involved until the finished product reaches our customers.

With respect to Employees, we are expanding opportunities for our employees to learn so that they can each achieve their maximum potential. We aim to make continuous learning and talent development a part of our corporate culture, and to create a dynamic work environment where the health and safety of our staff is a top priority. Furthermore, as local communities are an essential part of Nissan's business in every region, we are working to promote Community Engagement around the world in three strategic areas: environment, traffic safety, and diversity.

For this Sustainability Report, activities within these six areas were selected to be reported on, based on an assessment of their potential business impact as well as the level of interest from stakeholders.

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## Report Themes and the Six Areas

REPORT THEMES	SIX AREAS
TRAFFIC SAFETY	TRAFFIC SAFETY
HUMAN RIGHTS	DIVERSITY AND INCLUSION
DIVERSITY AND INCLUSION	DIVERSITY AND INCLUSION
PRODUCT SAFETY AND QUALITY	QUALITY
SUPPLY CHAIN MANAGEMENT	SUPPLY CHAIN
HUMAN RESOURCE	EMPLOYEES
LABOR PRACTICES	EMPLOYEES
EMPLOYEES' HEALTH AND SAFETY	EMPLOYEES
COMMUNITY ENGAGEMENT	COMMUNITY ENGAGEMENT

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# HUMAN RIGHTS

GRI103-1

GRI102-16

## Human Rights Policies and Philosophy

As the value chains of global corporations expand, the international community is ever more concerned about respect for human rights and how business affects these rights. The automobile industry is also recognizing the issues of human rights as they relate to its labor environment and handling of natural resources, water and conflict minerals. Nissan considers the strict adherence to corporate rules and applicable laws and practices fundamental to its business activity in every country and area where it operates. We are committed to delivering engaging, worthwhile and sustainable mobility to people and acknowledge that, for this to be achieved, the human rights of all stakeholders must be respected and all employees must act while upholding the highest ethical standards. We do not discriminate on the basis of race, nationality, gender, religion, disability, age, place of origin, gender identity, sexual orientation or any other characteristic. We also work to rectify and eradicate working practices that infringe human rights throughout our entire supply chain, such as forced labor and child labor.

## Human Rights Policy Statement

As a signatory of the United Nations Global Compact, Nissan's respect for human rights is informed by the Universal Declaration of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

Based on the UN Guiding Principles on Business and Human Rights (UNGPs), we have formulated the Nissan Human Rights Policy Statement\* to actively prevent adverse human rights impacts. This policy statement makes our commitment to protecting human rights clear to all stakeholders and underpins our initiatives in this area.

\* Click here to download the Nissan Human Rights Policy Statement.

[https://www.nissan-global.com/COMMON/DOCS/CSR/LIBRARY/nissan\\_human\\_rights\\_policy\\_e.pdf](https://www.nissan-global.com/COMMON/DOCS/CSR/LIBRARY/nissan_human_rights_policy_e.pdf)

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**GRI102-17** **GRI103-2** **GRI408-1** **GRI409-1** **GRI412-1**

## Human Rights Management

The Nissan Human Rights Policy Statement is applicable to all of Nissan's executives and employees. Nissan's fundamental ethical expectations are also clarified in the Nissan Global Code of Conduct, and all executives and employees recognize the importance of applying the statement beyond Nissan's own operations. At every level of our global supply chain, we aim to conduct ethical, social and environmentally conscious business activities. We also work together with suppliers, contractors and other business partners to achieve this goal.

Since 2006, we have shared a set of common values and processes around purchasing known as The Renault-Nissan Purchasing Way with its worldwide network of suppliers. Common values regarding human rights and labor are also shared via the Renault-Nissan CSR Guidelines for Suppliers, in which we detail our expectations and request implementation regarding respect for human rights and prohibition of child labor and forced labor. In addition, we require businesses we deal with to take the initiative on responsible procurement of minerals and carry out due diligence on conflict minerals.

We are also strengthening communication with our sales companies and promoting consistent sustainability management, including on human rights issues.

At the same time, we have deployed the SpeakUp system, a globally consistent system that allows not only employees but also other stakeholders as well to report matters internally.

\* For more information on supply chain-related human rights initiatives.

[\*\*>>> P154\*\*](#)

\* For more information on internal reporting systems.

[\*\*>>> P206\*\*](#)

See below for more details about our guidelines.

- Nissan Global Code of Conduct

[https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/2017/NISSAN\\_GCC\\_E.pdf](https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/2017/NISSAN_GCC_E.pdf)

- Renault-Nissan Corporate Social Responsibility Guidelines for Suppliers

[https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/CSR\\_Alliance\\_Guidelines.pdf](https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/CSR_Alliance_Guidelines.pdf)

- Nissan Global Minerals Sourcing Policy

[https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/Minerals\\_Sourcing\\_Policy\\_e.pdf](https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/Minerals_Sourcing_Policy_e.pdf)

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**GRI103-3** **GRI406-1** **GRI407-1** **GRI411-1** **GRI412-2**

## Human Rights Achievements

Nissan recognizes the need to take a comprehensive approach to managing human rights. After identifying actual or potential risks related to human rights that we might have inadvertently caused or contributed to, we consider it vital to monitor and assess such risks, as well as to develop appropriate response strategies.

In the 2001 Nissan Global Code of Conduct, we detailed our policies regarding equal opportunity and respect for diversity. In 2004 we were a frontrunner among our industry peers in signing the United Nations Global Compact, accepting reporting obligations that we continue to fulfill today. Regarding suppliers, in 2010 we published the Renault-Nissan CSR Guidelines for Suppliers, clarifying our respect for human rights and commitment to eliminating forced and child labor and sharing our sustainability policies.

In 2017, referencing the UN Guiding Principles on Business and Human Rights (UNGPs), we formulated and issued the Nissan Human Rights Policy Statement. This policy makes it clear that, we respect all our stakeholders' human rights, and require our employees to act according to the highest ethical standards.

In June 2018, we launched our new sustainability strategy, Nissan Sustainability 2022, specifying the main goals through fiscal 2022 for the aspects of Environmental, Social and Governance. For the Social aspect, the strategy also reiterates the importance of respecting all stakeholders' rights. In 2018, we cooperated with Business for Social Responsibility (BSR), a US organization promoting sustainability to implement a human rights assessment, allowing us to identify four key areas of potential risk related to human rights, namely supplier labor conditions, employee labor conditions, product safety and customer privacy\*1. Furthermore, in 2019 we worked with BSR to conduct a human rights assessment at Nissan South Africa (Pty) and confirmed human rights risk was clearly low at that company. We formulated an action plan to remediate items requiring improvement and have been implementing a PDCA (plan, do, check, act) cycle in this area from fiscal 2020. We plan to expand our human rights assessment reviews of affiliated companies in the Asian area going forward.

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We also work to build awareness of human rights among employees and conduct several e-learning seminars, for example, “Global Code of Conduct” and “Unconscious Bias”. “Unconscious Bias e-learning” is for all indirect employees and has been completed by 15,225 people (12,687 in fiscal 2018 and 2,538 in fiscal 2019). In addition, a total of 350 people have taken part in our LGBT seminars, held annually since fiscal 2014. Since fiscal 2016, all senior managers have been required to take an e-learning program about LGBT issues. In fiscal 2020 the content of the e-learning program has been updated and made mandatory training for managers and staff. We also have proactive initiatives to support LGBT staff.\*2

As described in the Nissan Global Code of Conduct, employees can submit inquiries related to human rights issues via a global reporting system.\*3 We are committed to investigating, addressing and responding to any concerns reported, and employees who make inquiries are protected from any form of retaliation.

\*1 Click here for more information related to identifying key areas related to human rights

[">>>> P014](#)

\*2 For more information on initiatives to support LGBT staff.

[">>>> P122](#)

\*3 For more information on our global reporting system.

[">>>> P206](#)

\* For more information on Responsible Minerals Sourcing

[">>>> P158](#)

\* For more information on Global Code of Conduct training.

[">>>> P204](#)

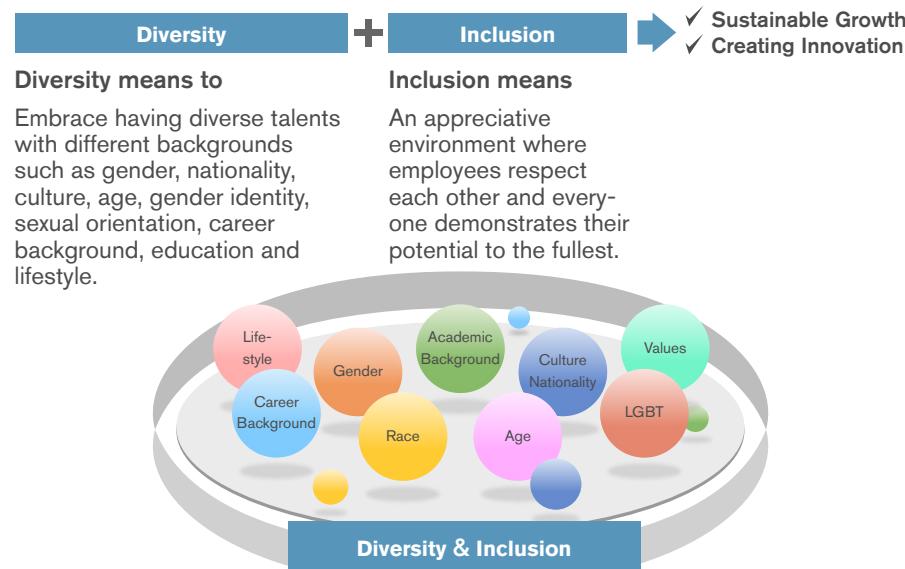
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# DIVERSITY AND INCLUSION

GRI103-1 GRI103-2 GRI406-1

## Diversity and Inclusion Policies and Philosophy

Employees with different personalities and ways of thinking putting their heads together leads to the creation of new value while meeting the increasingly diverse needs of our customers. Employees are the driving force for the sustainable growth of Nissan, and this diverse body of employees is a valuable asset for the company. We place great importance on establishing a workplace where employees can demonstrate their potential to the fullest, and which is truly inclusive. That is why one of Nissan's corporate strategies is to respect and promote diversity and inclusion.



## Respect for Human Rights and Equal Opportunity

We have established the Nissan Global Code of Conduct, which describes how employees should act and applies to all Nissan Group companies worldwide.

Nissan has mandated that all employees respect one another's human rights, and that discrimination or bullying on the grounds of race, nationality, gender, religion, disability, age, place of origin, gender identity, sexual orientation or other reasons is unacceptable. There are rules in place to prevent any passive acceptance of an environment in which such discrimination occurs. At the same time, we respect the diversity of our employees, work to maximize the performance of each individual and actively strive to create an environment in which teams can come together and work toward ambitious goals.

## Diversity and Inclusion as Strategy

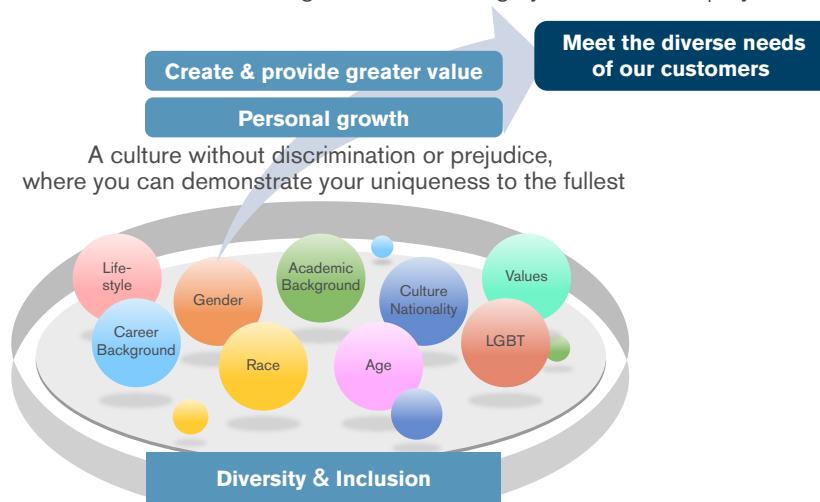
The global expansion of Nissan's corporate activities has meant growing diversification of not only Nissan's customers but also its employees. Work and lifestyle choices are changing, driven by demographic changes such as an aging population and urbanization. We believe that for employees to work in a worry-free, self-initiated manner, they need to be able to pursue their careers regardless of gender, nationality or other factors and at the same time choose from among various workstyles to suit their particular stage of

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life. Skill development programs are another essential part of making the workplace attractive to employees.

We believe that diversity and inclusion are a source of competitiveness for the company. By having employees from a range of backgrounds work together while respecting one another's different values, new concepts and ways of thinking are born and even greater value and creative solutions are produced, leading to even better business results. The automotive industry is in the midst of a transformation that is said to occur only once in a century. With the rapid advances in such technologies as autonomous vehicles, connected cars, and mobility as a service, diversity and inclusion are growing even more vital to enhancing our competitiveness in order to respond swiftly to this transformation. We have made diversity and inclusion part of our corporate strategy and are promoting them in all workplaces. This enables us address the diverse needs of our global customers and to deliver innovative products and services through each of our highly motivated employees.



## Diversity and Inclusion Management

In order to promote diversity and inclusion across Nissan's global operations, policies are set by a committee of executives representing company divisions. Dedicated organizations then work on local initiatives needed for their implementation. We aim to be a truly inclusive company with a diverse workforce, in which individual employees can demonstrate their potential to the fullest. We promote diversity and inclusion based on four approaches: "Developing leaders with skills to manage diverse organizations," "Enabling diverse human resources," "Embedding culture of respect for diversity and inclusion" and "Promoting inclusive workstyles."

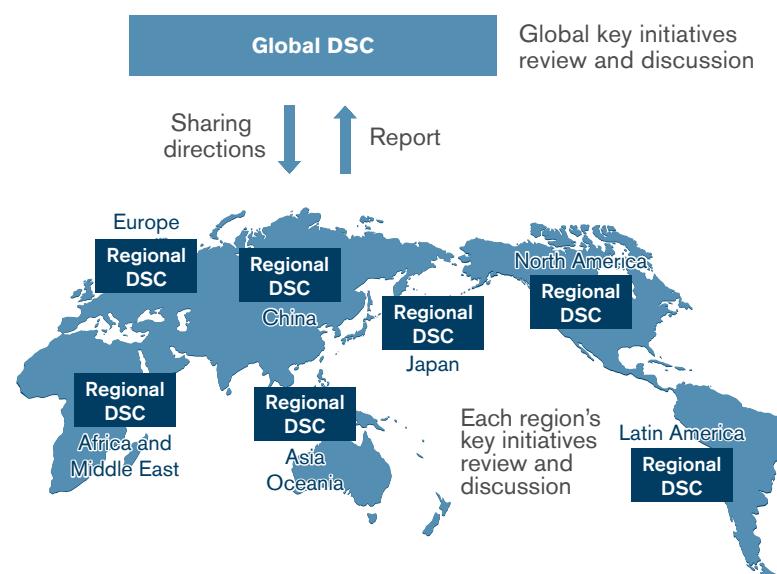
- ✓ Sustainable Growth
- ✓ Creating Innovation



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## Diversity and Inclusion: Decision-Making and Action-Driving Bodies

We have set up the Global Diversity Steering Committee (Global DSC), which consists of executives from its different divisions and makes decisions on global diversity and inclusion policies and initiatives. The implementation of these in various geographical areas is spearheaded by Regional Diversity Steering Committees (Regional DSCs). In Japan, we have set up the Diversity Development Office, which helps put diversity and inclusion policies into practice. In North America, we established the Americas Diversity Office. In other regions, local human resource departments and other bodies work to promote diversity.



## Diversity and Inclusion Promotion: Issues and Approaches

Issues	Approaches
Developing leaders with skills to manage diverse organizations	<ul style="list-style-type: none"> <li>Management skills development</li> </ul>
Enabling diverse human resources	<ul style="list-style-type: none"> <li>Human resources development, career support</li> <li>Enhanced recruitment*</li> <li>Targets: 16% female managers globally, and 13% in Japan by 2023</li> </ul>
Embedding culture of respect for diversity and inclusion	<ul style="list-style-type: none"> <li>Promotional activities for all employees to understand values of diversity and inclusion</li> </ul>
Promoting inclusive workstyles	<ul style="list-style-type: none"> <li>Work-life balance support</li> <li>Development of infrastructures that realize flexible workstyles</li> </ul>

\* Guidelines at Nissan Japan for female new staff recruitment are 50% for office positions, 20% for engineering positions and 20% for technical roles.

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## Diversity and Inclusion Achievements

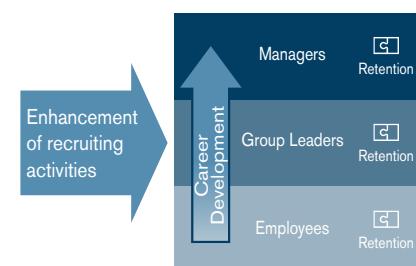
## Enabling Diverse Human Resources

## Female Talent Development: Initiatives and Achievements

Enablement of women as leaders in projects and organizations is essential to providing diverse value to customers. In order to increase female representation through all management levels, Nissan provides trainings to ensure that top candidates will be ready to take on greater responsibility. Support is provided for women's career development in every region where we operate.

As a result of these initiatives, the percentage of women among Nissan managers globally has increased from 7% in 2008 to 13.9% in April 2020, and women are active at Nissan globally.

In Japan, we provide personalized support for female employees through individual counseling sessions with career advisors. Female employees receive tailored support via career development seminars and meetings with career advisors. They are also encouraged to actively network with other professional women outside of the company and with women who have risen into management roles in Nissan. We have also put in place a mentoring program as part of our personal support initiatives. Younger employees

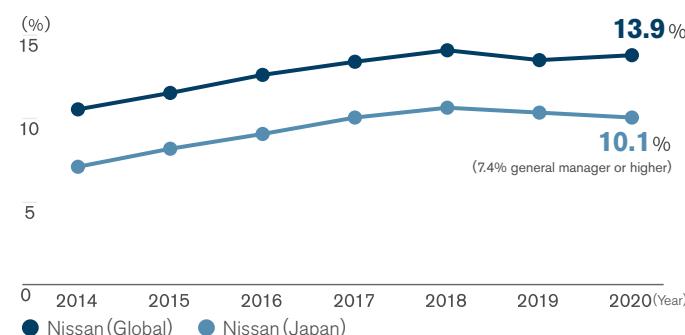


Career development and retention actions in Japan	One-on-one interviews Career development seminars Network building Information sharing on company intranet Mentoring Training
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receive support for their personal growth through two-way dialogue with highly knowledgeable and experienced senior employees, as well as help in dealing with the issues they encounter during their career development and in solving worries and issues in the workplace.

Thanks to these various initiatives, women now comprise 10.1% of managers in Japan (as of April 2020). This compares favorably to the average of 3.3% for Japanese manufacturers with 1,000 or more employees (according to the 2019 Basic Survey on Wage Structure from Japan's Ministry of Health, Labour and Welfare). Female managers also work in all Nissan divisions, including development and manufacturing, and are involved in all operational processes. Furthermore, as of April 2020, a total of 7.4% of general manager or higher positions are filled by women—3.7 times larger than the 2008 level of 2.0%. At the executive level, the international race driver Keiko Ihara became Nissan's first female outside director in June 2018; Jenifer Rogers followed her in June 2019.

## Transition in the Ratio of Women in Management Positions



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Rather than simply increasing the number of female managers, we create an environment in which women can participate in all business processes, from new model development to sales, including those working at affiliate and sales companies.

In the car development stage, models like the Nissan Serena minivan released in Japan in August 2016 reflect women's requirements. For example, designers and engineers adopted recommendations for a capless fuel tank, allowing drivers to refuel the vehicle without dirtying their hands, and dual back doors that require minimal force to open and allow cargo to be loaded even in confined spaces.

We are also promoting human resource and career development initiatives for women at our manufacturing sites. In October 2017 the Nissan Group's first female plant manager took up her role at the Oppama Plant in Yokosuka, Kanagawa prefecture, and other female plant managers have been appointed since then.

Many female car-life advisors (CAs) are active at our sales companies as well where Nissan sales staff respond to the various needs of and questions from customers. As of end-February 2020, 1,202 female CAs were active across Japan, accounting for 10.6% of the national total, an increase from 1,196 at the end of February 2019. Additionally, to enhance the satisfaction of female customers with after-sales service experiences, female technical advisors (TAs) have been appointed to bridge the gap between customers and dealer technicians.

## Inter-cultural Cooperation

A vital part of Nissan's success rests on ensuring that people are welcome no matter where they come from, what language they speak, how old they are or what their background or training is. Nissan's top decision makers include individuals of many different nationalities.

## Establishing a Culture of Respect for Diversity and Inclusion

In order to leverage diversity as a true strength, create greater value, and meet the diverse needs of customers, we believe it is important to establish a culture of diversity and inclusion, where employees with all sorts of differences, not just of gender and nationality but also sexual orientation, gender identity, disability, age and career history, acknowledge and accept each other without discrimination or prejudice.

To further foster a culture of diversity and inclusion, in fiscal 2018 in Japan, we introduced an "Unconscious Bias e-learning" for all indirect employees, in which employees can learn the influence of the unconscious biases that everyone has as well as techniques to mitigate their effects. In fiscal 2019, implemented this initiative in Latin America and the Caribbean (LATAM), we plan to gradually expand this initiative across our global sites.

To enable members of the LGBT community and other employees with diverse sexual orientations and gender identities to perform their jobs without experiencing discrimination in the workplace, we have been working to support and promote understanding through such initiatives as annual LGBT seminars held since 2014. We have participated in Tokyo Rainbow

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Pride, the largest LGBT event in Japan, for three consecutive years since 2017. In fiscal 2016, members of the LGBT community and allies (those supportive of LGBT) within the company launched a self-initiated employee network. In recognition of these initiatives, the private organization, work with Pride, awarded Nissan its most prestigious Gold "PRIDE Index" to recognize corporate initiatives to support LGBT employees, a first for a Japanese automobile company. In 2019, we won Gold for the third year in a row. We also provide a work place where older employees and those with disabilities can fully participate. Necessary training programs are provided for those who have built up their career at other companies so that they can quickly perform to the best of their ability at Nissan. In addition, we hold local diversity-themed events and run diversity training programs for employees all over the world. Employees can also learn about Nissan's vision and initiatives relating to diversity and inclusion via diversity articles on the company intranet and e-learning programs.

## Promoting Inclusive Workstyles

We strive to create a work environment where every member of a diverse workforce can demonstrate his or her potential to the fullest. For example, a system in which employees can freely choose to spend up to 40 hours a month working from home was introduced so that staff can work flexibly according to their individual needs.

Also, in order to make it easier for staff in different regions to work together, in 2017 we established basic rules for the timing of meetings between sites in different regions. Although in the past global meetings have taken place during the middle of the night in some regions, guidelines have now been

set in which all participants can join meetings between the local hours of 7 a.m. and 8 p.m. By combining this with home-working, we can provide an attractive work environment in all regions.

## Initiatives for Employees Balancing Work with Childcare or Nursing Care

Japan's low birthrate and aging population mean that it is important to provide a work environment that supports employees raising children or giving nursing care to the elderly. We are building an environment to help employees who balance work with childcare through both facilities, such as in-house childcare centers, and initiatives, such as seminars and organizational support. In fiscal 2017 Nissan's first plant childcare center—March Land Oppama—was opened at the Oppama Plant. The center's opening times are set to fit the plant's shift schedule, thereby helping female employees to continue their work at the plant. A group called "Escargot" has also been set up by working mothers themselves as a forum to exchange information.

The number of employees balancing work with the nursing care to the elderly is expected to increase, and in Japan we have held seminars since fiscal 2015 where employees can learn the basics of nursing care and explore how company policies and local services can help them maintain the work-care balance. In fiscal 2017 we launched an external support service to support employees who face difficulties in nursing care.

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## Creating an Environment Conducive to Work-Life Balance

**Comprehensive Support for Employees**

 Supporting employees:  
Career development and work-life balance support

- "Seminar for expecting parents"
- "Seminar for Back-to-Work After Parental Leave"
- Gives employees opportunities to think about their career paths before maternity leave and back-to-work after parental leave
- Nursing care seminars

 Supporting managers who have employees engaged in childcare and nursing care

- Guidance on offering promotion exams before parental leave
- Seminar for managers with employees engaged in childcare
- Management training on balancing work and childcare for staff employees engaged in childcare
- Management training on paternity leave for staff employees engaged in childcare
- Diversity management training for managers

 Company infrastructure

- Working from home  
Employees engaged in childcare and nursing care can spend up to 50% of the required minimum monthly work hours, while others are allowed up to 40 hours per month.  
All employees except those in manufacturing processes are eligible.
- Super-flextime without core time
- Shorter working hours (for employees engaged in childcare or nursing care)
- Family support program (special paid holidays for marriage, childbirth by spouse, childcare, nursing care and fertility treatment)
- Childcare leave, nursing care leave, maternity protection leave

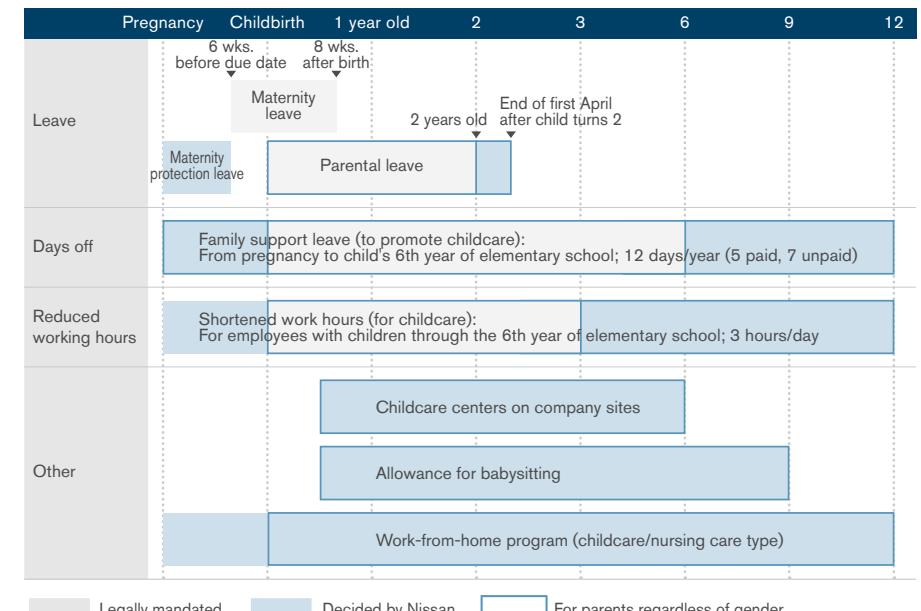
- Accompanying leave (three years maximum)
- Re-employment policy
- In-house childcare center (four sites)
  1. Supports employees by helping them balance work and childcare and perform at their best
  2. Supports employees' return to work when they wish, rather than when care waiting lists in Japan allow it
- Lending of personal computers to employees on leave (for intranet and email access)
- MM care room (lactation room)
- External nursing care hotline

## In-house Childcare Centers for Nissan Employees

Expansion to plants				
	March Land Atsugi	March Land Atsugi Axt	March Land Minatomirai	March Land Oppama
Capacity*	42	10	15	10
Hours	7:30 a.m.-10:00 p.m.	8:30 a.m.-6:30 p.m.	8:00 a.m.-8:00 p.m.	5:00 a.m.-7:30 p.m.
Established	April 2005	October 2012	January 2013	April 2017

\*Capacity determined based on facility area.

## Support Systems for Childbirth and Childcare (Japan)



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## Workstyle Reform “Happy 8”

We are implementing a series of workstyle reforms that provide a crucial foundation for supporting diversity and inclusion, allowing employees with a range of values and life needs to perform at their best.

We have been striving to make workstyles more flexible. In the 1990s we began encouraging employees to take their allotted paid leaves and implemented a “super-flextime” system with no core time when employees must be at their workplace.

In 2015 we introduced the Happy 8 program, a work reform emphasizing the ideal of an eight-hour workday. By communicating this ideal to employees, Happy 8 aims to increase individual and organizational productivity while also improving work life, private life, and health. As part of welcoming more flexible workstyle in February 2017 we also began promoting our Happy Friday program, encouraging employees to leave the office at 3 p.m. on the last Friday of each month.

Additionally, to give each employee the opportunity to reflect on their own workstyle from a new perspective, each fiscal year since 2014 we have held a Workstyle Symposium featuring invited guest speakers from outside the company.

Under the slogan “Eight productive hours! Richer lives, better health, Happy 8,” we will continue striving for more flexible and attractive workstyles.



A Workstyle Symposium for employees

## Achievements at Overseas Sites

### Initiatives to Promote Diversity and Inclusion in North America

At Nissan North America, diversity and inclusion is embedded in our culture. By actively using our diversity in thought and experience, we better develop ideas and people, and ensure our company's continued growth. We do this by creating opportunities that empower people to grow and achieve more. Ultimately, we focus on helping people succeed and making a positive impact on the communities in which we work and live.

We continuously strive to reflect the consumers we serve in our workforce, and that world is increasingly diverse and evolving.

## Mentoring

To recruit, cultivate diverse talent and sustain this talent long into the future, Nissan North America offers a wide range of employee benefits including mentoring. We believe mentoring is necessary to attract and retain talent. Mentoring opportunities are available in a variety of formats, including informal, formal, small group, individualized and topical.

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## Business Synergy Teams (BST)

Nissan North America offers employees the opportunity to join and/or lead Business Synergy Teams (BST). In tandem with executive sponsorship, BSTs were developed by active groups of employees with shared interests and values. BST members focus on supporting each other's achievement of business goals, professional development, and interaction with local communities. Since the first BST launched in 2007, Nissan employees have embraced these groups and formed BSTs at every major US location as well as Canada and Mexico.

Business Synergy Team (BST)	Concept underlying activities
Gay Straight Alliance at Nissan (GSAN)	Serves to be a catalyst for a culture of equality at Nissan that provides a safe, respectful, inclusive and supportive environment for all LGBT employees, vendor partners and customers along with their allies.
Generations Business Synergy Team	Works to transfer the Nissan experience and technical expertise across all employee generations.
Green Team	Preserves transparency and communicates information on company and local community initiatives related to sustainability and the environment.
Interfaith Nissan (iN)	Conducts "Celebrate Humanity" activities that contribute to local communities and respects, recognizes, and accepts all beliefs.
Multicultural Business Synergy Team (MBST)	Supports diversity and inclusion activities within Nissan and the local communities that we work and live in. MBST is open to everyone who would like to share and learn from Nissan's vibrant culture.

Nissan Alliance of Parents	Supports members in becoming the parents they would like to be at major life milestones from the time children are born until they graduate from college while maintaining the career path they desire.
Veterans Business Synergy Team	Makes contact with veterans and seeks opportunities to support and promote military activities within our Nissan community.
Wellness at Work (W@W)	Encourages and supports employees' desire to choose a healthy lifestyle.
Women's Business Synergy Team	Provides its members with networking, professional development and community involvement opportunities.

Nissan North America partners with many charitable and social causes that enhance the well-being of the local communities where we live and work. We invite our employees to serve as volunteers, mentors or advisors, offering their time, talent and expertise to help nonprofit organizations carry out their missions. We have a shared commitment to build a better, more sustainable world for all of us.

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## Achievements in Diversity and Inclusion in North America

Acknowledgment of Nissan North Americas' commitment and accomplishments in supporting diversity has come from a broad spectrum of organizations and media. We appreciate that the marketplace has recognized our efforts consistently throughout the years.

In 2019, Nissan Canada(NCI) was selected as a Top 100 Ideal Employer for the fourth consecutive year. This is Canada's largest and longest-running student ranking of companies with participation by over 20,000 students from 159 universities. NCI was also certified as a Great Place to Work® by an organization that conducts anonymous surveys of employees working at companies worldwide. The survey bases its certification criteria on corporate culture, workplace experience, compensation, communication, and employee trust in leadership. NCI received especially high marks for diversity and fairness.

## Initiatives to Promote Diversity and Inclusion in Europe

In Europe, as part of our efforts to promote gender diversity, we undertake a holistic approach by applying this philosophy in our production and supplier relationship, processes and management.

The diversity and inclusion activities are focusing on the full employee lifecycle from recruitment to engagement. Moreover we pay special attention on gender, nationality and ability as primary areas to strengthen understanding of diversity and inclusion in Europe.

We hold career fairs and provide support for female employees as they continue their careers to encourage increased hiring of women with engineering or other technical degrees. Nissan is playing an active role in career development and dedicating time and resources not only internally, but also externally. In addition, the Nissan Skills Foundation was established in 2014 at our plant in Sunderland, England, which provides a variety of educational programs for elementary, middle, and high school students. As of November 2019, 60,000 students had participated in career development and engineering or STEM events run by the foundation. Female students accounted for approximately 46% of the participants. Our offices in Spain participate as sponsor in a mentoring program provided to female students pursuing engineering and technical degrees and female executives also contribute as mentors.

We are focusing on developing the capabilities of women through mentoring and coaching sessions and are implementing career development plans at the individual level. In 2019, our "Thrive female leadership development program" was launched for the first time and was attended by 18 female middle managers.

In September 2019, events were held all over Europe for the regional Diversity Week. In December 2019 we celebrated December International Day of Persons with Disabilities by inviting a Paralympic gold medalist as a speaker to deepen understanding of colleagues, suppliers, and customers with disabilities.

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Nissan Russia was ranked third in Forbes Woman Ranking 2019. The Forbes Woman Rating is the first of its kind in the country to evaluate the best companies for women's careers. Sixteen indicators have been identified and evaluated in five blocks: gender composition (25%), compensation (25%), career opportunities (25%), corporate programs (15%) and special benefits (10%).

In the European region, online training has been implemented for all employees, and we will continue to pursue initiatives to promote diversity and inclusion.

## Initiatives to Promote Diversity and Inclusion in Other Regions:

### Asia & Oceania (A&O):

In Asia & Oceania (A&O), a great example in this area is our participation in the Women's Forum Asia 2019 held in Singapore in September 2019 for the second year consecutively, as a Gold Partner. We sent a diverse delegation of 20 Nissan employees to learn at the event and further the dialogue on how to accelerate diversity and inclusion in the company. Furthermore, we had four A&O business leaders speak at various events, sharing Nissan's approach to workforce diversity, talent development, and how diversity data helps Nissan to be more inclusive in the way we serve customers of different genders and cultures. One example of panel discussion talk was driving etiquette and autonomous driving due to cultural differences. Flashing headlights can have different implications in different countries. With the spread of autonomous driving and 5G

technology, even with simple movements, we have raised the issue by saying that it is necessary to create automobiles and maintain usage environments that reflect cultural differences and diversity. In parallel, we led a multi-stakeholder campaign through various channels, driving awareness for Nissan's approach to diversity and its participation in the event.

### Latin America and the Caribbean (LATAM):

In Brazil, 40 hours of sign language training was conducted for 55 employees including plant leaders to enhance communication with hearing-impaired employees working at the plant.

In addition, in October 2019 the event WOMEN TALK was held inviting an instructor from the UN. 68 female employees attended the presentation on the economic empowerment of women and female participation in the labor market.



The event "WOMEN TALK"

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### Africa, Middle East and India (AMI):

At Nissan Africa, Middle East, India (AMI), we were successful in increasing the number of females in external hiring positions by 25% versus 2018, by mandating shortlisting both male and female candidates for the interview stage by the hiring manager. We have taken measures to promote Nissan as a diverse employer, including but not limited to introduction of flexible working guidelines, holding female progression awareness sessions and establishing nursing rooms (lactation rooms) at all major facilities in 2019.

At the International Women's Day in March 2019, we promoted diversity and inclusion by holding presentations and workshops and other events with AMI leaders as speakers.

AMI region sponsored the Women Economic Forum event, which was held in Cairo, Egypt on March 2020, aiming to strengthen our position as "Diversity Employer". We enjoyed meaningful media and local coverage. In 2020, we plan to introduce programs to develop skills of female employees to further support the enablement of women.

### China (NCIC and Nissan China JVs):

Generation diversity in the work place and understanding differences between generations are helpful to improve teamwork, innovation, and productivity. Awareness and learning across generations are viewed as important elements in setting higher goals for the organization, and therefore "train the trainer" (TTT) training on intergenerational leadership was conducted in April 2019 by Alliance China Academy for the Nissan China region including NCIC and Nissan China JVs.

The training took place for 21 hours over three days with 33 participants

including the head of human resources, business managers, HR staff from companies in China with which Nissan has alliances. The participants were certified as in-house trainers after learning about the characteristics of each generation, methods for managing uncertainty, dialogue depending on roles, and the motivations of teams and individuals. These trainers then conducted training on intergenerational leadership at each of their companies.

NCIC also conducted diversity and inclusion workshops for senior leaders in June 2019 where the participants enhanced their awareness and understanding of diversity and inclusion and reconfirmed their importance to lead the business to succeed. They also confirmed that promoting diversity and inclusion build a stronger corporate culture, creating a work place in which employees work with trust and passion.

### External Recognition for Diversity and Inclusion at Nissan\*

Both Nissan's diversity and inclusion initiatives and its attitude of placing emphasis on employee diversity, have received considerable external recognition.

As noted above, NCI was selected as a Top 100 Ideal Employer for the fourth consecutive year and have also been certified as a Great Place to Work®. In addition, in Russia Nissan ranked third in Forbes Woman Ranking 2019.

In 2015, we became the first company in Kanagawa prefecture to earn Platinum Kurumin certification, which is granted to Kurumin-accredited companies (certified as supporting childcare) that provide an even higher standard of childcare support. Then in 2017 we received the highest third-

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level Eruboshi accreditation as a company that successfully promotes female participation in the workplace. Additionally, we were the first Japanese carmaker to receive a PRIDE Index top Gold award, a scheme which recognizes efforts to support LGBT employees; in 2019, we received the same award for the third year in a row.

These awards are a clear sign that Nissan's commitment to diversity and inclusion is producing results and that our efforts to make diversity a key element of its competitive strategy are steadily bearing fruit.

\* Click here for data on the main examples of external recognition of our diversity and inclusion initiatives to date.

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# TRAFFIC SAFETY

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## Traffic Safety Policies and Philosophy

The automobile has transformed people's lives, bringing mobility, convenience and the pleasure of driving. In recent years, the automotive industry has made significant advances, particularly in autonomous driving technologies and driver-support solutions. The world is also undergoing major structural shifts due to aging populations and the rapid progression of urbanization. Technological innovation in the automotive sector is expected to help realize societies with less urban traffic congestion and more ways for senior citizens to move about safely.

Nissan designs and engineers cars that embody the pleasure and richness of driving while prioritizing a high level of safety. More than 90% of traffic accidents are caused by human error. Our goal is "zero fatalities": reducing the number of deaths from accidents involving Nissan vehicles to virtually zero. To this end, we continue working to enhance the safety of our vehicles, partly through the development and adoption of autonomous driving technologies. We also conduct a wide range of other activities to help build a safer and more pleasant mobility society, including educational initiatives to raise safety awareness among drivers, pedestrians and others in the community.

## Traffic Safety Management

Nissan's goal of "zero fatalities" means aiming for virtually no fatalities due to traffic accidents involving Nissan vehicles. Since 2004, our R&D department has been striving to develop technologies based on our unique Safety Shield concept of "vehicles that help protect people". Many different types of Nissan vehicles are already equipped with the results of this work, including technologies to help prevent collisions or reduce the damage when a collision is unavoidable. Today, we are working toward the implementation of autonomous driving as the next advancement among our preventative safety and driver-assist technologies.

To help people gain a better understanding of traffic safety, we are committed to educational activities to boost safety awareness and support activities to improve drivers' skills.

We are working alongside government and municipal authorities, universities and other companies to realize a safer and more pleasant mobility society.

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## Goal of Nissan's Activities to Improve Traffic Safety

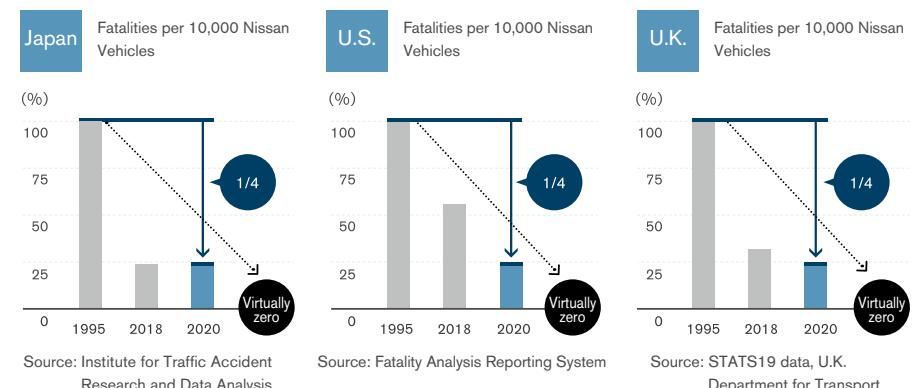
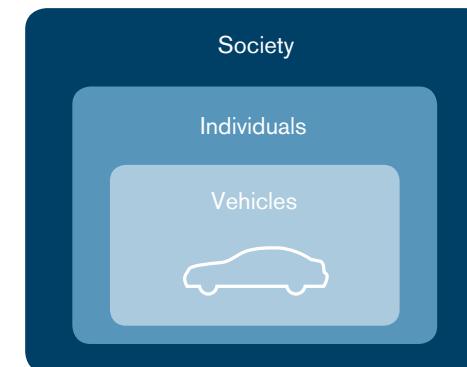
Nissan's approach to safety is focused on the real world and aims to help create a society with virtually zero avoidable traffic accidents. In 2019, there were 3,215 fatalities in Japan caused by traffic accidents. While this is 317 less than in 2018, there are still more than 3,000 deaths per year due to traffic accidents. According to the World Health Organization (WHO), approximately 1.35 million people die each year in traffic accidents globally. Unless urgent steps are taken, traffic accidents could become the seventh leading cause of death worldwide by 2030.

We set the target of reducing the number of fatalities involving Nissan vehicles to half their 1995 level by 2015, and reached this target in Japan, the United States and the United Kingdom. Today, we are striving to halve this number once again in these markets by 2020. Our ultimate goal is a world with virtually no fatalities resulting from traffic accidents.

To reduce traffic accidents and achieve this zero-fatality goal, it will be necessary to develop and deploy effective safety technologies in as many vehicles as possible. Comprehensive efforts are needed, encompassing individuals and the driving environment as well. We take a triple-layered approach, targeting vehicles, individuals and society to contribute to the creation of a truly safe automobile society.

## Nissan's ultimate goal: Virtually zero fatalities involving Nissan vehicles

Nissan's approach:  
A triple-layered approach,  
targeting vehicles, individuals and society



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## Traffic Safety Achievements

### Vehicles: Developing Safety Technologies

To promote safe and enjoyable driving, as well as ensuring that all our brands comply with laws and regulations addressing automobile safety, Nissan is working to develop automotive technologies that can help minimize risk to vehicle occupants to the extent possible based on its unique Safety Shield concept.

Our Safety Shield concept divides the conditions surrounding a vehicle into the six phases of "risk has not yet appeared", "risk has appeared", "crash may occur", "crash is unavoidable", "crash", and "post-crash," and guides the development of various technologies in which the vehicle can help protect people in each phase. This concept is the basis of our efforts to develop safety technologies.

### Enhancements to Nissan's Safety Technology and External Ratings Received

In January 2015, we expanded Intelligent Emergency Braking to more models. By the end of fiscal 2015, the technology was available on nearly all vehicle categories sold in Japan, including electric vehicles and commercial vehicles, and standard on all major models. In North America, it is now standard on several models including the Pathfinder, Altima and Rogue.

In Europe, it is available on the Juke, X-Trail, Qashqai, Micra and other key models.

Our vehicles have earned high safety ratings on many public and governmental tests held in various regions. In particular in Japan, the Serena minivan received a perfect score and the Nissan Dayz received the

highest score for a "kei" minicar in JNCAP's Active Safety Assessment for fiscal 2019. The assessment has added a rigorous test of the autonomous emergency braking system for pedestrians at night to simulate driving on roads without streetlights. In addition, through fiscal 2019, 13 major models featuring Intelligent Emergency Braking were approved under the Advanced Emergency Braking System certification launched by the Ministry of Land, Infrastructure, Transport and Tourism in fiscal 2018.

### Major External Safety Ratings (Based on 2019 Assessments)

Regions	External Assessments	Models	Rating
Japan	JNCAP <sup>*1</sup>	Collision Safety Performance Assessment	Nissan Dayz 5★ (Highest rating)
		Preventive Safety Performance Assessment	Nissan Dayz (highest score for a "kei" minicar) Serena (perfect score) ASV+++ (Highest rating)
		Automatic Accident Emergency Call System Assessment	Nissan Dayz SOS+ (on-board type)
U.S.	NCAP <sup>*2</sup>	INFINITI QX60, INFINITI QX50, Murano, Altima, Pathfinder, Maxima, Sentra	5★ Overall Rating (2020 model year)
		INFINITI QX80, Armada, Frontier (Crew Cab), Rogue	4★ Overall Rating (2020 model year)
	IIHS <sup>*3</sup>	Maxima Altima	2020 Top Safety Pick+ 2020 Top Safety Pick
Europe	Euro NCAP	Juke	5★
China	C-NCAP	Sylphy	5★

\*1 JNCAP: The Japan New Car Assessment Program. An automobile assessment program run by the Ministry of Land, Infrastructure, Transport and Tourism and the National Agency for Automotive Safety and Victims' Aid (NASVA).

\*2 NCAP: The U.S. National Highway Traffic Safety Administration's New Car Assessment Program.

\*3 IIHS: The U.S. Insurance Institute for Highway Safety.

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## Aiming for Virtually Collision-Free Cars

Our Safety Shield concept supports the safety of vehicle occupants in a variety of scenarios from a comprehensive perspective, from danger prevention and avoidance to protecting occupants.

For example, during normal driving or parking, sensors and cameras can monitor vehicles and pedestrians that may be difficult for drivers to see; this supports drivers and allows them to drive with peace of mind. In times of potential danger, the vehicle can judge in an instant how to help avoid or lessen the danger.

We have set ourselves the goal of providing optimal mobility worldwide. We are committed as an automobile manufacturer to swift and widespread popularization of our safety technologies.

Risk has not yet appeared ■ ProPILOT assist ■ Intelligent Distance Control ■ Navigation-enabled Intelligent Cruise Control with full-speed range following capability ■ Adaptive Front-Lighting System (AFS) ■ Intelligent Around View Monitor ■ Intelligent Rear View Mirror	Helps the driver drive with peace of mind
Risk has appeared ■ Intelligent Forward Collision Warning ■ Lane Departure Warning ■ Intelligent Lane Intervention ■ Blind Spot Warning ■ Intelligent Blind Spot Intervention ■ Intelligent Back-up Intervention ■ Intelligent Driver Alertness ■ Rear Cross Traffic Alert	Helps the driver avoid or mitigate dangerous situations
Crash may occur ■ Intelligent Emergency Braking ■ Anti-lock Braking System (ABS) ■ Vehicle Dynamics Control (VDC) ■ Emergency Brake for Pedal Misapplication	
Crash is unavoidable ■ Front Pre-Crash Seatbelts	
Crash ■ Zone Body Construction ■ SRS Airbag Systems ■ Pop Up Engine Hood	Helps minimize injuries when a collision is unavoidable
Post-crash ■ Automated Airbag-Linked Hazard Lamps ■ SOS call (HELPNET)	



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## Latest Safety Technologies\*

\*All terminology and functionality as seen in the Japan market.

### Intelligent Emergency Braking

When the front-mounted camera detects a vehicle or pedestrian ahead and the risk of collision increases, visual warnings appear in the meter display and an audible signal warns the driver to take appropriate action. If the driver does not reduce speed appropriately, braking is applied to help avoid or reduce the severity of a frontal collision.

### Emergency Assist for Pedal Misapplication

This technology uses sonar to detect walls and other obstacles in the direction of travel. When the accelerator pedal is depressed too strongly or the system determines that there is a risk of collision, audio and visual warnings alert the driver as the system reduces engine or motor output and brakes to prevent or reduce the severity of a collision. According to our accident analysis, pedal misapplication is not restricted to parking lots and similar spaces but also often occurs on the road. Our latest system supports the driver in a wider range of situations in that it can detect vehicles and pedestrians with a front-mounted camera installed in the upper portion of the windshield when traveling at speeds of up to 25 km/h.



### Lane Departure Warning/Intelligent Lane Intervention

The Lane Departure Warning system alerts the driver when the car appears to drift out of its travel lane with a visual warning in the meter display and an audible signal. The Intelligent Lane Intervention system can also automatically help the driver return to the travel lane by redirecting the vehicle toward it.

### Intelligent Driver Alertness

When the Intelligent Driver Alertness system detects via the driver's steering activity that driver alertness may be reduced, a visual warning in the meter display and an audible signal urge the driver to take a break.

### Intelligent Rear View Mirror

When the switch is flipped on, the Intelligent Rear View Mirror shows the view through a rear-mounted camera, helping provide clear rearward visibility. Any cargo or vehicle occupants inside the vehicle do not impede the mirror's rearward view. Additionally, the sensitivity of the camera can be increased at night or in other low-light conditions, providing the driver with a clear rearward view in a variety of circumstances.

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### Intelligent Around View Monitor

Images showing the vehicle from a virtual bird's eye view clearly convey the relationship between car and parking space, assisting the driver in parking. If the system detects moving objects around the car, the monitor alerts the driver. The system also supports the driver with safety checks when entering a garage or exiting a parking space.

### Rear Cross Traffic Alert



The Rear Cross Traffic Alert warns drivers backing out of a space when a risk is detected of vehicles approaching behind them from either side.

### Blind Spot Warning



When the Blind Spot Warning system detects a vehicle diagonally behind the vehicle, it indicates the presence of this vehicle to the driver. When the driver has the turn signal indicator on, visual and audible warnings are provided.

### Dissemination of Advanced Driver Assistance Technologies: ProPILOT

Brought to market in 2016, ProPILOT is a driver assistance system that can provide speed control, lane centering and brake assist functionalities. ProPILOT 2.0 is the world's first advanced driver assistance technology that offers a wide range of support for drivers traveling on a multi-lane highway by setting their destination in the navigation system to set a predefined travel route, such as hands-off driving while cruising in a given lane and lane changes for passing and branching off. In September 2019, ProPILOT2.0 was equipped as standard in the all-new Nissan Skyline hybrid. The technology is highly acclaimed, winning Best Innovation Award in the 2019-2020 Japan Car of the Year awards and the RJC Technology of the Year at the RJC Car of the Year awards.

We are progressively deploying ProPILOT globally in a wider range of vehicle types. So far, in Japan, has been available in the Serena, Nissan LEAF and X-Trail. In the United States, ProPILOT is available in the INFINITI QX50, Rogue, Rogue sports, Altima, and Nissan LEAF. In Europe, it is available in the Nissan LEAF, Qashqai, X-Trail and Nissan Juke. And in China, it is offered on the Altima, X-Trail, and INFINITI QX50. The new Nissan Dayz, was the first "kei" vehicle to offer this feature and its now also offered in the Nissan ROOX, and in total, more than 660,000 vehicles equipped with ProPILOT have been sold as of the end of March 2020. We intend to deploy the technology in 20 models for sale in 20 markets by the end of fiscal 2023, when the number of ProPILOT-equipped vehicles sold annually is expected to reach 1.5 million.

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## From Preventive Safety to Autonomous Driving

We are enhancing our preventive safety technologies to support the four basic steps in avoiding accidents: sensing, cognition, judgment and action. Today we are developing autonomous driving technologies as the next step in our approach to driving safety. We believe that autonomous driving



A Nissan autonomous driving test vehicle.

could help reduce traffic accidents—more than 90% of which have human error as a contributing factor—and help realize a society with virtually no traffic accidents.

Autonomous driving vehicles equipped with

millimeter-wave radar, laser scanners and cameras continually monitor their surroundings in every direction. If they approach other vehicles or objects, artificial intelligence selects the appropriate action based on the information stored in its knowledge database. The goal is an autonomous driving vehicle that can correctly assess the situation, make decisions and drive safely even in complex traffic environments, such as crossroads with no traffic lights or when passing parked vehicles.

Nissan implements field-testing of autonomous driving on a global basis. In 2019 the U.K. Human Drive Project, an autonomous driving vehicle ran for 370km over the wide-ranging and unique driving environment in the United Kingdom, including suburban roads, highways and city streets.

In a society facing issues including aging populations and urban congestion,

autonomous driving technologies may one day be able to help reduce traffic accidents, providing peace of mind to drivers and increased mobility to the rapidly growing number of senior citizens. We believe that autonomous driving technologies are a major breakthrough offering new mobility value. We are proactively developing these technologies and working to bring them to market.

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## Nissan's Traffic Safety Activities: Involving People

To create a better mobility society, it is important for as many people as possible to share an understanding of traffic safety, from drivers and vehicle occupants to pedestrians. We take part in educational activities to help boost this safety awareness, including measures to improve driving skills and a range of other safety promotions.

### Initiatives in Japan

Traffic accidents are statistically more likely to occur during the dusk hours from 4:00 to 6:00 p.m. As part of the Hello Safety Campaign, Nissan's Omoiyari Light Promotion urges drivers to turn on their headlights earlier in the evening. We have been involved in this campaign since 2010 and promote civic activities with two-way communication to raise public awareness of traffic safety.

Furthermore, we launched a traffic safety project \* in 2018 together with a research department in Niigata University. They specialize in kinesiology, and they have been promoting traffic safety through the involvement of the local community. We are engaged in a wide range of activities that traverse industry sectors, regions, and generations with the aim of realizing a mobile society with zero traffic fatalities, that embraces diversity and leaves no one behind. We stand by the members of society who are at a social disadvantage including in the area of transportation, such as small children, the elderly, foreign visitors and those cut off from public transportation because of depopulation. One of the outcomes from these efforts is the

"Wheel Spinning (Guru-Guru) Exercise", developed in March 2020, which promotes and encourages safe driving among senior drivers.

\* Traffic Safety Project

ToLiTon (Town, Life and Transportation) Safety Initiative

This project was named to promote proposals to town, life, and transportation that are not bound by past conventions

### Omoiyari Light Promotion

On November 10, designated "Day of Good Lighting", we hold various interesting and fun activities around Japan to remind drivers of the importance of turning on

their headlights early in the evening. In 2019, approximately 540 people participated in an on-street campaign to encourage drivers to turn on their headlights before dark at 14 locations across Japan: Obihiro in Hokkaido prefecture; Yamagata in Yamagata prefecture; Sagamihara in Kanagawa prefecture; Niigata in Niigata prefecture; Asahi (Nyuzen) in Toyama prefecture; Tsuruga and Echizen (Sabae) in Fukui prefecture; Higashikagawa in Kagawa prefecture; Aki district in Kochi prefecture; Nagasaki, Matsuura, Hirado and Emukae in Nagasaki prefecture; and Iriki in Kagoshima prefecture. These volunteers were subsequently invited to attend a Traffic Safety Roundtable. The participants shared information on initiatives under way in various regions and issues they faced, which enabled all to foster strong exchanges.



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Throughout the year, Global Headquarters Gallery hosted daily presentations at dusk by Nissan's "Miss Fairlady" PR staff members about the Omoiyari Light Promotion. From 2019 they have been holding up signboards that encourage turning on headlights while they explain. By urging greater awareness of, and action on, safety among corporations, nonprofit organizations, car-lovers and other stakeholders, these activities have helped our Omoiyari Light Promotion steadily gain broad acceptance among the public.



Volunteers in Obihiro, Hokkaido calling for drivers to turn on their headlights

## Wheel Spinning (Guru-Guru) Exercise for Senior Citizens' Traffic Safety

This exercise was developed to support safe driving primarily by senior citizens by improving their muscle strength and enhancing their cognitive abilities.

Senior citizens tend to lose motor function due to a lack of exercise.

Research by the Niigata University (kinesiology) has shown that when motor

function declines, it has various negative impacts on the ability to drive a vehicle.

The exercise has three main benefits: improving circulation to help refresh the body, building strength through a somewhat strenuous motion, and stimulating the brain to enhance cognitive abilities. So they are easy to remember, all the moves are completed in four beats over three seconds and the movements are repeated in a rhythmical manner. The exercise can be performed before operating a vehicle or any time one has some time to spare. It can also be done without the steering wheel prop and it is also effective to a degree, even if it is done while sitting and watching television or listening to music. A video showing senior citizens, pre-school children and university students performing Wheel Spinning (Guru-Guru) Exercise and participants enjoying a workshop to make their own one-of-a-kind steering wheels to be used in the exercise was posted to Facebook, YouTube, and Twitter.



## Wheel Spinning (Guru-Guru) Exercise



## Workshop to make steering wheels for the exercise

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## Partnership with the FIA for Traffic Safety

In 2014, Nissan and the Fédération Internationale de l'Automobile (FIA) formed a partnership to make the world's roads safer through the FIA Action for Road Safety campaign. We were an official supporter of the FIA's innovative awareness-raising campaign, launched to bolster the United Nations Decade of Action for Road Safety.

As part of this partnership, we worked worldwide to promote the FIA Golden Rules which aim to reduce the number of deaths from traffic accidents.

By signing the FIA Online Pledge, campaign supporters publicly commit to driving safely.

We leveraged events like the Nissan Safety Driving Forum and other outreach efforts to educate drivers about the FIA Golden Rules and FIA Online Pledge.

## Society: Working Together with Society

We believe we can help create an even safer mobility society by using information from the traffic environment surrounding vehicles on the road. In collaboration with a wide range of governmental agencies, universities and companies, we are participating in various projects aimed at realizing a safer, more pleasant mobility society.

### Helping Reduce Wrong-Direction Accidents

Recently, Japan has seen an increased number of incidents involving vehicles traveling in the wrong direction on expressways. Working together with West Nippon Expressway Co., Ltd., we have developed a navigation program that uses GPS to notify expressway drivers of vehicles driving the wrong way. The system detects these vehicles based on GPS coordinates, maps, vehicle speeds and other data, and their drivers receive audible and visual warnings. It first appeared in the Nissan Fuga Hybrid released in October 2010 and is now available as an option on every type of vehicle we sell in Japan, including commercial vehicles. Now that the technology has been licensed to Pioneer Corp., this function is available to customers who use Pioneer car navigation systems as well.

## Our Initiatives for the Future

### Applying NASA Technology to Develop AI for Autonomous Vehicles

To realize fully autonomous city driving, we are developing the Seamless Autonomous Mobility system (SAM). SAM will be able help cars safely navigate unforeseen situations like accidents, road construction and other obstacles. When autonomous decision-making is difficult, a remote operator

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draws up an ideal route to manage the situation and sends it to the vehicle for execution.

### **Field Testing Commercial Mobility Services Using Driverless Vehicles**

Nissan and the Japanese Internet firm DeNA Co., Ltd. are jointly developing a new mobility service called Easy Ride using driverless vehicles. In March 2018, field tests of the Easy Ride service were conducted in the Minatomirai district of Yokohama in Kanagawa prefecture. The field tests used monitors in test cars equipped with autonomous driving technology to assess and check the service. In February 2019, we conducted tests under more realistic circumstances by expanding the test field and randomly choosing starting points and destinations. In February 2020, we held a test drive event for representatives of National government agencies, regional and municipal authorities, transportation operators, local companies, and other stakeholders.

Nissan and DeNA will work together to develop service designs for driverless environments, expand service routes, optimize distribution logic for when vehicles share congested roads with driver-operated vehicles, establish pick-up/drop-off processes, and explore the possibility of multilingual support. We aim to launch the full service in the early 2020s.

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# PRODUCT SAFETY AND QUALITY

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## Product Safety and Quality Policies and Philosophy

Product evaluations and automaker brand value are entirely dependent on customer perception of quality. In the automotive industry, rapid technical innovations are seeing customers demand ever-higher levels of quality in the products they purchase. A company can strengthen its brand by consistently providing the value customers expect, but failing to meet expectations even once makes it harder to maintain a platform for providing new value to those customers.

As mobility needs rise worldwide, driven by increased urbanization and structural changes in the global economy, Nissan is expanding production to fulfill its mission of offering people everywhere the rich benefits of mobility. At the same time, we believe that automakers have an important responsibility to always offer customers the kind of quality they expect. We aim to earn our customers' trust by addressing quality as a companywide issue. This means providing top-level quality to customers at every stage, from the planning of new vehicles through development, manufacturing, distribution and sales to aftersales service.

## Fair and Swift Action on Major Quality Issues

Our primary responsibility as a manufacturer is to make every effort to ensure that product issues do not occur in the first place. Another duty is to ensure that vehicles, which are extraordinarily complex industrial products, are manufactured to handle a range of eventualities. Our approach to recalls is to conduct them transparently, fairly and promptly. The decision to conduct a recall is based on compliance with relevant laws and consideration of how the issue may affect customers' safety. When a recall is judged necessary, we implement it swiftly, placing top priority on customer safety and minimizing the disruption to their lives.

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## Quality Policies and Philosophy

Quality has many aspects, and we seek to provide high quality at all stages of the customer experience: how it feels to use the product itself, the way customers are treated by sales staff in showrooms, the response if problems arise with the product. To achieve this, we pursue effective companywide cooperation at the cross-functional and cross-regional levels. We aim to be recognized by customers as a brand offering top-level quality in both products and sales and services.

Vehicle product quality is essential for safe and comfortable long-term use. We aim to provide a high level of quality that meets customer expectations over the entire lifecycle of the product. This includes the perceived quality when a customer opens the vehicle's door in the showroom, sits in the seat and takes a test drive; the initial quality in the first year after purchase; and the durability that allows the vehicle to provide many years of use.

We also conduct initiatives to increase customer satisfaction (CS) regarding sales and service quality. Our aim is to exceed expectations at every customer contact point, including dealership visit, purchase, maintenance, inspection and repurchase.

We listen to customers and incorporate their feedback in every process throughout the company in our pursuit of CS.

## Product Safety and Quality Management

Ensuring the safety of customers who purchase Nissan cars and consistently providing the quality they expect are both important parts of gaining their trust. In order to earn that trust and achieve sustainable growth, Nissan has set the companywide goal of being recognized by customers as a brand offering top-level quality. We have created systems to promote quality improvement globally, with top executives taking responsibility for ensuring these promotions are successful. All Nissan employees work together as one to improve quality around the world.

## Management Systems for Product Safety and Quality

To achieve top-level quality, we have assigned a number of Senior Vice Presidents, headed by the Chief Quality Officer (CQO), to focus exclusively on quality issues. A CQO meeting, chaired by the CQO, is held every month and attended by executives representing each division and region. These meetings work to promote the swift solution and improvement of issues related not just to product quality but also to sales and service quality experiences before and after purchase.

Additionally, in order to fully implement compliance, we have established a three-layer monitoring and audit system and are working to strengthen our audit activities. The first layer consists of each division implementing monitoring activities to ensure strict observance of laws and standards. In the second layer, the Conformity Audit Office conducts audits of those efforts to observe laws and standards. And in the third layer, the Internal Audit Office conducts risk-based audits in accordance with annual plans.

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## Product Safety and Quality Achievements Reflecting Customer Feedback in Activities to Enhance Quality

Quality reflects how successfully Nissan interacts with its customers. In order to provide the value that customers expect and respond rapidly if they are not satisfied, we listen to all feedback and put what we learn to use in measures to improve quality at every stage, from product design and development to aftersales service.

### Responding Rapidly to Customer Feedback and Timely Sharing of Information

We receive and respond to customer comments and questions worldwide through a range of contact points, including dealers, call centers and surveys.

Our customer call center in Japan, for example, receives around 280,000 comments and questions from customers annually. All catalogs, instruction manuals and similar materials published over the last 50 years have been digitized for easy searching, letting operators address customer concerns as quickly as possible. Operators also have access to a database of frequently asked questions and their answers, organized into three segments by vehicle models, keywords and categories.

Opinions and comments received by our customer call center in Japan are anonymized and shared companywide on the intranet, where employees can access and view them at any time. Information is also promptly sent by email

to executives and senior managers.

Employees who buy Nissan vehicles are also customers and important stakeholders. The “Quality Listening Box” on our intranet lets employees actively contribute information to raise the quality of products and services.

### Incorporating Customer Feedback into Products and Services

We have implemented a system for reflecting customer feedback in our products and services. Reliable information sharing ensures that this feedback is incorporated in the work of all functions, including product planning, R&D, manufacturing and sales.

Product quality is about more than just a lack of mechanical faults—it includes any factors that could affect customer satisfaction (CS). We see these factors as issues requiring action and strive to improve quality across all areas.

The value that customers expect from products varies according to their region, age, and personal tastes and can also be affected by market factors, such as product diffusion levels or even climate.

Although we have basic specifications for global design, we fine-tune these to meet regional needs. The Chief Quality Engineer (CQE) performs this role, participating in the vehicle manufacturing process from the product planning stage in order to enhance CS and reduce defects. We glean customer perspectives from market information and employee monitors and prioritize our response to these from the planning and development stages for both products and services.

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## Adopting a Customer Perspective and Fostering a CS Mindset

To improve quality across the company, all employees must consider the customer's perspective and keep CS in mind as they work. For this reason, we implement numerous activities for incorporating customer views. One of these is regular CS mindset training.

This training covers quality improvement measures and CS policy in the Nissan Group, incorporating actual feedback from customers in group discussions. Employees discuss what we can do for our customers and what actions are necessary in the current situation, which fosters a CS-based quality-improvement mindset among individual employees. This training is currently offered in Japan, with further expansion ongoing around the world in a growing number of departments.

Since 2003, we have also held Nissan Quality Forums for executives, employees and suppliers. These annual forums use information displays, video presentations and actual vehicles and parts to showcase our latest quality results, customer feedback and activities aimed at meeting targets. The forums are organized cross-functionally by all divisions from R&D to service. In recent years experiential events that lead to actions being taken have been organized in order to raise all employees' awareness of CS and quality-improvement issues. They are held globally in Japan, North America, Latin America, Europe and Southeast Asia.

## Improving Product Quality

Product quality is a basic feature in allowing customers to use a product safely and comfortably over the long term. For Nissan, a leading automaker with a strong history of *monozukuri*, Japan's tradition of careful craftsmanship, product quality is the foundation for our sustainability as a company. We consider quality from the customer's perspective at all times and respond quickly if a defect occurs, striving to prevent recurrence so as not to inconvenience the customer. We ascertain customer dissatisfaction and address it through all possible means, improving quality to increase satisfaction.

We categorize product quality into areas like perceived quality, initial quality and durability. Quality improvement efforts target the entire lifecycle of a product, from planning and design to R&D, manufacturing, logistics, sales and aftersales service. We monitor the results of quality surveys, using them as internal indices and making improvements through the PDCA (plan, do, check, act) cycle.

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## Approaches in Development and at Manufacturing Plants

### Improving Perceived Quality and Developing Vehicles with Valued Designs

Perceived quality is the quality that customers feel when seeing, touching and operating a vehicle. For example, when customers come to the showroom, they open vehicle doors, sit in seats and check things like the texture of interior fittings.

The perception of quality is a particularly subjective matter, and applying objective criteria requires thorough studies. We conduct consumer researches around the world targeting customers who have purchased or are considering purchasing a Nissan car in order to understand their perceptions better and incorporate those perceptions in new vehicles. Our perceived quality specialists communicate the voice of customers around the world and support us to develop attractive styling vehicle that are valued by our customers.

### Producing Products of Consistent Quality Worldwide

We have adopted the 4G Strategies to produce high-quality products globally. These strategies let us quickly create optimum production structures for providing consistently high-quality products to customers around the world.

#### Nissan's 4G Strategies

##### Global Production Engineering Center (GPEC)

The GPEC develops optimized production processes through focused trials and analysis of new vehicles. As well as dramatically improving quality in the vehicle production preparation stage, it strives to establish global quality consistency by spreading high standards to manufacturing plants in and outside Japan.

##### Global Professional Development Center (GPDC)

The GPDC trains logistics specialists to work at manufacturing bases. Training includes parts packaging design, packaging testing and evaluation methods, CAD and optimum logistics cost management to maintain high quality.

##### Global Training Center (GTC)

Manufacturing quality and productivity depend greatly on the skills of individual workers. To raise these skills to a competitive level in our plants worldwide, the GTC runs classroom lectures and skills training activities based on the Alliance Production Way (APW). Graduates of Master Trainer programs take part in training programs for local staff in regional training centers, efficiently passing their skills on to others.

##### Global Launching Expert (GLE)

The GLE helps resolve issues related to *monozukuri* (production) during the new vehicle launch phase. Evaluations and advice from GLE core members and support from GLE registered members help us meet QCT (quality, cost, time) targets on every new vehicle launch.

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## Implementing Quality Tests Envisioning a Myriad of Situations

Each of our production cars and development models is evaluated using a system called AVES\* to monitor quality on a daily basis. Feedback from customers is incorporated in standardized evaluation criteria, which are used to train quality assessment specialists. Only these company-certified experts, known as "AVES Masters," can perform our strict daily assessments. The assessment process evaluates the vehicle's interior and exterior and tests it while it is in operation, focusing on whether it meets quality standards defined in terms of customer requirements.

During the running tests, carried out on actual roads, assessors check the vehicle in areas including unexpected noise, vibration, stability of handling and the functionality of its various advanced systems.

Final responsibility for overall quality is the responsibility of the CQE, who envisages different use scenarios for Nissan vehicles and carries out stringent quality checks accordingly.

\* AVES stands for "Alliance Vehicle Evaluation Standard." AVES is a quality evaluation system used across the Renault-Nissan-Mitsubishi alliance, in which specially trained experts assess vehicles using more than 300 quality assessment criteria established from the customer's perspective.

## Activities to Improve Market Quality

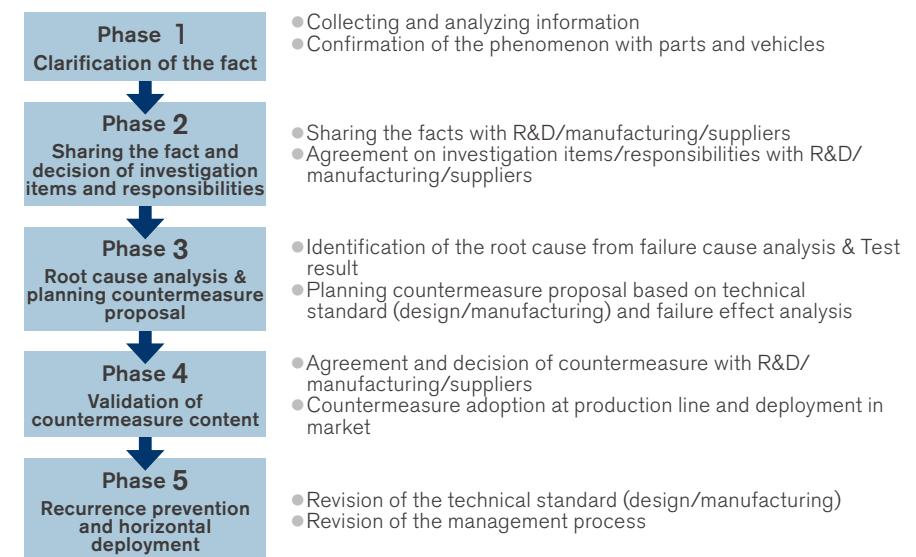
### Swiftly Improving Quality in Local Markets

We are strengthening direct communication with sales companies and customers to promptly identify and respond to customer dissatisfaction and defects. Our TCSX addresses customer dissatisfaction and quality issues based on information from sales companies and the customer call center. It

shares information with the R&D and manufacturing divisions to investigate the causes and come up with countermeasures. These countermeasures are incorporated in production models on the market. In this way, we seek permanent solutions to prevent outflow of quality issues.

The global expansion of our corporate activities has increased our potential exposure to customer dissatisfaction and quality issues in more regions around the world. In response, we have established Field Quality Centers (FQCs) with the goal of promptly gaining an understanding of regional quality issues and analyzing their causes locally. There are now 19 FQCs in Japan, the United States, Europe, China, Mexico, Brazil, South Africa, India, Australia, Thailand, Indonesia, Malaysia and other locations.

Conceptual representation of the five phases of market quality research and analysis



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Our FQCs conduct market quality research and analysis in five phases. First, they recall problem products from the market to clarify the facts and conduct detailed interviews to replicate the defects (Phase 1). Next, they bring suppliers together with our R&D and manufacturing divisions to share information, decide on areas for further investigation and assign responsibilities (Phase 2). Based on the findings of these detailed studies, staff members gather again to scientifically pinpoint the cause of the problem and decide on specific countermeasures (Phase 3). These measures are incorporated in future R&D and manufacturing activities and new management structures are put in place to prevent recurrence of reliability issues or incidents (Phases 4 and 5).

### Improving Initial Quality

Initial quality issues involve defects that occur within a year of a new car purchase. To ensure that customers are satisfied, we maintain a firm commitment to enhancing quality at the manufacturing stage for every single product that comes off the line. To this end, we have adopted the Alliance Production Way (APW) as our fundamental approach in this area. The Chief Vehicle Engineer (CVE), who is responsible for development, meets with the CQE to share information from the market in order to promptly respond to customers' wishes and potential satisfaction concerns.

We confirm quality improvements for each process and explore necessary risk-reduction measures by visualizing potential risks at the planning stage. Applying all of these processes with transparent criteria lets us ensure that new models offer high quality from the outset.

### Enhancing Durability

Product life is affected by durability issues that can arise from long vehicle use: molded resin parts changing color or deforming, surface materials becoming abraded, chrome stripping away and material fatigue producing odd noises in the vehicle. We consistently obtain data of warranty after the initial sale and conduct quality checks on recovered vehicles and parts actually used by customers to identify defects earlier. Analyzing this data helps us develop technologies that are more resistant to durability issues.

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## Approaches with Suppliers

As our production network expands worldwide, the risk of problems related to the quality and supply of parts increases. Our efforts to ensure product quality include working with suppliers to improve quality at all production sites from the design stage onward.

### Promoting Risk Evaluation and Reduction Management Among Suppliers

We promote stronger global management at the head offices of our suppliers with global operations even as we work to enhance our own global quality management. Nissan representatives visit each supplier's plants and check the quality control conditions on their production lines. We also offer support for suppliers' efforts to meet the quality control standards we require. In addition to these activities, we have prepared checklists based on successful resolution of past issues and work not only with direct suppliers but also with tier-2 suppliers to implement quality improvement measures.

### Supplier Inspections and Training for Improving Product Safety and Quality

To ensure product safety, we work together with suppliers and conduct inspections for products as well as components.

Each component from our suppliers represents the end-product of a complex manufacturing process that includes planning and development validation, turning design blueprints into prototypes, performance testing and, finally, mass production. We have created a system called ANPQP\*1 for regulating the necessary quality assurance across this entire series of activities. The ANPQP requires tests to be carried out on every component

delivered by suppliers to confirm their high quality.

To determine whether new suppliers are able to carry out these tests, we developed the ASES system.\*2 The ASES contains 240 evaluation criteria to determine if a component is defective and analyze the systems in place to prevent problems occurring. The ASES is applied on-site, at the supplier's factory. New suppliers undergo ANPQP training and are certified as trainers themselves after they reach a specified level. They then conduct training on the supplier's premises and build a system for supplying precision-built components.

Suppliers already dealing with Nissan are given a "Supplier Score Card" containing an assessment of diagnostic measurements like delivered quality and market quality. In addition, the SHC\*3 system also involves periodic inspections of supplier factories to check their management system. This ensures that suppliers maintain their systems for consistently delivering high-quality components and conduct new initiatives to further improve quality.

\*1 ANPQP stands for "Alliance New Product Quality Procedure." We created the ANPQP based on IATF16949, a standard for automotive sector quality management systems published by the International Automotive Task Force (IATF), in order to establish supplier quality assurance standards.

[Click here for more information on ANPQP.](https://www.nissan-global.com/EN/QUALITY/PRODUCTS/GLOBAL_SP/GUARANTEE/)

[https://www.nissan-global.com/EN/QUALITY/PRODUCTS/GLOBAL\\_SP/GUARANTEE/](https://www.nissan-global.com/EN/QUALITY/PRODUCTS/GLOBAL_SP/GUARANTEE/)

\*2 ASES stands for "Alliance Supplier Evaluation Standard." The ASES is used to evaluate if a vendor qualifies to become a suitable supplier. Based on 240 criteria at five stages, potential vendors are ranked A, B, C or D. We then form business relationships with the top-ranked industry suppliers.

\*3 SHC stands for "Supplier Health Check." The SHC is our unique system for checking our suppliers' quality management systems and how they are actually being implemented.

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## Improving Sales and Service Quality

As well as aiming to produce high-quality vehicles, we work to increase the quality of our sales and aftersales service during the purchasing process, seeking to exceed customer expectations at all contact points. Through effective management of sales and service quality at dealerships in major markets around the world, we strive to improve CS by adhering to the Nissan Sales and Service Way (NSSW). Our goal is to achieve top-level CS in 20 key national markets, including Japan, the United States, China, and major European markets, boosting our brand image worldwide.

### The Nissan Sales and Service Way (NSSW)

The Nissan Sales and Service Way (NSSW) is a set of global guidelines designed to improve customer perceptions of our brands and products and increase satisfaction with our sales and marketing activities and aftersales service. We conduct a range of activities to increase CS and improve sales and service quality based on the NSSW.

In particular, as well as improving our dealership facilities, we set global standards and carry out initiatives to provide customers with a consistent sales and service experience. We aim to respond rapidly to customer dissatisfaction and other issues and review business processes to incorporate feedback collected through contact centers, dealerships, email, social media and other channels.

## Updating Global Dealership Standards

In response to the diversification of our customers' expectations and lifestyles, we are introducing a new initiative called the Nissan Retail Concept (NRC) to dealerships around the world to promote standardization. We aim to improve CS by improving sales and service quality through a globally consistent brand experience. With the rapid spread of digitalization, consumers' purchasing behavior and ownership experiences are changing dramatically. To respond to these changes, we have introduced global standards for improving our dealership operations, from new standard shop designs to digital environments for dealerships. Adoption of the new standards has already begun in key countries, and more than 1,800 stores had completed the adoption process by the end of fiscal 2019. We will continue to deploy the new concept in our stores around the world.

The new dealership layout and design is intended to appeal to all customers, from those who have come to purchase a new car to those returning for vehicle inspection or servicing, creating comfortable, welcoming spaces that offer needed services as efficiently as possible. We aim to standardize our entire sales and service process for customers in response to diverse customer needs, in order to improve satisfaction among customers who visit dealerships.

With the adoption of digital tools, we are aiming to make dealership operations more efficient and assist customers considering the purchase of a new car. To ensure that the new standards are adopted in each country, the Nissan Academy, a special team for educating dealers, will develop and conduct training for dealership staff and management, teaching them to provide an experience that goes beyond customer expectations. NRC also incorporates key Nissan brand elements such as Nissan

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Intelligent Mobility, electric vehicles, the NISMO performance sub-brand, light commercial vehicles and Nissan Intelligent Choice (our premium certified pre-owned car program). We hope to improve customer satisfaction and convenience even as we promote the Nissan brand and expand our business.

To boost the quality of sales and service activities at dealerships, we train specialist staff and continually improve these activities. These specialists analyze dealer operations, develop improvement plans based on their individual situations and support implementation. For example, they visit dealerships after analyzing CS surveys and the voice of the customer, clarify issues by observing workplace operations and interviewing staff, and then discuss potential solutions with the staff and provide guidance allowing the dealership to continue making autonomous improvements.

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# SUPPLY CHAIN MANAGEMENT

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## Supply Chain Strategy

The challenges facing modern societies, such as climate change and energy issues, are increasingly global in their scope. To meet these challenges, it is essential for Nissan to identify relevant issues at each stage along the supply chain and make ongoing efforts to address them. As a business with worldwide operations, Nissan has a supply chain that extends across the globe. We promote consistency in purchasing activities throughout the global supply chain, sharing our vision and policy with business partners and strategically collaborating with them to ensure their adoption.

We aim to achieve sustainable growth built on a foundation of mutual trust with its business partners. We listen closely to and work with our suppliers as equal partners, developing and maintaining cooperative and competitive relations that enable us to implement best practices.

## Nissan's Approach to the Supply Chain

To optimize purchasing activities, the Alliance partners established a common purchasing company, the Renault-Nissan Purchasing Organization (RNPO), in 2001 and have steadily increased the scope of its activities in the years since then. The organization now covers all purchasing domains, incorporates all purchasing functions and builds mutually profitable business partnerships with all suppliers. Its name was changed to the Alliance Purchasing Organization (APO) in April 2018, after Mitsubishi Motors joined the Alliance. The new organization aims to help each company in the Alliance achieve sustainable performance through the steady development of the Alliance as well as through the advantage of economies of scale.

We use common, transparent processes and criteria worldwide to select suppliers and are open to doing business with new partners, regardless of nationality, size or transaction ties in the past. Suppliers are selected after the relevant Nissan divisions meet to examine submitted proposals from a range of perspectives. We explain our decisions to every supplier that takes part in the supplier selection process as part of a thoroughly fair, impartial and transparent system.

Transactions with suppliers are based on the three values that the Alliance regards as important: trust (work fairly, impartially and professionally), respect (honor commitments, liabilities and responsibilities) and transparency (be open, frank and clear).

Nissan and Renault have produced a booklet, The Renault-Nissan

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Purchasing Way,\* outlining the values and processes the Alliance sees as important when doing business. This booklet has been shared with tier-1 Renault and Nissan suppliers since 2006. In Japan, we also adhere to the “proper trading guidelines” issued by the Ministry of Economy, Trade and Industry for the automotive industry.

\* Click here to download The Renault-Nissan Purchasing Way.  
[https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/Renault\\_Nissan\\_Purchasing\\_Way\\_English.pdf](https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/Renault_Nissan_Purchasing_Way_English.pdf)

## Supply Chain Company Organization

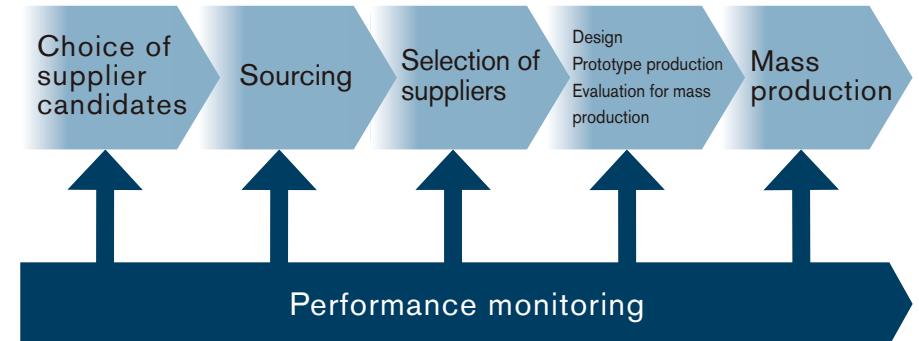
The Alliance Purchasing Organization (APO) created by Renault, Nissan, and Mitsubishi Motors

### APO Alliance Purchasing Organization

- Purchasing domains: All (components, materials, equipment, molds, service support)
- Purchasing functions: All (planning, procurement, projects [vehicles/units], management, supplier quality, etc.)



## Processes from Supplier Selection to Mass Production



## Working with Suppliers

We aim to make our global supply chain sustainable by conducting ethically, socially and environmentally responsible business at every stage. We collate and manage a database of plant locations, total purchase values and other basic information for all suppliers. We are working together with all suppliers to promote the sustainability principles set out in the Renault-Nissan CSR Guidelines for Suppliers and the Nissan Green Purchasing Guidelines.

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## Supply Chain Management Policies and Philosophy

### Promoting Widespread Permeation through the Renault-Nissan CSR Guidelines for Suppliers

To effectively implement sustainability practices worldwide, Renault and Nissan revised the Renault-Nissan CSR Guidelines for Suppliers\* in December 2015. Renault and Nissan distributed the revised guidelines to all their suppliers and have also asked suppliers to share the revised guidelines with their own business partners to ensure they permeate throughout the supply chain. Renault and Nissan drew up the first edition of the guidelines for distribution in 2010 with reference to the CSR guidelines of the Japan Automobile Manufacturers Association, Inc.

Key revisions and clarifications in the 2015 edition included, as a response to new laws and ordinances: (1) updating the procurement policy to include responsible mineral procurement and the elimination of antisocial forces based on new Japanese governmental guidelines and regulations; (2) requiring a shared commitment to sustainability activities with suppliers at the time the guidelines are distributed and (3) beginning third-party assessment of supplier sustainability activities as an Alliance initiative from fiscal 2016. As part of efforts to promote sustainability practices among business partners in emerging countries, the revised guidelines were published in Chinese as well as English and Japanese.

To help suppliers review their corporate activities from a sustainability perspective and take sustainability actions, the guidelines explain expected initiatives in 26 categories across the following five areas:

1. Compliance: Complying with laws, preventing corruption, etc.

2. Safety and Quality: Ensuring the safety and quality of products and services, etc.
3. Human Rights and Labor: Prohibition of child labor and forced labor, complying with working hours and remuneration laws, etc.
4. Environment: Environmental management, reducing greenhouse gas emission and industrial waste volumes, and managing chemical substances, etc.
5. Information Disclosure: Open and impartial communication with stakeholders, etc.

In addition, suppliers are requested to undergo assessments by third parties. The guidelines mandate that suppliers comply with laws and regulations. If suppliers are found to be in a state of non-compliance, the guidelines prescribe required responses, such as filing a report immediately, conducting an investigation and formulating corrective measures. In the case of a non-compliance incident, we will take firm action based on our regulations and do everything necessary to prevent a recurrence. In fiscal 2019 no human rights violations, such as discrimination, occurred, and no supplier was found to be at serious risk of forced labor or child labor.

\* Click here to download the Renault-Nissan CSR Guidelines for Suppliers.

[https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/CSR\\_Alliance\\_Guidelines.pdf](https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/CSR_Alliance_Guidelines.pdf)

### Suppliers and Environmental Activities

Nissan has shared its environmental philosophy and environmental action plan with suppliers since the mid-1990s. To improve environmental performance throughout the supply chain jointly with suppliers, we first published the Nissan Green Purchasing Guidelines in 2001 and have actively promoted environmental activities at suppliers in line with these

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guidelines since then. After Nissan and Renault integrated their technical standards for management of chemical substances in fiscal 2016, a revised version of the guidelines were published in January 2017. Furthermore, in August 2018, based on the midterm environmental action plan, Nissan Green Program 2022 (NGP2022),<sup>\*1</sup> we revised the content of the guidelines, adding requests that suppliers undertake their own environmental activities. Additionally, in May 2019, in order to strengthen management of environment-impacting substances, we added requirements dealing with supplier self-diagnosis of environment-impacting substance management and related topics, which all suppliers are asked to follow.<sup>\*2</sup>

The Nissan Green Purchasing Guidelines are part of the detailed explanation in the environment-related section of the Renault-Nissan CSR Guidelines for Suppliers.

Environmental activities undertaken with suppliers involve the core components of compliance with environmental regulations and Nissan's basic environmental principles, along with activities to reduce the burden on the environment.

As for the former, in response to global trends<sup>\*3</sup> in such regulations as the European Union's Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) Regulation and the European Reusability/Recyclability/Recoverability (RRR) Directive, we have added new items to the list of banned substances and globally expanded component data management. When selecting suppliers for new models, we check their management of and activities regarding environmentally hazardous substances, informing them of specific actions needed to comply with the REACH Regulation and requesting their compliance.

Based on the NGP2022, we hold annual environmental briefing sessions and have since fiscal 2012 conducted surveys to ascertain CO<sub>2</sub> emissions,

water usage, waste production and other data related to our burden on the environment. To further enhance our activities in this area, in fiscal 2014 we adopted the supply chain program run by CDP, an international environmental NPO that manages a global system for disclosing corporations' environmental impact and strategies. In fiscal 2019, based on these surveys, we continued encouraging some suppliers to improve their environmental activities.

\*1 Click here for more information on NGP2022.

<https://www.nissan-global.com/EN/ENVIRONMENT/GREENPROGRAM/FRAMEWORK/>

\*2 Click here to download the revised version of the Nissan Green Purchasing Guidelines.

[https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/Nissan\\_Green\\_Purchasing\\_Guideline\\_e.pdf](https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/Nissan_Green_Purchasing_Guideline_e.pdf)

\*3. The European Union (EU)'s Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) Regulation and European Reusability/Recyclability/Recoverability (RRR) Directive, etc.

## The Role of the Nissan Green Purchasing Guidelines

### The Renault-Nissan Purchasing Way Basic Alliance principles for purchasing

- Shared values with suppliers (trust, respect, transparency)
- Supplier sourcing process
- Support for suppliers

### Nissan Green Program 2022

- Midterm environmental action plan

### Renault-Nissan CSR Guidelines for Suppliers

- Compliance
- Safety and Quality
- Human Rights and Labor
- Environment
- Information Disclosure

### Nissan Green Purchasing Guidelines

- Compliance with regulations and Nissan's basic environmental principles
- Establishment of management system
- Management of chemical substances
- Activities to reduce environmental load
- Completion of surveys on CO<sub>2</sub> emissions, water usage, other environmental factors

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## Supply Chain Management

Nissan has been always working to improve its supply chain through activities including third-party assessment of suppliers' sustainability activities and sustainability training for workers in its purchasing department. We have also instituted an awards system to recognize suppliers whose performance is outstanding. This awards system aims to encourage suppliers in the global supply chain to embrace Nissan's management approach, which balances the economic activities of quality, cost reduction and technological development with social responsibility and environmental concern.

### Evaluation, Monitoring, and Auditing of Supplier's Sustainability Practices

Nissan has been confirming suppliers' acceptance of the Renault-Nissan CSR Guidelines for Suppliers and check their environmental management systems and their willingness to advance environmental activities with us at the time of supplier selection. Among newly selected suppliers in fiscal 2019, 100% of them met both Nissan's social standards and basic environmental principles.

In 2016 the Renault-Nissan alliance began third-party assessment of suppliers' sustainability activities to raise standards through mutual confirmation. When results do not meet Alliance standards, suppliers are asked to draw up plans for improvement. We then monitor their implementation. By now, more than 80% of Nissan's purchase demands are covered by a third party assessment.

We also conduct sustainability training in our purchasing department to ensure that employees conduct checks of suppliers' sustainability activities in their daily work.

If there are issues with the supply of parts and materials, they may lead to problems not only for Nissan's production but also supply chain as a whole. We therefore position the following measures as part of sustainability activities and implement: (1) confirming supply risks under normal circumstances; (2) following up annually on quality, cost, delivery, development and management (QCDDM) performance and (3) working with suppliers to craft response plans for natural disasters to ensure production continuity or early restoration of capacity.

We monitor compliance from the perspective of supplier management, constantly assessing the situation at each supplier based on a range of factors. When high risk is identified, we work with the supplier to rapidly draft and implement countermeasures.

In fiscal 2019 there were no suppliers whose compliance was problematic, and no supplier contract was terminated for such a reason.

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## Promotion of Monozukuri Activities with Suppliers

We work to continually improve the competitiveness of our products through the Monozukuri Activities program, a collaboration between suppliers and Nissan that was launched in 2008. Since 2009 these activities have expanded through the joint THANKS Activities initiative, which emphasizes trust and cooperation between Nissan and its suppliers. With the goal of working with suppliers to become cost leaders under today's challenging market conditions, we strive to improve product quality, reduce costs and rationalize manufacturing through measures that include increasing production volume per part, promoting localization and improving logistics. In fiscal 2013 we introduced the Total Delivered Cost (TdC) Challenge, aiming to optimize all fluctuating costs, including for specifications, materials, exchange rates and logistics. Our various functional departments, together with suppliers, are continuously working to forcefully advance the TdC Challenge and improve both quality and supply.

**THANKS**  
Trusty and  
Harmonious  
Alliance  
Network  
Kaizen activity with  
Suppliers

## Engagement with Suppliers

Providing suppliers with timely and accurate information is a key task for Nissan. Suppliers' meetings are held in Japan and overseas to spread understanding of Nissan's purchasing policy for the fiscal year, midterm business plan and other matters. In Japan, we hold monthly meetings and directly inform suppliers of our production plans, activities and requirements. The meetings are also an opportunity for Nissan to respond to supplier questions and requests.

## Recognizing Supplier Contributions Worldwide

Each year we recognize the contributions of our suppliers to the development of our business and improvement of our performance with awards presented at the global level as well as in each of the regions where we operate. At the Nissan Global Supplier Awards, we present Global Quality Awards to suppliers showing exceptional performance in quality for the year, and Global Innovation Awards to suppliers whose innovative initiatives improved Nissan's brand and product power. Global Quality Award recipients are selected by Nissan's purchasing, quality and other divisions using standard criteria applied worldwide. Global Innovation Award recipients are selected from suppliers nominated by Nissan's production, development and other divisions in two categories: product technology and process management. In fiscal 2019, five companies received Global Quality Awards, while Global Innovation Awards went to seven companies.

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## Responsible Minerals Sourcing

### Minerals Sourcing Policy

In 2013, Nissan moved quickly to establish a policy against use of conflict minerals and published the policy on its website. Following this in July 2020, it formulated and published its new Global Minerals Sourcing Policy and expanded the scope from the conflict minerals known as 3TGs (tin, tungsten, tantalum, and gold) to all minerals including cobalt from conflict-affected and high-risk areas.

Nissan's goal is to conduct ethical, social and environmentally conscious business practices at every level of our global supply chain. We monitor our supply chain to assess whether the mineral resources contained in materials or components used to manufacture our products have any harmful social effect, such as on human rights or the environment. When there are concerns about the minerals being used, Nissan actively works to end that use.

Based on its Global Minerals Sourcing Policy, Nissan references the OECD's due diligence guidance to implement due diligence related to minerals sourcing in its supply chain. We work with our suppliers to assess risks and will strengthen our efforts to take corrective actions furthermore whenever issues are identified.

\* Click here to download Nissan Global Minerals Sourcing Policy.

[https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/Minerals\\_Sourcing\\_Policy\\_e.pdf](https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/Minerals_Sourcing_Policy_e.pdf)

### Responsible Minerals Sourcing Management

#### Conflict Minerals Management

We began conducting conflict-mineral surveys in our major areas of operation (Japan, North America and Europe) in fiscal 2013. Starting in fiscal 2014, we gradually expanded the scope of these surveys to other areas. Surveys on a massive scale are required to grasp the status of minerals usage throughout the global supply chain. We therefore collaborate with organizations including the Japan Automobile Manufacturers Association, Inc., the Japan Auto Parts Industries Association, and the Japan Electronics and Information Technology Industries Association to hold regular working group sessions to consider methods for investigation and analyzing the results of those investigations.

The surveys track minerals back through the chain of suppliers using documents called CMRTs (Conflict Mineral Reporting Templates) provided by the RMI.\* This enables Nissan to identify smelting and refining companies that are not procuring minerals that are a source of funds for armed groups in their regions.

We provide the suppliers we survey with manuals describing how to fill in required forms and what tools to use to collate results. In this way, we work to increase understanding of conflict-mineral issues throughout the supply chain.

In fiscal 2019 we conducted surveys in 11 markets, Japan, the United States, Mexico, Europe, China, Thailand, Indonesia, Taiwan, India, South Africa and Brazil. No suppliers were found to be using minerals from smelters/refineries believed to be connected to armed groups.

Going forward, we plan to make our surveys more effective by improving its methodology in conjunction with the member companies of the Japan

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Automobile Manufacturers Association, Inc., and the Japan Auto Parts Industries Association. We will also continue to seek responses from suppliers that did not reply to the survey.

\* RMI stands for Responsible Minerals Initiative, an organization with member companies and associations from the information and communications technology and other industries that works to improve global social and environmental awareness.

\* Click here for more information on our measures against conflict minerals.

[https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/Conflict\\_Minerals\\_e.pdf](https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/Conflict_Minerals_e.pdf)

### Management of Cobalt

Nissan is aware that not only geopolitical risk but also environmental impact and human rights issues related to cobalt mining have been pointed out. Together with suppliers, Nissan aims to carry out responsible cobalt sourcing.

Since 2018, Nissan has conducted interviews with its major battery suppliers and follows up with them on a regular basis. We are enhancing our approach to identifying cobalt smelters/refineries by referencing the OECD's due diligence guidance.

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# HUMAN RESOURCE DEVELOPMENT

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## Human Resource Development Policies and Philosophy

Nissan believes that for employees to work in a worry-free, self-initiated manner, they need to be able to pursue their careers regardless of gender, nationality or other factors. Skills development programs are another essential part of making the workplace attractive to employees.

We believe that employees should “design their own careers” and that we should actively assist their efforts to do so. Learning is an essential preliminary step for value creation, and a corporate culture of learning cannot exist without the desire to create value. As an organization that grows through constant learning, we support our employees’ personal growth through proactive human resource development.

## Human Resource Development Management Continually Improving Human Resource Systems

Nissan values the skills and capabilities of all employees, working constantly to improve its human resource systems to achieve an organization enabling employees to reach their full potential. The evaluation-based remuneration system used to appropriately evaluate employee contributions to the company is structured in a way that motivates them to set and achieve high goals. An employee’s salary is determined through a combination of performance evaluations measuring to what extent the employee achieved certain goals and competency evaluations measuring their skills, knowledge and attitude.

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## Support for Self-Designed Careers

At Nissan, all employees have an opportunity to discuss their careers with their supervisors. Through a formalized process specifically aimed at supporting career development, employees, together with their supervisors, review their “Performance Evaluation” and “Competency Evaluation,” agree on next steps and what path to take.

Training programs to raise the supervisors’ evaluation skills also contribute to enhancing the career designing capabilities of employees. We use specialized tools to keep track of evaluation records so that even a newly instated supervisor can ascertain employee progress at a glance, maintaining consistency in human resource development. We conduct surveys to gain employee input regarding the evaluation meetings and to learn their level of understanding and comfort with the system. Based on the results, we implement measures and make improvements if necessary. We monitor employee satisfaction regarding the meetings with their supervisors, and there has been an improvement in employee understanding and acceptance of the evaluation system.

Employees in Japan have the chance to take on the challenge of a new position through the Shift Career System (SCS) and the Open Entry System (OES). The SCS enables employees to apply for positions in other departments and work in areas that interest them regardless of whether there is a position immediately available. The OES allows them to apply for all openly advertised positions. During fiscal 2019, a total of 297 employees applied for approximately 500 open posts, and 140 of them succeeded in getting the positions they applied for.

## Offering Learning Opportunities

Based on our firm belief that employees are our most important asset and that cultivating their skills is critical, we support them by providing numerous learning opportunities. We have developed various programs to help employees improve their management and business skills and engage in leadership development. In these ways, employees are encouraged to enhance their skills, to build their careers, and demonstrate their abilities to the fullest.

Specifically, we implement training programs allowing employees to gain the specific skills needed for each position in the organization, and providing them with opportunities to extend their knowledge in fields of their choosing. These measures create a culture of constant learning at the global level.

### Monozukuri University

There is a rapid pace of innovation and increasing technological sophistication in the auto industry today. To maintain and develop our *monozukuri* tradition of careful craftsmanship that underpins our internationally competitive product manufacturing, we need individuals who have an understanding of the latest technologies that go into building an automobile and also have well-rounded personalities with outstanding management skills. We founded Monozukuri University with the aim of developing capable leaders to play a central role in *monozukuri* and pass down our technologies and skills to future generations. This is another example of how we offer learning opportunities and promote activities to develop human resources.

Monozukuri University consists of three organizations: Nissan Technical College, Genba Kanri (shop-floor management) School and Engineering

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School. It offers a variety of programs aimed at developing engineers and technicians who carry forward the “Nissan DNA” and achieve continued success through the implementation of the Nissan Way.

## Engineering and Technical Skill Education Around the World

To strengthen our efforts to expand our business globally, we must further improve the engineering skills of individual employees working across the globe. We offer opportunities for personal growth equally to all employees in both R&D and manufacturing, whether they work in Japan or elsewhere, to help them enhance their capabilities.

### Education for Engineers

We developed a Global Training Program (GTP) that enabled foundational training of 19,000 engineers at development facilities worldwide from 2012. Furthermore, in recent years, we have moved forward with plans for more advanced and specialized training, including training in the areas of Electric Vehicles (EV), Autonomous Driving (AD) and Connected Car Services (CCS), in order to develop talent that can lead R&D related to autonomous vehicles and connected cars.

### Education for Technicians

In order to improve the day-to-day management skills of shop-floor supervisors in all of the plants operated by Nissan, Renault and Mitsubishi around the world, a common production method known as the Alliance Production Way (APW) has been defined. We are also developing a shared Alliance framework for APW training, which we aim to implement worldwide.

### Improving Management Quality

We are working to improve the quality of our management at the global level. In Japan, we have established a training framework for assistant managers through to general managers. This gives them opportunities to promote activities that put the Nissan Way into practice and to extend their skills in managing people and business operations.

Specifically, we engage in (1) cultural diversity training to promote understanding of the actions and mindsets described in the Nissan Way; (2) business skills and leadership training to nurture professionals and (3) training in on-site management to teach the importance of operational excellence and people motivation and to achieve maximum results through collaboration. These three core components of the training framework are supplemented with additional programs, while we also encourage proactive learning.

In North America and Europe, meanwhile, the Nissan Way Leadership Academy program for managers examines how the Nissan Way has been put to use most effectively and shares those actions as part of training tools to elevate management quality overall.

In addition, since the start of fiscal 2020 we have adopted a globally

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consistent framework for recognizing activities related to talent development and collaboration and are strengthening our foundations to allow people to grow with the organization.

## Training Future Leaders

To continually foster future managers and specialists who will lead the company, we take a strategic and systematic approach to training, job rotations and recruitment.

Specifically, we engage in leadership training aimed at fostering human resources who can demonstrate their skills either at Nissan or elsewhere within the operations of the Alliance. These programs are offered at various development stages, including those for young employees, regional middle managers and corporate officers. Training consists of group sessions for intensive training in business skills, team exercises where participants tackle issues actually facing Nissan, and cultural diversity classes to promote understanding of the issues.

Staff rotations beyond divisions and regions are strategically and systematically implemented to give candidates for future leaders the experience needed to serve in management posts and direct global functions as capable managers and leaders.

We are reinforcing our human resources not only through the recruitment of new graduates but also by actively hiring mid-career talent and mid-level management candidates from outside the company.

These talent management schemes are effectively operated through regular human resource meetings among corporate officers. In these meetings, outstanding talents are identified, then development plans and succession

plans are made. Nissan's strategic talent management system is globally coordinated and active at the global, regional and functional levels. We aim to foster a culture of learning by establishing an environment that enables employees to take the initiative in building their careers, with the support of managers and the company as a whole.

To create an environment where employees can learn anytime and anywhere, we are also expanding the use of e-learning and other digital tools.

## The Nissan Expert Leader System: Passing Down Nissan's Technologies and Expertise

Helping employees develop specialized skills over the medium to long term is vital for a company to achieve sustainable growth. The Nissan Expert Leader System is a means of strengthening and fostering further development of specialized skills in a wide range of technical and nontechnical areas like purchasing and accounting. In fiscal 2020, the system's 15th year, there were 47 employees active as Expert Leaders and two management-level employees as Nissan Fellows in a total of 88 fields of specialization. The Expert Leaders and Fellows make use of their specialized knowledge to contribute to Nissan's business endeavors overall. In addition to sharing their knowledge with others via the corporate intranet and other communication tools, they contribute to the fostering of the next generation of experts by passing on their specialized skills in seminars and training courses.

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## Human Resource Development Achievements

Training Program Achievements at Nissan Motor Co., Ltd.

Performance Indicators for Training Programs	FY2017	FY2018	FY2019
Number of learners	171,949	241,674	263,240
Total hours of training	689,536	482,103	590,696
Hours per learner	30.6	21.5	26.0
Learner satisfaction (out of 5)	over 4.2	over 4.2	over 4.2
Investment per employee (¥)	73,000	86,000	90,000

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# LABOR PRACTICES

## Respecting the Rights of Workers

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### Policies and Philosophy on Respecting the Rights of Workers

Nissan has been a member of the United Nations Global Compact since 2004, observing its universal principles on human rights, labor, the environment and anti-corruption. Nissan promotes the management of sustainability strategies pursuant to the compact's 10 principles. We have expanded and enhanced our wide-ranging activities to ensure that employees' basic rights are respected.

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### Management That Respects the Rights of Workers

Under the "Value Diversity and Provide Equal Opportunity" code within the Global Code of Conduct, Nissan requires its employees to respect and value the diversity found among the company's employees, business partners, customers and communities, while rejecting discrimination and harassment in all forms, regardless of magnitude. Nissan executives and employees must respect the human rights of others and may not discriminate against or harass others based on race, nationality, gender, religion, disability, age, place of origin, gender identity, sexual orientation or any other reason; nor may they allow such a situation to go unchecked if discovered. We also work to ensure that all employees, both male and female, can work in an

environment free from sexual and other forms of harassment. In addition, we have implemented a system called SpeakUp, which enables internal reporting of any suspected breaches of all internal policies, including the Global Code of Conduct.

\* For more information on our human rights initiatives.

[>>> P114](#)

\* For more information on Business Ethics: Management

[>>> P206](#)

### Achievements in Respecting the Rights of Workers

#### Diversifying Work Styles with "Happy 8"

Nissan has striven to create workplaces that let individual employees choose from a wide range of work styles to suit their values and life needs through its "Happy 8" work style reform.

\* Click here for more information on "Happy 8."

<https://www.nissan-global.com/EN/COMPANY/DIVERSITY/WORK/>

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# LABOR PRACTICES Dialogue with Employees

GRI103-1

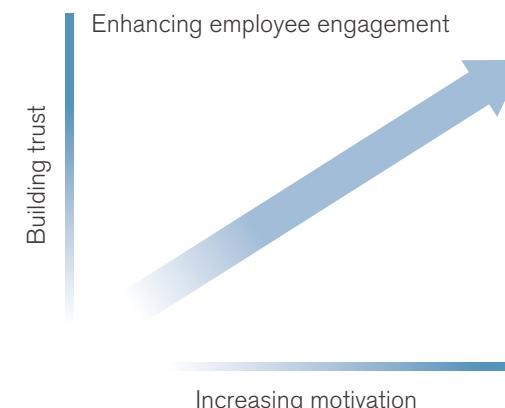
## Policies and Philosophy on Dialogue with Employees

For a company to continue offering new value in the face of rapid changes in the social and business climate, it is essential for its employees to embrace the company's corporate purpose as well as its mission and consciously work toward realizing them.

Nissan conducts its internal and external communication activities with the aim of enhancing and maintaining the company corporate and brand values while at the same time enabling the company to achieve its short- and long-term business goals. In terms of internal communication, we are delivering a variety of information to our employees globally to foster a genuine interest and fondness for the company, which will encourage them to engage in tackling challenges as well as proactively enhance the value of the company as "ambassadors" of Nissan.

## Guidelines for Dialogue with Employees

We established two guiding principles for communication that aim to encourage higher employee engagement: "build trust between the company and employees" and "increase employee motivation." We utilize various communication tools to deepen employees' understanding of our business, products and brand, as well as to explain the direction in which we are heading in order to generate employee confidence in their day-to-day activities and in the future of the company. By organizing events and offering opportunities for employees to increase their motivation and realize that they are an integral part of the company, we nurture a sense of pride in our employees, which in turn will encourage them to contribute to our sustainable growth.



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## Management to Promote Dialogue with Employees

It is paramount for Nissan, a company with more than 100,000 employees working globally at production sites and offices, to offer enriching internal communication that instills our corporate mission and management strategies in our employees, make each employee feel integral to the organization and strengthen corporate governance.

The Global Internal Communications Department is playing a key role in deploying messages in a thoughtful manner, such as through the corporate intranet system that delivers information to all employees globally, materials shared with senior managers or information shared in each region.

Employee-executive exchange is also held on a regular basis with the aim of building trust. Furthermore, we offer opportunities for employees to voice their views and share them with company executives in an effort to promote continuous improvement.

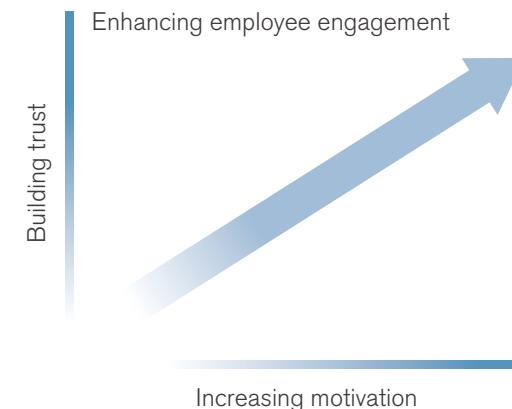
An annual action plan for internal communication activities is created with the aim of improving communication both quantitatively and qualitatively. Surveys are conducted on these communication initiatives on an annual basis, as well as on individual communication activities. Survey results are reflected in future communication activities and action plans for the following fiscal year.

By creating a shared awareness of sustainable growth through communication with employees, the entire organization is united.

## Achievements in Dialogue with Employees

For both Nissan and its employees to continue to grow in the face of globally expanding business activities, employees need to understand the direction in which the company is heading and implement their own actions toward the achievement of the company's objectives. Overcoming challenges to achieve those goals can lead to personal growth for the employee and contribute to the realization of our corporate purpose. Nissan is strengthening its communication with employees in order to enhance their engagement.

### Employee Engagement



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## Strengthening Communication to Build Trust and Increase Motivation

We are currently working to achieve the objectives of Nissan NEXT\*, our transformation plan, calling on all employees to embrace our corporate purpose and understand the significance of the plan. Employees' confidence in the company's activities and performance is essential for the plan's success. At the same time, we also need to motivate employees, encouraging them to take self-initiated action. Therefore, internal communication activities focus on building trust among employees and increasing their motivation.

Click here for more information on Nissan NEXT.

<https://www.nissan-global.com/EN/IR/MIDTERMPLAN/>

## Enhancing Communication Channels

To build trust with employees, companies must disclose information in a fair and open manner, so we punctually provide our employees with information on business results including financial announcements. The integration of Renault-Nissan-Mitsubishi alliance teams in such areas as purchasing, R&D, manufacturing and supply chain is accelerating and generating a range of synergies. Information on these activities is shared broadly with employees, enabling them to understand the value that the Alliance can provide.

In order to get employees engaged and motivated, swift communication on information regarding Nissan Intelligent Mobility initiatives as well as the company's other products, services and technologies is provided, which enables employees to deepen their understanding on these important initiatives. We proactively update our employees on our leadership in achieving a zero-emission society, development of autonomous driving technologies, new services using connected technology and other long-term projects, as well as providing test-drive opportunities and other chances for employees to participate in company activities.

In addition, in 2019 we dispatched employees from each department chosen through an internal selection process to the Shanghai Motor Show and regional employees to the Tokyo Motor Show. Participants in the program were able to see first hand the results of their work in the form of new models. These events were also a valuable opportunity to deepen understanding of local markets.

We are enhancing coordination among our various departments and with executives and actively sharing information that contributes to relationships of mutual trust and higher employee motivation.

Every new fiscal year starts with the CEO delivering the presidential address,

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reflecting on the past year's performance and highlighting the direction for the new year. Topics based on employee interest are also broadcasted through live web conferences called Management Information Exchanges (MIE), which encourage engagement between Executive Committee (EC) members and senior managers.

Employee motivation is also raised through new model announcements and test-drive events, where employees gain a deeper understanding of Nissan's products and learn to convey product features and attractiveness to their friends and families more effectively. These have been well received, with participants stating that their enhanced knowledge of Nissan products has boosted their pride in the company and their work motivation, and they have been highly effective in developing "ambassadors" for Nissan.

Since we introduced a corporate intranet system accessible by all employees globally called WIN (Workforce Integration @ Nissan), it has been actively used to promote communication, information sharing and collaboration among employees. WIN has expanded beyond the Nissan Group, and the audience has now begun to include Nissan's major affiliates as well.

In fiscal 2014 Nissan began issuing Engagement Kits summarizing its global operations, business performance and major achievements. These kits are distributed to senior managers every month and are used as communication tools for information sharing. The senior managers receiving this information are responsible for sharing it in their respective departments.

This is intended to promote workplace communication, deepen employee understanding and raise motivation. In addition, in Japan a printed in-house newsletter called Nissan News is published monthly for employees at Nissan production sites, providing them with the necessary information in a timely manner.



WIN introduces readers to the activities of a range of employees.

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## Strengthening Communication Between Executives and Employees

We have proactively held communication events where executives and employees can directly communicate with each other. In fiscal 2019 we held town-hall meetings at our Global Headquarters (GHQ) for face-to-face dialogue between employees and the CEO to mark the start of our new management structure. The meeting was also live-streamed to all operations in Japan.

Employees who participated in such communication events made comments such as "I was able to obtain necessary information," "top management made an effort to communicate the facts" and "I could feel the sincere enthusiasm of top management."



A town-hall meeting linking GHQ and other sites.

## Employee-Executive Exchange

In order to build trust, it is important for Nissan to stay aware of its employees' thoughts and opinions and ensure that they are shared with top management. We are making efforts to communicate information that will lead to greater employee trust toward the achievement of Nissan NEXT transformation plan objectives. These efforts are monitored on an ongoing basis through key performance indicators (KPIs) and reflected in internal communication activities. For these activities, we conduct regular surveys, and the results are conveyed to company executives. The survey results are also used to run a PDCA (plan, do, check, act) cycle, leading to future planning that clarifies the scope of the audience and content of communications.



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# EMPLOYEES' HEALTH AND SAFETY

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## Employees' Health and Safety Policies and Philosophy

Nissan places great importance on occupational health and safety in the collective agreement between the company and its labor unions. Nissan has formulated a Basic Policy on Health and Safety and is promoting various health and safety practices in the workplace. In the Basic Policy, as a shared core value, we tout "Safety and Health is our core value and top priority." Our Basic Policy states that "From top management to each individual employee, Nissan recognizes that the health and safety of everyone is our top priority. The company continuously and aggressively strives toward realizing zero accidents, zero-illness, and vigorous workplace safety by optimizing the working environment and promoting individual physical and mental health." In accordance with the Basic Policy, we promote practices that reduce the burden on workers and make it easier to carry out their work, as well as ensuring that employees' health is a top priority. They have been established as key tenets in Nissan's companywide Basic Policy on Health and Safety.

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## Employees' Health and Safety Management

Nissan has adopted a Basic Policy on Safety and Health so that all employees can focus on their work in a safe environment. We give top priority to worker safety as well as their well-being as a matter of company policy. The work environment relating to employee safety and health is managed uniformly according to the Basic Policy at all Nissan sites, both in Japan and globally.

In Japan, we hold a Central Safety and Health Committee meeting each year chaired by the executive in charge of human resources and attended by management and labor union representatives from Nissan facilities. Activities over the past year are reviewed in such areas as workplace safety, fire prevention, mental health, health management and traffic safety, and then plans are laid out for the following year. The Safety and Health Committee at each facility meets each month, and these meetings are attended by labor union representatives. A safety and health officer and a traffic safety officer are assigned at each workplace to ensure the effectiveness of day-to-day safety activities.

Globally, each facility applies the PDCA (plan, do, check, act) cycle. A teleconference is held twice a year linking all Nissan facilities worldwide to share information and discuss key issues. Regional managers for employee safety and health also meet every other year for a Global Safety Meeting. In the event of an accident, its details and responses are swiftly shared with facilities around the globe in an effort to prevent the recurrence of similar

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accidents. Our global midterm goal is to reduce fatal accidents to zero, including people from other companies working at Nissan premises, and to halve the fiscal 2016 number of industrial accidents by fiscal 2022. Many facilities both in Japan and globally have introduced the OHSAS 18001\*1 occupational safety and health standard while at the same time, compliance with the new standard ISO 45001\*2 is also progressing at these facilities. These efforts create a strong structure for ensuring the implementation of employee safety and health activities.

\*1 OHSAS 18001: An internationally recognized standard for occupational safety and health management systems. Certification can be obtained from a third-party accrediting body.

\*2 ISO 45001: Another internationally recognized standard for occupational safety and health management systems that replaces OHSAS 18001.

## A Uniform Set of Global Safety Standards

To allow all employees to maximize their performance, we design workplaces with employee safety and health in mind.

We have developed and implemented our own methods for assessing and managing safety and fire-related risk, work proactively to identify potential risks of accidents in the workplace, develop measures to address them and make it easier for employees to get their job done. In 2010, we standardized the safety indices that previously differed from one global site to another. Safety performance is monitored quarterly for each production site.

## Specialized Mental Healthcare

We have established a specialized team led by a mental health professional to care for the mental well-being of employees. In 2005, in cooperation with external mental healthcare specialists, we introduced the Employee Assistance Program (EAP), a mental healthcare program providing employees with consistent care covering everything from prevention and early diagnosis to treatment and recovery. Since fiscal 2007 the program has expanded to include production-line workers, giving employees and their family members access to mental-health professionals for consultation, diagnosis and counseling. We also offer specialized care programs that respect employee privacy, such as the yearly "Stress Check," through which employees receive advice from a doctor via email or letter. From fiscal 2011, our mental health training was extended to cover items bolstering the emotional health of individual employees. We promote mental healthcare through a wide range of approaches.

## Rehabilitation Center to Facilitate Return to Work

Appropriate support systems are required to facilitate an employee's return to work in case of long-term or recurrent absence due to a mental or physical ailment. Nissan's support in this area includes rules established in 2008 for the use of external rehabilitation centers to ease employees' return to the workforce following long-term or recurrent absence. An in-house rehabilitation facility opened in 2012. By offering various programs suited to the needs of the respective workplaces, we are seeing improvements in the return-to-work ratio.

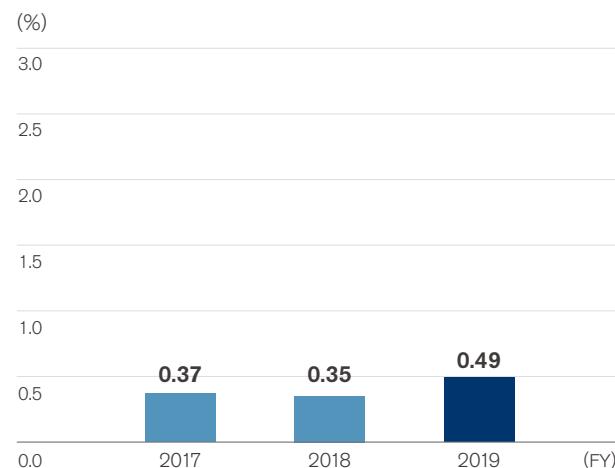
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## Employees' Health and Safety Achievements

### Creating Safe Workplaces

#### Accident Frequency Rate (Japan)



Nissan employs its own safety management diagnostic methods, as well as a risk-assessment approach to workplace management, to help reduce hazards in the work environment and prevent accidents. Two tools developed internally by Nissan to identify the risks of work accidents are the Safety Evaluation System (SES) and the Fire-Prevention Evaluation System (F-PES). Applied in Japan, they call for workplace patrols in accordance with established evaluation standards to identify potential dangers and fire risks to help reduce incidents. The use of these tools has been effective in achieving these aims.

Global initiatives to avoid accidents and create a safe workplace include

inviting employees from Nissan facilities around the world to undergo training on workplace safety. Responsible managers and leaders also received training in SES and F-PES in preparation for the implementation of these programs at all Nissan facilities worldwide, a process that began in fiscal 2014 and was completed in fiscal 2015.

Since 2011 we have been systematically carrying out Kiken Yochi Training (KYT)—literally “risk-prediction training”—at plants in Japan to raise awareness among individual workers of the risk of accidents and thereby help prevent their occurrence. This training instills an awareness of danger among workers, thus reducing the risk of their becoming involved in work accidents. Worker sensitivity is enhanced through repeated training on an ongoing basis.

We have established standards for reporting on work accidents or outbreaks of fire that occur in any of the production sites, and these standards are applied globally. If any serious work accidents such as fatalities, or outbreaks of fire that may have an impact globally occur, the person in charge where the accident or fire occurred must report without delay to Nissan Motor Co., Ltd. (NML). NML will dispatch information and measures as well as instructions to each company site, based on the report. This helps prevent similar disasters or accidents.

There were no fatal accidents involving Nissan employees globally in fiscal 2019, as was the case in fiscal 2018. However, in fiscal 2011, 2012 and 2013 there was one fatality each year in South Africa, Spain and North America, respectively. In fiscal 2016, two fatal accidents occurred—one in North America and the other in India. We investigated these fatal accidents and have implemented strict countermeasures to prevent such accidents from happening again at any of our plants. We monitor accident frequency

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rates,\* and have confirmed rates are generally in line with the automobile industry average. As we are currently transitioning to a more comprehensive approach to frequency rate aggregation, this report contains only Japan's domestic rates.

\* Accident frequency rate: Total injury cases ÷ total working hours × 1 million

## Improved Production-Line Environment

Nissan seeks to fulfill its mission of engaging in "human-friendly production" by continuously improving the workplace environment at its manufacturing facilities worldwide. At workplaces with high summer temperatures, for example, the physical burden on employees is heavy and there is the risk of suffering from heat stroke. We have installed internal cold-air ducts and ensured there are set breaks to drink water, particularly in locations with considerable workloads. Constant improvements are being made to allow employees to work in a comfortable environment.

## Certified Health and Productivity Management Organization Recognition Program (White 500)

Increasingly in today's society, employee health is being viewed less as an individual issue and more as a key element to the survival of corporations. This has put strategic management of employee health and productivity from a business perspective in the spotlight. At Nissan, we believe that investing in employee health improves both vitality and productivity, energizing the entire organization and improving results. Accordingly, we take a strategic approach to creating safe and pleasant workplace environments that promote both physical and mental health among employees. We accomplish this by setting up a task team at each facility's health and safety management department, under the supervision of the health and safety management office at headquarters, headed by the responsible human resource executive. Based on these principles and their successful application, NML was recognized by Japan's Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi (literally, "Japan health conference") under the 2020 Certified Health and Productivity Management Organization Recognition Program in the large enterprise category (White 500), announced in February 2020, retaining its recognition from 2019. The White 500 honors organizations with particularly effective health and productivity management based on regional health initiatives and programs promoted by the Nippon Kenko Kaigi. Nissan will continue to strengthen its health maintenance activities aimed at staff of all ages.

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# COMMUNITY ENGAGEMENT

**GRI102-11** **GRI103-1** **GRI103-2** **GRI203-1**

## Community Engagement Policies and Philosophy

In addition to delivering innovative, exciting vehicles and outstanding services to customers worldwide, Nissan believes it is important to play an active role as a community member, applying its special characteristics to contribute further to society.

When a company provides a range of resources to communities, supporting their development and proactively tackling issues, it is, in part, fulfilling its social responsibility as a good corporate citizen. Such actions also benefit the company's own operations, fostering a better business environment and creating new markets that can grow sustainably.

We work with a variety of stakeholders, both governmental and nongovernmental, pooling our respective strengths to address increasingly complex social issues. In line with Nissan's corporate social contribution policies, regional offices and affiliates work on initiatives that address issues relevant to their operations and the communities in which they operate.

## Nissan's Approach to Community Engagement

We reviewed our policies for social contribution activities in 2017, deciding to push forward with activities focused on the three areas of zero emissions, zero fatalities and zero inequality. In addition to zero emissions and zero fatalities, areas where any automotive manufacturer should make sincere efforts, we are promoting zero inequality (in other words, diversity) as an important corporate value with the aim of realizing a cleaner, safer and more inclusive society where everyone is given equal opportunities. We will not only provide financial assistance for activities in these areas but also ensure that those activities are "distinctly Nissan," making full use of our automotive heritage, expertise, products and facilities.

We emphasize communicating and working with specialized nonprofit and nongovernmental organizations that have great expertise in their fields to ensure that its social contributions are effective. We actively support the involvement of our employees in social contribution activities.

**For a Cleaner, Safer and More Inclusive Society.**



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## Community Engagement Management

Nissan's production sites have expanded globally, increasing the company's engagement with various communities through its businesses. Nissan is active in promoting social contribution activities and recognizes that contributing to the development of communities by sharing its own management resources also enhances the business environment and promotes market growth. In such activities, policies are decided at the global level and implemented in each region.

We developed a wide range of activities to meet the needs of regions centered on the three focus areas of zero emissions, zero fatalities and zero inequality set forth in the policy revision of 2017.

## Company Organization for Community Engagement

Nissan's corporate social contribution policies are discussed and approved by the Global Sustainability Steering Committee and shared globally. These corporate policies provide the basis on which initiatives are implemented across each country and region.

## Three Focus Areas for Nissan's Social Contributions Program

### Zero Emissions

Nissan's environmental philosophy is a "Symbiosis of People, Vehicles and Nature." We actively engage in efforts to reduce the environmental burden on the planet and prioritize the environment in our social contribution activities. Central to our approach are educational programs that cultivate a deeper understanding of environmental issues toward achieving a low-carbon society.

Since 2017 we have expanded our partnerships with international environmental protection organizations. We continued a forest conservation program in Indonesia in collaboration with Conservation International, an environmental NGO, and supported climate change education and awareness with the environmental conservation organization WWF Japan.

### Zero Fatalities

In addition to making vehicles safer through autonomous driving technology, we also promote traffic safety through activities to raise the safety awareness of drivers and pedestrians and to protect the socially vulnerable, including children and senior citizens.

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## Zero Inequality

We embrace diversity as a management strategy in recognition of its crucial role in boosting corporate competitiveness. Nissan's social contribution activities share this awareness and are aimed at mitigating poverty, providing assistance to the financially and socially disadvantaged and sending emergency relief to disaster-stricken communities. In 2019 we continued our partnership with the NGO Care International Japan and have worked closely to expand our educational program in Thailand, in addition to existing humanitarian efforts in collaboration with Habitat for Humanity.

## Nissan as a Community Member

We aspire to be a good corporate citizen that people are glad to have in their community. As such, we strive to be a valuable member of and active contributor to local communities wherever we operate. We support communities in a variety of ways, such as by assisting with local events, sponsoring neighborhood cleanups and other environment-improvement activities near Nissan facilities and opening those facilities to public tours. Many employees actively participate as volunteers. We engage in activities during ordinary times and also contribute to resolving social issues by supporting local communities during the natural disasters that occur with frequency around the world.

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## Contributing to Local Communities: Achievements

### Social Contribution Achievements in FY2019

Global social contributions (FY2019): ¥1.61 billion

Social contributions include:

- Expenses for implementing philanthropic activities (excluding labor costs)
- Monetary donations and NPO membership fees for philanthropic purposes
- Cash equivalents of in-kind donations
- Sponsorship fees for philanthropic initiatives

### Breakdown of FY2019 Social Contributions (Nissan Global)

	Philanthropic activities	Monetary donations	In-kind donations (cash equivalent)	Sponsorships, etc.	Total
Amount (¥ million)	549	741	60	264	1,614
% of total	34.0	45.9	3.7	16.4	100

	Disaster	Contribution in FY2019
		Wide-area power outages caused by Typhoon Faxai (Japan)
Donations for disaster relief	Wide-area power outages caused by Typhoon Faxai (Japan)	<ul style="list-style-type: none"> <li>▪ To supply power to areas suffering outages, Nissan Motor Co., Ltd. provided 53 Nissan LEAF electric vehicles with portable power stations to local government authorities and welfare facilities, etc.</li> </ul>
		<ul style="list-style-type: none"> <li>▪ ¥10 million donation from Nissan Motor Co., Ltd. to Japan Platform</li> <li>▪ Donation from employees of Nissan Motor Co., Ltd. plus matching donation from the company to Japan Platform</li> <li>▪ Nissan Motor Co., Ltd. lent out 68 vehicles to the disaster-struck area and dispatched employee volunteers to Iwaki City (275 volunteers in total)</li> <li>▪ Nissan Motor Co., Ltd. and dealership lent out four Nissan LEAF to the volunteer center for disaster relief in Nagano to supply electricity</li> </ul>
		<ul style="list-style-type: none"> <li>▪ Donation from Nissan Philippines (NPI) of three Navara</li> </ul>
		<ul style="list-style-type: none"> <li>▪ Donation of 5 million RMB and 100,000 masks from Nissan Motor Co., Ltd., Nissan (China) Investment (NCIC) and Dongfeng Motor Co., Ltd.</li> </ul>
	Tornado in Tennessee (U.S.)	<ul style="list-style-type: none"> <li>▪ Donation of \$150,000 to the American Red Cross from Nissan North America (NNA).</li> </ul>

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## Zero Emissions

### School-Visit Programs (Japan, U.K., China and Brazil)

Since 2007 Nissan has put its automobile manufacturing know-how and technologies to work by conducting school-visit programs. The programs target older elementary school students and are conducted by Nissan employees.

One educational program is the Nissan Waku-Waku Eco School,\* designed to deepen schoolchildren's understanding of global environmental issues and the initiatives undertaken by Nissan to solve them. Through experiments with model cars, test rides in the Nissan LEAF and other demonstrations, participants experience the latest environmental technology. As well as teaching participants about environmental issues, the program encourages them to reexamine how environmentally friendly their own daily activities can be.

This program has been well received, so that the number of Eco School classes in Japan has increased. As of the end of March 2020, more than 100,000 children in all have participated in Nissan Waku-Waku Eco School since its launch. The program is conducted not only by visiting elementary schools but also by inviting schoolchildren to our Tochigi, Iwaki, Yokohama, Oppama and Kyushu Plants. Moreover, 130 Eco School instructors are now in dealerships to organize the program at dealers and local events.

Outside Japan, under the banner of the Nissan Skills Foundation, Nissan Motor Manufacturing (U.K.) in Sunderland runs a wide-ranging series of educational programs from primary and secondary schools, including Eco School, a six-hour course in which students learn about environmental issues and NMUK's wind power program.

In China, Nissan (China) Investment (NCIC) and three joint venture companies offer educational opportunities; the Nissan Dream Classroom, an online education program developed with the assistance of UNESCO China. One of the six modules, Eco Classroom, includes environmental learning, understanding how electric motors work and an experiment involving a model car.

In 2019, NISSAN DO BRASIL AUTOMOVEIS (NBA) began an environmental education program Escola Verde (Green School) at one elementary school in a neighborhood at the Resende City, located near a Nissan plant in Brazil. Escola Verde teaches about climate change and about rainwater use and nutritional diversity, which includes a component to raise vegetables in schoolyards. In addition to engaging children to live in harmony with nature, the lessons also filter through to the community to the children and teachers at other schools and parents, building environmental awareness.



School children participating in Escola Verde (the green school)

\* Click here for more information on the Nissan Waku-Waku Eco School.

<https://www.nissan-global.com/EN/CITIZENSHIP/PROGRAMS/EDUCATION/index.html>

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### Partnership with the World Wide Fund for Nature Japan (WWF Japan)

We have entered into a partnership with the environmental conservation body WWF Japan to support its climate & energy project. WWF Japan supervised the materials used in Nissan Waku-Waku Eco School, and we work in partnership on a wide range of fronts, such as the planning of jointly held events. In addition, we supported WWF Japan's Earth Hour 2020 environmental awareness event, with Nissan's regional companies around the world taking part in a symbolic lights-off event.

### Partnership with Conservation International (CI) (Indonesia)

In 2017, we began working with the environmental NGO, Conservation International (CI), to restore degraded forests around Indonesia's Mount Agung, so that they may continue to provide fresh water to the urban areas of Bali. This initiative takes a comprehensive approach to improve the environment around rivers and coastal areas by restoring forests in mountainous upstream regions, in conjunction with government bodies



Three thousand sandalwood seedlings were raised and planted in January 2020.

and local communities.

In addition, we are working to find supplemental sources of income for local citizens, such as helping them to create, market and sell sustainable products derived from locally grown plants.

### Urban Green Lab (UGL): A Unique Environmental Education Program (U.S.)

Nissan North America (NNA) supports a nonprofit organization in Nashville, Tennessee called Urban Green Lab (UGL). UGL gives children the opportunity to think and learn about environmentally friendly, sustainable lifestyles, connecting these with their own experiences. With Nissan's support, and in partnership with Vanderbilt University's Peabody College of Education and the Dept. of Environment & Conservation, UGL created Tennessee's first-ever statewide curriculum on sustainable living and waste prevention and launched it at public schools in both Nashville and Memphis. In fiscal 2019, 57 Nashville school "learning communities" (clusters of teachers) were established and 183 teachers trained. UGL and Nissan have a special partnership due to their shared concern for the well-being of their communities and the valuable natural resources we share. Each year Kiddovation is a fun event where our organizations partner together as UGL brings the Mobile Lab which UGL produced using a Nissan TITAN XD to NNA Headquarters and educates employees' children on sustainable practices that they can implement at home with their parents.

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## Zero Fatalities

### Partnership with the Federation Internationale de l'Automobile (FIA) (Global)

Nissan is an official supporter of FIA Action for Road Safety, a campaign to raise public awareness of safer roads, as advocated by the Federation Internationale de l'Automobile (FIA). We widely publicize the campaign's message about the importance of safe driving and promote the FIA Golden Rules, a compilation of rules for traffic safety.

### Hello Safety Campaign to Protect Children (Japan)

Since 1987 we have collected donations from employees for the Hello Safety Campaign, which we launched in Japan in 1972 to contribute to the promotion of traffic safety awareness campaigns near our business sites. In addition, donations to help prevent traffic accidents were sent to children in the neighborhoods of Nissan business sites through local traffic safety associations, municipalities and other organizations.

In fiscal 2019 we created the "Wheel Spinning (Guru-Guru) Exercise" with Niigata University to promote and encourage awareness of safe driving among elderly drivers. This exercise is designed to support mainly elderly drivers in raising their muscle strength and cognitive abilities by making

daily exercise a part of their lifestyles so they can continue to drive safely. Nissan and Niigata University worked together on the concept, while Niigata University choreographed the exercise.



"Wheel Spinning (Guru-Guru) Exercise" created together with Niigata University

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## Zero Inequality

### Educational Program in Cooperation with CARE International (Thailand)

Since 2017, we have run the Youth Leadership Development Program for students in middle and high schools in Ayutthaya and Rayong provinces in Thailand. In these classes, held in cooperation with local schools, students learn leadership, teamwork and other qualities necessary in community development, along with science, technology, engineering and mathematics (STEM) content. The program also includes occupational skills training in a micro-business activity, with a focus on supporting female students in particular.

Since fiscal 2018, the program was expanded to schools in Samut Prakan province, near Nissan Motor Thailand (NMT). Nissan employees play an important role in the initiative, volunteering to be part of activities and



Youth Leadership Development Program through STEM Education

workshops.

Since its launch in 2017, the Youth Leadership Development Program has reached more than 1,400 students across 10 schools in Ayutthaya, Rayong and Samut Prakarn provinces and inspired more than 60 student projects.

### Partnership with Habitat for Humanity (North America)

NNA has been collaborating with the NGO Habitat for Humanity (Habitat) continuously since 2005. Habitat, an international aid organization that fosters hope by helping people build or improve their homes, has a vision of "a world where everyone has a decent place to live." The nonprofit works to construct homes, revitalize neighborhoods and support families' self-reliance in more than 70 countries across the world.

Since the partnership began in 2005, NNA and Habitat have worked directly with more than 135 families to build safe, affordable and sustainable homes. Up until now, Nissan employees have logged more than 116,000 volunteer hours cumulatively building homes with Habitat for Humanity.



The team of NNA employee volunteers

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Since the inception of the Nissan Canada Foundation's partnership with Habitat in Canada in 2008, more than 1,400 Nissan Canada dealership and head office employees have spent over 9,000 hours volunteering, contributing to 50 home builds from Halifax to Vancouver. In total, the Nissan Canada Foundation's contribution of donations and volunteer hours toward Habitat has exceeded 1 million CAD, an important milestone for Nissan Canada.

### **Sponsorship of Disability Sports (Japan)**

In December 2019, we sponsored the Nissan Cup Oppama Championship 2019 (20th National Wheelchair Marathon) in Yokosuka, Kanagawa prefecture, co-hosting the event with local organizations.\* The competition has been held since 2000 with the aim of increasing the profile of disability sports, improving the level of competitors, engaging people in the area and building caring communities. A total of 198 participants competed in the road race held on public roads between GRANDRIVE, Nissan's proving ground in Oppama Plant, and Oppama Station, on the Keihin Kyuko Line. In addition 337 Nissan employee volunteers joined local community volunteers, supported running the event by being part of the steering committee, managing the road race and preparing and keeping order on the course.

\* Click here for more information on the Nissan Cup Oppama Championship (Japanese only).  
<https://www.nissan-global.com/JP/CITIZENSHIP/NISSANCUP/>

### **Outreach to Pupils to Talk About Monozukuri (Japan, China, U.K. and Other Countries)**

Through activities that are engaging and fun, we deepen young people's understanding of monozukuri, Japan's tradition of craftsmanship and manufacturing.

In Japan, the magic of monozukuri is shared by Nissan employees through elementary school-visit programs: the Nissan Monozukuri Caravan and the Nissan Design Waku-Waku Studio.\* Some 22,000 children participate in the programs every year. In China, NCIC and other regional companies hold classes for pupils.

The Nissan Monozukuri Caravan also operates in the United Kingdom at the Sunderland Plant. The program runs five days per week during school terms, welcoming more than 4,500 primary pupils per year. The Nissan Skills Foundation was established in 2014. As of November 2019, it has engaged more than 60,000

students from schools across the region through various activities to inspire the engineers and manufacturers of the future. The Skills Foundation now supports three International STEM



The Nissan Skills Foundation promotes STEM education for female students.

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challenges for school children, VEX IQ robotics, FIRST Lego League and F1 in schools and in this year's competitions teams supported by Nissan all qualified from Regional and National events through to International finals. For all of these activities Nissan supports local teams with equipment, resources and knowledge. One core program for the foundation is Industrial Cadets, a nationally recognized program aimed at helping pupils aged 13—14 to engage with manufacturing and engineering professionals. More than 2,100 students have been through the program. The foundation also fosters diversity through the Girls in Monozukuri, Manufacturing and Engineering (GIMME) and GIMME Booster programs. These introduce young girls to available career options and help improve their chances of getting through the recruiting process. These female only sessions have now engaged with over 2,000 young women, and female participation in all programs is 46%. In 2019, the skills foundation also rolled out a new initiative for Year 3 Primary school (age 6-7) where activity boxes are provided to local school full of all the resources and instructions for schools to do projects on Nissan. This includes making their own Daruma Heads and activities focusing on Japanese culture and the heritage of the business.

In addition, the company donates vehicles and engines to universities and vocational schools to be used for instructional purposes in many countries. Access to real-world vehicles helps students build their skills and practical knowledge.

\* Click here for more information on the Nissan Monozukuri Caravan and the Nissan Design Waku-Waku Studio.

<https://www.nissan-global.com/EN/CITIZENSHIP/PROGRAMS/EDUCATION/>

### Education Support for Children and Youth (China)

Since 2013, NCIC has operated the Nissan Dream Classroom educational program, which helps elementary pupils. The program has gradually expanded its area of operation and the scope of its classes to include such topics as the environment, monozukuri, design, painting, intelligent driving and the basics of automotive culture and engineering, as well as special-edition programs for Nissan dealerships. A total of four companies in China began holding these classes in 2015, expanding in scale each year and actively engaging in educational programs.



Nissan Dream Classroom in Gansu province

NCIC has expanded Nissan Dream Classroom activities toward society. Through cooperation with Nissan dealerships, Beijing Auto Museum and local auto shows, the program was offered in various platforms and benefited 500,000 students by the end of 2019. In December 2019, a group of 67 students and teachers from primary schools in China and members of UNESCO Gansu Provincial Association visited Nissan GHQ and Oppama Plant. The visit could become their valuable experience to deepen what they have learned from "Nissan Dream Classroom".

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## Developing the Next Generation of Scientists and Engineers (U.S.)

In the United States, NNA is investing in the workforce of tomorrow through support of STEM initiatives and technical education training programs. We provide financial support to develop STEM programs for students in elementary, middle and high schools and to support university STEM programs.

In Tennessee, where Nissan has two major assembly plants, Nissan and its employees support the Music City BEST (Boosting Engineering Science and Technology) Robotics Competition in Nashville. Student teams design and build working robots from standard kits of simple building materials and then compete to perform specific tasks in three minutes. In fiscal 2019, 302 students took part, and 22 Nissan employees volunteered as team mentors or competition judges. In this project-based STEM program the students solved real-world science and engineering problems, helping them to develop technological literacy skills that may help shape their long-term education and career direction.



Music City BEST Robotics Competition 2019

## “Onigiri Action” helps provide school lunches to children in developing countries in partnership with Nissan Serena

Through its branding of the Nissan Serena, Nissan has participated as a flagship top sponsor in “Onigiri Action”, a program run by the nonprofit organization TABLE FOR TWO International (TABLE FOR TWO). The organization aims to right the global food imbalance by providing healthy school lunches to children in developing countries. “Onigiri Action” is a program in which five school lunches are donated to children in Africa and Asia each time a picture related to onigiri (rice balls) is posted on social media through the program. Nissan has supported this program since 2018, believing TABLE FOR TWO’s philosophy was aligned with Nissan Serena’s concept of “continuing to be a minivan for families that broadens the potential of children”. As an Nissan initiative as a top sponsor of Onigiri-Action related to the Nissan Serena, Nissan donated 10 school lunches for every social media post—double the ordinary amount—and encouraged customers visiting Nissan showrooms nationwide to upload photos of themselves enjoying onigiri. Through these activities, Nissan provided approximately 110,000 school lunches in two years (2.65 million meals were provided overall through



Children holding cups containing school lunches

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Onigiri Action). In 2019, Onigiri Action received the SDGs Deputy-chief's Award (by the Minister of Foreign Affairs) at the "Japan SDGs Award" in recognition for its activities.

## Nissan as a Community Member

### Support for regions affected by Great East Japan Earthquake (Japan)

#### Employee Volunteer Activities in Hirono and Namie, Fukushima prefecture

We provided various forms of support in the immediate wake of the Great East Japan Earthquake of March 11, 2011, and we have continued to help affected regions rebuild through strong employee participation. In fiscal 2019, we continued our support activities from the previous year in the district of Futaba, Fukushima prefecture, with the participation of 26 employees from several Nissan facilities. Together with the Iwaki OtentoSUN Enterprise Cooperative, based in Iwaki, Fukushima, Nissan employees engaged in various activities, including preparing a disaster-prevention green belt, maintaining organic cotton fields in Hirono, and removing weeds and



A group photo during volunteer activities in Hirono and Namie

planting flowers in the area surrounding Namie train station. In addition, we visited the Ukedo district, which was devastated by the

tsunami, and toured by bus the "difficult-to-return zones" due to radiation that currently make up 80% of Namie.

#### Bringing Smiles to Children in Disaster-Stricken Areas

Nissan established the Nissan Smile Support Fund in 2011 with the goal of helping children in disaster-stricken areas smile again. The Nissan Smile Support Fund offers assistance that meets the changing needs of such regions, operating free schools and places to go after school and providing learning venues for deepening regional understanding as well as recreational and nature experience programs. Programs are conducted by 10 NPOs that are independently active in Iwate, Miyagi and Fukushima prefectures.

#### Addressing Other Natural Disasters

#### Wide-area power outages caused by Typhoon Faxai (Japan)

The Nissan LEAF proved uniquely suited to providing relief in times of natural disaster as a mobile storage battery, during the widespread power outages that continued at evacuation centers and welfare facilities in Chiba prefecture caused by Typhoon Faxai in September 2019.

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Nissan provided electricity by bringing 53 Nissan LEAF electric vehicles and portable power stations (known as Power Movers) at local government authorities, welfare facilities, childcare facilities and other locations. These were used primarily to run fans to prevent heat stroke and to charge mobile phones to ensure residents had access to information as well as a power source to light up water supplies at night. In addition, 50 charger cables provided by Nissan employees were used to charge mobile phones.

#### Torrential rains from Typhoon Hagibis (Japan)

Nissan donated ¥10 million and matched employee donations raised to provide funds in relief of those suffering damage from torrential rains when Typhoon Hagibis struck in October 2019. Nissan employees volunteered in Iwaki and 68 vehicles were lent out in Iwaki and Koriyama in Fukushima prefecture to support disaster relief efforts. In addition, Nissan and Nagano Nissan Motor Co., Ltd. lent out four Nissan LEAF to the volunteer center for disaster relief in Nagano to supply electricity.

#### Volcano eruption (Philippines)

Nissan Philippines (NPI) donated three Navara to the Philippine Red Cross to support relief efforts for those affected by the Taal Volcano eruption in January 2020.

#### Novel coronavirus (COVID-19) outbreak (China)

In January 2020, Nissan Motor Co., Ltd., Nissan (China) Investment (NCIC) and Nissan's joint venture in China, Dongfeng Motor Company Limited (DFL) together donated 5 million RMB and 100,000 masks to support the fight against the COVID-19 in Hubei province.

#### Tornado in Tennessee (U.S.)

Nissan North America (NNA) donated \$150,000 to the American Red Cross to support relief efforts for those affected by a tornado that struck Tennessee in March 2020.

#### Foundation Support Activities (U.S., Australia and Brazil)

In the United States, we support many communities through the Nissan Foundation, which funds educational programs encouraging people to value the cultural diversity that exists within American society. Established in 1992, the Nissan Foundation has contributed over \$11.5 million to more than 150 nonprofit organizations across the country as of the end of March 2020. In fiscal 2019 the foundation donated \$740,000 to 30 U.S. organizations. Nissan Motor Australia (NMA) supports philanthropic activities through the Nissan Australia Foundation. Since fiscal 2017 it has supported small and medium-sized Australian charitable organizations, helping to expand or

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continue their activities. NMA has adopted a new employee policy, allowing staff to take volunteer leave each year to contribute to the communities in which they work and live.

Additionally, Nissan Do Brasil Automoveis (NBA) reexamined the activities of the Instituto Nissan, established in 2013 for philanthropic purposes, revitalizing and strengthening its programs for encouraging employee volunteer activity. During fiscal 2019, Instituto Nissan developed a series of programs, from environmental education to social engagement and open innovation, interacting with a variety of stakeholders that support the organization on its social contribution to a very important region in Rio de Janeiro, Brazil.

### Nissan Global Foundation (Japan)

The Nissan Global Foundation\* pursues the vision of realizing a prosperous future society through human resource development by conducting various training programs.

One main focus is enhancing science education at elementary and middle schools and science workshops by fostering logical and scientific thinking skills among schoolchildren. The foundation grants ¥700,000 per project for teaching material in two years. In addition, the foundation grants "Science Education Awards" to schools with the best performance so as to encourage competition and promote dynamism.

Additionally, since fiscal 2018, the foundation has awarded the Nissan Global Foundation "Rikajo" Prize to elementary and middle schools,

museums and other educational institutions that have dramatically increased interest in science among female students.

Furthermore, from fiscal 2019, we started a program to develop the talent of the future and launched a project to create a class designed for future leaders based on joint research with Waseda University.

\* Click here for more information on the Nissan Global Foundation.

<https://www.nissan-global.com/EN/CITIZENSHIP/FOUNDATION/>

\* Click here for more information on the Nissan Global Foundation official website in Japanese.

<https://www.nissan-zaidan.or.jp/>

### Nissan Institute of Japanese Studies, Oxford (U.K.)

Founded at the University of Oxford in 1981, the Nissan Institute of Japanese Studies\* is a well-known European center for research on modern Japan that contributes to the promotion of mutual understanding between Japan and Europe.

\* Click here for more information on the Nissan Institute of Japanese Studies.

<https://www.nissan.ox.ac.uk/>

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# Governance

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# GOVERNANCE

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## Governance Policies and Philosophy

Rapid technological advances are transforming every industry, including the automotive industry, and the global economy is undergoing a period of great change. The risks that companies face are becoming ever more complex and require finely tuned responses.

In order to create unique and innovative automotive products and services, and deliver superior measurable value to all stakeholders, Nissan will enrich people's lives as a company that is trusted by society, and address improvement of corporate governance as one of its most prioritized managerial tasks. In addition to addressing risks and opportunities associated with climate change, we will conduct our business while considering society's expectations and our social responsibilities and devote ourselves to the development of a sustainable society by aiming for sustainable growth of our business.

To be a sustainable company, Nissan must display a high level of ethics and transparency, as well as a strong foundation for the organization. It is also expected that we will actively disclose our initiatives to this end. We have extensive global operations with numerous stakeholders around the world. It is essential that we continue to earn their trust while ensuring the high ethical standards and compliance of all employees. In 2001, we established the Global Code of Conduct,\*1 which is rigorously followed by Group companies around the world.

Corporate governance,\*2 compliance and risk management are key factors

in our business management. We have selected a new corporate form consisting of a company with three statutory committees, separating management from supervision, oversight and auditing. Our global approach to governance is founded on three pillars: improving the transparency of the decision-making process and making business execution speedier and more flexible; carrying out compliance based on high ethical standards among all employees; and establishing an effective and appropriate risk-management system.

\*1 Click here for more information on the Global Code of Conduct.

[https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/2017/NISSAN\\_GCC\\_E.pdf](https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/2017/NISSAN_GCC_E.pdf)

\*2 Click here for more information on the Corporate Governance Guidelines.

[https://www.nissan-global.com/PDF/190625-02\\_01\\_EN.pdf](https://www.nissan-global.com/PDF/190625-02_01_EN.pdf)

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# CORPORATE GOVERNANCE

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## Corporate Governance System in Detail

In developing new structures to strengthen our corporate governance system, on June 25, 2019, a new corporate form was selected consisting of a company with three statutory-committee, clearly separating management functions and supervisory, oversight and auditing functions. In the past, directors supervised the execution of important business operations as well as the duties of individual directors, but the change in structure to a company with three statutory committees has separated execution from supervision. Those with the newly established executive officer role are responsible for the execution of business operations, while members of the Board of Directors focus on supervision of their assigned duties. This has improved the transparency of the decision-making process and also made business execution speedier and more flexible. Furthermore, by increasing the number of outside directors to a majority of the board, we are working to reflect a diversity of viewpoints into our management and strengthen our supervision function still further. The Board of Directors has established three committees: the Nomination Committee, which decides on candidates for director positions; the Compensation Committee, which sets compensation for directors and executive officers; and the Audit Committee, which audits the business execution of directors, executive officers, and those with similar responsibilities. Outside directors make up more than half of each committee, and play a leading role in the Nomination and Compensation Committees. This ensures healthy governance, with

supervision, oversight and auditing by the Board of Directors and other corporate bodies heightening the effectiveness of our structures in terms of internal controls, compliance and risk management. Officers and employees, including executive officers, will sincerely respond to this supervision, oversight and auditing.

In addition, we announce clear management targets and policies to all stakeholders and disclose our performance promptly with a high degree of transparency.

We have also established a corporate governance system that maintains business transparency. The system allows us to implement various monitoring systems, as well as assess and manage risks that have the potential of preventing us from achieving our business goals. In addition to carrying out cooperation among sites in the regions in which we operate, we have set up global management systems and provide relevant training programs to our employees and business partners. We aim to disclose governance information with even greater transparency in future.

\* Click here for more information on the Nissan Corporate Governance Overview

[https://www.nissan-global.com/EN/COMPANY/PROFILE/CORPORATEGOVERNANCE/pdf/Overview\\_EN.pdf](https://www.nissan-global.com/EN/COMPANY/PROFILE/CORPORATEGOVERNANCE/pdf/Overview_EN.pdf)

\* Click here for more information on the Corporate Governance Guidelines

[https://www.nissan-global.com/PDF/190625-02\\_01\\_EN.pdf](https://www.nissan-global.com/PDF/190625-02_01_EN.pdf)

\* Click here for more information on Governance Data

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## Corporate Governance System Transformation

On June 25, 2019, Nissan transitioned to a three statutory-committee format, establishing nomination, compensation and audit committees.

### New System Key Points

- (1) Separation of management and supervisory functions
- (2) Increased independence of Board of Directors
- (3) Transparency of decision-making process
- (4) Speedy and flexible business execution

## Role of The Board of Directors



## Board of Directors System

Our Board of Directors, led by independent outside directors, decides the basic direction of management by taking a variety of perspectives into account and plays the role of supervising the executive directors. The number of directors on the board is sufficient to facilitate lively discussions and swift decision-making. In order to create an environment where discussions in board meetings are led by independent outside directors, these directors constitute a majority of the board, with one of them serving as board chair.

The Board of Directors decides on basic management policies and important matters set forth under the law, articles of incorporation and regulations of the Board of Directors itself. In order to carry out effective and flexible management, as a general rule, the Board of Directors delegates much of its power to decide on business activities to executive officers. As of March 31, 2020, the Board of Directors consists of 12 directors, seven of whom are independent outside directors (of whom two are women).

\* Click here for more information on each member of the Board of Directors.  
<https://www.nissan-global.com/EN/COMPANY/PROFILE/EXECUTIVE/>

\* Click here for more information on the Board of Director's activities in fiscal 2019  
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## Nomination Committee System and Authority

AUTHORITY / ROLE	RESOLUTION ITEMS
<ul style="list-style-type: none"> <li>· To determine the content of the General Shareholders Meeting agenda concerning the appointment and dismissal of directors as provided for in the Corporate Law</li> <li>· To determine the content of the Board of Directors meeting agenda concerning the appointment and dismissal of the representative executive officer</li> <li>· To formulate an appropriate succession plan regarding the president and CEO and review it at least once a year</li> </ul>	<ul style="list-style-type: none"> <li>· Proposal of election/dismissal of director candidates</li> <li>· Proposal of election/dismissal of representative executive officer</li> <li>· Succession plan for CEO</li> <li>· Proposal of appointment/dismissal BOD chair and vice chair</li> <li>· Proposal of appointment/dismissal committee chair and members</li> </ul>

As of March 31, 2020, the Nomination Committee chaired by independent outside directors consists of six directors, five of whom are independent outside directors (of whom one is a woman). The committee has the authority to determine the content of the general shareholder's meeting agenda concerning the appointment and dismissal of directors. In addition, the committee has the authority to decide on the content of the Board of Directors meeting agenda concerning the appointment and dismissal of the representative executive officer and the authority to formulate an appropriate succession plan regarding the President and Chief Executive Officer.

\* Click here for more information on the Nomination Committee's activities in fiscal 2019

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## Compensation Committee System and Authority

AUTHORITY / ROLE	RESOLUTION ITEMS
<ul style="list-style-type: none"> <li>· To determine the policy on decisions on the content of the compensation for individual directors and executive officers, and the content of the compensation for individual directors and executive officers</li> <li>· To determine the specific amount, or, in the case of non-cash compensation, the specific content of compensation, for each individual director and representative executive officer</li> </ul>	<ul style="list-style-type: none"> <li>· Policies and systems regarding compensation for directors and executive officers (compensation principles, level and composition of compensation, base salary system, short/long-term system, benefits etc.)</li> <li>· Specific amount or (in the case of non-cash compensation) specific content of compensation for each individual director and representative executive officer</li> <li>· Specific amount or content of compensation for each individual executive officer</li> </ul>

As of March 31, 2020, the Compensation Committee consists of four directors, all of whom are independent outside directors (of whom two are women). The committee has the authority to determine the policy on decisions on the content of the compensation for individual directors and executive officers and the contents of the compensation for individual directors and executive officers. In addition, the Compensation Committee has the authority to determine the specific amount for each individual director and representative executive officer.

\* Click here for more information on the Compensation Committee's activities in fiscal 2019

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## Audit Committee System and Authority

AUTHORITY / ROLE	RESOLUTION ITEMS
<ul style="list-style-type: none"> <li>· To audit (monitor and supervise) executive officers' business execution and directors' performance of their duties.</li> <li>· To make executive officers and employees/subsidiaries report on business execution and investigate the status of operation and financial conditions</li> <li>· To seek injunctions against illegal acts of directors, executive officers and employees</li> <li>· To produce annual audit reports</li> <li>· To select/dismiss external auditors</li> <li>· (Appointed Audit Committee member) to represent the company in any litigation brought against directors/ executive officers</li> </ul>	<ul style="list-style-type: none"> <li>· Annual audit reports to be submitted to shareholders meeting</li> <li>· Audit policy/rules and annual audit plan/budget of the Audit Committee</li> <li>· Proposal for shareholders meeting concerning the appointment/ dismissal of external auditors</li> <li>· Assignment of staff employees of Audit Committee secretariat</li> <li>· Annual audit plan, budget and HC of Global Internal Audit Office, assignment and evaluation to the head of Global Internal Audit Office</li> <li>· Filing of litigation against directors/ executive officers</li> </ul>

As of March 31, 2020, the Audit Committee chaired by independent outside directors consists of five directors, four of whom are independent outside directors (of whom one is a woman). As part of audits on business execution including the organization and operation of Nissan's internal control systems, the Audit Committee receives reports from executive officers, corporate officers and employees on their business execution for Nissan and its group companies, in accordance with the Audit Committee's annual audit plan and on an ad-hoc basis as necessary. In addition, the Chair has meetings with executive officers including the President and Chief

Executive Officer periodically and exchanges opinions in various areas. Further, the Chair attends important meetings etc. to state his opinions, reviews internal approval documents and other important documents, and, when necessary, requests explanations or reports from executive officers and employees. The Chair shares his collected information with other members of the Audit Committee in a timely manner.

The Audit Committee, in conducting its audits, cooperates with the internal audit department and the independent auditors in an appropriate manner, making efforts to enhance the effectiveness of "tri-parties" audit. Under the leadership of the Audit Committee, collaboration among three parties is contributing to the enhancement of the effectiveness of internal control systems by sharing information on the issues pointed out by their respective audits and the status of their remediation in a timely manner. Further, the Audit Committee supervises the internal audit department, periodically receives reports from them on the progress and results of their internal audit activities conducted in accordance with their internal audit plan and, as necessary, gives them instructions regarding internal audit.

The Audit Committee is the contact point for whistleblowing with doubts regarding the involvement of management such as executive officers, and deals with whistleblowing by establishing a system where relevant executive officers cannot know the whistleblower and the content of whistleblowing.

\* Click here for more information on the Audit Committee's activities in fiscal 2019

[">>>> P022](#)

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## Board Features

### High independent representation in board and committee composition

- Majority of Board of Directors are independent outside directors.
- Majority of Nomination Committee and Audit Committee, and all members of Compensation Committee, are independent outside directors.
- All chairs of the Board of Directors and three committees are independent outside directors.

Board of Directors 7 out of 12 are independent directors

Committee	Nomination	5 out of 6 are independent directors
	Compensation	4 out of 4 are independent directors
	Audit	4 out of 5 are independent directors

### Diversity of nationality and gender

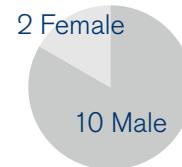
#### Nationality

5 Nationalities

#### Gender

17%

Female



## Director independence standards

To ensure high independent representation on the Board of Directors, Nissan strictly defines the qualification of independent directors. They must not fall into any of the following categories:

### Prohibited categories

- 1 Executive or employee of Nissan (within last 10 years)
- 2 Major shareholder of Nissan (within last five years)
- 3 Director, statutory auditor, statutory accounting advisor or executive of a company of which Nissan is a major shareholder
- 4 Major business partner of Nissan
- 5 Executive of an organization that received a significant amount of donations and contributions from Nissan
- 6 Director, statutory auditor, statutory accounting advisor or executive of a company that has a director who was seconded from Nissan
- 7 Major creditor of Nissan
- 8 Certified public accountant or tax attorney appointed as statutory accounting auditor/advisor of Nissan
- 9 Attorney, certified public accountant, tax attorney or any other type of consultant who has received significant business from Nissan
- 10 Member, partner or any other executive of an accounting firm, tax firm, or consulting firm that has received significant business from Nissan
- 11 Family member of any of the above categories
- 12 Person who has served as director of Nissan (for more than 6 years)
- 13 Person who may otherwise consistently have substantial conflicts of interest with the shareholders of Nissan

Important: All items stated above are summaries of the full qualifications as defined in Nissan Director Independent Standards. For more details for each category, please visit the Nissan website for Nissan Director Independent Standards;

[https://www.nissan-global.com/PDF/190625-02\\_02\\_EN.pdf](https://www.nissan-global.com/PDF/190625-02_02_EN.pdf)

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## Executive Officer System

Executive officers decide on business activities which are delegated in accordance with the resolutions of the Board of Directors and execute the business of the Nissan Group.

Several conference bodies have been established to deliberate on and discuss important corporate matters and the execution of daily business affairs. Furthermore, in the pursuit of more efficient and flexible management, the authority for business execution is clearly delegated as much as possible to corporate officers and employees.

As of March 31, 2020, eight executive officers, two of whom are representative executive officers, are appointed.

\* Click here for more information on each executive officer  
<https://www.nissan-global.com/EN/COMPANY/PROFILE/EXECUTIVE/>

## Basic Principles of the Internal Control System

We aim to provide superior value to all stakeholders, consider healthy governance the foundation for this, and are engaged in a range of activities to achieve it. In line with this principle, and in accordance with Japan's Companies Act and its related regulations, the Board of Directors has decided on internal control systems to pursue these goals and its own basic policy. The board continually monitors the status of implementation regarding these systems and the policy, making adjustments and improvements if necessary. The internal control system that was established in 2007 is chaired by CEO under the monitoring and supervision of the Board of Directors. All executive officers, corporate officers and departments, as well as group companies, cooperate closely under the CEO to improve the internal control system.

\* Please refer to the Nissan Corporate Governance Overview for details on the internal control system (P46)  
[https://www.nissan-global.com/EN/COMPANY/PROFILE/CORPORATEGOVERNANCE/pdf/Overview\\_EN.pdf](https://www.nissan-global.com/EN/COMPANY/PROFILE/CORPORATEGOVERNANCE/pdf/Overview_EN.pdf)

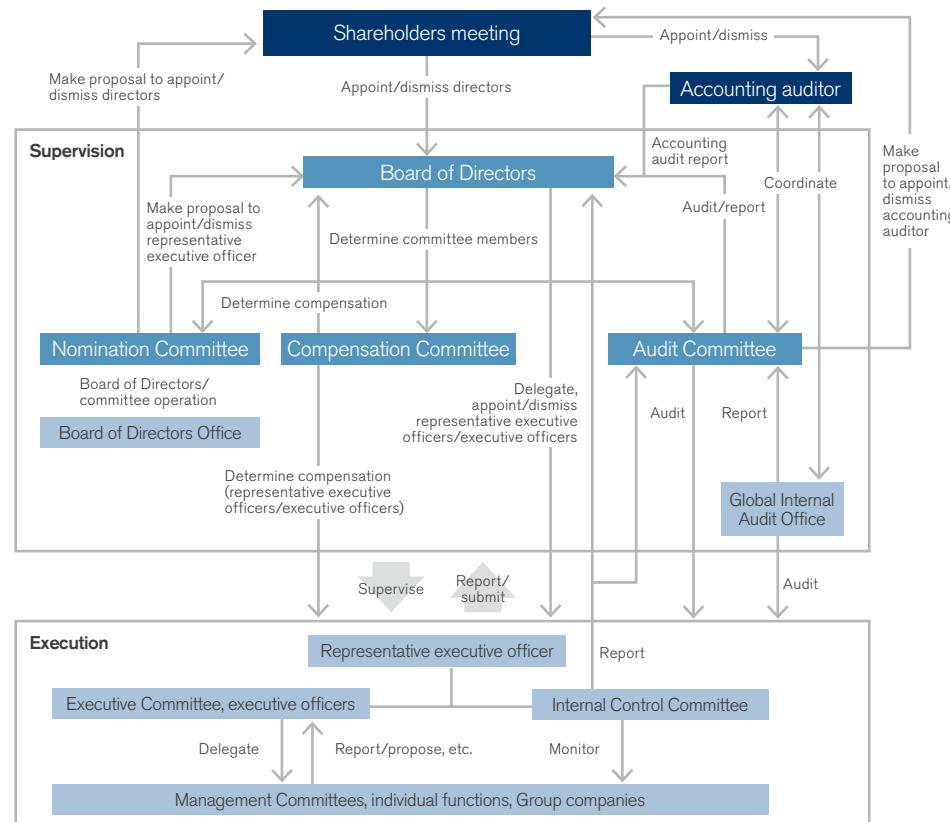
## Audit System

We have adopted a system under which the outside directors, Auditing Committee, department for internal audit and outside accounting auditors coordinate to improve the effectiveness of our internal control systems. Independent outside directors lead our Board of Directors, deciding the basic direction of management and supervising the execution of duties by directors, executive directors, and others with similar responsibilities. The Audit Committee takes charge of the department for internal audit and instructs it with regard to auditing, and the department for internal audit shall report to the Audit Committee the status of the performance of duties and any findings therefrom on an ongoing basis. The Audit Committee also receives similar reports from the accounting auditors, as well as detailed explanations on the status of the quality control of internal audits, to confirm whether their oversight is at a suitable level.

## Independent Internal Audits

An independent, global internal audit function department has been established under the control of the Audit Committee. In each region, internal audit departments located at supervisory companies handle auditing tasks, while global specialized teams conduct audits across each region in the areas of sales finance and IT. Under the control of the Chief Internal Audit Officer, all internal audits are carried out efficiently and uniformly across the globe.

## Nissan's Corporate Governance System



## Delegation of authority outline

Delegation of authority (DOA) is a part of Nissan's decision-making rules that defines who must be involved in important corporate decisions

### Role of DOA

#### Clarify decision-making process

DOA provides a clear framework for the decision-making process and defines who is responsible for the decision

#### Maintain and enhance management quality

DOA improves overall management quality at Nissan by increasing the speed and efficiency of decision-making

### Scope of DOA

- Overall decision-making rule
- i .DOA covers only important corporate decisions
  - ii .Besides DOA, there are other decision-making rules such as the business process standard document
  - iii .DOA also applies to Nissan's consolidated subsidiaries including foreign companies except where there are special circumstances
  - iv .DOA is classified as global, regional or local DOA according to its scope of application

\*BOD: Board of Directors

## Delegation of authority governance

For the purpose of enhancing management quality as well as clarifying the process of decision-making, fair and transparent delegation of authority (DOA) is appropriately implemented and strictly controlled

### 01 Robustness

Any revisions, creation and deletion are strictly controlled by the DOA Committee, which is chaired by corporate officers

### 02 Transparency

DOA defines the appropriate individuals who must propose, validate and decide, are disclosed in the Nissan group employee's intranet

### 03 Fairness

Aside from Proposer and Decider, the Validator, who provides expertise to a Decider in the Validator's relevant area, is set in the DOA items

### 04 Effectiveness

DOA representatives and coordinators are assigned in each function and region for efficient operation and for enhancing global management

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## Avoidance of Conflict of Interest

In case of any transaction that involves any conflict of interest between the company and a director or executive officer, the Board Regulations provide that board approval, as well as a post-facto report to the board of important facts associated with the transaction, are required. Given the possibility of conflict of interest, the representative executive officer of the company must not concurrently serve as a director, executive officer, or any other officer or employee of a major shareholder; Mitsubishi Motors Corporation, which is one of the other parties of the Alliance; or any subsidiaries or affiliates of the above. If an executive officer serves in such position at the time of assuming the office of representative executive officer of Nissan, that officer and Nissan shall promptly take the necessary measures for the officer to leave the other company.

Regarding the designation of Audit Committee members, the company's Corporate Governance Guidelines provide that, given the potential conflict of interest with minority shareholders, it is not desirable that the Audit Committee should include any person who has experience serving as a director, executive officer or other officer or employee at a major Nissan shareholder or a subsidiaries or affiliate of same (except for a person seconded from Nissan).

In addition, in 2019, the company established a Director Conflict of Interest Resolution Policy which defines conflicts of interest between a director and the company, requires directors to report any actual, potential or perceived conflicts and also establishes procedures to resolve such conflicts.

## Three key pillars of Director Conflicts of Interest Resolution Policy

### Three key pillars of Director Conflicts of Interest Resolution Policy

Duty to report	Resolution group	Resolution procedure
Mandates two affirmative duties for directors; i.Timely reporting of actual and potential conflicts; ii.Advance disclosure of interested transactions	Establishes the Director Conflict Resolution Group, comprising (of at least) three independent directors, led by the chair of the Audit Committee. The chair can prevent a director from: i.Receiving materials, ii.Presenting at any discussion, and, iii.Participating in any vote, related to any specific conflict of interest reported.	Establishes procedures to resolve director conflicts before and during board/committee meetings including: i.Maintaining a database of all specific conflicts of interest identified, ii.Suspending or postponing the matter in question, and, iii.Excluding the conflicted member from the meeting

\* Click here for more information on Corporate Governance Report.

[https://www.nissan-global.com/EN/DOCUMENT/PDF/GOVERNANCE/g\\_report.pdf](https://www.nissan-global.com/EN/DOCUMENT/PDF/GOVERNANCE/g_report.pdf)

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# RISK MANAGEMENT

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## Risk Management Systems

Risk management must be a real-world activity that produces concrete measures. Based on its Global Risk Management Policy, the Nissan Group carries out activities on a comprehensive, groupwide basis. To respond to changes in our business environment, we have set up a department in charge of risk management that carries out annual interviews of corporate officers, carefully investigating various potential risks and revising the “corporate risk map” in line with impact, frequency and control level. The Executive Committee make decisions on risk issues that must be handled at the corporate level and designate “risk owners” to manage the risks. Under the leadership of these owners, we design appropriate countermeasures. At the end of each fiscal year, the head of risk management assesses the control level of each risk and determines the effectiveness of each risk management activity. The progress of these activities is regularly reported to the Executive Committee and the Internal Control Committee, and also to the Board of Directors, when appropriate.

With respect to individual business risks, each division is responsible for taking the preventive measures necessary to minimize the frequency of risk issues and their impact when they do arise as part of its ordinary business activities. The divisions also prepare emergency measures to put in place when risk factors materialize. Nissan Group companies in Japan and overseas are strengthening communication to share basic

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processes and tools for risk management, as well as related information, throughout the Group.

In addition, we have created an area on our intranet called “Corporate Risk Management.” Information relating to risk management is also distributed to subsidiaries in Japan, North America, Europe and other overseas regions, as well as to major affiliated companies.

The business environment in which we operate has been increasingly volatile in recent years, including such aspects as the widespread adoption of new technologies and growing geopolitical risks. We will continue to bolster our activities in this area so we can appropriately meet these changes.

## Protecting Personal Data and Reinforcing Information Security

We share our Information Security Policy with Group companies worldwide as a basis for reinforced information security, implementing via the Information Security Committee measures enhanced through the PDCA cycle. We reliably address issues by identifying internal and external information leaks as they occur worldwide and reinforce information security on a timely basis. To thoroughly educate and motivate employees to adhere to relevant policy, we institute regular in-house educational programs. Moreover, we recognize our social responsibility to properly handle customers’ personal information in full compliance with the respective

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personal information protection law in each region. We have set up internal systems, rules and procedures for handling personal data. All Nissan Group companies are fully enforcing these processes.

There were no major instances of loss or leaking of personal information at any Nissan Group company during fiscal 2019.

\* Click here for more information on Risk Management.

[https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/2020/SR20\\_E\\_RiskMngt.pdf](https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/2020/SR20_E_RiskMngt.pdf)

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## ESG Risk Management

Nissan sees risks related to environmental, social and governance (ESG) factors—that is, “product strategy,” “product quality,” “response to environmental issues and climate change” and “compliance and reputation”—as issues involving business strategy and the maintenance of competitiveness and therefore promotes risk management in the Group as a whole based on the Global Risk Management Policy.

Regarding product strategy, as part of our product strategy developing process, we monitor the impact of various risk scenarios, such as global market changes and demand deteriorations, on our future profitability based on the product lineup plan. We periodically monitor the impact of these scenarios to secure future profitability and sustainable growth, as well as updating our future lineup plan periodically based on the results.

Regarding product quality, in addition to such activities as quality assurance for new model projects and day-to-day quality improvement activities, we have introduced and operate a “Quality Risk Management” framework. The framework represents a higher-level system to ensure successful quality

management for both ongoing and future projects. Appraisal involves an objective evaluation of whether risk exists and the level of such risk for our company and the assignment of responsible persons based on the level for follow-up activities. These processes are implemented by the Quality Risk Management Committee, chaired by an executive tasked with heading this activity, twice a year.

Regarding response to environmental issues and climate change, in order to address diversifying environmental issues and promote comprehensive environmental management on a global basis, the Global Environmental Management Committee (G-EMC), which is co-chaired by a board member and convenes twice a year, and the Environmental Management Committees (EMCs) in seven regions worldwide confirm the progress of activities and decide companywide policy and the content of reports to the Board of Directors.

Regarding compliance and reputation, our compliance with laws and ethical standards is monitored by regional and local compliance committees, which report to the Global Compliance Committee. We also have a globally integrated whistleblowing system, which allows employees to report suspected compliance issues to management.

In addition, we have created sets of internal rules and policies globally covering the prevention of insider trading, personal information management, information security and prevention of bribery and corruption. We make efforts to prevent noncompliance and reputation risk by raising awareness through the implementation of various activities, including education and training programs.

\* Click here for more information on Risk Management.

[https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/2020/SR20\\_E\\_RiskMngt.pdf](https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/2020/SR20_E_RiskMngt.pdf)

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# COMPLIANCE

Nissan understands that acting with integrity and high standards is of paramount importance, not only because it is the right thing to do, but also because it allows all employees to perform at the highest levels. Nissan expects all employees to maintain the highest ethical standards as they carry out their duties. To raise compliance awareness throughout the company, Nissan has established a Global Compliance Office, as well as specialized departments, and appointed officers to promote compliance in each region where it operates.

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## Enhancing Compliance

### Preventing a Reoccurrence of Nonconforming Final Vehicle Inspections at Nissan's Plants in Japan

After the discovery in September 2017 of nonconformities in the final vehicle inspection process at its plants in Japan, Nissan began a full and comprehensive investigation of the facts, including the causes and background. We have since implemented appropriate countermeasures based on the results. Strict compliance is a top priority for our management, and we have taken it upon ourselves to examine the current situation with regard to compliance in every area of our business. When issues do arise, we take appropriate measures, and we are committed to promoting and

enforcing compliance and awareness thereof in all operational areas.

\*Click here for more information on nonconforming final vehicle inspections.  
[https://www.nissan-global.com/EN/SUSTAINABILITY/VEHICLE\\_INSPECTIONS/](https://www.nissan-global.com/EN/SUSTAINABILITY/VEHICLE_INSPECTIONS/)

### Executing an Overhaul of Compliance Checks

At Nissan, following the discovery of nonconformities in the final vehicle inspection process at vehicle assembly plants in Japan, we were determined to ensure that such a thing could never happen again. Accordingly, in fiscal 2018, an overhaul of compliance checks were carried out and some monitoring items were defined. In fiscal 2019, compliance office and relevant functions started to monitor those items periodically twice a year. In fiscal 2019, comprehensive compliance checks for affiliate companies in Japan was undertaken and no relevant findings were identified. This project will be expanded to overseas entities in fiscal 2020.

### Working with Dealerships

Nissan undertakes various measures to ensure that its approach to compliance is shared with dealerships and to enhance its internal controls. We are strengthening lines of communication with dealerships to further improve our sustainability management. We carry out activities on an ongoing basis aimed at helping dealerships in Japan enhance their compliance.

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Nissan organizes self-inspection programs at all dealerships to enhance understanding of compliance matters and improve their compliance management status. The dealerships check their current compliance status and issues based on Nissan's self-assessment checklists and use the PDCA cycle to make voluntary improvements. Nissan also annually updates, edits and expands the checklists based on our internal audit results, informing dealerships of changes and ensuring compliance. The program status is shared among applicable Nissan departments and reports are made to the Board of Directors of dealerships. Through measures to check improvements and their effectiveness, and a unified approach with dealerships, Nissan strives to further improve its sustainability management.

When major compliance issues occur, the legal, communications, external and government affairs and other applicable Nissan departments work together with dealers to take prompt and appropriate action.

## Anti-Bribery

### Anti-Bribery: Policies and Philosophy

Nissan does not tolerate corruption of any kind, whether individual or systemic, committed by a company or a government. The Nissan Global Anti-Bribery Policy\* establishes a global framework for preventing and responding to corruption. Different cultural contexts may result in what seem to be gray areas, and Nissan respects local customs and traditions, but corrupt practices are never acceptable.

\*Click here for more information on the Nissan Global Anti-Bribery Policy.

[https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/2013/NIS\\_SUS2013E\\_POLICY.pdf](https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/2013/NIS_SUS2013E_POLICY.pdf)

Click here for more information on the Avoidance of Conflict of Interest.

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## Anti-Bribery: Management

Nissan has established a Global Code of Conduct\* and Global Compliance Office as well as departments and officers at each of its operations worldwide with responsibility for promoting compliance measures. Moreover, all Group-affiliated companies have introduced their own codes based on the Global Code of Conduct. The Code of Conduct is supported by training courses to ensure full understanding of its content. Nissan's overall policy management strategy was redesigned in fiscal 2016 in order to support the promotion of compliance knowledge, including the creation of a Policy on Policies and related standardized procedures. With this enhanced process, Nissan seeks to ensure across-the-board understanding, making sure all employees are fully aware of Nissan's policies and able to act appropriately when faced with compliance issues. Nissan has created a series of internal regulations that are applied globally, covering areas such as decision-making, insider trading, personal information management, information security, bribery and corruption and use of social media. With these policies in place, Nissan is working to heighten awareness and reduce infractions. Employee education programs to promote compliance are held regularly in all regions in which Nissan operates. For example, training sessions based on the Global Anti-Bribery Policy have been conducted in all regions.

\*Click here for more information on the Global Code of Conduct.

[https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/2017/NISSAN\\_GCC\\_E.pdf](https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/2017/NISSAN_GCC_E.pdf)

## Business Ethics

### Business Ethics: Policies and Philosophy

#### Employees and Compliance

Nissan's sustainability efforts are based on each employee's ability to do his or her job with a high level of integrity. In 2001, we established a Global Code of Conduct containing practical guidance for employees. Today this Code of Conduct is applied at all Nissan Group companies worldwide. We also provide guidance on compliance for directors and corporate officers, holding regular seminars and educational activities to ensure strict adherence to the rules.

Under the oversight of our Global Compliance Committee, we have established a Regional Compliance Committee in each region of operation, forming a worldwide system for detecting and deterring illegal and unethical behavior. Global Headquarters works with all regions and bases of operation to ensure full awareness of compliance issues and prevent illegal activity, and has processes in place to take appropriate disciplinary action against those who violate or infringe the Global Code of Conduct or the law. Our Global Compliance Office further increases the rigor of our compliance management. In addition, to enhance compliance at the regional level, stand-alone, independent, regional compliance officers have been hired in the Japan, Asia and Oceania (A&O), China, North America, Latin America and the Caribbean (LATAM), Europe, and Africa and Middle East and India (AMI) regions.

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## Fiscal 2019 Global Compliance Committee Organization (As of March 31, 2020)



\*Each Regional Compliance Committee oversees various local compliance committees as appropriate.

### Global Code of Conduct

Nissan's Global Code of Conduct contains our core principles for doing business with honesty and integrity, in full compliance with established laws and regulations in all locations in which we operate. The Code of Conduct's standards apply to all employees within Nissan Group companies, and every employee is responsible for upholding and adhering to the Code. The Code of Conduct is reviewed for revision at least once every three years to ensure that it evolves along with the company and society. The Code is also updated promptly, outside the regular review cycle, in response to significant changes to laws or other major factors affecting it. The Code of Conduct was most recently updated in 2017, when employee and customer safety were proactively added as a new key pillar of the Code.

In fiscal 2019, updated Global Code of Conduct training material was delivered to all regions. The e-learning material for indirect employees was available in 20 languages and accessible in number of formats including via portable devices like smartphones and tablets. Factory-focused training material was prepared for factory workers, who received the training via regular shift-start messaging or in a seminar setting. This global Code of Conduct training is mandatory for all Nissan employees every year as well as Board members and Corporate Officers. The fiscal 2019 global completion ratio is over 95%.

#### ① Comply with All Laws and Rules

Nissan employees are expected to follow all laws and regulations of the country in which they work as well as all Company policies and rules.

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## ② Promote Safety

Nissan is committed to employee safety and wellness. Nissan employees are expected to engage in safe work practices to promote a healthy work environment. Nissan is also committed to the safety of our customers and their passengers and Nissan employees are expected to continually promote safety of Nissan products.

## ③ Avoid Conflicts of Interest

Employees are expected to act in the best interest of Nissan. It is not permitted for employees to behave, act, or use information in a way that conflicts with Company interests. Furthermore, employees must attempt to avoid even the appearance of a conflict of interest.

## ④ Preserve Company Assets

Nissan employees are accountable for preserving and safeguarding Company assets. The unauthorized or improper use of Company assets, including funds, confidential business information, physical property and intellectual property, is prohibited.

## ⑤ Be Impartial and Fair

Nissan employees must maintain impartial and fair relationships with business partners, including dealers, suppliers and other third parties.

## ⑥ Be Transparent and Accountable

Accounts and records shall be maintained with integrity. Nissan employees shall make accurate, transparent, timely and appropriate disclosures of the Company's business activities to our stakeholders, including shareholders, management, customers, other employees and local communities.

## ⑦ Value Diversity and Provide Equal Opportunity

We value and respect the diversity of our employees, suppliers, customers and communities. Discrimination, retaliation or harassment, in any form or degree, will not be tolerated.

## ⑧ Be Environmentally Responsible

Nissan employees shall strive to consider the environment and environmental protection when developing products and services, promote recycling and conserve materials and energy.

## ⑨ Be Active; Report Violations

Nissan employees are expected to carry out their work in accordance with the Code of Conduct. Employees who suspect that a violation of the Code of Conduct has occurred are obligated to report it as soon as possible. Employees are encouraged to use the SpeakUp system to report their suspicions. Employees who act in good faith and report suspected violations will be protected from retaliation.

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## Business Ethics: Management

### Internal Reporting System for Corporate Soundness

Nissan has established a globally integrated reporting system to promote thorough understanding of compliance among employees worldwide and facilitate sound business practices. The system, known as SpeakUp, can be used by employees to ask questions or voice concerns to the company, thereby improving workplaces and operations. Where allowed by law, SpeakUp permits anonymous reporting by and two-way confidential communication with employees and other stakeholders. It is available 24 hours a day, 365 days a year, in more than 20 languages. Employees are encouraged to report violations of the Code of Conduct or other company rules, and are protected from retaliation by our non-retaliation policy, a cornerstone of our compliance program.

In fiscal 2019, 1,681 issues and questions were reported globally. Among those, 485 compliance-related matters were identified. The number of reporting has been increased since SpeakUp was introduced. This trend is as expected, and indicates both that our compliance program is working effectively and that employees are taking an interest in using it to raise their concerns.

## Security-Related Export Controls

To help maintain both national and international peace and security, we rigorously comply with export control laws and regulations in Japan and other countries and regions where we operate to keep sensitive goods, software and technologies from reaching sponsors of terrorism, espionage or human rights violations. Our export compliance program is implemented under a system headed by the representative executive responsible for export control. Specifically, our Export Control Global Secretariat, consisting of a Global Director and Regional Managers, works with each of our businesses to set control and monitoring mechanisms ensuring compliance with security-related export controls, and these mechanisms are strictly applied to all operations.

We recognize our responsibility for compliance with all regulations related to export controls on goods, software and technologies in our areas of operation. In 2017, we formulated a Global Export Regulatory Compliance Policy to ensure proper compliance with such regulations across the Nissan Group. Based on this global policy, we are working to develop regional policies for each of the regions where we operate, such as export regulatory compliance policies issued in fiscal 2019 for Latin America, updates to North America and have begun discussions for the Europe, AMI (Africa, Middle East, India) and A&O (Asia & Oceania) regions. We also respond in a timely manner to export control regulation changes and related developments around the world, including the enforcement of the Export Control Reform Act (ECRA) in the U.S., amendments to the EU export control list and moves to deploy export control regulations in China, Thailand, India and the Philippines.

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With the overall aim of improving our level of internal control, we strive to conduct regular risk-assessment activities in connection with export controls in each region, create monitoring mechanisms aligned with regulatory requirements and business demands, and continually improve our operations. To make employees more familiar with compliance risks, we are reviewing our training system and materials, including information about complying with relevant customs and trade laws. From fiscal 2018, we began annual training in Japan based on the new system. In addition, we deployed mandatory training globally starting in fiscal 2019 with North America, Latin America, AMI, and China completing this training, and A&O and Europe under development.

We have been addressing export control of advanced technology on a global level to prepare for the future of our company. To hasten the implementation of our Global Export Regulatory Compliance Policy, we continue to promote export control for advanced technologies, such as autonomous driving and connected-car technologies at Nissan sites in Japan, the U.S., and Europe as well as other locations around the world, where warranted. At our development sites in Japan, we are improving our classification process for sensitive goods, software and technologies using IT systems. By making export control procedures an integral part of our development and design operations, we aim to strengthen our compliance. In addition, we are renewing and collecting information on controlled goods, software and technologies in each region and are implementing comprehensive and sound export controls for each business operation through the systematic global sharing of this information.

## Global Export Control Policy Framework

Representative executive responsible for export controls

### Export Control Global Secretariat

Japan, Asia & Oceania, China,  
North America, Latin America,  
Africa, Middle East, & India,  
Europe

### Functions

Marketing and sales, R&D,  
supply-chain management, IT,  
production, etc.

### Regions

Japan, Asia & Oceania, China,  
North America, Latin America,  
Africa, Middle East, & India,  
Europe

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## Nissan's Commitment to Tax Transparency

### Nissan's Approach to Tax

Based on its Global Code of Conduct, Nissan is committed to complying with the laws and regulations of all countries in which Nissan Group does business, as well as with international tax treaties and tax-related financial reporting rules. In order to conduct business properly and efficiently in many markets across the globe, Nissan established a documented tax policy from 2015. This document is continuously revised in order to keep up with the legislative and regulatory changes. This policy document includes details of the company's governance arrangements, tax risk management strategy and its approach to dealing with tax authorities, although it is currently not publicly available in full. Nissan is consistently fulfilling all tax disclosure requirements such as OECD Country-by-Country Reporting and other mandatory country-specific transparency requirements like those in Australia or the United Kingdom\*.

Nissan effectively manages its tax risks by providing tax input into key business decisions. Nissan's Tax Department collaborates with and supports other functions to ensure tax implications are properly evaluated and addressed in operational and strategic decision-making. In particular in relation to transactions, restructurings, legal entity modifications, and other business changes, as necessary to support Nissan's business strategy. Through the delegation of authority process, the tax function validates key business decisions from a tax perspective, thereby ensuring the tax strategy is aligned with the wider business objectives, in a consistent manner.

Nissan applies established international standards like OECD principles to its dealings between the companies within the group. Intercompany transactions are priced on an arm's-length basis, which means that Nissan-

related entities trade with each other as if they were unrelated.

Nissan is transparent about its approach to tax. Nissan aims to pay the appropriate amount of taxes in the jurisdictions in which it operates, and to avoid tax-related interest payments and penalties for failure to comply. The CFO reviews and approves the tax strategy. The Global Head of Tax and the CFO update annually the Board of Directors on Nissan's tax risks and adherence to its tax strategy.

\*Click here for information on Nissan's U.K. tax strategy.

<https://www.nissan.co.uk/legal/nissan-uk-tax-strategy.html>

### Nissan's Tax Management

Nissan effectively manages tax risks within the Group by participating in and—through the delegation of authority process at a global, regional and local level—validating key business decisions from a tax perspective in a consistent manner.

Nissan's global brand reputation and the continuing success of its manufacturing and distribution operations are of paramount importance. Consequently only a low level of tax risk is considered acceptable as also demonstrated by proactive discussions with tax authorities.

Where Nissan has tax audits, the company seeks to reach an agreement with the Tax authorities on the treatment that will apply. In case Nissan is unable to successfully negotiate, Nissan will uphold its tax positions in court and defend its application of the law through litigation.

Nissan has several methods for identifying and managing tax risks.

The Global Tax Controversy Report is Nissan's global tax function tool for central management of tax risk. It includes all tax exposure: both direct and indirect taxes. Key findings are discussed quarterly with top management.

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Specifically for income tax, Nissan has a process in place at local, regional and global level to recognize uncertain tax positions as required by the International Financial Reporting Interpretations Committee (IFRIC). Nissan adopted IFRIC 23 from the beginning of fiscal 2019.

Regarding transfer pricing topics, the tax function has internal procedures and controls in place to identify transfer pricing risks, assess and mitigate such risks, and to monitor and escalate and report material risks to all stakeholders. Profitability by product basis and by company basis is monitored regularly to identify the tax risks in terms of transfer pricing. When potential tax risks are identified, they are reported to the finance executive in charge. The executive-level position within the organization accountable for compliance with the tax strategy is the Global Head of Tax, reporting to the CFO.

Compliance with the tax governance and control framework is evaluated regularly by the global tax team, the compliance departments and internal audit checks. Global policies on tax governance and control are published on Nissan's internal website. Compliance departments (at regional, local and global level) check with tax departments as the policy owner how the policies are enforced and are in line with the business (through regular updates of the policies).

Nissan has a hotline which is called SpeakUp where employees have a way to report unethical or illegal activities they have witnessed or that they suspect. It is publicly filed within Japan according to required laws and regulations. Nissan reports IFRS consolidated financial statement information to Renault.

## Nissan's stakeholder engagement and management of concerns related to tax

Nissan seeks to maintain a long-term, open and constructive relationship with national tax authorities by proactively engaging with them, as well as other governmental and relevant industry bodies directly and indirectly. First, Nissan strives to develop cooperative relationships with tax authorities through regular meetings and partnership programs. Nissan has ongoing communication with tax authorities including, where applicable, use of advance rulings and advanced pricing agreements (APAs). Nissan engages in APAs with tax authorities to obtain certainty regarding transfer pricing for intercompany transactions.

Then, Nissan regularly engages with policy makers to support the development of tax rules and regulations based on sound tax policy principles. Nissan also provides input to industry groups and international economic organizations, such as the Tax Executives Institute (TEI) and the business at OECD. As a Japanese automaker, Nissan is a member of Keidanren, one of Japan's major private sector business associations and also part of the Japan Automobile Manufacturers Association (JAMA).

Finally, Nissan's Investors Relations Department engages with the Global Tax Department each time there is a question from stakeholders related to tax topics. The Tax team will assist so that the information is provided in a satisfactory way.

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# ESG Data

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# Corporate Overview

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## Corporate Profile

Date of Establishment	December 26, 1933
Location of Organization's Headquarters	1-1, Takashima 1-chome, Nishi-ku, Yokohama, Kanagawa 220-8686, Japan
Group Structure and Business Outline	The Nissan Group consists of Nissan Motor Co., Ltd., subsidiaries, affiliates and other associated companies. Its main business includes sales and production of vehicles and related parts. The Nissan Group also provides various services accompanying its main business, such as logistics and sales finance.
Brands	Nissan, Infiniti, Datsun
Consolidated Number of Employees (as of March 31, 2020)	136,134
Global Network (as of March 31, 2020)	<p><b>R&amp;D: 17 markets</b> (Japan, U.S., Mexico, U.K., Spain, Belgium, Germany, Russia, China, Taiwan, Thailand, Vietnam, Indonesia, India, South Africa, Brazil, Argentina; total of 47 sites)</p> <p><b>Design: 7 markets</b> (Japan, U.S., U.K., China, Brazil, Thailand, India; total of 8 sites)</p> <p><b>Automobile Production: 34 bases in 18 markets</b> (excludes plants providing OEM vehicles to Nissan [Renault, Mitsubishi Motors, Fuso, Suzuki, etc.].)</p>

## Financial Data

	FY2017	FY2018	FY2019
Net sales	11,951.2	11,574.2	9,878.9
Operating income (loss)	574.8	318.2	(40.5)
Ordinary income	750.3	546.5	44.0
Profit (loss) before tax	710.7	477.7	(573.0)
Net income (loss) attributable to owners of the parent	746.9	319.1	(671.2)
Capital expenditure	485.4	509.9	509.2
Depreciation	384.2	377.8	372.9
Research and development costs	495.8	523.1	544.8

Click here for more information on Financial Data.

<https://www.nissan-global.com/EN/IR/>

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## Global Sales Volume and Production Volume

	FY2017	FY2018	FY2019
Global sales volume	5,770	5,516	4,930
Japan	584	596	534
China	1,520	1,564	1,547
North America	2,091	1,897	1,620
Europe	756	643	521
Others	819	816	708

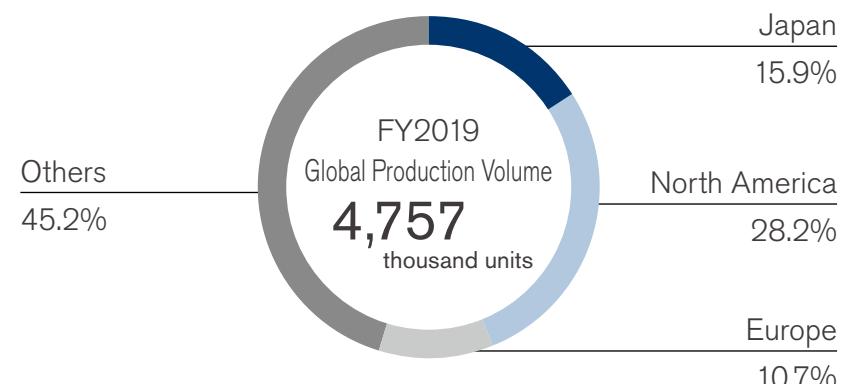
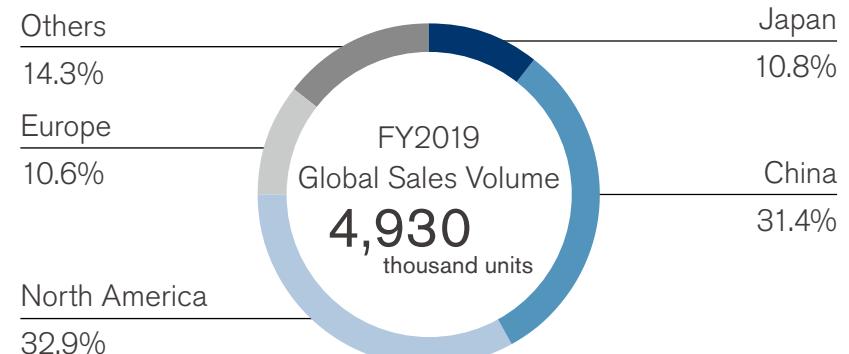
(Thousand units)

	FY2017	FY2018	FY2019
Global production volume	5,672	5,362	4,757
Japan	986	901	758
North America	1,694	1,587	1,340
Europe	777	661	508
Others	2,215	2,213	2,151

(Thousand units)

Click here for more information on Financial Data.

<https://www.nissan-global.com/EN/IR/>



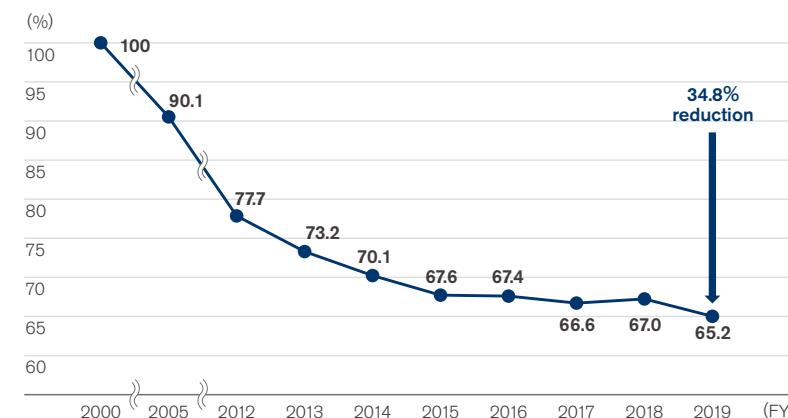
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Estimates (as of July 2020) have been used for the FY2019 actuals for CO<sub>2</sub>, VOC, industrial waste, and water at European facilities.

## Climate Change (Products)

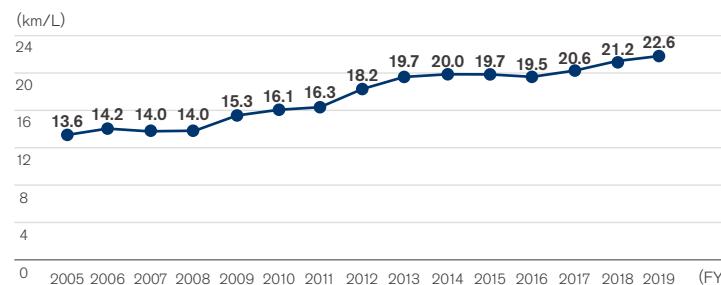
### CO<sub>2</sub> Emissions from New Vehicles (Global)\*



In fiscal 2019, CO<sub>2</sub> emissions in Nissan's main markets of Japan, the U.S., Europe, and China were 34.8% lower than fiscal 2000 levels, as measured by Corporate Average Fuel Economy (CAFE). Especially, improved in China from 2018 due to EV expansion and fuel consumption improvement.

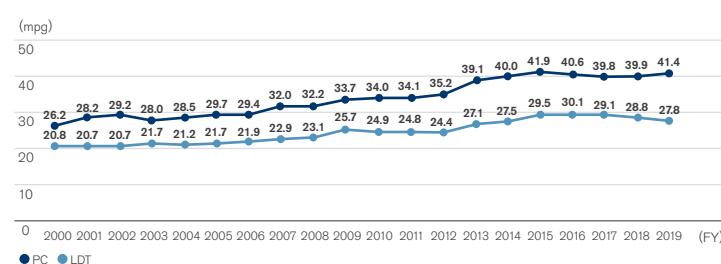
\* Reduction in CO<sub>2</sub> emissions calculated by Nissan.

## Corporate Average Fuel Economy (CAFE, JC08 Mode) in Japan



In fiscal 2019, mainly due to strong sales of the Serena e-POWER and new DAYZ, the average fuel economy improved to 22.6 km/L. This represents an improvement of 7% compared to fiscal 2018. Provisional values determined by Nissan are used.

## Corporate Average Fuel Economy (CAFE) in the United States



In fiscal 2019, sales resulted in a CAFE of 41.4 mpg for passenger cars, the same performance observed for fiscal 2018. In the light-duty truck segment,

comparatively heavier models have received more market acceptance which decreases the CAFE from 28.8 mpg to 27.8 mpg.

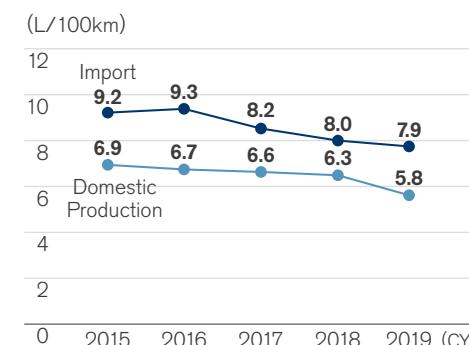
Updated 2018 results on PC to 39.9 from 39.8mpg and LDT to 28.8 from 28.5 due to revision in the official report.

## CO<sub>2</sub> Emission Index from Nissan Vehicles in Europe\*



\*2018 result was updated.

## Corporate Average Fuel Consumption in China



In 2019, fuel economy for domestically produced and imported vehicles improved approximately 8% and 1%, respectively. The incremental introduction of EVs and fuel consumption improvement for ICEs are the main factor for domestic production models.

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## Revenue, Global Sales Volume and Production Volume Data

	FY2018	FY2019	(¥ billion)		FY2018	FY2019	(k unit)		FY2018	FY2019	(k unit)
Revenue <sup>*1</sup>	12,968.7	11,217.6		Global Sales Volume <sup>*2</sup>	5,516	4,930		Global Production Volume <sup>*2</sup>	5,362	4,757	
				Japan	596	534		Japan	901	758	
				North America	1,897	1,620		North America <sup>*3</sup>	1,587	1,340	
				Europe	643	521		Europe <sup>*4</sup>	661	508	
				Asia	1,888	1,821		Asia <sup>*5</sup>	2,046	1,991	
				Other	492	434		Other <sup>*6</sup>	167	160	

\*1 Management pro-forma basis (includes Chinese joint ventures in proportionate consolidation).

\*2 Global sales volume and global production volume for China and Taiwan consider values from January to December.

\*3 Production in the U.S. and Mexico.

\*4 Production in the U.K., Spain, Russia and France.

\*5 Production in Taiwan, Thailand, Philippines, Indonesia, China, India and South Korea.

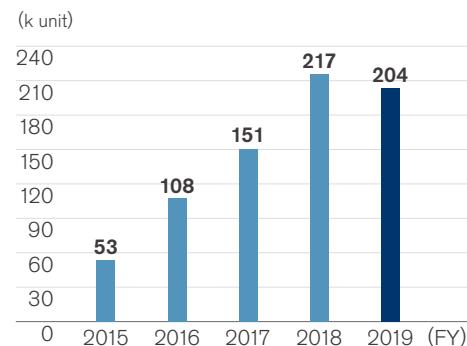
\*6 Production in South Africa, Brazil, Egypt and Argentina.

## Powertrain Type Ratios (Shipment-Based)

	Unit	Gasoline-powered vehicles	Diesel-powered vehicles	e-POWER vehicles	Electric vehicles	Hybrid drive vehicles	Natural-gas drive vehicles
Japan	%	63.7	2.4	21.5	3.2	9.2	0.1
North America	%	98.7	0.4	0	0.9	0.1	0
Europe	%	67.7	24.1	0	8.2	0	0
Other	%	91.3	7.4	0	0.8	0.5	0
Global	%	87.8	6.4	2.5	1.9	1.3	0

## EVs

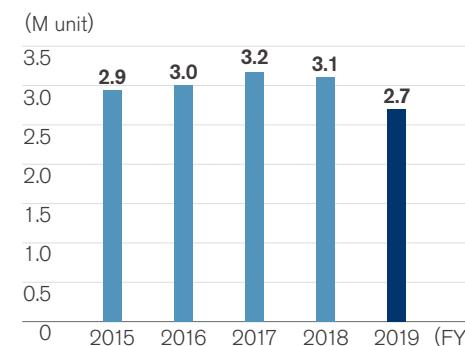
### EV and e-POWER Vehicle Sales



\*Includes the sale of EVs by joint ventures in China.

## The Xtronic Transmission

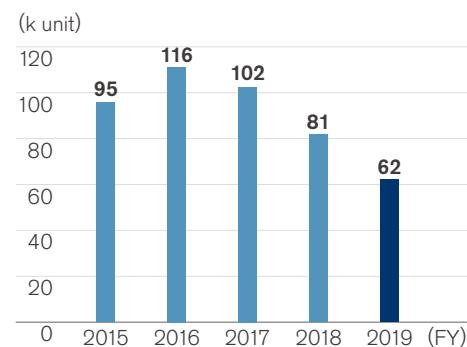
### ICE with CVT\* Sales



In fiscal 2019, we sold 2.7 million additional Xtronic CVT vehicles, bringing the cumulative total to 29.7 million.

## Hybrids

### Hybrid Units Shipped



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## Climate Change (Corporate Activities)

### Energy Input

(FY)

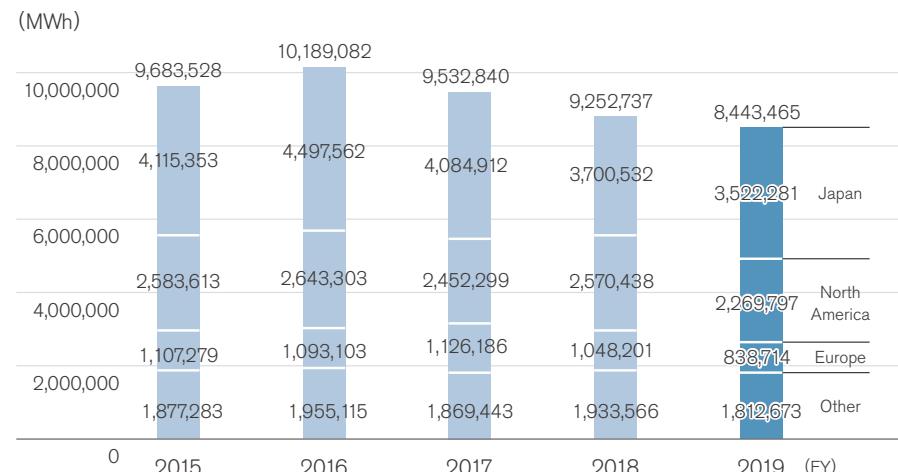
	Unit	2015	2016	2017	2018	2019
Total	MWh	9,683,528	10,189,082	9,532,840	9,252,737	8,443,465
By region						
Japan	MWh	4,115,353	4,497,562	4,084,912	3,700,532	3,522,281
North America	MWh	2,583,613	2,643,303	2,452,299	2,570,438	2,269,797
Europe	MWh	1,107,279	1,093,103	1,126,186	1,048,201	838,714
Other	MWh	1,877,283	1,955,115	1,869,443	1,933,566	1,812,673
By energy source						
Primary						
Natural gas	MWh	3,346,141	3,537,674	3,701,640	3,579,998	3,126,933
LPG	MWh	303,826	249,426	179,945	191,405	175,996
Coke	MWh	206,307	217,431	218,618	200,527	172,500
Heating oil	MWh	188,943	209,232	147,522	113,200	91,315
Gasoline	MWh	302,564	303,040	299,000	259,045	241,010
Diesel	MWh	55,099	57,488	48,259	53,074	23,044
Heavy oil	MWh	34,289	43,853	27,652	15,995	16,287

	Unit	2015	2016	2017	2018	2019
External						
Electricity (purchased)	MWh	4,979,114	5,247,663	4,755,897	4,711,467	4,445,380
Renewable energy* <sup>1</sup>	MWh	141,076	157,226	133,212	135,574	153,773
Chilled water	MWh	12,116	12,919	6,661	7,487	7,025
Heated water	MWh	4,630	4,690	5,000	5,000	5,000
Steam	MWh	100,000	136,593	128,038	102,324	126,811
Internal						
Electricity (in-house generation)	MWh	9,423	11,847	14,609	13,214	12,164
Renewable energy* <sup>2</sup>	MWh	9,423	11,847	14,609	13,214	12,164
Total renewable energy	MWh	150,499	169,073	147,821	148,788	165,937

\*1 Volume of renewable energy in electricity purchased by Nissan.

\*2 Volume of renewable energy generated by Nissan at its facilities and consumed for its own purposes.

## Global Energy Consumption

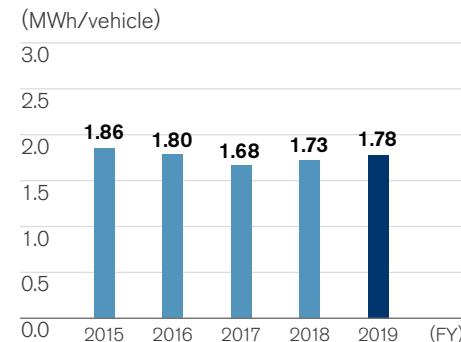


The total energy consumption of our global corporate activities during fiscal 2019 was about 8.443 million MWh, a 9% decrease from fiscal 2018. This reduction was primarily due to the promotion of energy-saving activities at facilities and a decline in total production volume. Production sites globally accounted for 7.486million MWh\* of total energy consumption.

\* This figure is subject to assurance by KPMG AZSA Sustainability Co., Ltd. For details, please see here.

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## Energy per Vehicle Produced



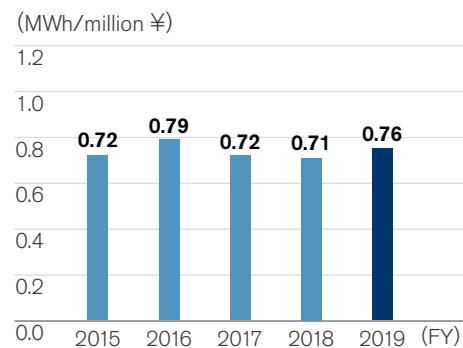
In fiscal 2019, energy per vehicle produced was 1.78MWh increased by 3.3% compared to fiscal 2018.

Data for the Japan region includes the manufacture of powertrains and other components for overseas assembly. Since the denominator is vehicles produced in the region, this tends to result in higher values for Japan.

By region	Unit	2019
Japan	MWh/vehicle	4.70
North America	MWh/vehicle	1.69
Europe	MWh/vehicle	1.65
Other	MWh/vehicle	0.84

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## Energy per Revenue



In fiscal 2019, global Nissan facilities saw energy per revenue result of 0.76 MWh, increased by 20% from 2018. We are taking ongoing steps toward decoupling financial capital generation from energy use.

## Carbon Footprint

(FY)

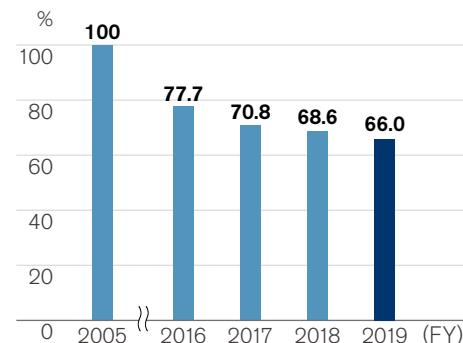
	Unit	2015	2016	2017	2018	2019
Scope 1	t-CO <sub>2</sub>	926,790	963,661	912,476	889,444	765,370
Scope 2	t-CO <sub>2</sub>	2,547,951	2,614,028	2,394,109	2,339,883	2,173,236
Scope 1+2	t-CO <sub>2</sub>	3,474,741	3,577,689	3,306,584	3,229,327	2,938,606
Japan	t-CO <sub>2</sub>	1,479,572	1,579,089	1,333,335	1,208,303	1,142,233
North America	t-CO <sub>2</sub>	800,724	823,340	683,332	738,234	607,605
Europe	t-CO <sub>2</sub>	208,088	176,285	228,998	221,692	182,973
Other	t-CO <sub>2</sub>	986,359	998,976	1,060,920	1,061,098	1,005,794
Scope 3	t-CO <sub>2</sub>	144,145,000	150,462,000	213,715,000	203,106,900	173,138,601

In fiscal 2019, the total of Scope 1 and 2 emissions was 2.939 million tons. Total CO<sub>2</sub> emissions from manufacturing processes were 2.408 million tons (Scope 1 emissions: 0.670 million tons; Scope 2 emissions: 1.738 million tons).\*

\* This figure is subject to assurance by KPMG AZSA Sustainability Co., Ltd. For details, please see here.

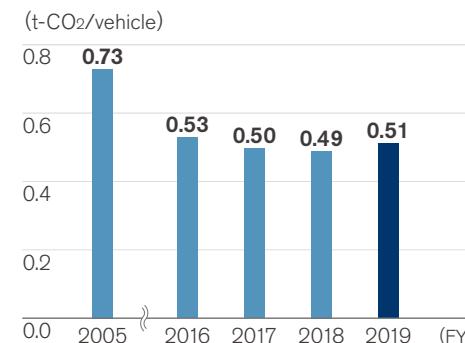
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## Corporate Carbon Footprint per Vehicle Sold



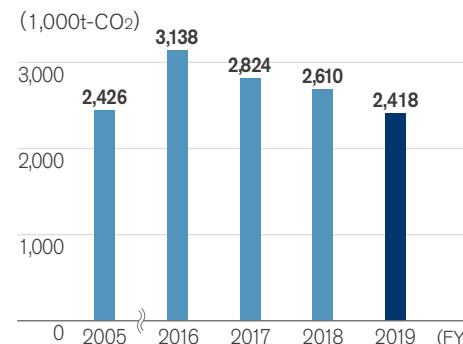
In fiscal 2019, overall corporate emissions were reduced by 34.0% compared to fiscal 2005, representing steady progress toward our fiscal 2022 goal.

## Manufacturing CO<sub>2</sub> per Vehicle Produced

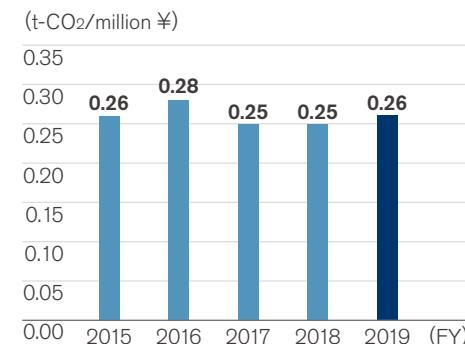


In fiscal 2019, our manufacturing CO<sub>2</sub> emissions per vehicle produced were 0.51 tons, 30.1% less than fiscal 2005.

## Carbon Footprint of Manufacturing Activities



## Scope 1 and 2 Emissions per Revenue



In fiscal 2019, CO<sub>2</sub> emissions from our global operations were 0.26 ton per ¥1 million of revenue.

\* Value in 2018 was corrected.

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## Logistics Volume (FY)

	Unit	2015	2016	2017	2018	2019
Total	mil ton-km	35,546	39,930	35,635	34,903	28,288
Inbound	mil ton-km	11,221	10,634	9,699	10,164	8,083
Outbound	mil ton-km	24,325	29,296	25,935	24,739	20,205

Sea	%	60.1	60.9	57.6	60.9	63.8
Road	%	26.5	24.8	25.9	23.3	23.0
Rail	%	13.0	14.0	16.1	14.9	12.7
Air	%	0.3	0.4	0.4	0.9	0.6

In fiscal 2019, global shipping decreased by around 19% compared to the previous fiscal year, to 28,288 million ton-km. We continue to strengthen our efforts to reduce shipping by upsizing trucks, improving truck loading rates, improving the fuel economy of car-transporting ships and shifting to rail and sea shipping.

## CO<sub>2</sub> Emissions from Logistics (FY)

	Unit	2015	2016	2017	2018	2019
Total	t-CO <sub>2</sub>	1,598,891	1,926,477	1,567,248	1,482,982	1,144,338
Inbound*	t-CO <sub>2</sub>	797,034	809,088	739,610	762,314	582,957
Outbound*	t-CO <sub>2</sub>	801,857	1,117,389	827,638	720,667	561,381

Sea	%	18.3	17.8	20.0	19.9	21.1
Road	%	65.7	62.1	64.6	60.3	64.1
Rail	%	5.4	5.6	7.0	6.7	5.9
Air	%	10.6	14.5	8.4	13.1	8.9

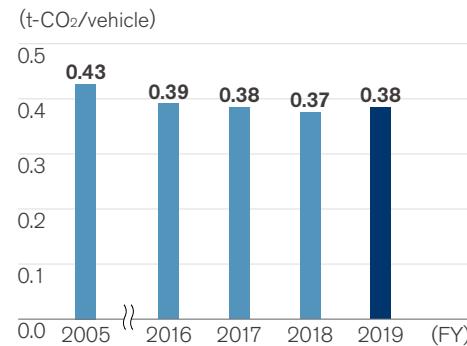
\*\*Inbound" includes parts procurement from suppliers and transportation of knockdown parts;

"Outbound" includes transportation of complete vehicles and service parts.

\* Value in 2016 were corrected after recalculation.

In fiscal 2019, CO<sub>2</sub> emissions from logistics were 1,144,338 tons, down approximately 23% from the previous fiscal year. A substantial contribution to the reduction of overall CO<sub>2</sub> emissions was made by production volume decrease and reduction of air shipping.

## CO<sub>2</sub> Emissions per Vehicle Transported



In fiscal 2019, CO<sub>2</sub> emissions per vehicle transported were 0.38 tons,

GRI305-3

## Scope 3 Emissions by Category

We conducted a study based on the Corporate Value Chain (Scope 3) Accounting and Reporting Standard from the GHG Protocol and found that about 90% of Scope 3 emissions were from the use of sold products.

Category		Unit	2019
1.Purchased goods & services	kt-CO <sub>2</sub>	15,620	
2.Capital goods	kt-CO <sub>2</sub>	994	
3.Fuel- and energy-related activities	kt-CO <sub>2</sub>	358	
4.Upstream transportation & distribution	kt-CO <sub>2</sub>	583	
5.Waste generated in operations	kt-CO <sub>2</sub>	171	
6.Business travel	kt-CO <sub>2</sub>	221	
7.Employee commuting	kt-CO <sub>2</sub>	238*	
8.Upstream leased assets	kt-CO <sub>2</sub>	0	
9.Downstream transportation & distribution	kt-CO <sub>2</sub>	760	
10.Processing of sold products	kt-CO <sub>2</sub>	8	
11.Use of sold products	kt-CO <sub>2</sub>	153,428*	
12.End-of-life treatment of sold products	kt-CO <sub>2</sub>	369	
13.Downstream leased assets	kt-CO <sub>2</sub>	389	
14.Franchises	kt-CO <sub>2</sub>	0	
15.Investments	kt-CO <sub>2</sub>	0	
Total			173,139

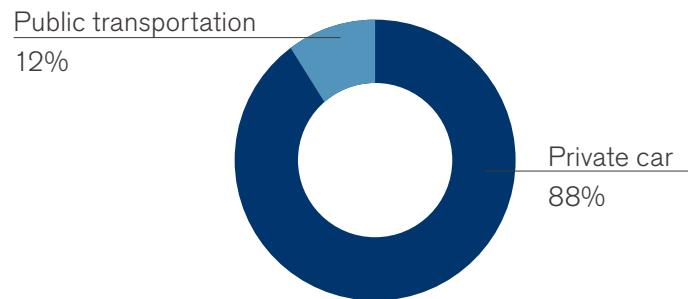
\* This figure is subject to assurance by KPMG AZSA Sustainability Co., Ltd. For details, please see here.

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## Carbon Credit

Nissan Motor Iberica, S.A. in Barcelona and Cantabria, Spain, entered EU-ETS, and the verified allowance earned for fiscal 2019 was 38,845 tons.

### Employee Commuting CO<sub>2</sub> Emissions



In fiscal 2013, Nissan introduced a companywide CO<sub>2</sub> reduction plan for car commuting employees in Japan. This plan encourages car commuters to shift from internal combustion engine vehicles to electric vehicles. For fiscal 2019, CO<sub>2</sub> emissions from car commuting in Japan were approximately 28 kton\*, or 2.6 ton-CO<sub>2</sub>/vehicle annually.

\* Calculated by using the parameters below together with vehicle homologation data:

- Average car commuting range (Japan): 9,227 km/vehicle-year
- CO<sub>2</sub> emission factor for gasoline-powered vehicles (National Greenhouse Gas Inventory Report of Japan [2009]): 0.33 kg-CO<sub>2</sub>e/km
- CO<sub>2</sub> emission factor for electricity (Tokyo Electric Power Company [FY2018]): 0.000455 t-CO<sub>2</sub>/kWh
- Employees of Nissan offices and manufacturing plants in Japan, fiscal 2018

## Air Quality

### Emissions

In fiscal 2019, NOx and SOx emissions from Nissan facilities in Japan were 380 tons and 14 tons respectively. both NOx and SOx reduced due to production volume decrease in 2019.

	Unit	2015	2016	2017	2018	2019	(FY)
NOx	ton	450	430	619	418	380	
SOx	ton	37	31	36	34	14	

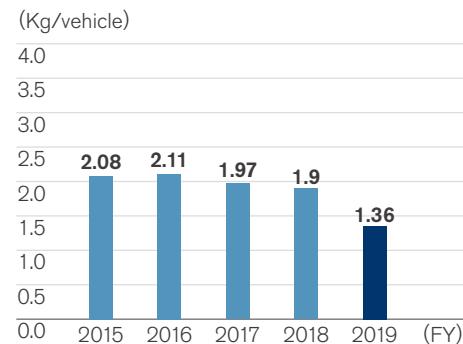
## Volatile Organic Compounds (VOCs)

In fiscal 2019, VOCs from manufacturing plants were 6,465 tons globally, a reduction from fiscal 2018. We actively continue to promote activities to reduce VOCs, such as switching to materials including water-based paints.

	Unit	2015	2016	2017	2018	2019	(FY)
Total	ton	10,820	11,933	10,564	8,433	6,465	
Japan	ton	2,850	3,580	3,232	2,188	2,016	
North America	ton	5,309	4,851	4,284	3,847	3,135	
Europe	ton	2,661	3,502	3,048	2,397	1,315	

\* Value in 2017 and in 2018 were corrected after recalculation.

## VOCs per Vehicle Produced



In fiscal 2019, VOCs per vehicle produced were 1.36 kg.

By region	Unit	2019
Japan	kg/vehicle	2.66
North America	kg/vehicle	2.34
Europe	kg/vehicle	2.59

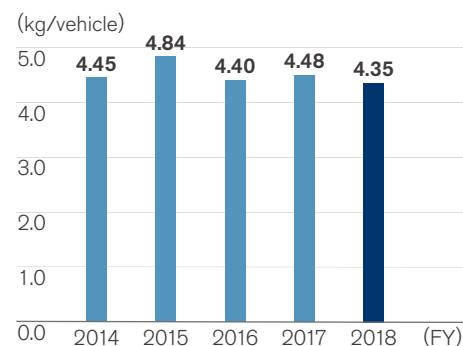
## Released Substances Designated by PRTR Law (Japan)\*

In fiscal 2018, released substances designated by the PRTR (Pollutant Release and Transfer Register) Law in Japan were 3,914 tons, decrease from fiscal 2017.

	Unit	2014	2015	2016	2017	2018
Japan site total	ton	3,879	4,129	4,472	4,422	3,914
Oppama	ton	402	488	872	796	715
Tochigi	ton	1,317	1,435	1,179	920	655
Kyushu	ton	1,152	1,173	1,406	1,697	1,573
Yokohama	ton	547	531	545	559	539
Iwaki	ton	114	132	144	62	54
NTC	ton	347	370	325	388	378

\* The table shows chemical substance emissions calculated based on the Japanese government PRTR guidelines. PRTR emissions show total volume excluding substances adherent to the product.

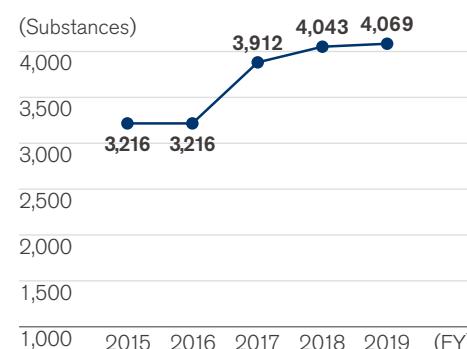
## PRTR Emissions per Vehicle Produced (Japan)



In fiscal 2018, PRTR emissions per vehicle produced in Japan were 4.35 kg, a decrease from fiscal 2017.

## Resource Dependency: Achievements in Reuse

### Proper Use of Regulated Chemical Substances



Nissan revised its standard for the assessment of hazards and risks in the Renault-Nissan Alliance, actively applying restrictions to substances not yet covered by regulations but increasingly subject to consideration around the world. As a result, the number of substances covered by the

Nissan Engineering Standard in fiscal 2019 rose to 4,069. These steps are thought to be necessary for future efforts in the repair, reuse, remanufacture and recycle loop for resources.

For more information on chemical substances governance.

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### Recycled Plastic Usage in Vehicle

We are making efforts to expand the use of recycled plastic in our vehicles, as well as developing technologies for this. Recycled plastic use in fiscal 2019 was 11%, based on the rate achieved by our best-selling model in Europe.

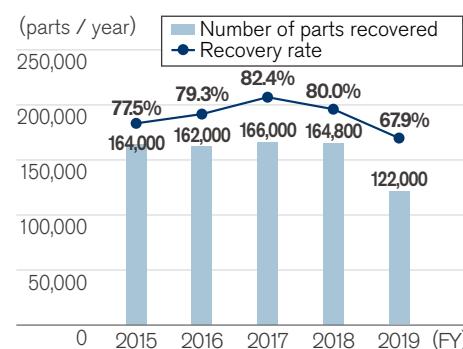
## Automotive Shredder Residue to Landfill Ratio

After removing ferrous and nonferrous metals from ELVs, in accordance with the End-of-Life Vehicle Recycling Law in Japan, the ratio of ASR taken to landfills for final disposal was zero in fiscal 2019 as same as 2018's result. This was achieved by enhancing recycling capability through the acquisition of additional facilities that comply with the law.

## Material Ratio

In 2019, ferrous metals accounted for 61% of the materials used in our automobiles by weight. Nonferrous metals made up another 12% and resins 15%, with miscellaneous materials making up the final 13%. To further reduce our use of natural resources, we are advancing initiatives to expand the use of recycled materials in each of these categories.

## Recovered Bumpers



## Resource Dependency (Facility Waste)

### Waste

Waste generated globally in fiscal 2019 amounted to 188,556 tons, a slight decrease from 206,645 tons in fiscal 2018. Waste generated globally from production sites in fiscal 2019 was 184,573 tons.\*

\* This figure is subject to assurance by KPMG AZSA Sustainability Co., Ltd. For details, please see here.

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	Unit	2015	2016	2017	2018	2019
Total	ton	159,345	158,939	152,674	206,645	188,556

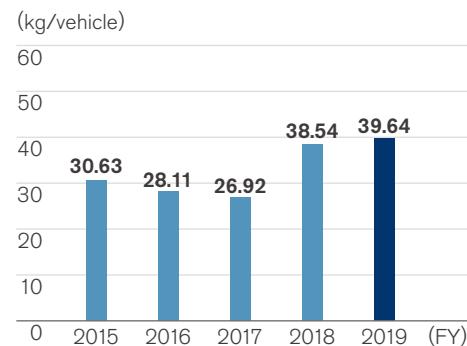
#### By region

Japan	ton	63,630	61,115	61,327	69,829	63,315
North America	ton	49,129	45,459	35,177	64,514	57,762
Europe	ton	37,204	41,110	45,268	49,662	48,187
Other	ton	9,382	11,255	10,903	22,639	19,291

#### By treatment method

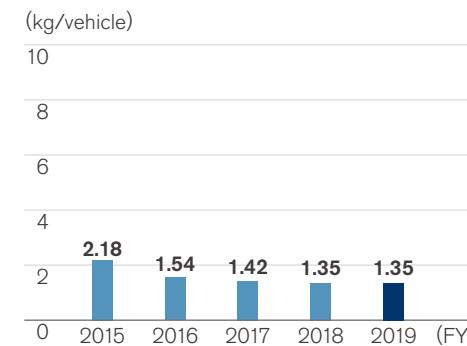
Waste for disposal	ton	11,355	8,707	8,041	7,231	6,414
Recycled	ton	147,990	150,231	144,633	199,414	182,141

## Waste per Vehicle Produced



In fiscal 2019, waste per vehicle produced slightly increased to 39.64kg.

## Waste for Disposal per Vehicle Produced



In fiscal 2019, we reduced the volume of waste for disposal to a total of 1.35 kg per vehicle produced as same level of 2018's.

地域別	Unit	2019
Japan	kg/vehicle	83.53
North America	kg/vehicle	43.11
Europe	kg/vehicle	94.86
Other	kg/vehicle	8.97

**GRI303-1** **GRI303-3** **GRI303-4**

## Water Resource Management

### Water Input for Corporate Activities

In fiscal 2019, water input for corporate activities was 23,714 km<sup>3</sup>, a 10% decrease compared with the fiscal 2018 level. Water input from production sites was 22,613,338 m<sup>3</sup>.\*

\* This figure is subject to assurance by KPMG AZSA Sustainability Co., Ltd. For details, please see here.

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	Unit	2015	2016	2017	2018	2019
Total	1,000m <sup>3</sup>	28,570	29,118	26,197	26,420	23,714

Japan	1,000m <sup>3</sup>	14,990	15,563	13,115	13,022	11,932
North America	1,000m <sup>3</sup>	5,427	5,483	4,905	4,930	4,776
Europe	1,000m <sup>3</sup>	2,330	2,299	2,155	2,093	1,798
Other	1,000m <sup>3</sup>	5,823	5,774	6,023	6,376	5,207

### Cleaner Effluent Through Wastewater Treatment

Nissan thoroughly processes and is promoting activities to reduce wastewater at its various plants.

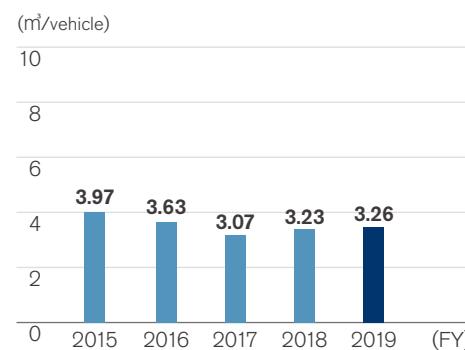
	単位	2015	2016	2017	2018	2019
Total	1,000m <sup>3</sup>	20,680	20,516	17,410	17,345	15,512

Japan	1,000m <sup>3</sup>	12,976	12,681	10,376	10,472	9,438
North America	1,000m <sup>3</sup>	3,916	4,028	3,382	3,190	2,752
Europe	1,000m <sup>3</sup>	1,740	1,767	1,564	1,539	1,528
Other	1,000m <sup>3</sup>	2,048	2,040	2,088	2,143	1,794

#### Quality

Chemical oxygen demand (COD) Japan only	kg	28,042	29,730	26,451	21,149	18,795
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## Water Discharge from Corporate Activities (Per Vehicle Produced)



In fiscal 2019, water discharge per vehicle produced was 3.26 m<sup>3</sup>, which was a 1% increase compared to fiscal 2018.

By region	Unit	2019
Japan	m <sup>3</sup> /vehicle	12.45
North America	m <sup>3</sup> /vehicle	2.05
Europe	m <sup>3</sup> /vehicle	3.01
Other	m <sup>3</sup> /vehicle	0.83

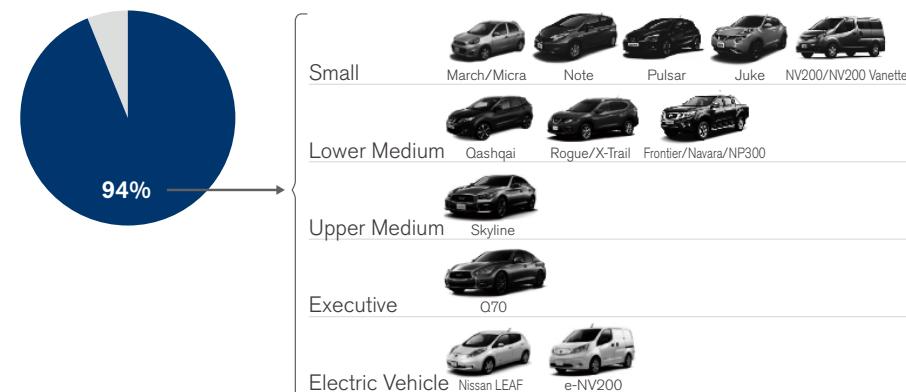
Data for the Japan region includes the manufacture of powertrains and other components for overseas assembly. Since the denominator is vehicles produced in the region, this tends to result in higher values for Japan.

## Strengthening Our Business Foundations to Address Environmental Issues

### Global Top Selling Model's Lifecycle Improvements

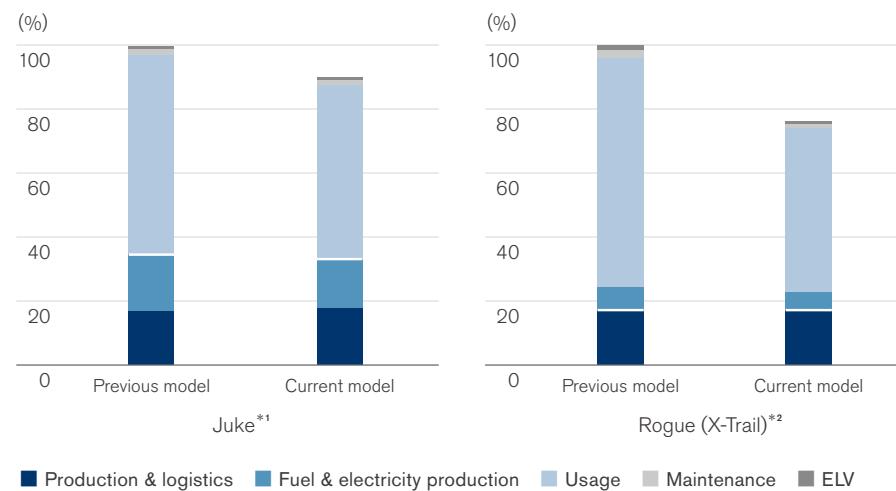
We have been expanding the application of the LCA method and enhancing the understanding of the environmental impact of our products in quantitative terms, especially our best-selling models worldwide. LCAs have been conducted for over 90% of these models.

### LCA Conducted Product Ratio in Sales Volume (EU Market)



With the Altima and Rogue, for example, improvements in internal combustion engine efficiency and vehicle weight reduction have led to both enhanced safety features and lower CO<sub>2</sub> emissions.

### Lifecycle CO<sub>2</sub> Equivalent Emissions (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, etc.)



\*<sup>1</sup> Production in EU, 150,000 km driven in EU (basis for comparison).

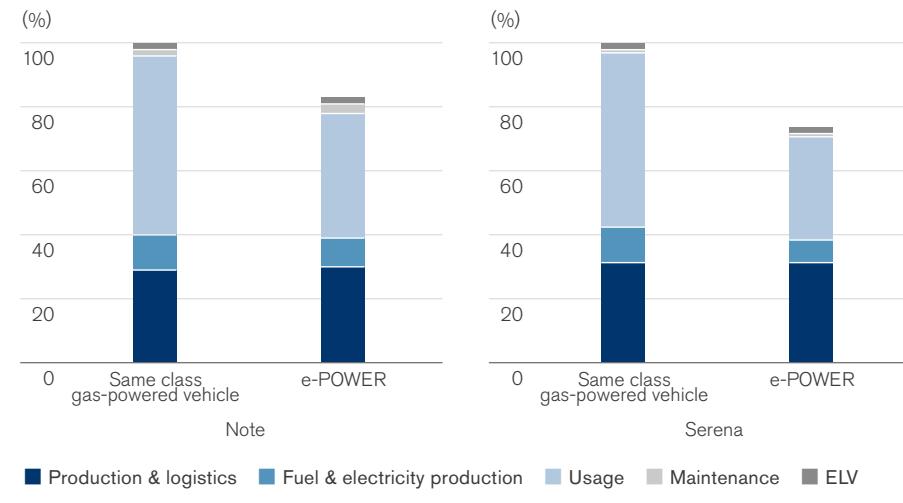
\*<sup>2</sup> Production in EU, 150,000 km driven in EU (basis for comparison).

### LCA Comparison for e-POWER Models

Nissan introduced its new e-POWER powertrain in 2016, marking another significant milestone in the electrification strategy with lifecycle emission improvements.

Compared to their gasoline-powered counterpart models, the Note e-POWER and Serena e-POWER have achieved 18%—27% reductions in CO<sub>2</sub> emissions.

### Lifecycle CO<sub>2</sub> Equivalent Emissions (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, etc.)

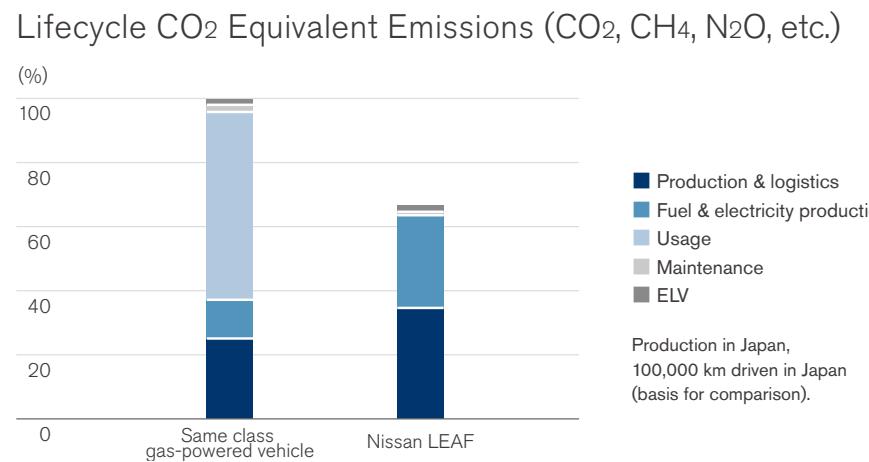


Production in Japan, 100,000 km driven in Japan (basis for comparison).

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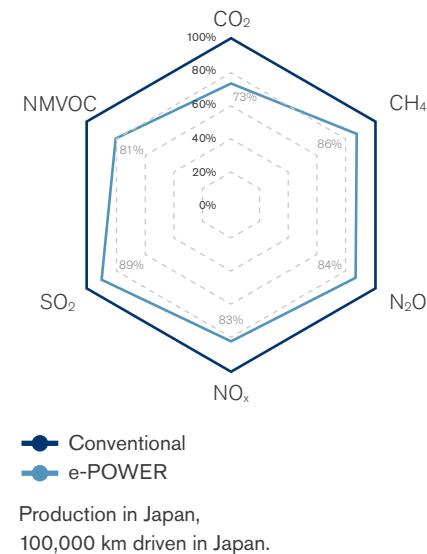
## LCA Comparison for the New Nissan LEAF

Compared to conventional vehicles of the same class in Japan, the Nissan LEAF results in approximately 32% lower CO<sub>2</sub> emissions during its lifecycle. We are making efforts to reduce CO<sub>2</sub> emissions during EV production by improving the yield ratio of materials, using more efficient manufacturing processes and increasing the use of recycled materials.



## Lifecycle Improvements Beyond Climate Change

Emissions Improvement in the New Serena e-POWER over Its Lifecycle



Nissan is expanding the scope of LCAs to include not just greenhouse gases but also a variety of chemicals amid growing societal concerns over air quality and ocean acidification and eutrophication. Our calculations show that, compared to conventional gasoline engines, the Serena e-POWER is significantly more environmentally friendly, achieving 11%–27% emission reductions for all targeted chemical substances and achieving environmental benefits throughout its lifecycle.

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## Material Balance

### Input

	Unit	(FY) 2019
Raw materials	ton	5,818,699
Energy	MWh	8,481,499
Renewable energy	MWh	154,606
Water withdrawal	1,000m <sup>3</sup>	23,714

### Output

	Unit	(FY) 2019
Vehicles produced		
Global production volume	k unit	4,757
CO <sub>2</sub> emissions	t-CO <sub>2</sub>	2,962,403
Water discharge	1,000m <sup>3</sup>	15,512
Emissions		
NOx	ton	380
SOx	ton	14
VOC	ton	6,465
Waste		
For recycling	ton	193,229
For final disposal	ton	6,914

## Environmental Conservation Cost

	Unit	2018	2019
Total	mil ¥	3,790	171,245
Business area	mil ¥	20	1,775
Upstream/downstream	mil ¥	0	706
Management	mil ¥	0	8,041
R&D	mil ¥	3,770	160,263
Social activities	mil ¥	0	308
Damage repairs	mil ¥	0	153

	Unit	2018	2019
Total	mil ¥	8,262	6,207
Cost reduction	mil ¥	372	540
Profit	mil ¥	7,890	5,667

\* All environmental costs are based on the guidelines provided by Japan's Ministry of the Environment, and calculated for activities in Japan only.

# Social Data

**GRI102-7** **GRI102-8** **GRI102-22** **GRI102-41** **GRI402-1** **GRI405-1** **GRI405-2**

Employee Data		(FY)		
		2017	2018	2019
Nissan Motor Co., Ltd.				
Number of employees		22,272	22,791	22,717
Male		19,908	20,269	20,100
Female		2,364	2,522	2,617
Average age (years)		42.5	41.8	41.4
Male		43.0	42.0	41.8
Female		38.1	38.2	38.3
Average length of service (years)		19.4	18.4	17.7
Male		20.0	18.9	18.1
Female		14.2	14.3	13.9
Employee turnover rate (%) <sup>*1</sup>		5.4	6.2	6.6
Voluntary leave		1.3	2.0	3.1
Average annual salary (yen) <sup>*2</sup>		8,184,466	8,154,953	8,102,672
Disabled employment ratio (%)		2.08	2.30	2.22
Number of employees taking parental leave		255	380	386
Male		29	40	51
Female		226	340	335
Male employee parental leave acquisition rate (%) <sup>*3</sup>		4	6	5
Ratio of returnees from parental leave (%)		95.2	97.3	95.6
Male		100	100	97.2
Female		94.5	96.7	95.2
Number of employees taking nursing care leave		13	6	7
Male		8	4	3
Female		5	2	4
Days of paid holiday taken		19.0	19.0	19.5
Taken paid holiday ratio (%)		97	97	99
Average overtime hours/month		22.1	23.9	24.16

Number of unionized employees <sup>*4</sup>		25,377	25,789	26,316
Number of female managers		314	320	325
Ratio (%)		10.7	10.4	10.1
- Female general and higher-level managers		82	79	80
Ratio (%)		8.2	7.6	7.4
Number of female corporate officers		2	2	2
Ratio (%)		3.8	4.1	4.1
Number of female board members		0	1	2
Ratio (%)		-	12.5	16.7
- Female board members (internal)		0	0	0
Ratio (%)		-	-	-
- Female board members (external)		0	1	2
Ratio (%)		-	33.3	28.6
Number of female auditors		0	0	1
Ratio (%)		-	-	20
Number of new graduates hired		684	815	738
Male		558	651	614
Female		126	164	124

\*1 Employee turnover rate includes retirement.

\*2 Average annual salary for employees includes bonuses and overtime pay.

\*3 Ratio of male employees taking parental leave:

(Numerator) Number of male employees who take parental leave at least 1 day in the year.

(Denominator) Number of male employees whose spouses give birth in the year.

\*4 Number of unionized employees includes full-time employees, Senior Partners (reemployment after retiring) and contract employees. Number of unionized employees includes those of Nissan Motor Kyushu.

## Consolidated Basis

(FY)

	2017	2018	2019
Consolidated			
Consolidated number of employees*	138,910 ↓ (19,924)	138,893 ↓ (19,240)	136,134 ↓ (22,761)
Japan	59,431	58,966	58,134
North America	36,080	36,594	36,148
Europe	16,807	16,119	14,824
Asia	20,807	20,872	21,023
Other countries	5,785	6,342	6,005

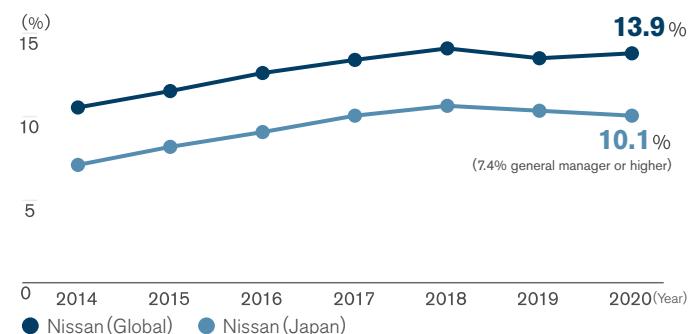
\* Numbers in brackets represent part-time employees not included in the consolidated number of employees.

## Trade union

Most of the company's employees are affiliated with the Nissan Motor Workers' Union, for which the governing body is the All Nissan and General Workers Unions, and the Japanese Trade Union Confederation (RENGO) through the Confederation of Japan Automobile Workers' Unions. The labor-management relations of the company are stable, and the number of union members was 26,316 including those of Nissan Motor Kyushu as of March 31, 2020. At most domestic Group companies, employees are affiliated with their respective trade unions on a company basis, and the governing body is the All Nissan and General Workers Unions. At foreign Group companies, employees' rights to select their own trade unions are respected according to the relevant labor laws and labor environment in each country.

## Diversity and Inclusion

## Ratio of Women in Management Positions



## Nissan's Awards for Diversity\*

Year	Award	Sponsor
2019	PRIDE Index: Gold Award	work with Pride
2018	PRIDE Index: Gold Award	work with Pride
2017	PRIDE Index: Gold Award	work with Pride
2017	Perfect Score (100) in Corporate Equality Index (5th straight year)*1	Human Rights Campaign (U.S.)
2017	Level-three Eruboshi accreditation	Kanagawa Labor Bureau, Ministry of Health, Labour and Welfare (MHLW)
2017	Nadeshiko Brand (5th straight year)	METI and TSE
2015	Incentive prize, Empowerment Award	Japan Productivity Center
2015	Platinum Kurumin Mark	Kanagawa Labor Bureau, MHLW
2015	Prize for excellence, 15th Telework Promotion Awards	Japan Telework Association
2015	Japan's Minister of State for Special Missions Prize, Advanced Corporation Awards for the Promotion of Women	Gender Equality Bureau, Cabinet Office
2014	DiversityInc Top 25 Noteworthy Companies for Diversity & Inclusion*2	DiversityInc (U.S.)
2013	Diversity Management Selection 100	METI
2013	Grand Prize, J-Win Diversity Awards	J-Win
2008	Catalyst Award	Catalyst Inc. (U.S.)

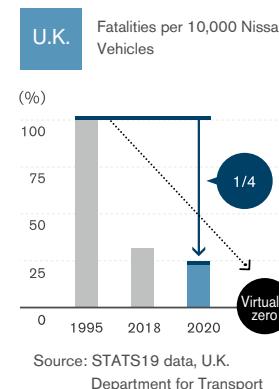
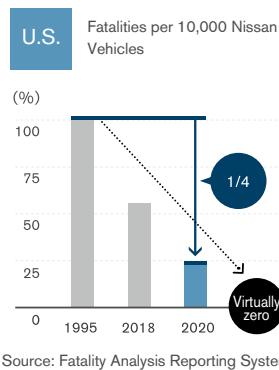
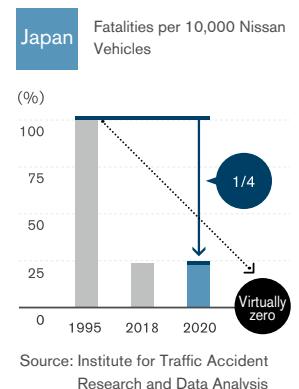
In the United States, Nissan has also received awards other than those listed above.

\*1, \*2 Awarded to NNA.



## Traffic Safety

### Fatalities per 10,000 Nissan Vehicles



## Key Achievements for Nissan Safety Technology

In January 2015, we expanded Intelligent Emergency Braking to more models. By the end of fiscal 2015, the technology was available on nearly all vehicle categories sold in Japan, including electric vehicles and commercial vehicles, and standard on all major models. In North America, it is now standard on several models including the Pathfinder, Altima and Rogue. In Europe, it is available on the Juke, X-Trail, Qashqai, Micra and other key models.

Our vehicles have earned high safety ratings on many public and governmental tests held in various regions.

In particular in Japan, the Serena minivan received a perfect score and the Nissan Dayz received the highest score for a "kei" minicar in JNCAP's Active Safety Assessment for fiscal 2019. The assessment has added a rigorous test of the autonomous emergency braking system for pedestrians at night to simulate driving on roads without streetlights. In addition, through fiscal 2019, 13 major models featuring Intelligent Emergency Braking were approved under the Advanced Emergency Braking System certification launched by the Ministry of Land, Infrastructure, Transport and Tourism in fiscal 2018.

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## Major External Safety Ratings (Based on 2019 Assessments)

Regions	External Assessments	Models	Rating
Japan	JNCAP <sup>*1</sup>	Collision Safety Performance Assessment	Nissan Dayz 5★ (Highest rating)
		Preventive Safety Performance Assessment	Nissan Dayz (highest score for a "kei" minicar) Serena (perfect score) ASV+++ (Highest rating)
		Automatic Accident Emergency Call System Assessment	Nissan Dayz SOS+ (on-board type)
U.S.	NCAP <sup>*2</sup>	INFINITI QX60, INFINITI QX50, Murano, Altima, Pathfinder, Maxima, Sentra	5★ Overall Rating (2020 model year)
		INFINITI QX80, Armada, Frontier (Crew Cab), Rogue	4★ Overall Rating (2020 model year)
	IIHS <sup>*3</sup>	Maxima	2020 Top Safety Pick+
		Altima	2020 Top Safety Pick
Europe	Euro NCAP	Juke	5★
China	C-NCAP	Sylphy	5★

\*1 JNCAP: The Japan New Car Assessment Program. An automobile assessment program run by the Ministry of Land, Infrastructure, Transport and Tourism and the National Agency for Automotive Safety and Victims' Aid (NASVA).

\*2 NCAP: The U.S. National Highway Traffic Safety Administration's New Car Assessment Program.

\*3 IIHS: The U.S. Insurance Institute for Highway Safety.

## Human Resource Development

### Training Program Achievements at Nissan Motor Co., Ltd.

Performance Indicators for Training Programs	FY2017	FY2018	FY2019
Number of learners	171,949	241,674	263,240
Total hours of training	689,536	482,103	590,696
Hours per learner	30.6	21.5	26.0
Learner satisfaction (out of 5)	over 4.2	over 4.2	over 4.2
Investment per employee (¥)	73,000	86,000	90,000

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## Contributing to Local Communities

### Social Contribution Achievements in FY2019

Global social contributions (FY2019): ¥1.61 billion

Social contributions include:

- Expenses for implementing philanthropic activities (excluding labor costs)
- Monetary donations and NPO membership fees for philanthropic purposes
- Cash equivalents of in-kind donations
- Sponsorship fees for philanthropic initiatives

### Breakdown of FY2019 Social Contributions (Nissan Global)

	Philanthropic activities	Monetary donations	In-kind donations (cash equivalent)	Sponsorships, etc.	Total
Amount (¥ million)	549	741	60	264	1,614
% of total	34.0	45.9	3.7	16.4	100

	Disaster	Contribution in FY2019
Donations for disaster relief	Wide-area power outages caused by Typhoon Faxai (Japan)	<ul style="list-style-type: none"> <li>▪ To supply power to areas suffering outages, Nissan Motor Co., Ltd. provided 53 Nissan LEAF electric vehicles with portable power stations to local government authorities and welfare facilities, etc.</li> </ul>
	Torrential rains from Typhoon Hagibis (Japan)	<ul style="list-style-type: none"> <li>▪ ¥10 million donation from Nissan Motor Co., Ltd. to Japan Platform</li> <li>▪ Donation from employees of Nissan Motor Co., Ltd. plus matching donation from the company to Japan Platform</li> <li>▪ Nissan Motor Co., Ltd. lent out 68 vehicles to the disaster-struck area and dispatched employee volunteers to Iwaki City (275 volunteers in total)</li> <li>▪ Nissan Motor Co., Ltd. and dealership lent out four Nissan LEAF to the volunteer center for disaster relief in Nagano to supply electricity</li> </ul>
	Volcano eruption (Philippines)	<ul style="list-style-type: none"> <li>▪ Donation from Nissan Philippines (NPI) of three Navara</li> </ul>
	Novel coronavirus (COVID-19) outbreak (China)	<ul style="list-style-type: none"> <li>▪ Donation of 5 million RMB and 100,000 masks from Nissan Motor Co., Ltd., Nissan (China) Investment (NCIC) and Dongfeng Motor Co., Ltd.</li> </ul>
	Tornado in Tennessee (U.S.)	<ul style="list-style-type: none"> <li>▪ Donation of \$150,000 to the American Red Cross from Nissan North America (NNA).</li> </ul>

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GRI102-22 GRI405-1

# Governance Data

## Overview of Corporate Governance (as of March 31, 2020)

Organization form	Company with three statutory committees
Chairperson of the Board of Directors	Independent outside director
Number of directors	12
Number of independent outside directors	7
Number of female directors	2
Chairperson of the Nomination Committee	Independent outside director
Number of directors	6
Number of independent outside directors	5
Number of female directors	1
Chairperson of the Compensation Committee	Independent outside director
Number of directors	4
Number of independent outside directors	4
Number of female directors	2
Chairperson of the Audit Committee	Independent outside director
Number of directors	5
Number of independent outside directors	4
Number of female directors	1

Click here for more information on Corporate Governance.

[https://www.nissan-global.com/EN/DOCUMENT/PDF/GOVERNANCE/g\\_report.pdf](https://www.nissan-global.com/EN/DOCUMENT/PDF/GOVERNANCE/g_report.pdf)

## Status of Attendance at Meetings of the Board of Directors and Committees in Fiscal 2019 (June 2019 through March 2020)

Board of Directors		Number of times Board of Directors meetings were convened	11
		Average attendance ratio per meeting	99%
Committee	Nomination Committee	Number of times Nomination Committee meetings were convened	9
		Average attendance ratio per meeting	96%
	Compensation Committee	Number of times Compensation Committee meetings were convened	13
		Average attendance ratio per meeting	100%
	Audit Committee	Number of times Audit Committee meetings were convened	10
		Average attendance ratio per meeting	100%

GRI102-27

## Skill Matrix of Directors

### Composition of Directors

The role of Nissan's Board of Directors is to decide the fundamental policies for corporate management from a wide range of perspectives and supervise business execution by executive officers and others.

The Directors that comprise the Board of Directors are diverse in terms of nationality and gender. In addition, each individual offers differing expertise and aims as a whole to achieve active discussion and swift decision-making.

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		Global Management	Automobile Industry	Government	Legal/Risk Management	Governance	Finance/Accounting	CSR	Product/Technology	Sales/Marketing
1	Yasushi Kimura	○				○	○		○	○
2	Jean-Dominique Senard	○	○			○	○	○		
3	Masakazu Toyoda	○		○	○	○		○		
4	Keiko Ihara	○	○			○			○	○
5	Motoo Nagai	○			○	○	○	○		
6	Bernard Delmas	○	○			○			○	○
7	Andrew House	○				○	○		○	○
8	Jenifer Rogers	○			○	○	○	○		
9	Pierre Fleuriot	○		○	○	○	○			
10	Makoto Uchida	○	○		○		○		○	
11	Ashwani Gupta	○	○				○		○	○
12	Hideyuki Sakamoto	○	○		○	○			○	

Click here for more information on Corporate Governance.

<https://www.nissan-global.com/EN/IR/LIBRARY/GOVERNANCE/>

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# SUSTAINABILITY REPORT 2020 EDITORIAL POLICY

GRI102-46

Nissan publishes an annual Sustainability Report as a way of sharing information on its sustainability-related activities with stakeholders. This year's report introduces Nissan's sustainability strategy and management based on Nissan Sustainability 2022, the sustainability strategy adopted in June 2018, and reviews the results achieved in fiscal 2019 in terms of three aspects (important sustainability topics): Environmental, Social and Governance, or "E," "S" and "G" for short.

Report themes (important sustainability topics) are selected on the basis of potential impact on our business activities and level of interest from stakeholders. Potential impact on our business activities is evaluated with reference to previously recognized issues as well as CSR guidelines and trends and global current events inside and outside the automobile industry. Stakeholder interest is evaluated based on interviews conducted as necessary with both internal and external stakeholders and analyses provided by external consultants.

## Scope of the Report

GRI102-45 GRI102-50

Period Covered: The report covers fiscal 2019 (April 2019 to March 2020); content that describes efforts outside this period is indicated in the respective sections.

Organization: Nissan Motor Co., Ltd., foreign subsidiaries and affiliated companies in the Nissan Group.

## Referenced Reporting Guidelines

GRI102-54

This report has been prepared in accordance with the GRI Standards: Core option. We provide specific GRI indicators within the report as well as a GRI content index.

## Date of Previous Report

GRI102-51

Sustainability Report 2019, issued September 30, 2019.

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## Reporting Cycle

Annually since 2004

GRI102-52

## Third-Party Assurance

For more information on the third-party assurance.

[>>> P100](#)

GRI102-56

## Forward-Looking Statements

This Sustainability Report contains forward-looking statements on Nissan's future plans and targets and related operating investment, product planning and production targets. There can be no assurance that these targets and plans will be achieved.

Achieving them will depend on many factors, including not only Nissan's activities and development but also the dynamics of the automobile industry worldwide, the global economy and changes in the global environment.

GRI102-48

## For Further Information

Nissan Motor Co., Ltd.  
Sustainability Development Department  
Fax: +81(0)45-523-5740  
Email: [NISSAN\\_SR@mail.nissan.co.jp](mailto:NISSAN_SR@mail.nissan.co.jp)

GRI102-53

## Sustainability Report 2020

Publication Date: September 30, 2020

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## Our Related Websites

### CORPORATE INFORMATION

<https://www.nissan-global.com/EN/COMPANY/PROFILE/>

### SUSTAINABILITY

<https://www.nissan-global.com/EN/SUSTAINABILITY/>

### ENVIRONMENT

<https://www.nissan-global.com/EN/ENVIRONMENT/>

### SAFETY

<https://www.nissan-global.com/EN/SAFETY/>

### QUALITY

<https://www.nissan-global.com/EN/QUALITY/>

### CORPORATE CITIZENSHIP

<https://www.nissan-global.com/EN/CITIZENSHIP/>

### TECHNOLOGY

<https://www.nissan-global.com/EN/TECHNOLOGY/>

### ZERO EMISSION

<https://www.nissan-global.com/EN/ZEROEMISSION/>

### IR

<https://www.nissan-global.com/EN/IR/>

### INFO LIBRARY

<https://www.nissan-global.com/EN/COMPANY/LIBRARY/>

### PRODUCTS (GLOBAL)

<https://www.nissan-global.com/EN/GLOBAL/>

### PRODUCTS (JAPAN)

<https://www.nissan.co.jp/>

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# GRI CONTENT INDEX

GRI102-55

## General Disclosures

GRI Standard	Disclosure	Reference	Reason for Omission / Explanation
Organizational profile			
102-1	Name of the organization	<a href="#">Outline of Company</a>	
102-2	Activities, brands, products, and services	<a href="#">P211</a>	
102-3	Location of headquarters	<a href="#">P211</a>	
102-4	Location of operations	<a href="#">Facilities in Japan</a> <a href="#">Facilities Overseas</a>	
102-5	Ownership and legal form	<a href="#">Outline of Company</a>	
102-6	Markets served	<a href="#">P212</a>	
102-7	Scale of the organization	<a href="#">P211, P212, P233, P234</a>	
102-8	Information on employees and other workers	<a href="#">P233</a>	
102-9	Supply chain	<a href="#">P152</a>	
102-10	Significant changes to the organization and its supply chain	Not applicable	

102-11	Precautionary Principle or approach	<a href="#">P025, P032, P057, P175</a>	
102-12	External initiatives	<a href="#">P028, P038, P047, P165</a>	
102-13	Membership of associations	<a href="#">P165</a>	
Strategy			
102-14	Statement from senior decision-maker	<a href="#">P002, P007, P023</a>	
102-15	Key impacts, risks, and opportunities	<a href="#">P012, P023, P025, P047, P049, P057, P112, P190,</a>	
Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	<a href="#">P025, P033, P046, P114, P190, P203, P204</a>	
102-17	Mechanisms for advice and concerns about ethics	<a href="#">P115, P203, P204</a>	
Governance			
102-18	Governance structure	<a href="#">P017, P191, P192</a>	
102-19	Delegating authority	<a href="#">P017, P023, P192, P197</a>	
102-20	Executive-level responsibility for economic, environmental, and social topics	<a href="#">P007, P051</a>	

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GRI Standard	Disclosure	Reference	Reason for Omission / Explanation
102-21	Consulting stakeholders on economic, environmental, and social topics	<a href="#">P029</a>	
102-22	Composition of the highest governance body and its committees	<a href="#">P017</a> , <a href="#">P020</a> , <a href="#">P021</a> , <a href="#">P022</a> , <a href="#">P191</a> , <a href="#">P192</a> , <a href="#">P193</a> , <a href="#">P195</a> , <a href="#">P233</a> , <a href="#">P239</a>	
102-23	Chair of the highest governance body	<a href="#">P017</a> , <a href="#">P023</a> , <a href="#">P191</a> , <a href="#">P192</a>	
102-24	Nominating and selecting the highest governance body	<a href="#">P017</a> , <a href="#">P020</a> , <a href="#">P191</a> , <a href="#">P193</a>	
102-25	Conflicts of interest	<a href="#">P198</a>	
102-26	Role of highest governance body in setting purpose, values, and strategy	<a href="#">P032</a> , <a href="#">P190</a>	
102-27	Collective knowledge of highest governance body	<a href="#">P019</a> , <a href="#">P032</a> , <a href="#">P239</a>	
102-28	Evaluating the highest governance body's performance	<a href="#">P017</a> , <a href="#">P022</a> , <a href="#">P023</a> , <a href="#">P032</a> , <a href="#">P191</a> , <a href="#">P192</a>	
102-29	Identifying and managing economic, environmental, and social impacts	<a href="#">P012</a> , <a href="#">P014</a> , <a href="#">P035</a> , <a href="#">P047</a> , <a href="#">P053</a> , <a href="#">P200</a>	
102-30	Effectiveness of risk management processes	<a href="#">P199</a> , <a href="#">P200</a>	
102-31	Review of economic, environmental, and social topics	<a href="#">P032</a> , <a href="#">P033</a> , <a href="#">P051</a> , <a href="#">P053</a>	
102-32	Highest governance body's role in sustainability reporting	<a href="#">P032</a>	

102-33	Communicating critical concerns	<a href="#">P200</a>	
102-35	Remuneration policies	<a href="#">P017</a> , <a href="#">P021</a> , <a href="#">P193</a>	
102-36	Process for determining remuneration	<a href="#">Corporate Governance Report:P2</a>	
102-37	Stakeholders' involvement in remuneration	<a href="#">Corporate Governance Report:P2</a>	
<b>Stakeholder engagement</b>			
102-40	List of stakeholder groups	<a href="#">P029</a>	
102-41	Collective bargaining agreements	<a href="#">P233</a>	
102-42	Identifying and selecting stakeholders	<a href="#">P029</a>	
102-43	Approach to stakeholder engagement	<a href="#">P029</a>	
102-44	Key topics and concerns raised	<a href="#">P029</a>	
<b>Reporting practice</b>			
102-45	Entities included in the consolidated financial statements	<a href="#">P241</a>	
102-46	Defining report content and topic boundaries	<a href="#">P025</a> , <a href="#">P241</a>	
102-47	List of material topics	<a href="#">P014</a> , <a href="#">P026</a> , <a href="#">P033</a>	
102-48	Restatements of information	<a href="#">P242</a>	

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GRI Standard	Disclosure	Reference	Reason for Omission / Explanation
102-49	Changes in reporting	Not applicable	
102-50	Reporting period	<a href="#">P241</a>	
102-51	Date of most recent report	<a href="#">P241</a>	
102-52	Reporting cycle	<a href="#">P242</a>	
102-53	Contact point for questions regarding the report	<a href="#">P242</a>	
102-54	Claims of reporting in accordance with the GRI Standards	<a href="#">P241</a>	
102-55	GRI content index	<a href="#">P244</a>	
102-56	External assurance	<a href="#">P100, P242</a>	

## Economic

GRI Standard	Disclosure	Reference	Reason for Omission / Explanation
GRI 103 : Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	<a href="#">P025, P152, P154, P156, P158, P190, P201</a>	
103-2	The management approach and its components	<a href="#">P025, P032, P033, P035, P152, P154, P156, P158, P190</a>	
103-3	Evaluation of the management approach	<a href="#">P025, P032, P033, P154, P156, P158</a>	

GRI 201 : Economic Performance 2016			
201-1	Direct economic value generated and distributed	<a href="#">P178, P238</a>	
201-2	Financial implications and other risks and opportunities due to climate change	<a href="#">P012, P049</a> <a href="#">RISK MANAGEMENT AT NISSAN</a>	
201-3	Defined benefit plan obligations and other retirement plans	<a href="#">Financial Information as of March 31, 2020: P97</a>	
GRI 203 : Indirect Economic Impacts 2016			
203-1	Infrastructure investments and services supported	<a href="#">P012, P063, P175</a>	
203-2	Significant indirect economic impacts	<a href="#">P012, P063, P178, P238</a>	
GRI 205 : Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	<a href="#">P202</a>	
205-2	Communication and training about anti-corruption policies and procedures	<a href="#">P203</a>	
GRI 207 : Tax 2019			
207-1	Approach to tax	<a href="#">P208</a>	
207-2	Tax governance, control, and risk management	<a href="#">P208</a>	
207-3	Stakeholder engagement and management of concerns related to tax	<a href="#">P208</a>	

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## Environmental

GRI Standard	Disclosure	Reference	Reason for Omission / Explanation
GRI 103 : Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	<a href="#">P047</a> , <a href="#">P056</a> , <a href="#">P059</a> , <a href="#">P069</a> , <a href="#">P072</a> , <a href="#">P082</a> , <a href="#">P083</a> , <a href="#">P087</a> , <a href="#">P096</a>	
103-2	The management approach and its components	<a href="#">P047</a> , <a href="#">P056</a> , <a href="#">P059</a> , <a href="#">P062</a> , <a href="#">P069</a> , <a href="#">P072</a> , <a href="#">P073</a> , <a href="#">P074</a> , <a href="#">P082</a> , <a href="#">P083</a> , <a href="#">P087</a> , <a href="#">P096</a> , <a href="#">P097</a> , <a href="#">P098</a> , <a href="#">P102</a>	
103-3	Evaluation of the management approach	<a href="#">P047</a> , <a href="#">P063</a> , <a href="#">P074</a> , <a href="#">P085</a> , <a href="#">P087</a> , <a href="#">P089</a> , <a href="#">P095</a> , <a href="#">P098</a> , <a href="#">P102</a>	
GRI 301 : Materials 2016			
301-1	Materials used by weight or volume	<a href="#">P232</a>	
301-2	Recycled input materials used	<a href="#">P089</a> , <a href="#">P225</a>	
301-3	Reclaimed products and their packaging materials	<a href="#">P089</a> , <a href="#">P225</a>	
GRI 302 : Energy 2016			
302-1	Energy consumption within the organization	<a href="#">P075</a> , <a href="#">P079</a> , <a href="#">P218</a> , <a href="#">P219</a> , <a href="#">P232</a>	
302-2	Energy consumption outside of the organization	<a href="#">P074</a>	
302-3	Energy intensity	<a href="#">P218</a> , <a href="#">P219</a>	
302-4	Reduction of energy consumption	<a href="#">P075</a> , <a href="#">P079</a> , <a href="#">P218</a> , <a href="#">P219</a>	

302-5	Reductions in energy requirements of products and services	<a href="#">P063</a> , <a href="#">P064</a> , <a href="#">P213</a>	
GRI 303 : Water 2018			
303-1	Interactions with water as a shared resource	<a href="#">P099</a> , <a href="#">P228</a> , <a href="#">P232</a>	
303-2	Management of water discharge-related impacts		Information unavailable: We have not collected the data requested.
303-3	Water withdrawal	<a href="#">P228</a>	
303-4	Water discharge	<a href="#">P228</a> , <a href="#">P229</a>	
GRI 304 : Biodiversity 2016			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		<a href="#">P110</a>
304-2	Significant impacts of activities, products, and services on biodiversity	<a href="#">P110</a>	
304-3	Habitats protected or restored	<a href="#">P110</a>	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	<a href="#">P110</a>	
GRI 305 : Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	<a href="#">P074</a> , <a href="#">P217</a> , <a href="#">P232</a>	

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GRI Standard	Disclosure	Reference	Reason for Omission / Explanation
305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">P074</a> , <a href="#">P217</a> , <a href="#">P232</a>	
305-3	Other indirect (Scope 3) GHG emissions	<a href="#">P222</a>	
305-4	GHG emissions intensity	<a href="#">P074</a> , <a href="#">P217</a>	
305-5	Reduction of GHG emissions	<a href="#">P074</a> , <a href="#">P085</a> , <a href="#">P217</a>	
305-6	Emissions of ozone-depleting substances (ODS)		Information unavailable: We have not collected the data requested.
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	<a href="#">P085</a> , <a href="#">P091</a> , <a href="#">P223</a> , <a href="#">P232</a>	
<b>GRI 306 : Effluents and Waste 2016</b>			
306-1	Water discharge by quality and destination	<a href="#">P098</a> , <a href="#">P099</a> , <a href="#">P229</a> , <a href="#">P232</a>	
306-2	Waste by type and disposal method	<a href="#">P095</a> , <a href="#">P226</a> , <a href="#">P232</a>	
306-3	Significant spills	<a href="#">P103</a>	
306-4	Transport of hazardous waste		Information unavailable: We have not collected the data requested.
306-5	Water bodies affected by water discharges and/or runoff		Information unavailable: We have not collected the data requested.

GRI 307 : Environmental Compliance 2016			
307-1	Non-compliance with environmental laws and regulations	<a href="#">P103</a>	
<b>GRI 308 : Supplier Environmental Assessment 2016</b>			
308-1	New suppliers that were screened using environmental criteria	<a href="#">P108</a> , <a href="#">P152</a> , <a href="#">P156</a>	
308-2	Negative environmental impacts in the supply chain and actions taken	<a href="#">P108</a>	

## Social

GRI Standard	Disclosure	Reference	Reason for Omission / Explanation
<b>GRI 103 : Management Approach 2016</b>			
103-1	Explanation of the material topic and its Boundary	<a href="#">P013</a> , <a href="#">P112</a> , <a href="#">P114</a> , <a href="#">P118</a> , <a href="#">P119</a> , <a href="#">P131</a> , <a href="#">P142</a> , <a href="#">P143</a> , <a href="#">P160</a> , <a href="#">P165</a> , <a href="#">P166</a> , <a href="#">P171</a> , <a href="#">P175</a>	
103-2	The management approach and its components	<a href="#">P013</a> , <a href="#">P112</a> , <a href="#">P115</a> , <a href="#">P118</a> , <a href="#">P119</a> , <a href="#">P131</a> , <a href="#">P142</a> , <a href="#">P143</a> , <a href="#">P160</a> , <a href="#">P165</a> , <a href="#">P167</a> , <a href="#">P171</a> , <a href="#">P175</a> , <a href="#">P176</a>	
103-3	Evaluation of the management approach	<a href="#">P013</a> , <a href="#">P116</a> , <a href="#">P121</a> , <a href="#">P133</a> , <a href="#">P138</a> , <a href="#">P140</a> , <a href="#">P144</a> , <a href="#">P158</a> , <a href="#">P160</a> , <a href="#">P164</a> , <a href="#">P167</a> , <a href="#">P168</a> , <a href="#">P171</a> , <a href="#">P173</a> , <a href="#">P178</a>	
<b>GRI 402 : Labor/Management Relations 2016</b>			
402-1	Minimum notice periods regarding operational changes	<a href="#">P233</a>	

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GRI Standard	Disclosure	Reference	Reason for Omission / Explanation
GRI 403 : Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	<a href="#">P171</a>	
403-2	Hazard identification, risk assessment, and incident investigation	<a href="#">P015</a> , <a href="#">P171</a> , <a href="#">P173</a>	As we are currently transitioning to a more comprehensive approach to frequency rate aggregation, this report contains only Japan's domestic rates.
403-3	Occupational health services	<a href="#">P171</a>	
403-4	Worker participation, consultation, and communication on occupational health and safety	<a href="#">P015</a> , <a href="#">P171</a>	
403-5	Worker training on occupational health and safety	<a href="#">P173</a>	
403-6	Promotion of worker health	<a href="#">P171</a> , <a href="#">P173</a>	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<a href="#">P173</a>	
403-9	Work-related injuries	<a href="#">P173</a>	
GRI 404 : Training and Education 2016			
404-1	Average hours of training per year per employee	<a href="#">P164</a>	

404-2	Programs for upgrading employee skills and transition assistance programs	<a href="#">P160</a>	
404-3	Percentage of employees receiving regular performance and career development reviews	<a href="#">P160</a>	
GRI 405 : Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	<a href="#">P121</a> , <a href="#">P191</a> , <a href="#">P192</a> , <a href="#">P233</a> , <a href="#">P234</a> , <a href="#">P239</a>	
405-2	Ratio of basic salary and remuneration of women to men	<a href="#">P233</a>	
GRI 406 : Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	<a href="#">P015</a> , <a href="#">P016</a> , <a href="#">P116</a> , <a href="#">P118</a> , <a href="#">P154</a> , <a href="#">P165</a>	No report applicable to 2019
GRI 407 : Freedom of Association and Collective Bargaining 2016			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<a href="#">P015</a> , <a href="#">P016</a> , <a href="#">P116</a> , <a href="#">P154</a>	No report applicable to 2019
GRI 408 : Child Labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	<a href="#">P015</a> , <a href="#">P016</a> , <a href="#">P115</a> , <a href="#">P154</a>	No report applicable to 2019
GRI 409 : Forced or Compulsory Labor 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<a href="#">P015</a> , <a href="#">P016</a> , <a href="#">P115</a> , <a href="#">P154</a>	No report applicable to 2019

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GRI Standard	Disclosure	Reference	Reason for Omission / Explanation
GRI 411 : Rights of Indigenous Peoples 2016			
411-1	Incidents of violations involving rights of indigenous peoples	<a href="#">P015</a> , <a href="#">P016</a> , <a href="#">P116</a> , <a href="#">P154</a>	No report applicable to 2019
GRI 412 : Human Rights Assessment 2016			
412-1	Operations that have been subject to human rights reviews or impact assessments	<a href="#">P015</a> , <a href="#">P016</a> , <a href="#">P115</a> , <a href="#">P158</a>	
412-2	Employee training on human rights policies or procedures	<a href="#">P015</a> , <a href="#">P016</a> , <a href="#">P116</a>	
GRI 413 : Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs		Information unavailable: We have not collected the data requested.
413-2	Operations with significant actual and potential negative impacts on local communities		Information unavailable: We have not collected the data requested.
GRI 414 : Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	<a href="#">P013</a> , <a href="#">P016</a> , <a href="#">P152</a> , <a href="#">P156</a> , <a href="#">P158</a>	
GRI 416 : Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	<a href="#">P133</a> , <a href="#">P138</a> , <a href="#">P140</a>	

GRI 417 : Marketing and Labeling 2016			
417-1	Requirements for product and service information and labeling	<a href="#">P133</a>	
GRI 418 : Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<a href="#">P199</a>	
GRI 419 : Socioeconomic Compliance 2016			
419-1	Non-compliance with laws and regulations in the social and economic area	<a href="#">P201</a> , <a href="#">P203</a> , <a href="#">P204</a> , <a href="#">P206</a> , <a href="#">P208</a>	

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# QUICK GUIDE FOR INVESTORS

Key Areas	Topics	Policies and Philosophy	Management	Initiative
Environmental	Environmental Policy & Management Systems	▪ Policies and Philosophy for Environmental Issues <a href="#">P046</a>	▪ Policies and Philosophy for Environmental Issues <a href="#">P046</a>	—
	Climate Change	ESG Highlights : Scenario Analysis for Strengthening Climate Strategy <a href="#">P012</a>		
		Scenario Analysis to Strategies for 2050 Society <a href="#">P049</a>	—	—
	GHG / Products	▪ Climate Change (Product Initiatives): Policies and Philosophy for Product Initiatives <a href="#">P059</a>	▪ Climate Change (Product Initiatives): Management of Product Initiatives <a href="#">P062</a>	▪ Climate Change (Product Initiatives): Achievements <a href="#">P063</a> ▪ Climate Change (Product Initiatives): Electrification and Internal Combustion Engine Initiatives <a href="#">P064</a> ▪ ESG Data (Environmental Data): Climate Change (Products) <a href="#">P213</a>
	GHG / Corporate Activities	▪ Climate Change (Corporate Activity Initiatives): Policies and Philosophy for Corporate Activity Initiatives <a href="#">P072</a>	▪ Climate Change (Corporate Activity Initiatives): Management of Corporate Activity Initiatives <a href="#">P073</a>	▪ Climate Change (Corporate Activity Initiatives): Achievements <a href="#">P074</a> ▪ ESG Data (Environmental Data): Climate Change (Corporate Activities) <a href="#">P217</a>
	Energy Consumption	▪ Climate Change (Corporate Activity Initiatives): Policies and Philosophy for Corporate Activity Initiatives <a href="#">P072</a>	▪ Climate Change (Corporate Activity Initiatives): Management of Corporate Activity Initiatives <a href="#">P073</a>	▪ Climate Change (Corporate Activity Initiatives): Achievements <a href="#">P074</a> ▪ ESG Data (Environmental Data): Climate Change (Corporate Activities) <a href="#">P217</a>

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Environmental	Environmental Responsibility in Product	<ul style="list-style-type: none"> <li>▪ Climate Change (Product Initiatives): Policies and Philosophy for Product Initiatives <a href="#">P059</a></li> <li>▪ Strengthening Our Business Foundations to Address Environmental Issues: Lifecycle Assessment to Reduce Environmental Impact <a href="#">P105</a></li> </ul>	<ul style="list-style-type: none"> <li>▪ Climate Change (Product Initiatives): Management of Product Initiatives <a href="#">P062</a></li> <li>▪ Strengthening Our Business Foundations to Address Environmental Issues: Lifecycle Assessment to Reduce Environmental Impact <a href="#">P105</a></li> </ul>	<ul style="list-style-type: none"> <li>▪ Climate Change (Product Initiatives): Achievements <a href="#">P063</a></li> <li>▪ Climate Change (Product Initiatives): Electrification and Internal Combustion Engine Initiatives <a href="#">P064</a></li> <li>▪ Climate Change (Product Initiatives): Initiatives for Lighter Vehicles <a href="#">P068</a></li> <li>▪ Strengthening Our Business Foundations to Address Environmental Issues: Lifecycle Assessment to Reduce Environmental Impact <a href="#">P105</a></li> <li>▪ ESG Data (Environmental Data): Climate Change (Products) <a href="#">P213</a></li> <li>▪ ESG Data (Environmental Data): Strengthening Our Business Foundations to Address Environmental Issues <a href="#">P229</a></li> </ul>
	Clean Tech	<ul style="list-style-type: none"> <li>▪ Climate Change (Product Initiatives): Policies and Philosophy for Product Initiatives <a href="#">P059</a></li> </ul>	<ul style="list-style-type: none"> <li>▪ Climate Change (Product Initiatives): Management of Product Initiatives <a href="#">P062</a></li> </ul>	<ul style="list-style-type: none"> <li>▪ Climate Change (Product Initiatives): Achievements <a href="#">P063</a></li> <li>▪ Climate Change (Product Initiatives): Electrification and Internal Combustion Engine Initiatives <a href="#">P064</a></li> <li>▪ ESG Data (Environmental Data): Climate Change (Products) <a href="#">P213</a></li> </ul>
	Effective Utilization of Resources	<ul style="list-style-type: none"> <li>▪ Resource Dependency: Resource Dependency Policies and Philosophy <a href="#">P087</a></li> <li>▪ Strengthening Our Business Foundations to Address Environmental Issues: Stakeholder Engagement <a href="#">P108</a></li> </ul>	<ul style="list-style-type: none"> <li>▪ Resource Dependency: Resource Dependency Management <a href="#">P087</a></li> <li>▪ Strengthening Our Business Foundations to Address Environmental Issues: Stakeholder Engagement <a href="#">P108</a></li> </ul>	<ul style="list-style-type: none"> <li>▪ Resource Dependency: Achievements <a href="#">P089</a></li> <li>▪ Strengthening Our Business Foundations to Address Environmental Issues: Stakeholder Engagement <a href="#">P108</a></li> <li>▪ ESG Data (Environmental Data): Resource Dependency (Reuse) <a href="#">P225</a></li> </ul>
	Pollution	<ul style="list-style-type: none"> <li>▪ Air Quality: Air Quality Policies and Philosophy <a href="#">P083</a></li> </ul>	—	<ul style="list-style-type: none"> <li>▪ Air Quality: Achievements <a href="#">P085</a></li> <li>▪ ESG Data (Environmental Data): Air Quality <a href="#">P223</a></li> </ul>
	Waste Materials	<ul style="list-style-type: none"> <li>▪ Resource Dependency: Resource Dependency Policies and Philosophy <a href="#">P087</a></li> </ul>	<ul style="list-style-type: none"> <li>▪ Resource Dependency: Resource Dependency Management <a href="#">P087</a></li> </ul>	<ul style="list-style-type: none"> <li>▪ Resource Dependency: Achievements in Waste Reduction <a href="#">P095</a></li> <li>▪ ESG Data (Environmental Data): Resource Dependency (Facility Waste) <a href="#">P226</a></li> </ul>
	Use of Water Resources	<ul style="list-style-type: none"> <li>▪ Water Scarcity: Policies and Philosophy for Water Resource Management <a href="#">P096</a></li> </ul>	<ul style="list-style-type: none"> <li>▪ Water Scarcity: Water Resource Management <a href="#">P097</a></li> </ul>	<ul style="list-style-type: none"> <li>▪ Water Scarcity: Water Resource Achievements <a href="#">P098</a></li> <li>▪ ESG Data (Environmental Data): Resource Dependency (Water Resource Management) <a href="#">P228</a></li> </ul>
	Biodiversity	<ul style="list-style-type: none"> <li>▪ Strengthening Our Business Foundations to Address Environmental Issues: Stakeholder Engagement (Priority Issues for Automobile Manufacturers Regarding the Protection of Air, Water, Soil and Biodiversity) <a href="#">P110</a></li> </ul>		

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Key Areas	Topics	Policies and Philosophy	Management	Initiative
Social	Human Rights	ESG Highlights : Nissan's Approaches to Respect for Human Rights <a href="#">P013</a>		
		▪ Human Rights: Human Rights Policies and Philosophy <a href="#">P114</a>	▪ Human Rights: Human Rights Management <a href="#">P115</a>	▪ Human Rights: Human Rights Achievements <a href="#">P116</a>
		▪ Diversity and Inclusion: Diversity and Inclusion Policies and Philosophy <a href="#">P118</a>	▪ Diversity and Inclusion: Diversity and Inclusion Management <a href="#">P119</a>	▪ Diversity and Inclusion: Diversity and Inclusion Achievements <a href="#">P121</a> ▪ ESG Data (Social Data): Diversity and Inclusion <a href="#">P234</a>
		▪ Product Safety and Quality: Product Safety and Quality Policies and Philosophy <a href="#">P142</a>	▪ Product Safety and Quality: Product Safety and Quality Management <a href="#">P143</a>	▪ Product Safety and Quality: Product Safety and Quality Achievements <a href="#">P144</a>
	Supply Chain Management	▪ Product Safety and Quality: Product Safety and Quality Policies and Philosophy <a href="#">P142</a>	▪ Product Safety and Quality: Product Safety and Quality Management <a href="#">P143</a>	▪ Product Safety and Quality Achievements : Reflecting Customer Feedback in Activities to Enhance Quality <a href="#">P144</a>
		ESG Highlights : Nissan's Approaches to Respect for Human Rights <a href="#">P013</a>		
		▪ Supply Chain Management: Supply Chain Strategy <a href="#">P152</a> ▪ Supply Chain Management: Supply Chain Management Policies and Philosophy <a href="#">P154</a>	▪ Supply Chain Management: Supply Chain Management <a href="#">P156</a>	▪ Supply Chain Management: Supply Chain Management <a href="#">P156</a> ▪ Supply Chain Management: Responsible Minerals Sourcing <a href="#">P158</a>
		▪ Labor Practices (Respecting the Rights of Workers): Policies and Philosophy on Respecting the Rights of Workers <a href="#">P165</a>	▪ Labor Practices (Respecting the Rights of Workers): Management That Respects the Rights of Workers <a href="#">P165</a>	▪ Labor Practices (Respecting the Rights of Workers): Achievements in Respecting the Rights of Workers <a href="#">P165</a> ▪ ESG Data (Social Data): Employee Data <a href="#">P233</a>
		▪ Human Resource Development: Human Resource Development Policies and Philosophy <a href="#">P160</a>	▪ Human Resource Development: Human Resource Development Management <a href="#">P160</a>	▪ Human Resource Development: Human Resource Development Achievements <a href="#">P164</a> ▪ ESG Data (Social Data): Human Resource Development <a href="#">P237</a>

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Social	Non-discrimination and Equal Opportunity	ESG Highlights: Nissan's Approaches to Respect for Human Rights <a href="#">P013</a>		
		<ul style="list-style-type: none"> <li>▪ Human Rights: Human Rights Policies and Philosophy <a href="#">P114</a></li> <li>▪ Diversity and Inclusion: Diversity and Inclusion Policies and Philosophy <a href="#">P118</a></li> <li>▪ Labor Practices (Respecting the Rights of Workers): Policies and Philosophy on Respecting the Rights of Workers <a href="#">P165</a></li> </ul>	<ul style="list-style-type: none"> <li>▪ Human Rights: Human Rights Management <a href="#">P115</a></li> <li>▪ Diversity and Inclusion: Diversity and Inclusion Management <a href="#">P119</a></li> <li>▪ Labor Practices (Respecting the Rights of Workers): Management That Respects the Rights of Workers <a href="#">P165</a></li> </ul>	<ul style="list-style-type: none"> <li>▪ Human Rights: Human Rights Achievements <a href="#">P116</a></li> <li>▪ Diversity and Inclusion: Diversity and Inclusion Achievements <a href="#">P121</a></li> <li>▪ Labor Practices (Respecting the Rights of Workers): Achievements in Respecting the Rights of Workers <a href="#">P165</a></li> <li>▪ ESG Data (Social Data): Employee Data <a href="#">P233</a></li> <li>▪ ESG Data (Social Data): Diversity and Inclusion <a href="#">P234</a></li> </ul>
	Dialogue with Employees	<ul style="list-style-type: none"> <li>▪ Labor Practices (Dialogue with Employees): Policies and Philosophy on Dialogue with Employees <a href="#">P166</a></li> </ul>	<ul style="list-style-type: none"> <li>▪ Labor Practices (Dialogue with Employees): Management to Promote Dialogue with Employees <a href="#">P167</a></li> </ul>	<ul style="list-style-type: none"> <li>▪ Labor Practices (Dialogue with Employees): Achievements in Dialogue with Employees <a href="#">P167</a></li> </ul>
	Employees' Health and Safety	ESG Highlights: Nissan's Approaches to Respect for Human Rights <a href="#">P013</a>		
		<ul style="list-style-type: none"> <li>▪ Employees' Health and Safety: Employees' Health and Safety Policies and Philosophy <a href="#">P171</a></li> </ul>	<ul style="list-style-type: none"> <li>▪ Employees' Health and Safety: Employees' Health and Safety Management <a href="#">P171</a></li> </ul>	<ul style="list-style-type: none"> <li>▪ Employees' Health and Safety: Employees' Health and Safety Achievements <a href="#">P173</a></li> </ul>
	Community Engagement	<ul style="list-style-type: none"> <li>▪ Community Engagement: Community Engagement Policies and Philosophy <a href="#">P175</a></li> </ul>	<ul style="list-style-type: none"> <li>▪ Community Engagement: Community Engagement Management <a href="#">P176</a></li> </ul>	<ul style="list-style-type: none"> <li>▪ Contributing to Local Communities: Achievements <a href="#">P178</a></li> <li>▪ ESG Data (Social Data): Contributing to Local Communities <a href="#">P238</a></li> </ul>
Governance	Corporate Governance	<ul style="list-style-type: none"> <li>▪ Reforming Corporate Governance <a href="#">P017</a></li> <li>▪ Governance Policies and Philosophy <a href="#">P190</a></li> </ul>		
		<ul style="list-style-type: none"> <li>▪ Corporate Governance: Corporate Governance System in Detail <a href="#">P191</a></li> </ul>		<ul style="list-style-type: none"> <li>▪ ESG Data (Governance Data) <a href="#">P239</a></li> </ul>
	Risk Management	<ul style="list-style-type: none"> <li>▪ Risk Management <a href="#">P199</a></li> </ul>		
	Anti-Corruption	<ul style="list-style-type: none"> <li>▪ Compliance: Anti-Bribery <a href="#">P202</a></li> </ul>		
	Observance of Business Ethics	<ul style="list-style-type: none"> <li>▪ Compliance: Business Ethics <a href="#">P203</a></li> </ul>		
	Nissan's Commitment to Tax Transparency	<ul style="list-style-type: none"> <li>▪ Compliance: Nissan's Commitment to Tax Transparency <a href="#">P208</a></li> </ul>		