new models, as described above, the new framework represents a higher-level system to ensure successful quality management for both on-going and future projects. It involves an objective evaluation of whether risk exists and the level of such risk for the 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 EVP twice a year.

3) Environment, Climate Change

The automotive industry is affected globally by various regulations related to the environment and safety, such as exhaust emissions, CO_2/fuel efficiency, noise and recycling, and these regulations are getting more stringent year by year. In this context, one effective solution from a long-term perspective will be widespread use of zero-emission vehicles. Nissan started sales of the Nissan LEAF, the world's first affordable, mass-produced EV, in 2010. As the Renault-Nissan Alliance, we have promoted partnership formation to develop a zero-emission society with national and local governments.

Additionally, Nissan will reduce CO_2 emissions by continuously developing technologies to improve fuel efficiency in internal combustion engines and bringing them widely into the market. In particular, we will promote low CO_2 output technologies named PURE DRIVE, such as our hybrid system, fuel efficient direct injection engine and continuously variable transmission (CVT).

Stricter controls on the environmental impact of substances are being sought in countries around the world. Nissan has steadily advanced efforts to meet these requirements and has established voluntary standards to meet the environmental regulations enacted in countries worldwide in an effort to reduce the potential release of environment-impacting substances.

Demand for natural resources such as metals and oil steadily increases in response to the rapid economic growth of emerging countries. In addition to promoting reduced use of virgin natural resources through resource-saving and resource-recycling measures, it is becoming important to procure natural resources that have a lower impact on the Earth's ecosystems, not only from the standpoint that these resources are limited, but also considering the wide-ranging effects that resource extraction has on ecosystems. In the Nissan Green Program 2016—an environmental mid-term action plan announced in 2011—Nissan has raised to 25% the target for the use of recovered material in new vehicles by 2016. To achieve this, we will promote design centered on the vehicle life cycle, reduce waste and promote expanded use of recycled materials.

The issue of water resources is ever more serious with the retreat of glaciers and rainfall fluctuation due to climate change, in addition to increasing water use due to the growing world population and economic development. Nissan, which uses water resources in its production process, deeply recognizes the importance of this issue and continuously works to preserve water resources around the world, such as by reducing consumption and recycling water discharged in the production process.

The purchasing divisions of Nissan and Renault carry out supply-chain management in a manner consistent with The Renault-Nissan Purchasing Way, a booklet outlining policies for dealing with suppliers, and the Renault-Nissan CSR Guidelines for Suppliers. With respect to environmental issues, we began to set standards for the efforts of our automobile parts and material suppliers in the form of the Nissan Green Purchasing Guidelines. Through these purchasing guidelines we seek to share our environmental principles and action plans with our suppliers and to promote the reduction of environmental impact throughout the entire supply chain.

Thus, Nissan is working to achieve autonomous guidelines and targets as part of its corporate social responsibility as well as to comply with laws and regulations. In order to promote this environmental management on a global basis, the Global Environment Management Committee (G-EMC) chaired by the COO makes decisions on general direction and proposals to the Executive Committee. The Environmental Planning Group within the Corporate Planning Department makes decisions on activity targets for each department and region and conducts effective follow up of the progress based on Plan-Do-Check-Act (PDCA) management.