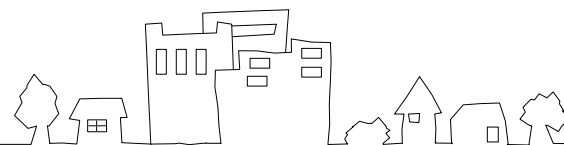




NISSAN CSR HANDBOOK 2010



# Nissan's Eight Answers

Responding to Society's Sustainability Concerns

**NISSAN**



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## Introduction

### Winning Society's Trust with CSR

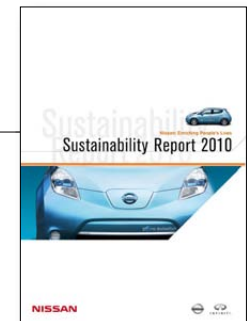
As more companies have come to operate on the global stage, their social presence has increased accordingly. In turn, society has come to expect and require more of such corporations. Nissan is no exception. We believe society demands that we create environmentally friendly vehicles and that we strive toward a vision of an accident-free future, and we respond sincerely to these demands by working to contribute to societal improvement. In this way we win the trust of society. This is what corporate social responsibility is all about.

Nissan has defined eight key areas for its CSR efforts as a global automaker. These activities are not managed from the executive level down; they must be driven forward through the cumulative efforts of all Nissan employees.

This handbook clearly lays out our CSR approach and the way we are promoting related activities. We hope the handbook offers a way for all to think about CSR together.

Nissan publishes detailed information on its CSR initiatives in the annual Sustainability Report. Please visit our website to read the full report online:

<http://www.nissan-global.com/EN/COMPANY/CSR/LIBRARY/SR/2010/>





**Carlos Ghosn**

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

## Nissan's Unwavering Desire

A company's sustainability is generally viewed from the perspective of its prospects over the long term. Achieving sustainability requires hard work every step of the way. For Nissan, this means taking steps in the short term that build and reinforce sustainable business objectives over longer periods.

During the financial and economic crisis in recent years, we have taken the needed short-term steps while keeping our eye on priorities for the medium and longer term. For example, we remain firmly committed to leadership in zero-emission vehicles and to affordable cars that will bring mobility to more people than ever. These objectives are linked. We know that as human populations and incomes continue to rise, people will seek the mobility that only cars can provide. Giving them access to mobility in ways that minimize the impact on the global environment is our duty as a responsible automaker. Sustainability comes from offering cars that are the most environmentally friendly, most fuel-efficient and most affordable possible.

In all that we do, we are guided by the desire to keep Nissan at the heart of the mobility society into the future. Nissan's foundation for sustainable business has evolved over many years. In good times and bad, our desire to create attractive, appealing products and to contribute to society has never wavered. We are always working toward the future.

(Edited excerpt from the 2010 Sustainability Report)

# What is CSR?

## CSR: The Key to Building a Future for All of Us

Today's society faces many challenges, from global warming to poverty and discrimination. For future generations to continue enjoying prosperity, society as a whole will need to pool its resources to tackle these issues. Corporations too, as members of society, have a role to play—and the way they play it is through corporate social responsibility. CSR is the idea of finding solutions to address the challenges we all face by taking society and the environment into consideration in all aspects of a company's activities.

Corporations interact with a wide range of stakeholders, from shareholders and business partners to consumers, employees and members of local communities. This makes it important to build a relationship of trust with stakeholders by incorporating their concerns into CSR initiatives.

Stakeholders' concerns are affecting the growing trend among consumers to take environmental impact into consideration when selecting products, as well as corporate moves to increase vitality by employing a diverse workforce. CSR activities lead to greater trust from society and higher corporate value. CSR has become the key to forging a reliable future for the planet and society—as well as for each and every one of us, and for Nissan as a company.



## From the Chairman of the CSR Steering Committee

### Toward Growth Together with Society



**Toshiyuki Shiga**  
Chief Operating Officer  
Nissan Motor Co., Ltd.

Corporations are supported by diverse stakeholders and must develop in step with society. As a global company, Nissan maintains its focus on what is being asked of it by society and what kind of social responsibilities it must bear as it carries out its business activities.

To grasp the needs of society and incorporate them into our activities, we have established the CSR Steering Committee, a companywide organization composed of managers from various departments with responsibility for key areas of our CSR initiatives. As chairman of this committee, my role is to ensure these measures are addressed more dynamically. In so doing, I look upon the challenges facing the committee as part of the company's business. Discussion that takes place in the committee is recapped at meetings attended by the full Board of Directors, thereby making these CSR issues part of our company's overall decision-making process.

To grow in step with society is the essence of Nissan's CSR stance.

## From the Officer in Charge of CSR Activities

### Contributing to Society in All We Do



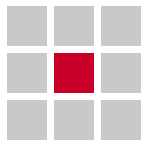
**Alan J. Buddendeck**  
Corporate Vice President  
Nissan Motor Co., Ltd.

The era of affordable sustainable mobility is upon us, and Nissan is at the forefront with its holistic vision for enabling positive change. Together, all of us at Nissan are looking to the future while ever mindful of our obligations to society today. Our commitment to our vision of Enriching People's Lives is unwavering.

The people of Nissan have given back to society not only through advancements in automotive technology, but also by volunteering their time, donating products and services, and making cash contributions to humanitarian relief organizations, schools, colleges, universities and research institutes, and environmental projects and programs around the world. We are actively engaged and making a difference for people, now and into the future.

We remain steadfast in our commitment to be a positive presence by working with all of our stakeholders for the betterment of society through our innovations and through the creation of opportunities for all people.





## Pursuing Profitable Growth for Nissan and Sustainable Development for Society

### Our Vision

Nissan: Enriching People's Lives

### Our Mission

Nissan provides unique and innovative automotive products and services that deliver superior measurable values to all stakeholders in alliance with Renault.

### Our Business Principles

The Nissan Way

"The power comes from inside"

The focus is the customer, the driving force is value creation and the measurement of success is profit.

### Our CSR Policy

- Ethical conduct, strong corporate governance with a high degree of transparency and a clear focus on diversity are the foundation for all our activities worldwide.
- We aim for the sustained profitable growth of the company, and at the same time contribute proactively to the sustainable development of mobility and society.
- We will listen to, and work with, our stakeholders around the world and create trust, opportunity and long-term sustainable value.

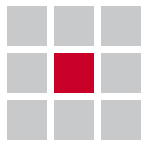


Guided by the vision of Enriching People's Lives, Nissan seeks to create value through the provision of its products and services and to contribute to sustainable social development through all its global activities. To this end, we listen carefully to the concerns of stakeholders around the world, working together with them as we pursue activities that meet society's needs.

## Building Trust with All Stakeholders: From Customers and Shareholders to Future Generations

Nissan aims for both sustainable, profitable growth and sustainable social development. The task of balancing the two has made it important to incorporate CSR concepts into our management. Our belief is that strengthening CSR initiatives will help forge relationships of trust with our customers, business partners and other stakeholders.





## Pursuing Three Balances

In its pursuit of CSR-based management, Nissan views three balances as key. First is the balance between short- and long-term perspectives. Faced with a range of challenges, we must make business decisions from a balanced viewpoint taking both short- and long-term concerns into account. Second is the balance between growth and societal development. Rather than pursuing only our own profit, we heed society's concerns and seek mutual sustainable development. And third is the balance of value provided by Nissan to all stakeholders. We take care to provide value to all categories of stakeholder, rather than prioritizing certain ones.

Nissan's CSR scorecard is a management tool that brings the three balances into clearer focus. On its vertical axis we list the eight key areas (see next page) to check the balance between stakeholders. The horizontal axis, meanwhile, represents the points of intersection between the direction of Nissan's growth and that of society's development. Our aim is to balance short- and long-term perspectives, based on equilibrium between the two axes. Each year we revise the scorecard in line with our progress and release it to the public.

### Three Balances We Pursue



### Nissan's CSR Scorecard

1	2		
	Values and management indices guiding Nissan's business activities	Management guidelines for actions to take in the mid- to long term	Society's demands of corporations
3	Corporate Governance & Internal Control		
	Economic Contribution		
	Quality		
	Environment		
	Employees		
	Safety		
	Value Chain		
	Philanthropy		



## Eight Key Areas for CSR



## Defining Our Key Areas and Advancing CSR in Focused Ways

As a global automaker, Nissan specifies eight key areas of focus for its CSR efforts. Each area is indispensable to Nissan's continued viability as a corporation that society trusts and needs. At the same time, we forge even stronger bonds of trust by providing society with added value. Nissan listens to social concerns regarding each of the eight areas, working to swiftly grasp opportunities and risks in each of them as a means of continually improving its business.

This handbook showcases Nissan's stance and employee initiatives in each of these eight areas.

**Corporate governance:** The system used in directing and managing the corporate organization. Shareholders entrust the corporation with managerial responsibility; corporate governance is a form of oversight ensuring that the corporation carries out its duties appropriately. It is a vital element in guiding the company in better directions and ensuring its stable management.

**Supply chain:** This encompasses the entire flow of vehicle production and sales, from securing raw materials to manufacturing, shipping, sales and providing the product to the end user.

**Zero emission:** This term is used in a number of industries, but Nissan uses "zero-emission vehicles" to refer to 100-percent electric and fuel-cell vehicles that emit no carbon dioxide or other exhaust gases during operation.



## “Are you making cars for both today and tomorrow?”

I want a car that's both fun and fuel-efficient.

Do you use resources efficiently?

Is Nissan dedicated to recycling?



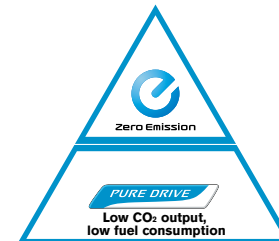
We work toward the ultimate goal of keeping the environmental impact of the use of Nissan vehicles and our activities and resource use within nature's capacity to absorb.

### ■ Nissan Green Program 2010

“Symbiosis of people, vehicles and nature” is our environmental philosophy. To achieve this, it is key to keep the environmental impact and resource use of our operations within nature's capacity to absorb. Nissan Green Program 2010, our medium-term environmental action plan, guides our steps in three key areas: reducing CO<sub>2</sub> emissions, reducing other emissions and recycling resources.

### ■ Zero-Emission and PURE DRIVE Cars

There are two main aspects to our environmental efforts in Nissan's vehicles. In zero-emission vehicles, we have taken the first step toward creating a society with no vehicular emissions with the all-electric Nissan LEAF. We are also releasing new models in our PURE DRIVE series of internal combustion engine cars with low CO<sub>2</sub> output and low fuel consumption.



The Nissan LEAF goes on sale in Japan and the U.S. in December 2010, in Europe in 2011 and globally in 2012.

## CSR & MY JOB



Features available in the flagship March model include the "Idling Stop" system.

### The Power of Nissan Technology

The new Nissan March, the first model in the PURE DRIVE series, features class-leading fuel efficiency. "We polished our basic technologies to achieve high mileage and low CO<sub>2</sub> emissions while keeping the car enjoyable to drive. This is the strength of Nissan's technology," states Yoneda. "The new March represents all that we're capable of at this point." Global reception has been positive: orders in the car's first two months were more than five times our targets.

## Pursuing an Affordable, Fuel-Efficient Nissan March

### Yasunari Yoneda

Nissan PV Product Development Division No. 1,  
Nissan Motor Co., Ltd.

*Joined Nissan in 2005. As part of the Project Management Group No. 1, manages development efforts for the March and Micra models.*



### Every Gram and Yen Count

The key goal in developing the new March was to provide top fuel efficiency at an affordable price. It includes Nissan's first-ever 3-cylinder engine and a full range of environmental technologies, but the development team also strove to shave off every gram of weight and yen of cost. Yoneda notes, "It was tough work, but thrilling to get into the spirit of pursuing breakthroughs. We all felt the depth of Nissan's technical prowess."

### Economy and Ecology

Demand is on the rise in giant markets like China and India, but rising along with that are concerns about the vehicles' environmental impact. "We want people around the world, in emerging economies too, to know the joy and convenience of cars. We can contribute to society by creating affordable, efficient models," says Yoneda. His dream is to give all the world's people the chance to experience mobility, and the economic, eco-friendly March is a step in that direction.

**“ I find joy in bringing fun, convenient Nissan cars to people around the world. ”**



## Safety

SOCIETY'S  
CONCERNS



### “Can accidents be brought down to zero?”

How do you approach the question of safety?

I'd like automakers to help prevent drunk driving, too.

Are you helping raise road safety awareness?

NISSAN'S  
ANSWER



We develop new technology under our “Safety Shield” concept, which is based on the idea that the cars should help protect people.

#### ■ Nissan's “Safety Shield” Concept

Our “Safety Shield” concept is to place our customers' safety and peace of mind above everything else. We define the conditions surrounding a car in six phases, from “risk has not yet appeared” through “post-crash,” and work to develop vehicle technologies to help keep people safe in each phase. Our ultimate goal is a future world with virtually no accidents leading to death or serious injury.



**SAFETY SHIELD**

#### ■ Toward a Safer Mobility Society

Intelligent Transport Systems are next-generation technologies that connect people, roads and vehicles to help reduce accidents and traffic congestion. We work together with government, academia and other companies to advance real-world testing of ITS. Our other initiatives include testing of systems to help prevent drunk driving and activities in the Middle East and China to increase driving skills and safety awareness.



Since 2005 we have held Safe Driving Forums in China to boost safety awareness and driver skills.

## CSR & MY JOB



The engineers check data from testing of "Forward Collision Avoidance Assist Concept" technologies.

### Driver-Supporting Technologies

Inoue and Kurata worked first on the Distance Control Assist System, which helps the driver maintain distance from the car in front, and the navigation-enabled Intelligent Cruise Control, which helps manage the car's speed when heading into curves. These world-first technologies made their appearance in the 2007 Fuga. Today the two are developing the "Forward Collision Avoidance Assist Concept," which they hope will help drivers avoid certain crashes at speeds of up to 60 km/h.

**" We want people to think 'safety' when they hear the name Nissan. "**

## Developing Cars that Help Protect People

**Takuya Inoue (L) and Kazunori Kurata (R)**  
ITS Advanced & Product Engineering Group, IT and ITS Engineering Department, Electronics Engineering Development Division  
*Joined Nissan in 2004 (Kurata) and 2005 (Inoue).  
Handle development of "Forward Collision Avoidance Assist Concept" safety systems.*



### Achieving Improvements Each Day

The engineers' goal is to make the fear of accidents a more distant concern for drivers. Kurata, who specializes in radar sensors, notes: "We're constantly testing to get a solid grasp of the conditions before the driver's eyes." For Inoue, who develops control units, balance is the key: "It won't support drivers if they find the systems annoying. We want to support driving in a natural, unobtrusive way."

### Toward the Future

Inoue and Kurata are keenly aware of their responsibility. "We want to contribute to customers by continuing to create technologies based on the 'Safety Shield' concept," says Kurata. Inoue adds: "We hope to boost cars' value to society with driver support systems that help us aim for a zero-accident future, without taking away from the pleasure of driving."

**" Increased safety means increased value for our cars. "**





## Quality

SOCIETY'S  
?  
CONCERNS

**“Quality is the top concern when choosing a new car.”**

Since a car has to last,  
quality is key.

Dealer support is  
important when I  
buy a car.

How do you decide  
when to recall a  
vehicle?

NISSAN'S  
!  
ANSWER

**We win customers' trust with our “Quality Leadership.”**

### ■ What is Quality Leadership?

To Nissan, quality is a multifaceted concept covering every situation involving customers. We have defined the categories of “product quality,” “perceived quality and attractiveness,” “sales and service quality” and “quality management” with the goal of leading the auto industry in each of them. We will continue to inspire trust and ensure satisfaction among our customers based on our Quality Leadership program, which clearly lays out goals and measures for improving quality.



One of six Field Quality Centers set up around the world to respond promptly to quality issues in the market.

### ■ Fair, Prompt Recalls

Nissan is committed to customer safety and the quick, effective resolution of potential safety issues. We have a long-standing commitment to the safety of those who drive and ride in our vehicles. Our practice is to be proactive and transparent with our customers and regulators, and to take quick, effective actions to resolve potential safety issues.



The Frontier was ranked the top mid-size pickup in J. D. Power's 2010 Initial Quality Study (released in June).

## CSR &amp; MY JOB

## Training Customer-Care Specialists



**Maiko Kamuro**

Global Service Quality and Training Department  
Joined Nissan in 2008. Handles training management for technical staff in the customer care area.



Dealership mechanics receive training in customer-care techniques.

### Four Quality Initiatives

"Of the four quality categories," says Kamuro, "sales and service quality involves first-hand customer contact. We have four key initiatives to provide our distinctive sales and services: improving our sales personnel's knowledge and service skills; enhancing customers' experiences at dealerships; strengthening management to enhance sales and service quality; and fostering a customer-focused perspective among Nissan employees."

### Making the Best Use of Time

Nissan conducts direct training in Japan for technical staff. Kamuro wants the training to be worthwhile because dealership employees are taking time out of their busy schedules to participate. Many of them describe themselves in a questionnaire as "very satisfied" with the training, but Kamuro strives for even more effective results: "My coworkers and I need to always take that next step and think of how to make the best use of the limited time available."

### All Work Is Customer-Focused

When Kamuro sees a Nissan vehicle around town she is always curious about the care provided by the customer's dealership. "We can improve our customer care, even when not in first-hand contact with customers, by improving our employees' knowledge and skills through training." She is aware of the connection between every job at Nissan and the customers. Her goal is for Nissan to be synonymous in customers' minds with an approach that puts them first.

**“ I want Nissan to be synonymous with a customer-focused approach. ”**



## Economic Contribution

SOCIETY'S  
CONCERNS



### "Tell us more about Nissan's future."

I want communities to enjoy the benefits of corporate growth.

Negative information needs to be disclosed, too.

What sort of promising tech is on the way?

NISSAN'S  
ANSWER



We pursue appropriate revenue while maintaining transparency with prompt disclosure.

#### ■ Nissan's Growth Strategy

We responded swiftly to the economic crisis that began in 2008 with a targeted recovery plan as well as continued commitment to a long-term viability strategy. We also remain focused on global zero-emission mobility leadership with EVs like the Nissan LEAF, and on efforts to roll out global compact cars and enhance our presence in emerging markets like China and India.



Nissan's 111th General Shareholders' Meeting at the Pacifico Yokohama (June 2010).

#### ■ Investor Relations Events

We proactively disclose information through various IR events like the General Shareholders' Meeting. The 1,701 shareholders who attended the June 2010 meeting in Yokohama learned about our financial situation and future outlook. We also let them experience our cutting-edge technologies with test drives of the Nissan LEAF.



Shareholders test-drove the Nissan LEAF indoors; zero emissions mean clean air even in a closed environment.

## CSR & MY JOB



Securities Analysts Association of Japan Chairman Kazutoshi Inano (R) presents an award to Corporate Vice President Joji Tagawa (L), head of Nissan's IR Department.

## Building Trust with Investors and Shareholders

### Tak Ishikawa

Manager, Investor Relations Department,  
Nissan Motor Co., Ltd.

*Joined Nissan in 2005. Deals primarily with overseas investors and analysts and the foreign investment community in Japan.*



### Sharing Both Good and Bad

In 2008 the automotive industry faced global economic crisis, and Nissan moved swiftly to announce its measures to overcome the situation. In tough times, notes Ishikawa, a company gains trust through proactive disclosure. "We were the first to come out and show that we had a solid action plan." Nissan's dedication to transparency has earned it recognition for its sector-leading disclosure policies in the form of four straight Awards for Excellence in Corporate Disclosure from the Securities Analysts Association of Japan since 2007.

### Open Channels for Communication

Many companies maintain IR offices in world financial centers like New York and London, but Nissan centralizes all IR functions in its global headquarters in Yokohama. Ishikawa explains: "We can maintain contact with investors anywhere. In our headquarters we have direct access to top management and the various departments, letting us provide prompt, thorough information." Executive accessibility, such as through direct dialogue between top management and investors and analysts, is another hallmark of Nissan's IR.

### More Than Manufacturing

Ishikawa's constant goal is to earn stakeholders' trust through sincere actions. "For all our employees, CSR is about making sure we maintain and nurture credibility, integrity and trust." Making products that consumers want is important, but the CSR task goes beyond that: "My personal vision is that we become one of the most admired companies, a company that people fully trust." Ishikawa and his team are driven by the goal of taking Nissan in that direction.

**" CSR means developing and maintaining credibility with all stakeholders at all times."**



SOCIETY'S  
?  
CONCERNS

## “How is Nissan helping society?”

What support do you offer for disaster recovery?

Please help build communities as a member of society.

Are employees taking part in philanthropic activities?

NISSAN'S  
!  
ANSWER

We contribute to society in three areas: education, the environment and humanitarian support.

### ■ Our Social Contribution Stance

We focus on three areas—humanitarian aid, support for education and caring for the environment—in making unique contributions to society, on a global basis as well as in local communities. We work together with organizations like NGOs while helping our employees to develop an active social participation mindset and promote activities that meet the needs and circumstances of each country or region.



Nissan's three focus areas for social contribution activities.

### ■ Working for Japanese Society

We engage in a range of activities in Japan on an ongoing basis: from environmental and hands-on manufacturing classes in elementary schools to trial rides in eco-friendly vehicles and support for research in the natural sciences via the Nissan Science Foundation. We also urge our employees to take part in volunteer activities, providing them with the support they need.



Nissan staff travel to classrooms to share the joy of craftsmanship with children.



## CSR &amp; MY JOB



## Helping Employees Get Involved as Volunteers

### Stephanie Valdez-Streaty

Senior Manager, Philanthropy & Diversity Communications, Corporate Communications, Nissan North America, Inc.

*Joined Nissan in 1996. Now handles social philanthropy activities, working with groups like Habitat for Humanity, which focuses on eliminating poverty housing and homelessness from the world.*

### Partnership with NGOs

The partnership between Nissan North America (NNA) and Habitat for Humanity began with relief efforts for victims of Hurricane Katrina, which hit the southern United States in August 2005. In addition to NNA's donations of money and trucks, many employees have been moved by Habitat for Humanity's goal of "building communities by building homes" to take part each year in the NGO's activities as volunteers.

### Teamwork and Achievement

"Habitat is an amazing partnership for Nissan," states Valdez-Streaty. NNA's employees give back to the community where they work, building personal pride in the role they play there. NNA executives also take part in the activities, which have seen some 2,500 employees working hard alongside local residents and Habitat for Humanity staff, sharing the joy of achievement. The executive-level commitment is critical in moving this partnership forward.



Nissan employees volunteer their time and energy to help Habitat for Humanity create needed housing.

### Having Fun, Helping Society

Valdez-Streaty hopes people who haven't volunteered yet will take part. "There's something for everyone. Many employees who volunteer learn new skills that they can use at home and also enjoy working alongside fellow colleagues." Employees' enjoyment of helping others makes it possible for Nissan to contribute to the community over the long term.

**" You don't need any special skills; there's something for all of us to do for society. "**



## Employees

SOCIETY'S  
CONCERNS



# “How does Nissan enable its employees to reach their full potential?”

Is Nissan the sort of place where everyone can work?

How safe are the sites where manufacturing takes place?

What about the balance between work and child or nursing care?

NISSAN'S  
ANSWER



Diversity is our driving force. Nissan is creating an environment where all employees can extend their talents to the fullest.

### ■ Diversity as Business Strategy

Nissan believes that diversity is one of a company's greatest strengths. This is because creative and innovative ideas that lead the way forward are more likely to emerge when diverse opinions, held by people with different ways of thinking, are part of the decision-making process. Nissan has made diversity a key part of its management strategy, and in 2004 set up the Diversity Development Office in Japan. The DDO coordinates activities among human-resource divisions overseas and in Japan, in the pursuit of our common goal of achieving sustainable growth for Nissan while respecting diversity.



### ■ Creating Safe Workplaces

Nissan uses risk assessment practices and its own safety management diagnostic methods to help create a danger-free workplace environment by identifying potential risks in advance. We also provide practical instruction in labor safety management to trainees from sites around the world. And we have put together a specialized team led by a clinical psychiatrist to care for the mental health of our employees in Japan.



A labor safety training session aimed at creating danger-free workplaces.

## CSR &amp; MY JOB



## Helping Maintain the Work-Life Balance

### Tomoyuki Takeda

Diversity Development Office,  
Nissan Motor Co., Ltd.

*Joined Nissan in 2002. Currently on  
childcare leave.*



A full-time nutritionist and other staff provide a range of services at the March Land daycare facility in Nissan's Technical Center.

### A Desire to Get Involved

Nissan established its Diversity Development Office in 2004. Takeda joined the DDO in its second round of recruitment, held in 2008, because he wanted to promote work-life balance in all of Nissan's divisions. He has been engaged in various initiatives to promote better use of female employees' talents, and is also striving to foster cultural diversity in Nissan's corporate culture through activities like the development of e-learning training to deepen cross-cultural understanding.

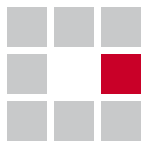
### Work-Life Balance for Male Employees

Companies also need to support male employees' work-life balance. "When my third child was born," Takeda recalls, "I wanted to take that opportunity to boost my household skills so that my wife wouldn't have to abandon her own career and we'd be able to balance child-rearing with our work." Currently on childcare leave, he says that he is "enjoying sharing my kids' experience of learning new things every day."

### Childcare Leave for Men, Too

Employees like Takeda receive computers from Nissan to check e-mail and access the company's intranet during their childcare leave. This has eased Takeda's career concerns while away from the workplace. He wants the benefits of childcare to be made clear in the company: "Standardizing work processes in the course of handing tasks over to another worker as employees prepare for childcare leave will help us all. But the first step is to get more people taking that leave."

**“ I'd like employees in every Nissan department to enjoy a good work-life balance. ”**



SOCIETY'S  
CONCERNS



### “Do Nissan’s Business Partners Also Engage in CSR?”

Who handles CSR at your business partners?

How are Nissan’s working conditions in emerging economies?

What CSR measures do you take with your sales companies?

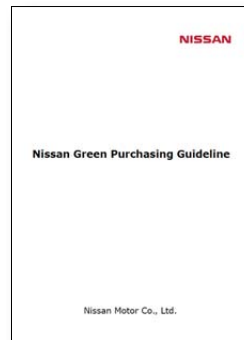
NISSAN'S  
ANSWER



We foster CSR activities throughout the value chain based on our relations of trust with suppliers and sales companies.

#### ■ Creating Guidelines for Suppliers

Nissan has distributed the *Renault-Nissan CSR Guidelines for Suppliers* to all of its Tier-1 suppliers worldwide as a means of unifying CSR activities in a variety of areas, including safety and quality, human rights and labor, and the environment. We also support suppliers' efforts to ingrain CSR more deeply in their activities through briefings on Nissan's thinking on, and procurement policies informed by, CSR.



The *Nissan Green Purchasing Guidelines* set forth our standards for environmentally considerate supplier initiatives.

#### ■ Working with Dealers for CSR Management

To promote consistency in its own and its dealers' CSR management approaches, Nissan carries out activities to strengthen compliance among its dealers in Japan. Specifically, we organize self-inspection programs at all dealerships to ascertain their current level of compliance management and to bring about improvements. In September 2009 and March 2010 we held meetings for dealership representatives to share information on recent trends in compliance and to encourage dealers' initiatives.



## CSR &amp; MY JOB

## Producing CSR Guidelines for Nissan's Suppliers

**Taeko Konno**

Purchasing Administration Department,  
Nissan Motor Co., Ltd.

*Involved in creating the Renault-Nissan  
CSR Guidelines for Suppliers.*

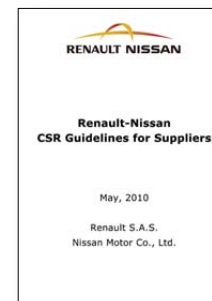
### It Starts with Procurement

"Car manufacturing begins with procuring a huge range of parts," says Konno, "and our ties to suppliers are vital when it comes to CSR." Nissan conducts business all around the world, and its social responsibility has also expanded to the global level. In some countries, though, CSR initiatives still lag behind. Konno became better aware of these initiatives' importance through her involvement in producing the *Renault-Nissan CSR Guidelines for Suppliers*.

### Produced by a Global Team

Nissan compiled the guidelines to help suppliers review their business activities from a CSR perspective and to clearly point them toward further improvements. Konno was involved in the effort to consolidate Renault's and Nissan's CSR views and to coordinate input for the guidelines from Nissan employees at 15 sites in North America and elsewhere. "This effort was time-consuming," she recalls, "because each country had a different procurement situation and understanding of CSR."

**" I want to build a win-win relationship with suppliers. "**



The *Renault-Nissan CSR Guidelines for Suppliers*.



The first Renault-Nissan Alliance suppliers' meeting, held in 2010.

### Growing in Tandem with Suppliers

Konno says her aim, based on the purchasing principles of trust, respect and transparency, is to build a "win-win relationship" with suppliers. The guidelines are the first step toward that end. She states: "Nissan's strength lies in the ability to promote consistent CSR activities throughout the Alliance's supply chain—which is also an advantage for suppliers. We've received a lot of positive feedback from suppliers at the briefings we have held."





## Corporate Governance & Internal Controls



### “How does Nissan ensure compliance with society’s rules and laws?”

Do you have a transparent decision-making process?

Is my personal data being taken care of properly?

How does the company guard against risk?

#### Managing Risk a Job for All

##### ■ Helping the Company Achieve Its Goals

**Motohiro** Put simply, what is risk management?

**Sugawara** At Nissan, we define risk as anything that might prevent us from achieving our business goals. Risk is an inevitable part of decision-making, but if the risks become too big they can severely affect the direction of the company. Risk management involves minimizing uncertainties to help us achieve our targets.

**Motohiro** So while the word “risk” often has connotations of physical danger, for a company, it involves identifying elements of uncertainty that can adversely affect the business and then working actively to address them.

##### Tadashi Sugawara

Senior Manager, Global Internal Audit and Corporate Risk Management Department, Nissan Motor Co., Ltd.

##### ■ Dealing with the Unknown

**Motohiro** What are some concrete examples of risk?

**Sugawara** There's more to it than hazards like earthquakes or influenza outbreaks. There's also the danger that a company might fail to identify risks when deciding its strategy. A new risk became apparent after the financial collapse, for example, when whole markets disappeared and it became impossible for companies to secure adequate cash flow, no matter how much interest they paid. Companies could go bankrupt even though they were in the black. Management now deals with capital liquidity as part of corporate risk. The environment, energy and resource issues are other examples. We also need to be prepared for unknown risks that might arise. It's important to recognize signs of change before that change occurs and to react to conditions as they develop.



Thorough corporate governance is the pillar of Nissan's CSR activities. Numerous monitoring systems ensure transparency in our management.

At the foundation of Nissan's CSR efforts are compliance built on the high ethical standards of all our employees, efforts to enhance data security, and an effective and appropriate global risk management system. Our offices and factories around the world work together to ensure that all employees are properly trained and understand the issues involved. What does risk management mean to Nissan? Below, two employees responsible for risk management and CSR share their views.

**Motohiro** Right. There was a time when people didn't recognize the potential dangers in CFCs and CO<sub>2</sub> emissions. We have no way of knowing how nanotechnology and genetic modification will develop in the future, so it's crucial to remain sensitive to change. What particular aspects do employees need to keep in mind?

**Sugawara** Risk management isn't just my department's responsibility; it's something all employees should be doing as part of their regular work. Among all the measures already in place, maintaining transparency will be increasingly vital in the years to come. Proper risk management means every employee being able to evaluate risk and making appropriate decisions accordingly. We will need to learn to do consciously what we have done unconsciously in the past.

#### ■ The Importance of Trust

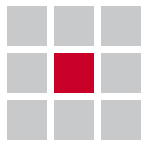
**Sugawara** For companies today, ignoring CSR and concentrating solely on profit is not an option. Winning public trust is essential, and CSR provides the value system that's the basis of all of the company's activities. Risk management supports the robust management of a company and helps it earn the confidence of the public.

**Motohiro** CSR is like the personality of a company. We need to work hard on a daily basis—both as individual employees and as a group—to win the confidence and trust of the public.

#### Yoshie Motohiro

Senior Manager, Global Communications and CSR Division, Nissan Motor Co., Ltd.





## KEY CSR AREAS

# Area Leaders' Messages



### Corporate Governance & Internal Control



**Greg Kelly**  
Senior Vice President

At Nissan we understand that employees are at the heart of everything we do. Every role and every function has an impact on the products and services that we bring to consumers around the world. Because of this, senior management works to ensure leaders of all functions set the example by applying the core principles of the Nissan Way and the Nissan Code of Conduct. This helps to create a culture of management transparency and employee trust, which enables our business to thrive around the world.



### Quality



**Kazumasa Katoh**  
Senior Vice President

A customer comes to a dealership, looks at the cars, makes a deal on one and drives it home to become an owner, after which he gets it checked regularly by service staff. At each stage of this cycle Nissan focuses on quality to win the customer's trust. We are in the third year of our five-year "quality leadership" program, whose end goal is to make us the quality leader by 2012. In May 2010 U.S. Transportation Secretary Ray LaHood praised our recall approach as a benchmark for the industry. We will continue pursuing transparency in management to keep earning trust.



### Economic Contribution



**Joji Tagawa**  
Corporate Vice President

How can Nissan make economic contributions as it pursues CSR? We need determined leadership and sustainable profit. In the short term, many see the costs associated with CSR as working against profitability, but we believe that in the longer term, CSR and corporate performance are synergistic. During the financial crisis Nissan focused on free cash flow, nimbly adjusting production and sales in response to rapid market shifts. We contributed to improved balance sheets for suppliers, dealers and other stakeholders. In the end, this leads to sustained, stable economic contribution in the form of employment and shareholder dividends.



### Environment



**Andy Palmer**  
Senior Vice President

The Nissan Green Program focuses on lowering emissions and increasing resource recycling to reduce our overall environmental impact. In addition to our Zero Emission vehicles, we have established the PURE DRIVE range of CO<sub>2</sub>-reducing technologies, to be available on all vehicles by 2013. We are focused on recyclability, for example with our EV battery "4R" process: reuse, resale, refabrication and recycling. We are also working to obtain green certification for our facilities. We must have the strong support of all employees to reach our goals. I will continue to push for further innovation showcasing Nissan's environmental commitment.

To carry out Nissan's CSR activities on a companywide basis, individual employees must understand CSR, think about how it connects to them and tie this into concrete action. Below eight executives in charge of each of our key areas present their thoughts on Nissan's CSR approach.



## Employees



**Yusuke Takahashi**  
Corporate Vice President

We aim to develop an attractive organization where diverse people can achieve personal growth through our global business. To promote diversity, we are working in particular to support women's career development and to boost cross-cultural understanding, as well as nurturing global talent. Without the growth of its employees, a company cannot achieve growth for itself. In order to secure sustainable growth into the future, and to ensure that employees can work independently to create their own careers, Nissan will continue supporting the development of its employees.



## Value Chain



**Makoto Yoshimoto**  
Corporate Vice President

For Nissan's purchasing department, it is important both to take part in our own company's CSR and to help promote thorough CSR activities throughout the supply chain. This chain is very complex, and to help spread CSR effectively among our suppliers we worked with other Japan Automobile Manufacturers Association members to define common goals, including some of those in the *Renault-Nissan CSR Guidelines for Suppliers* we distributed to our business partners globally. We will continue enhancing our close ties with business partners and working to make CSR a part of our suppliers' operations.



## Safety



**Minoru Shinohara**  
Senior Vice President

The automobile adds richness to people's lives. In order for even more people around the world to enjoy this richness, helping to create a safer mobility society is a must. As part of our longer-term vision of a future with virtually zero accidents, we are working to build safer vehicles in an effort to halve the number of fatal or serious injury accidents involving Nissan cars from 1995 levels by 2015. We also focus on people, helping to boost safe driving habits, and society, creating new transport and communication systems. We want the world to continue enjoying this magnificent product of the twentieth century, the car.



## Philanthropy



**Hitoshi Kawaguchi**  
Senior Vice President

Nissan focuses on education, environment and humanitarian support in its philanthropic activities. We are most active on the environmental front. Our aim is to be a global leader in helping to realize a low-carbon society by providing EVs, a form of zero-emission mobility that address global warming and fears about dwindling oil supplies. We are also working on recharging infrastructure, secondary battery use and rapid recharging facilities. As we help create a new automobile age we are also pursuing energy storage solutions like smart houses and grids. Throughout this paradigm shift, we will contribute to environmental protection.

# Renault-Nissan Alliance

## The Value of Alliance Synergy



Launched on March 27, 1999, the Renault-Nissan Alliance has built a unique business model and created significant value for both companies. Objectively the most enduring, stable and successful of all the global auto industry partnerships, the Alliance now enters its second decade with the same founding principles of trust and the pursuit of strategies aimed at mutual success. Comprising five brands—Renault, Dacia, Renault Samsung, Nissan and Infiniti—the Alliance sold a combined 6.1 million vehicles\* in 2009, making it the fourth largest automotive group in the world.

\*This figure also includes Lada sales (AvtoVAZ of Russia).

### Principles of the Alliance

The Alliance is based on trust and mutual respect. Its transparent organization ensures clear decision-making for speed, accountability and a high level of performance. The Alliance seeks to maximize efficiency by combining the strengths of both companies and developing synergies through common organizations and joint working groups, as well as through shared platforms, components and industrial facilities.

### Alliance Objectives

The Alliance pursues a strategy of profitable growth with three objectives:

1. To be recognized by customers as being among the best three automotive groups in the quality and value of its products and services in each region and market segment
2. To be among the best three automotive groups in key technologies, each partner being a leader in specific domains of excellence
3. To consistently generate a total operating profit among the top three automotive groups in the world, by maintaining a high operating margin and steady growth



	FY2009
No. of employees (consolidated)	169,298
No. of individual investors	273,000
Corporate tax	¥91.5 billion
R&D expenditures (% of sales)	¥385.5 billion (5.1%)
Capital investment (% of sales)	¥273.6 billion (3.6%)
Donations for disaster relief	¥12.0 million
	(by Nissan Motor Co., Ltd. for 2010 Chile earthquake, etc.)
	\$117,000
	(by Nissan North America, Inc. for 2010 Haiti earthquake, etc.)
Nissan Motor Co., Ltd. No. of employees	30,277
Average age (years)	41.8
Average service (years)	20.1
Average annual salary*	¥6,271,632
Disabled employment ratio	approx. 2.1%
No. of employees taking parental leave	161
No. of employees taking nursing care leave	9
No. of unionized employees	27,271

\* For employees not in managerial positions; includes bonuses and overtime pay.

## No. of Employees (as of end of March 2010)

Japan	82,387
North America	24,371
Europe	13,795
Other	48,745
Total (consolidated)*	169,298

\* Includes 17,600 non-permanent workers.

## Nissan and Socially Responsible Investment

In recent years investors have paid more attention to the concept of socially responsible investment (SRI), evaluating corporations from environmental and social perspectives in addition to financial fundamentals. Nissan is proud to be listed as part of the FTSE4Good Index Series, Morningstar SRI index and DJSI Asia/Pacific (as of June 2010).



### FTSE4Good Index Series

This SRI index is managed by the FTSE Group, an independent company co-owned by the Financial Times and the London Stock Exchange.



### Dow Jones Sustainability Asia/Pacific Index

Dow Jones Sustainability Indexes, the world's first global SRI tracking tools, were developed by Dow Jones & Co., Inc. and Sustainable Asset Management. The DJSI Asia/Pacific is a new index launched in January 2009, monitoring leading companies in the Asia-Pacific region.



### Morningstar SRI

The MS-SRI (Morningstar Socially Responsible Investment Index) is managed by financial information services firm Morningstar Japan K.K.

# CSR Specialist Message



**Hiro Motoki**

Deputy Chief Executive  
E-Square Inc.

Part-time Lecturer, Tohoku  
University Graduate School of  
Environmental Studies

A handwritten signature in black ink, appearing to read 'H. Motoki'.

## ■ Great Changes in Mobility

The history of industrial modernization has been intertwined with the development of the automobile society. Cars have brought the benefit of mobility to society, giving us the pleasure of moving freely where we wish. Today mobility is moving into a new age. The unavoidable constraints of climate change and limited energy resources are closing the curtain on the era of internal-combustion engines that use vast quantities of oil. By 2030 we should see a vastly different mobility landscape around the world, including in the area of vehicle safety.

In this era of change, Nissan has decided to become the “leader in zero-emission vehicles” in the automotive industry. People around the world are looking to Nissan for the vision it presents of a bountiful, sustainable mobility society in the future.

In its business management strategy, Nissan positions CSR as a means of pursuing the twin goals of sustainable, profitable growth for the company and sustainable development for society as a whole. It has defined eight key areas for CSR, based on what society expects and requires of it and where it places importance in its activities; these serve as a road map clearly showing the company’s goals and responsibilities as it performs those actions. In terms of the way it makes CSR management principles a core part of its overall organization, I believe Nissan is one of the finest corporations in operation today.

## ■ Growing Expectations

I hope to see Nissan continue presenting this vision of the future mobility society—a dream, but one steeped in reality. This goes beyond the infrastructure needed for the mass introduction of electric vehicles to include lifestyles making use of EVs, the form of mobility in urban and suburban environments, and the transportation of goods. To help build a new society, automakers must fundamentally rethink the scope of their operations and the makeup of their value chains. They will also need to further emphasize partnerships with NGOs and civil society.

## ■ The Role of Nissan’s Employees

At the core of Nissan’s CSR efforts are the combined efforts of every single one of its employees, who take on their daily tasks with sincerity. Now that the new Nissan LEAF has hit the market, Nissan will be attracting yet more global attention as a company helping to build a sustainable mobility society. I hope the company’s employees will take pride in working for Nissan at such a time as they put their own CSR tasks into practice. Nissan, in accurately grasping broad global trends and taking bold decisions in response to them, is certain to contribute to a more bountiful sustainability for all of humanity. This is something Nissan’s employees will achieve through their day-to-day actions over the long term.

## Recent CSR News

### ■ ISO 26000: The First International Standard for Social Responsibility

In November 2010 the International Organization for Standardization (ISO) released ISO 26000. This is a comprehensive, detailed guidance document on social responsibility for a broad range of organizations—businesses, but also hospitals, schools, local governments and NGOs.

To help organizations make a contribution to sustainable development, representatives of government, industry, labor, consumers, NGOs and other stakeholders took part in almost a decade of discussion on and development of this standard. Countries, governments, companies and groups have carried out their own socially responsible activities to date, but with ISO 26000 they will now be able to tackle issues on a global scale with shared understanding. Within this new framework, organizations can check whether they are overlooking anything in their present activities and rethink their CSR approaches. They can also gain a global perspective on the stronger and weaker aspects of those approaches. This first-ever social responsibility standard is attracting attention in emerging economies in particular.

ISO 26000 does not include a certification regime like that found in ISO 14001, the international standard for environment management systems, but it will serve as a benchmark for business partners and investors around the world in judging a corporation, and companies will need to make skillful use of this standard. The ISO 26000 guidance is filled with valuable hints that will help companies to measure the gaps between their own conception of global-scale issues and that of the world community, and to better discern what stakeholders demand of them. It is expected to propel their CSR activities in the future.

### ISO 26000 Overview

- The world's first international standard dealing with social responsibility and intended for use by organizations in all fields
- A guidance document not intended for certification purposes or regulatory or contractual use; not a management system standard
- Developed through a multi-stakeholder process

### ISO 26000 Contents

1. Scope
2. Terms and definitions
3. Understanding social responsibility
4. Principles of social responsibility
5. Recognizing social responsibility and engaging stakeholders
6. Guidance on social responsibility core subjects (organizational governance, human rights, labor practices, the environment, fair operating practices, consumer issues, community involvement/development)
7. Guidance on integrating social responsibility throughout an organization

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## **Nissan Motor Co., Ltd.**

Global Communications and CSR Division  
CSR Group

1-1, Takashima 1-chome, Nishi-ku, Yokohama-shi,  
Kanagawa 220-8686, Japan  
Phone: +81-(0)45-523-5548  
Fax: +81-(0)45-523-5771  
E-mail: NISSAN\_SR@mail.nissan.co.jp

Web (CSR information):  
<http://www.nissan-global.com/EN/COMPANY/CSR/>

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