SUSTAINABILITY REPORT 2013

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NISSAN MOTOR COMPANY

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Sustainability Strategies

NISSAN MOTOR COMPANY

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On the Cover

Nissan LEAF

VIEWING THIS REPORT

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Section Tabs

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Navigation Buttons

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Our Related Websites

CORPORATE INFO	CSR	ENVIRONMENT	SAFETY
CORPORATE CITIZENSHIP	QUALITY	TECHNOLOGY	ZERO EMISSION
IR	INFO LIBRARY	PRODUCTS (GLOBAL)	PRODUCTS (JAPAN)

- Editorial Policy
  Nissan publishes an annual Sustainability Report to communicate to stakeholders its social responsibilities. In this year's report we review the progress and results achieved in fiscal 2012 with a focus on the eight sustainability strategies.
- Scope of the Report
  Period Covered: The report covers fiscal 2012 (April 2012 to March 2013); 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. When describing regional efforts, we refer to the specific region; when no specific region is identified, the descriptions of Nissan's activities and practices pertain to Nissan Motor Co., Ltd. in Japan.
- Referenced Reporting Guideline
  GRI Sustainability Reporting Guidelines (see website for complete GRI guideline table). Specific GRI indicators are listed for each sustainability strategy and in the CSR Data section.
  ▸▸ website
- Date of Previous Report
  Sustainability Report 2012, issued August 9, 2012.
- Reporting Cycle
  Once annually since 2004.
- Third-Party Assurance
  Click here to view the third-party certification.
  ▸▸ page_141

- 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.
- Mistakes and Typographical Errors
  All errors discovered after the report is published will be corrected and displayed on our website.
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- Sustainability Report 2013
  Publication Date: June 24, 2013

* *In 2006 we published our last print edition of the Sustainability Report. Out of consideration for the environment, we now publish the report exclusively online. It can be downloaded from our website as PDF files.*

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ENVIRONMENT | SAFETY | PHILANTHROPY | QUALITY | VALUE CHAIN | EMPLOYEES | ECONOMIC CONTRIBUTION | CORPORATE GOVERNANCE & INTERNAL CONTROL

INTRODUCTION

CORPORATE VISION

Nissan: Enriching People's Lives

CORPORATE MISSION

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

* Our stakeholders include customers, shareholders, employees, dealers and suppliers, as well as the communities where we work and operate.

Blue Citizenship

Guided by its corporate vision of Enriching People's Lives, Nissan aims to contribute to the sustainable development of society through its full range of global business activities in addition to providing value through its products and services. As a leading global automaker, we are committed to all of our stakeholders—including customers, shareholders, employees and the communities where we do business—to deliver engaging, valuable and sustainable mobility for all. Our pioneering efforts to promote electric vehicles and to make mobility more affordable for people in emerging countries are part of our initiatives rooted in this vision.

At Nissan, we call this approach to corporate social responsibility "Blue Citizenship." Through Blue Citizenship, we aim to be a company that meets the expectations of society.

In order to share our CSR-related thinking and activities with as many people as possible, each year we publish this Sustainability Report. We believe that sharing this information broadly with stakeholders increases the transparency of our actions, as well as giving us an opportunity to improve our activities by incorporating external feedback, thereby contributing to the development of a sustainable society.

CEO MESSAGE

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

As one of the world's leading automakers, Nissan has a responsibility to help build a sustainable society. We take this responsibility seriously. Enriching People's Lives is not just our corporate vision, it's an important part of our culture and daily business activities. Whether we're taking steps to conserve resources, enhance safety and fuel-efficiency or expand our philanthropic investments, we are working to create economic value and making a positive, lasting impact in every market we serve. To enhance these efforts, we established Blue Citizenship, Nissan's corporate social responsibility platform, which is allowing us to engage employees, shareholders, customers and entire communities in our ongoing work to contribute to a better world and to deliver sustainable mobility for all.

In addition to internal efforts, for nearly a decade, we have been committed to the core principles of the United Nations Global Compact. Nissan also has been a proud member of the World Business Council for Sustainable Development (WBCSD) since 2001.

Although we have further to go, we continue to make progress in meeting our sustainability goals. As this report details, one area of significant achievement is our environmental management efforts. By implementing Nissan Green Program 2016, our third environmental mid-term plan, we are taking both large and small steps—and harnessing the power of new technologies—to reduce the environmental impact of our operations. We remain as committed to these efforts today as we were at the start of the new millennium, when we set a goal to lower our new vehicles' CO_2 emissions by 90% between 2000 and 2050.

To reach this objective, we will continue to lead the industry in advancing zero-emission technology. We were early investors—and we remain profound believers—in this technology. We also recognize the importance and potential of zero-emission efforts, for the auto industry and the planet.

Improving the deployment of zero-emission vehicles has never been more critical. Today, there are approximately 1 billion vehicles on the road worldwide. With population and demand increases, the total could more than double by mid-century. This raises urgent questions about how we will address expected carbon emission threats and sustainability challenges. Nissan is determined to help find answers that will benefit society. And we will continue working to build on Nissan's pioneering efforts to bring zero-emission technology to consumers. This isn't simply a business objective. It's a responsibility that we have to today's customers—and future generations.

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

COO MESSAGE

A COMPANY THAT GROWS WITH PEOPLE AND SOCIETY

Nissan strives to be one of the leading sustainable companies in the automotive industry. We have clearly defined our intent in the company's CSR vision. We identify and promote eight areas of sustainability strategy to make this vision a reality: (1) environment, (2) safety, (3) philanthropy, (4) quality, (5) value chain, (6) employees, (7) economic contribution and (8) corporate governance & internal control. Every one of them is absolutely essential to build trust in our relationship with society. As one of the world's leading automakers, we believe that it is natural for Nissan to measure up to society's expectations.

With global population now surpassing 7 billion and some estimates pointing to a population of more than 9 billion before stabilization, we face a large number of social challenges related to sustainability in such areas as air, water, oil, energy and recycling. Expectations are growing for companies to address these issues. What is the social responsibility that only Nissan can satisfy?

Nissan pursues the corporate vision of Enriching People's Lives. Providing high-quality, exciting vehicles to our customers and offering people the comfort and convenience that mobility can bring are Nissan's raison d'être. Yet it is true that the very automobile that has improved people's lives with its convenience has had an undeniable impact on the global environment. Vehicles are also involved in accidents that put human life and safety at risk.

We cannot exist simply to provide vehicles and services. We have a responsibility to help address social issues resulting from the growing number of automobiles. Nissan is working together with various stakeholders in order to ensure that the richness of a life with vehicles will be available to the next generation and the generations that will follow. This is our CSR focus and it is defined in the notion of Blue Citizenship. Blue Citizenship represents Nissan's determination to be a corporate citizen that protects our beautiful blue Earth and lives in symbiosis with people and society.

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

OUR CHALLENGE AS A ZERO-EMISSION PIONEER

A major challenge facing humanity is how to reconcile environmental conservation and the joy and comfort that mobility can bring, thus contributing to the achievement of sustainable mobility. Our goal is to reduce the environmental impact and resource consumption of our corporate activities and the entire lifecycle of our vehicles to a level that the planet can absorb naturally by enhancing our energy and resource efficiency and promoting recycling. Nissan Green Program 2016 (NGP2016), our six-year environmental action plan unveiled in 2011, sets well-defined objectives for four key actions: zero-emission vehicle penetration, fuel-efficient vehicle expansion, corporate carbon footprint minimization and new natural resource use minimization. Global efforts are underway.

Nissan LEAF, which is 100% electric, was launched in December 2010. The cumulative sales volume reached more than 62,000 units in May 2013, making it the leader by far in the global EV market. Development of sustainable mobility through zero-emission initiatives is our responsibility for the future as a carmaker. With firm conviction and a strong sense of mission, Nissan is addressing the challenge of developing and promoting EVs, which use no fossil fuels and produce no emissions.

As a zero-emission leader, our mission includes solving issues and clearing up doubts about EVs, such as driving range and availability of charging infrastructure. We are working on solutions by capitalizing on the diversity and cross-functional corporate culture that we have fostered throughout the years. We believe that practically all vehicles should be replaced with zero-emission vehicles, such as EVs and fuel-cell electric vehicles, by 2050 to help protect the global environment. The launch of Nissan LEAF is an initial step. Nissan is creating a totally new global EV market as a zero-emission pioneer, and our efforts are winning recognition worldwide. Nissan was ranked top in the automotive sector, second overall, in the 16th Nikkei Environmental Management Survey conducted by Nikkei Inc. in 2012. Moreover, the company placed 21st in Interbrand's 2012 Best Global Green Brands Top 50.

PROVIDING PEACE OF MIND WHILE CATERING TO SOCIAL NEEDS

Nissan has to ensure safety excellence as an automaker while pursuing driving pleasure and richness of a life with vehicles. Our ultimate goal is "Vision Zero," an aim for zero traffic accidents involving Nissan vehicles that inflict serious or fatal injuries. Toward this end, we are promoting a triple-layered approach consisting of three levels: vehicles, individuals and society.

In the first of these levels, the company is developing technologies that enable a vehicle to help keep the driver away from danger. These undertakings are based on the Safety Shield concept, in which a vehicle protects human beings. We are pursuing a 360-degree driving assistance system as part of a "collision-free car" equipped with functions to detect risks that may result in an accident, give the driver warnings of potential danger and intervene in an emergency to help prevent an accident.

Safety needs are evolving as society changes. For example, the number of elderly drivers is expected to grow along with the aging of Japan's population. We are developing technologies aimed at lessening road-induced anxiety in aged drivers. In emerging countries, we are developing innovations to make the driving experience safer and more worry-free.

OUR SUSTAINABILITY INITIATIVES AND EXTERNAL PROGRESS INDICATORS

A corporation is an integral part of society, and all corporate activities must be relevant to that society. It is critical for Nissan, a member of the global community, to make sure that its operations all around the world meet societal expectations and build trust among all stakeholders. The end goal is to develop a society in which everyone on Earth enjoys richness in life.

An increasing number of consumers choose products or services based not only on quality and price, but also on the attitude toward social issues of the company providing them. Socially responsible investment (SRI), in which investors evaluate the environmental and social performance of a company—not just its financial performance—is drawing wide attention. Nissan has been actively disclosing information that is beneficial to and needed by all stakeholders while ensuring that its management approach fully incorporates CSR concepts.

Monitoring how the company is perceived, understanding societal needs and disclosing relevant information in the area of sustainability are steps that help us grasp social trends. They also provide many clues on forms of business management that maintain win-win relationships with all stakeholders.

The FTSE4Good Index Series is one external indicator that is widely adopted around the world. Nissan has proudly been listed in FTSE4Good since March 2002. For four straight years the company has also been incorporated in the Dow Jones Sustainability Asia/Pacific Index, which is based on an analysis of corporate sustainability performance from the economic, environmental and social standpoints. Ethical investment stock market indices are gaining increasing attention in Japan, too. We were the only automaker included among the Tokyo Stock Exchange's selected stocks on the Environmental, Social and Governance (ESG) theme. Our company was also recognized for encouraging women's success in the workplace when we received the Nadeshiko (active utilization of women) designation in 2013.

Disclosure of our goals and achievements ensures transparency in the eyes of all, and Nissan intends to build this level of trust with all stakeholders.

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

BLUE CITIZENSHIP: NISSAN'S CSR

In addition to providing the obvious benefit of growth with sustainable profits, Nissan seeks to contribute to the sustainable development of society. To this end, we listen carefully to the wide variety of our stakeholders, working with them as we pursue activities that meet society's needs.

NISSAN'S CSR VISION

Guided by the corporate vision of Enriching People's Lives, Nissan seeks to contribute to sustainable social development through all its global activities. Our mission is to provide unique and innovative automotive products and services that deliver superior values to all stakeholders in alliance with Renault.

As a leading global automaker, we also view it as our mission to contribute solutions to the issues facing humanity. We are committed to all of our stakeholders—including customers, shareholders, employees and the communities where we do business—to deliver engaging, valuable and sustainable mobility for all. Through our business activities, we aim to create economic value and to actively contribute toward the development of a sustainable society.

At Nissan, we call this approach to corporate social responsibility "Blue Citizenship." Through Blue Citizenship, we aim to be a company that meets the expectations of society.

Our Corporate Vision	Nissan: Enriching People's Lives
Our Corporate Mission	Nissan provides unique and innovative automotive products and services that deliver superior measurable values to all stakeholders in alliance with Renault.
Our CSR Vision	To be one of the leading sustainable companies in the industry

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Click here for more information on our eight sustainability strategies.

SUSTAINABILITY STRATEGIES

Nissan has defined eight sustainability strategies to form its CSR approach. The three strategies of Environment, Safety and Philanthropy represent actions that we are uniquely positioned to pursue as a leading automaker. While helping to find solutions to issues involving automobiles and contribute to the realization of a truly sustainable mobility society, we aim to be an engine for CSR activities across the entire corporate sector. The other five strategies—Quality, Value Chain, Employees, Economic Contribution and Corporate Governance & Internal Control—are also domains of action that we must pursue to continue being a company that is trusted and needed by society. By steadily advancing these eight sustainability strategies, Nissan fulfills its responsibilities to society as a company and builds trust.

Nissan's Eight Sustainability Strategies

1 ENVIRONMENT
Nissan aims to lead a social transformation aimed at bringing about a sustainable mobility society by reducing vehicles' environmental impact throughout their lifecycle and expanding the lineup of effective green products and technologies.

2 SAFETY
Nissan develops innovative technology and plays an active role in safety promotion, making the automobile society safer for all.

3 PHILANTHROPY
Nissan carries out social contribution activities as a corporate citizen, focusing on the environment, education and humanitarian support.

4 QUALITY
Nissan provides top-level quality in its products and services around the world.

5 VALUE CHAIN
Nissan promotes ethical, environmentally sound actions in all stages of the supply chain.

6 EMPLOYEES
Nissan aims to form an attractive organization where diverse human resources can achieve personal growth through experience in global business.

7 ECONOMIC CONTRIBUTION
Nissan aims for sustainable, profitable growth, contributing to economic development for all of society.

8 CORPORATE GOVERNANCE & INTERNAL CONTROL
Nissan aims to conduct fair, impartial and efficient business activities, having a high degree of transparency and consistency by adhering to the applicable laws and corporate rules.

COMPANY ORGANIZATIONS FOR CSR

In fiscal 2011, the CSR division came under direct control of Chief Executive Officer Carlos Ghosn. Within the organization, CSR has become a central aspect of corporate management.

In the past, the CSR Steering Committee was responsible for setting goals and confirming progress in the eight sustainability strategy areas, managing CSR activities in a comprehensive way throughout the company. Beginning in fiscal 2013, the Executive Committee, Nissan's top decision-making organ, is defining the overall course to be taken and the measures toward achieving the company's sustainability goals. The Executive Committee includes 10 members directly involved in company management, from the executive vice president level on up. Unlike the CSR Steering Committee, which met just once each year, the Executive Committee convenes monthly, allowing speedy, focused decisions to be reached. By closely linking CSR actions and business operations, Nissan is pursuing corporate management that consistently aligns the twin goals of sustainable profit and growth for the company and sustainable development for society.

Nissan's CSR Decision-making Process

Nissan's CSR Scorecard

Nissan makes year-round use of the CSR scorecard* as a fundamental tool for monitoring and reviewing its progress. On its vertical axis we list the eight sustainability strategies to check balances among 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

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* Click here for our latest scorecard.

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.

Nissan's CSR Scorecard

WORKING WITH STAKEHOLDERS

Building trust with stakeholders

Nissan strives to conduct its business in a way that aligns corporate activities with the demands of society, incorporating social views into our business activities. In order to accept more input from our stakeholders, we listen carefully to the voices of society and seek to identify the seeds of both opportunity and risk. The framework for this plan is built around the PDCA, or "plan, do, check and act," cycle shown below.

PDCA Cycle to Promote CSR

Communicating Nissan's CSR Activities Internally

In addition to sharing information with the public via the Sustainability Reports and online, Nissan has long been committed to communication inside the company. We have enhanced this internal communication to prompt individual employees to consider their connection to CSR and translate this into concrete action.

In June 2012 we published "Blue Citizenship Stories,"* presenting our Blue Citizenship (CSR) thinking and actions, on our intranet and public website. We also distributed this to all employees in Japan. Beginning in fiscal 2012, we included CSR-related sessions in training for new employees and newly promoted managers. On a new website titled "CSR Headlines," part of WIN (Workforce Integration @ Nissan), our employee portal site, we report on Nissan's activities, as well as a range of information related to CSR in general.

▸▸ website

* Click here to download "Blue Citizenship Stories."

Nissan and Socially Responsible Investment

Today socially responsible investment (SRI), which examines not just companies' balance sheets but their performance in terms of the environment and society, is a growing trend in the investment field. Nissan promotes CSR-oriented management and actively discloses information to cater to such investors. As of June 2013, Nissan is in SRI indexes including the Dow Jones Sustainability Asia/Pacific Index, the FTSE4Good Index Series and the Morningstar SRI Index.

Dow Jones Sustainability Indexes
Member 2012/13

Dow Jones Sustainability Asia/Pacific Index
The Dow Jones Sustainability Index (DJSI) is an SRI index managed by the U.S. company S&P Dow Jones Indices LLC and the Swiss firm RobecoSAM AG. The Dow Jones Sustainability Asia/Pacific Index was launched in March 2009 with coverage of companies in the Asia-Pacific region.

FTSE4Good

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.

MS-SRI | Morningstar Socially Responsible Investment Index

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

NADE SHI KO BRAND 2013

TSE Themed Investment Selection
The Tokyo Stock Exchange, Inc. selects companies on the basis of certain themes, including them in its Theme Issues List for investment. Nissan was selected for the first theme, Environmental, Social and Governance (ESG), in 2012 and for the third theme, Nadeshiko (active utilization of women), in 2013.

▸▸ website

Click here for more information on FTSE4Good. http://www.ftse.com/ftse4good/index.jsp

Nissan as a Responsible Global Citizen

THE GLOBAL COMPACT
WE SUPPORT

Since January 2004, Nissan has participated in the United Nations Global Compact, a corporate responsibility initiative built around 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.

In order to convey its progress in activities that contribute to fulfilling these 10 principles, Nissan publishes its annual Sustainability Reports on the U.N. Global Compact website.

▸▸ website

Click here for more information on the Global Compact.

The 10 Principles of the Global Compact

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses.

Labor Standards

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: the elimination of all forms of forced and compulsory labor;
Principle 5: the effective abolition of child labor; and
Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

The World Business Council for Sustainable Development

Nissan is a member of the World Business Council for Sustainable Development (WBCSD), an international association of forward-thinking companies that galvanizes the global business community to create a sustainable future for business, society and the environment. The WBCSD provides a forum for its 200 member companies—which represent all business sectors, all continents and a combined revenue of more than $7 trillion—to share best practices on sustainable development issues and to develop innovative tools that change the status quo.

▸▸ website

Click here for more information on the WBCSD.

RENAULT-NISSAN ALLIANCE

Nissan has greatly increased its global footprint and achieved dramatic economies of scale through the Renault-Nissan Alliance, a unique and highly scalable strategic partnership founded in 1999.

In 2012, the Alliance sold a record 8.1 million vehicles, representing about 1 in 10 new cars sold worldwide.* Our vehicles are marketed under the following brands: Nissan, Infiniti, Venucia, Renault, Renault Samsung Motors, Dacia and Lada (AVTOVAZ).

* Including sales by Russia's AVTOVAZ.

RENAULT NISSAN

The Alliance's Vision

Although it was initially considered a unique arrangement in the late 1990s, the Alliance quickly became a model for similar partnerships in the auto industry. The Alliance itself has entered cooperative relationships with Germany's Daimler, China's Dongfeng Motor Corp., Russia's AVTOVAZ and others, and it continues to prove itself as the industry's most enduring and successful partnership.

The Alliance is based on the rationale that substantial cross-shareholding investments compel each company to act in the financial interest of the other while maintaining individual brand identities and independent corporate cultures. Renault currently has a 43.4% stake in Nissan and Nissan holds a 15.0% stake in Renault. The cross-shareholding arrangement requires mutual trust and respect, as well as a transparent management system focused on speed, accountability and performance.

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

website

Click here for more information on the Renault-Nissan Alliance.

The Alliance remains committed to developing synergies through common organizations such as the Renault-Nissan Purchasing Organization (RNPO), joint working groups and shared platforms, components and industrial facilities. The Alliance is also keenly focused on maintaining its clear lead in sustainable transportation.

Zero-Emission Leadership

The Renault-Nissan Alliance is the only automaker with a wide range of 100% electric vehicles (EVs), which can be charged with purely renewable energy.

In 2012, global sales of all zero-emission vehicles across the Alliance were 43,829 units, up 83.8% from 2011 as Nissan LEAF sales increased worldwide and Renault launched two more EVs. The Alliance's worldwide zero-emission market share stood at 64%, excluding the Twizy, Renault's two-seater urban commuter. Since sales began in December 2010 to the end of 2012, the Alliance sold 67,723 zero-emission vehicles globally.

The Nissan LEAF hatchback is by far the world's best-selling zero-emission car. In calendar 2012, Nissan sold 26,976 units globally, an increase of 22% from 2011. Cumulative sales of Nissan LEAF reached 49,117 units from its launch in December 2010 through the end of 2012..

In addition to Twizy, Renault sells the Kangoo Z.E., named International Van of the Year 2012, the Fluence Z.E., an all-electric sedan based on the conventional Fluence sedan, and the subcompact zero-emission ZOE.

The Alliance is also working on fuel-cell electric vehicles (FCEVs; see Daimler section below) and other future strategies in advanced zero-emission technology.

Strategic Cooperation with Daimler

The Alliance seeks out strategic alliances with other partners in order to increase economies of scale to help accelerate growth in new regions, to fund research and development of next-generation powertrains and to build vehicles that meet or exceed tougher environmental requirements for a sustainable future.

With that in mind, the Alliance announced a strategic cooperation with Daimler AG in April 2010. This stable, long-term relationship enables each party to generate economies of scale, to share new investments and existing production capacities and to share development costs on new products and new technologies.

This strategic cooperation is strengthened by cross-shareholdings, with Daimler holding 3.1% shares in both Renault and Nissan capital and Renault and Nissan each holding a 1.55% share in Daimler.

2012 was an important milestone for the cooperation with the first tangible results of the collaboration visible on the road:

- The jointly developed Renault-Daimler 4-cylinder 1.5-liter direct injection turbo diesel engine had its market introduction in the new Mercedes-Benz A-Class.
- Mercedes-Benz Vans expanded its range of light commercial vehicles with the launch of a new entry-level model, the Citan (based on the existing Kangoo), which also features the jointly developed 1.5-liter engine. The vehicle is built in Renault's Maubeuge plant in France.

Among new projects added to the portfolio:

- Nissan and Daimler announced they would produce Mercedes-Benz 4-cylinder gasoline engines together at Nissan's powertrain assembly plant in Decherd, Tennessee. Production will begin in 2014, with installed capacity of 250,000 units per year once full ramp-up is achieved. The Decherd facility will produce engines for Mercedes-Benz and Infiniti models.
- Nissan and Daimler entered into a manufacturing and development license agreement for a new automatic transmission currently being developed by Daimler. Jatco will manufacture the automatic transmission in Mexico for Nissan and Infiniti vehicles starting in 2016.
- The Renault-Nissan Alliance and Daimler announced an agreement in January 2013 with Ford to accelerate the commercialization of FCEV technology. The collaboration is expected to lead to the world's first affordable FCEVs for the mass market as early as 2017.

In addition, the following "pillar projects" originally launched in April 2010 remained on track:

- The Smart/Twingo project has an expected launch date of 2014. Two-seater Smart production will take place in Hambach, France, and four-seater Smart and Twingo production will be at Renault's plant in Novo Mesto, Slovenia.
- The cross-supply and joint development of powertrains continues. Renault is supplying Daimler with compact 3-cylinder gasoline engines and 4-cylinder diesel engines to be used in the small-car segment (Smart, Twingo). In addition to the jointly developed engine for the Mercedes-Benz Citan van, Renault is also supplying components for the next generation of Mercedes-Benz's premium compact cars. Daimler will supply Nissan and Infiniti with 4- and 6-cylinder gasoline and diesel engines from the current and future engine portfolio.

ENVIRONMENT

Nissan's environmental philosophy, "a Symbiosis of People, Vehicles and Nature," expresses our ideal picture of a sustainable mobility society.

As a global automaker, Nissan takes active steps to identify the direct and indirect impacts of its businesses on the environment to help minimize them. Our goal is to reduce the environmental impact caused by our operations and Nissan vehicles throughout their lifecycle to a level that can be absorbed naturally by the Earth by promoting effective use and recycling of energy and resources. For the sake of the planet and generations to come, and to help the development of a sustainable mobility society, Nissan provides customers with innovative products.

OUR PRIORITIES

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New Natural Resource Use Minimization ___p. 33

Environmental Management Promotion ___p. 36

KEY FIGURES

Carbon footprint	
Direct greenhouse gas emissions (GHG Protocol Scope 1)	**835,766 t-CO_2**
Indirect GHG emissions from electricity, heat, steam consumption (Scope 2)	**2,432,889 t-CO_2**
Other indirect GHG emissions (Scope 3)	**468,346 t-CO_2**
Water resource use	**27,585,000 m^3**
Total waste produced	**170,910 tons**

▸▸ GRI G3 Indicators
▸▸ EN8/EN16/EN17/EN22

▸▸ page_118-142

Click here for detailed information on our environmental data.

NISSAN'S APPROACH TO THE ENVIRONMENT

The increasing global population and the rapid growth of the world economy have effects on the global environment, from environmental degradation and climate change to issues of supply and demand of energy, resources, water and food. According to a United Nations forecast, by 2050 the global population will have grown from the present 7 billion to an estimated 9 billion, with 70% of the population living in cities. The demand for natural resources and energy will increase significantly.

Ensuring the balance of economic growth and the natural environment is a major challenge facing humankind as we continue to pursue personal and collective prosperity. The automobile industry must work not only to help reduce CO_2 emissions, but also to reinvent its business structures to reduce reliance on fossil fuels.

According to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), it is necessary to stabilize atmospheric CO_2 at 450 parts per million or lower in order to keep average temperatures from rising more than 2 degrees Celsius on a global basis. Based on this assumption, we have calculated that "well-to-wheel" CO_2 emissions for new vehicles will need to be reduced by 90% in 2050 compared with levels in 2000. To help achieve this 90% reduction, the efficiency of our internal combustion engines will need to improve in the short term. Over the long term, we need to increase the adoption of electric vehicles and fuel-cell electric vehicles (EVs and FCEVs) and to make use of renewable energy to power these technologies while each country and region moves toward more renewable energy sources. We are advancing technological development on the basis of this future scenario. Specifically, we are concentrating our efforts on two pillars: zero-emission,[*1] which involves widespread use of zero-emission vehicles in a holistic approach to promote a sustainable society, and PURE DRIVE,[*2] which reduces CO_2 emissions by developing fuel-efficient internal combustion engine technologies and introducing them into the market.

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[*1] Click here for more information on our zero-emission efforts.

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[*2] Click here for more information on PURE DRIVE.

Our CO_2 Reduction Scenario

Source: IPCC

FISCAL 2012 PERFORMANCE

- Sales of the all-electric Nissan LEAF were 30,500 units and cumulative sales since its launch through the end of March 2013 exceeded 58,000 units.
- 24.9% improvement in corporate average fuel economy (in Japan, U.S., Europe, China, vs. fiscal 2005)
- 8.3% reduction in CO_2 emissions from corporate activities (t-CO_2/vehicle, vs. fiscal 2005)
- EV motor using less rare earth elements developed and adopted in Nissan LEAF
- CO_2 emission reductions in each phase of the value chain:
  production 2,822 kton, logistics 1,490 kton,
  use of Nissan vehicles 91,234 kton,
  energy use in offices 290 kton, employee commutes 468 kton*

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* CO_2 emissions of 215 kton from consolidated employee commutes in Japan, U.S. and Europe have received third-party certification. For details, please refer to the environmental data at the end of this report.

FUTURE MEASURES

- Prepare for launch of all-electric commercial vehicle, e-NV200
- Introduce hybrid models: Pathfinder for the Nissan brand; Q50, QX60 for the Infiniti brand
- Reduce CO_2 emissions by introducing three-wet-paint process in plants globally

NISSAN GREEN PROGRAM 2016

Nissan launched its new six-year environmental action plan, Nissan Green Program 2016 (NGP2016), in fiscal 2011. NGP2016 is based on thorough materiality assessments focusing on factors with critical impact on the company's business. These assessments include input from energy and resource specialists around the world, as well as survey results, to gauge understanding and opinions on environmental issues and Nissan's activities, in addition to the expectations of employees working in Japan on what Nissan should set as priorities in its business.

NGP2016 focuses on reducing the environmental impact of Nissan's corporate activities and pursuing harmony between resource consumption and ecology. We aim to promote efficient use of energy and resources and to promote and widen the application of green technologies that were developed under NGP2010, our previous environmental action plan. NGP2016 has four specific key actions that involve activities in development, manufacturing, sales, service and all other departments companywide: zero-emission vehicle penetration, fuel-efficient vehicle expansion, corporate carbon footprint minimization and new natural resource use minimization.

In the long term—even taking into account plans to increase sales volume globally—by promoting the Nissan Green Program activities, we forecast that CO_2 emissions from our new vehicles and corporate activities will peak in the 2020s and then subside, while the volume of new natural resource use will be maintained at the level of the 2010s.

Ultimate Goal and Key Issues

CONTENTS | INTRODUCTION | CEO MESSAGE | COO MESSAGE | BLUE CITIZENSHIP: NISSAN'S CSR | RENAULT-NISSAN ALLIANCE | CSR DATA | THIRD-PARTY COMMENT

ENVIRONMENT | SAFETY | PHILANTHROPY | QUALITY | VALUE CHAIN | EMPLOYEES | ECONOMIC CONTRIBUTION | CORPORATE GOVERNANCE & INTERNAL CONTROL

NGP2016 Progress List

Main areas	Action plans		FY2012 progress	See page
Zero-emission vehicle penetration	1.5 million cumulative EV sales with Alliance partner Renault		Global Nissan LEAF sales: about 30,500 units in fiscal 2012, and 58,000 units cumulatively since 2010 launch	p. 20
		Introduce four EVs including Nissan LEAF	Promoted field test of the e-NV200	p. 21
		Prepare to introduce fuel-cell electric vehicle (FCEV) into market	Signed agreement for joint development of common fuel-cell system with Daimler AG and Ford Motor	p. 22
		Take global leadership in supplying batteries for electric-drive	Started battery production by Nissan North America and Nissan Motor Manufacturing (UK)	p. 23
		Help create zero-emission society utilizing EVs and their derivative technologies with partners ▸ Develop EV charge/discharge system and information network ▸ Demonstrate smart house/community/grid, starting from Yokohama	Launched the "LEAF to Home" power supply system using Nichicon's EV Power Station Promoted rollout of "LEAF to Home" power supply system at public facilities, houses, condominiums	p. 23-24
		Provide energy storage solution with used EV batteries through "4R" business	Promoted use of EV batteries as stationary power units for houses, apartment buildings	p. 25-26
Fuel-efficient vehicle expansion	Improve CAFE* by 35% from FY2005 (Japan, U.S., Europe, China) * Corporate average fuel economy; meet or exceed regulatory requirements		Improved CAFE by 24.9% from FY2005	p. 26
		Introduce top fuel-efficiency models in various classes	These models had top fuel efficiency in their classes: ▸ Note, Latio in Japan ▸ Altima in U.S. ▸ Sylphy in China	p. 27
		Introduce FF-HEV in C class and above; expand FR-HEV offerings	Introduced Cima Hybrid, Serena S-Hybrid in Japan	p. 27
		Introduce plug-in hybrid vehicle (P-HEV)	Promoted P-HEV development	p. 27
		Introduce next-generation CVT globally; expand CVT sales to 20 million cumulative units from 1992	Global CVT-equipped vehicle sales of 2.28 million; cumulative total since 1992 of 13.36 million	p. 27-28
		Develop lightweight technologies with structure optimization, new materials and new manufacturing processes	Developed and used 1.2 gigapascal ultra-high tensile strength, highly formable steel in the Infiniti Q50, achieving weight reduction of about 40 kg	p. 28
	Contribute to CO_2 reduction by ITS technologies		Worked with Beijing Municipal Commission of Transport to confirm effectiveness of dynamic route guidance to disperse traffic congestion	p. 28
		Collaborate with Beijing city government to improve traffic congestion, promote eco-driving		
Corporate carbon footprint minimization	Reduce CO_2 emissions of corporate activities by 20% (t-CO_2/vehicle, vs. FY2005)		Reduced 8.3% from FY2005	p. 29
		Reduce by 27% in all manufacturing sites (t-CO_2/vehicle, vs. FY2005)	Reduced 15.2% from FY2005	p. 29-30
		Promote activities to reduce CO_2 emissions in inbound/outbound logistics	Promoted measures including introduction of *Nissei Maru*, our fourth energy-efficient auto shipping vessel	p. 31-32
		Reduce by 1%/year in offices (Japan, North America, Europe, China, t-CO_2/unit)	Increased 17.7% from FY2010	p. 32
		Reduce by 1%/year in dealers (Japan, t-CO_2/unit)	Increased 1.8% from FY2010	p. 32
New natural resource use minimization	Increase recycled material usage ratio per vehicle by 25% in Japan, US and Europe		Activities promoted	p. 33
		Expand closed-loop recycling scheme with business partners ▸ Collect and recycle scrap, waste from vehicle production ▸ Collect and recycle end-of-life vehicles (ELVs)	Started activity to collect steel and aluminum sheet scraps generated during production, recycle them into steel and aluminum sheets for use	p. 34
		Improve ELV recovery rate ▸ Achieve top level ELV recovery rate (Japan) ▸ Promote proper treatment and resource recovery globally	Achieved recovery rate of 99.3% in Japan; efforts underway globally	p. 34
	Reduce scarce resource usage	Reduce critical metal, rare earth usage Comply with emission regulations in each region with minimum precious metal usage	Developed and applied a new electric motor to reduce use of rare earth dysprosium by 40% in Nissan LEAF	p. 34
	Reduce waste	Reduce waste by 2%/year (Japan) and 1%/year (global) in manufacturing plants Reduce waste in logistics by expanding best-practice activities	Waste reduced by 10.3% in Japan plants and 3.2% in global plants	p. 35
	Promote water-usage management and reduction in all plants		Set targets, started activities to reduce water use in Spain, Egypt and South Africa	p. 36
Environmental management promotion	Enhance and promote environmental management throughout supply chain (consolidated companies, sales companies, suppliers)		Briefing held about NGP2016 with consolidated manufacturers and suppliers; environmental objectives and environmental data, activities reporting added to management items for suppliers to understand and promote reduction of environmental impact upstream in the supply chain	p. 37
	Promote reduction, substitution and management of environment-impacting substances		Added our global policy related to environment-impacting substances in the Nissan Green Purchasing Guidelines and distributed it to our suppliers	p. 38
	Reduce environmental impact of products with lifecycle assessments (LCAs)		CO_2 assessments underway as part of product LCAs	p. 40

COMPANY ORGANIZATIONS FOR THE ENVIRONMENT

To achieve the NGP2016 goals, Nissan organically links its product and technical development, production, logistics, marketing, sales and other divisions to ensure maximum results. Toward this end, the company has created a global framework for environmental management and is setting targets and implementing action plans in all areas of its activity.

To carry out its global environmental management, Nissan has established an organizational approach linking its various functions and regions. The Global Environment Management Committee (G-EMC), headed by the chief operating officer, meets twice annually to determine overall policies and the proposals to be put before the Executive Committee. The Environmental Planning Department, which is a part of the Corporate Planning and Business Development Division, launched in 2007, determines which proposals will be forwarded to the G-EMC and assigns specific actions to each division. This department is also responsible for the efficient management and operation of environmental programs based on the PDCA (plan, do, check, act) cycle. In fiscal 2012, we established the European Environmental Management Committee (E-EMC) to deeper manage and implement measures.

In Japan, we have obtained integrated ISO 14001 certification* for all of our business facilities. Within this system the COO takes direct charge of managing and promoting Nissan's environmental activities. The coordinated goals set by the COO for the entire company are shared with all facilities and employees, allowing the entire company to engage in these activities. The COO also receives reports twice each year on the progress and results of Nissan's activities and on further measures to be implemented. By putting the PDCA cycle to use in this way, we constantly improve our environmental performance.

We also hold Advisory Meetings, where we solicit the ideas of leading experts and organizations, and examine assessments from rating organizations. We use this information to better assess Nissan's goals and activities, further enhancing our environmental measures.

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* Click here for more information on our ISO 14001 certification.

Our Framework for Global Environment Management

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Click here for more information on Nissan as a Sincere Eco-Innovator.

Environment Management Organization

Stakeholder Engagement

There are many stakeholders in all the stages of the value chain—from the extraction of resources needed to make vehicles to manufacturing, shipping, use and disposal of end-of-life vehicles. Nissan analyzes the reliance on resources and energy, impact on the environment and means of reducing that impact throughout the value chain. Based on this analysis, we position our customers all around the world, shareholders, investors, suppliers and other business partners, employees, governments, NGOs, residents of communities where we do business and even future generations as important stakeholders. Through a broad range of approaches, we identify stakeholder views and the diverse needs of society, taking them into consideration as we develop and implement environmental strategies.

As one example, Nissan holds regular Advisory Meetings with participation by researchers and experts who lead the environmental field in the academic and industrial worlds, as well as leading business people from various sectors. There they discuss the direction and appropriateness of Nissan's business strategies with members of the company's Board of Directors. This input is then considered in those strategies going forward.

Materiality Analysis

To reduce environmental impact, countries around the globe implement various regulations that affect the automotive industry in areas like exhaust emissions, CO_2 output, fuel efficiency, noise, chemical substances and recycling, and these are becoming more stringent year by year. To meet these tougher regulations and to respond to society's demands, Nissan uses materiality assessments to analyze potential opportunities and risks. We make those issues viewed by both Nissan and stakeholders as important our priority areas, working them into our environmental strategy.

Materiality Matrix

Environmental Issues for Nissan

Nissan believes that over the long term, the spread of zero-emission vehicles that produce no CO_2 during operation will be an effective way to reduce CO_2 emissions. With our Alliance partner Renault, we have set the goal of zero-emission leadership and are promoting uptake of zero-emission cars and aiming to bring about a sustainable mobility society. At the same time, we continue to develop new technologies to improve the fuel efficiency of our internal combustion engines.

Nissan also makes full use of the benefits of working together with Renault on environmental technologies and vehicles. This joint approach to technological development is both effective and efficient.

Nissan is also deeply aware of the importance of such issues as management of chemical substances, waste reduction, recycling and the potential depletion of water, energy and resource materials in certain regions, or globally in the future. We are taking steps throughout the value chain to address these issues.

ZERO-EMISSION VEHICLE PENETRATION

Electric vehicles (EVs) are a product showing that what is good for the public and the planet is also good business. Under the Alliance with Renault, Nissan is engaged in a comprehensive approach involving boosting the production and sales of EVs as well as various activities through a wide range of zero-emission partnerships for popularization of EVs.

Zero-Emission Leadership for the Alliance

Nissan's commitment to sustainable mobility begins by addressing concerns over climate change and supports sustainable profits for Nissan by satisfying customers' demands for more environmentally friendly vehicles. Greater movement toward renewable energy such as solar, wind and hydropower in the future is expected to further enhance this segment, as EVs will be able to use energy from a variety of sources.

Nissan LEAF globally sold about 30,500 units in fiscal 2012, and cumulative sales exceeded 58,000 units from its debut in December 2010 through March 2013, making it the best-selling EV in the world. Nissan is planning to introduce three additional EV models; combined with Renault's four EV models already on the market, this will bring the Alliance total to eight EVs. The Renault-Nissan Alliance will continue to lead the auto industry with the highest level of global EV sales.

The Updated Nissan LEAF

Nissan LEAF, our all-electric vehicle, runs on a lithium-ion battery and electric motor and emits no CO_2 or exhaust during operation. This EV offers excellent performance and driving feel, with smooth, strong acceleration and quiet delivery across a speed range comparable to that of upscale models, as well as great handling stability realized by well-balanced weight distribution. All of this has earned Nissan LEAF high marks from its customers since its debut in 2010. In November 2012, we launched the updated Nissan LEAF in Japan. This improved version achieved weight reduction of up to 80 kg with its combined powertrain unit, integrated functions, and streamlined battery module and case structure. Additional improvements to the regenerative braking system and optimization of the battery controls have enabled a maximum driving range of 228 km on a full charge (as measured in JC08 Japan test mode).

We also show consideration for the environment in Nissan LEAF's manufacturing stage, such as by using a highly capable motor that reduces usage of the rare earth element dysprosium by 40% compared to the previous model. The advanced IT systems onboard the vehicle have allowed the driver to control some functions remotely, via a smartphone or other device, since Nissan LEAF was first launched. In the updated model, we have responded to customer requests with enhanced driver support functions, such as guidance on recharging stations nearby and the most energy-efficient routes to take. The updated Nissan LEAF went on sale in the United States and Europe in 2013.

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* Click here for more information on the lifecycle assessment on Nissan LEAF.

Our calculations show that Nissan LEAF produces considerably less CO_2 emissions over its entire lifecycle, from manufacturing to end-of-life disposal, compared to gasoline-powered vehicles of the same class.* EV batteries can do more than just provide power for driving. As energy storage devices, they can play a key role in supporting the broad rollout of renewable energy. This makes them a promising contributor to the achievement of a low-carbon society as a whole—not just the vehicles within that society.

Nissan plans to bring many new EVs to the market, including the all-electric commercial vehicle e-NV200 and luxury models under the Infiniti brand.

Nissan LEAF

Zero-Emission Taxis Around the World

In January 2013 Nissan announced it would provide 10 Nissan LEAF units for use in the taxi fleet of the city of Zurich. A total of 20 Nissan LEAF taxis are scheduled to be on the roads by the middle of the year. City officials project that EVs will comprise fully 15% of its taxi fleet by 2015, and work is underway to build a network of quick-charging stations to support them. Relying on zero-emission vehicles for taxis is of course a way to reduce CO_2 emissions from this mode of travel. It is also a way to establish the practicality of EVs in real-world testing and to spread these vehicles as a proven means of travel for individuals.

A growing number of large cities around the world are turning to Nissan LEAF as a taxi vehicle, including Amsterdam, New York, Tokyo, Mexico City, Sao Paulo and Guangzhou, China.

Field Testing for the e-NV200

The e-NV200—Nissan's second mass-produced all-electric vehicle, following Nissan LEAF—is scheduled to launch in fiscal 2014. Nissan has road tested the e-NV200 since 2011 with several other major companies, including the Japan Post Service Co., AEON Retail Co., Ltd., Coca-Cola Central in Japan, British Gas in Europe and FedEx Express as a global project. Nissan is using the feedback from the field testing to refine and enhance the final development of the vehicle.

Providing a large, multi-use interior space to both business and private users, the e-NV200 small van will deliver innovation in the commercial vehicle market and further Nissan's leadership in the EV market. Combining the advanced powertrain of Nissan LEAF with the roominess and versatility of the NV200 base vehicle will deliver not only zero CO_2 emissions but also excellent acceleration and quietness.

e-NV200

Venucia e30 Unveiled at Guangzhou Motor Show

Boosted by a Chinese government plan to develop the industry for energy-efficient and new-energy vehicles, the market in China is seeing growth in EVs and plug-in hybrid vehicles. Dongfeng Nissan Passenger Vehicle Company—a division of Dongfeng Motor Co., our joint venture in China with the Dongfeng Group—will market the Venucia e30, a 100% electricity-powered vehicle, by 2015. With the Venucia mark, Dongfeng Nissan aims to offer high-quality, high-utility models that are within the reach of all Chinese drivers. In 2013 pilot programs will begin in 15 cities, including Guangzhou and Dalian, to put the Venucia e30 to use and test practical use of EVs on China's roads.

Commercial Viability of Fuel-Cell Electric Vehicles

Fuel-cell electric vehicles (FCEVs) are another type of zero-emission vehicle producing no CO_2 or other emissions. Powered by electricity generated from hydrogen and oxygen, they emit only water during driving. FCEVs are the obvious next step to complement today's battery-powered EVs as our industry embraces more sustainable transportation. Our FCEVs make use of the lithium-ion batteries and high-power electric systems refined in our EV development, as well as the control systems from our hybrid vehicles and the high-pressure gas storage technologies from our compressed natural gas vehicles (CNGVs). In 2011, we announced the development of the hydrogen supply infrastructure in Japan with 12 other companies toward the launch of FCEVs.

We also unveiled the next generation fuel-cell stack for our FCEVs. According to our calculations, the new stack provides a power density 2.5 times greater than the previous model, at 2.5 kW per liter. This reduces the use of platinum and the variation of parts to one quarter the levels of the 2005 model, thereby allowing us to reduce its size to less than half and the cost to one-sixth.

In January 2013, Daimler AG, Ford Motor Company and Nissan, under the Alliance with Renault, signed a unique three-way agreement for the joint development of a common fuel-cell system. The goal of the collaboration is to jointly develop an FCEV system while reducing investment costs associated with the engineering of the technology, lowering manufacturing costs through economies of scale and integrating the companies' knowledge. This will help us to launch the world's first affordable, mass-market FCEVs as early as 2017.

Pursuing a Zero-Emission Society

The widespread use of zero-emission vehicles, which produce no CO_2 emissions during operation, is an effective way of helping to achieve sustainable mobility. The auto industry must go beyond producing and selling zero-emission vehicles to help put the necessary infrastructure in place and assure that the vehicles are economical to use—goals that no company can accomplish on its own. The Renault-Nissan Alliance, with its commitment to zero-emission leadership, is promoting the development and production of EVs, zero-emission mobility and construction of needed infrastructure, forging more than 100 zero-emission partnerships with national and local governments, electric power companies and other partners.

We are also taking part in a comprehensive range of initiatives focusing on zero-emission mobility, including the production of lithium-ion batteries, secondary use and recycling of batteries, in-house manufacture and sale of quick-charging equipment, construction of vehicle-charging infrastructure and standardization of charging methods with other manufacturers. Increased uptake of zero-emission vehicles will bring changes to people's lifestyles, laying the groundwork for a sustainable mobility society. Nissan provides more than just EVs themselves; we propose the new values that they offer as well.

A Comprehensive Approach to a Zero-Emission Society

Local Production of Nissan LEAF and Its Batteries

In Japan, lithium-ion batteries for Nissan LEAF are produced at the Automotive Energy Supply Corporation (AESC) plant in Zama, Kanagawa Prefecture, a joint venture launched by Nissan and NEC Corporation. This plant builds battery modules, each containing four battery cells, and ships them to the Nissan Oppama facility, where 48 of them are assembled into the electric car's battery pack for installation in a Nissan LEAF.

The production of Nissan LEAF and the EV batteries outside Japan is also underway. In the United States, we began production of the batteries at the all-new Nissan plant in Smyrna, Tennessee, in December 2012. At full production speed, the plant will produce up to 150,000 EVs and 200,000 lithium-ion battery packs per year, creating up to 1,300 new jobs.

For the European market, we have already been manufacturing lithium-ion batteries at the Sunderland Plant in the United Kingdom. In March 2013 Sunderland also began manufacturing EVs themselves. Once fully ramped up, the plant will have annual production capacity of 50,000 EVs and 60,000 battery packs, and will provide jobs directly to 200 workers and indirectly create 600 new jobs in the U.K. supply chain.

"LEAF to Home" Smart Power Supply System

In May 2012, Nissan unveiled a new system in Japan, "LEAF to Home," which lets the lithium-ion batteries installed in Nissan LEAF supply electricity to households through the EV Power Station built by Nichicon Corp. Nissan LEAF can make the electricity in its battery available to a house when the car's quick-charging port is connected to the house's electricity distribution panel. This system provides completely new value made possible by the all-electric vehicle's battery. In addition, the connector complies with the CHAdeMO Association's protocol for quick chargers, known for its versatility, safety and reliability.

With "LEAF to Home," Nissan LEAF can be used as an electricity storage device for houses in times of power outages or shortages. The lithium-ion batteries can store up to a maximum of 24kWh of electricity, making it sufficient to supply a household with a stable amount of electricity throughout the day. The system can also help to reduce the burden on the power grid by charging Nissan LEAF with electricity generated at night (often at lower cost to the consumer), or through sustainable methods such as solar power, and using it during high-demand periods.

The "LEAF to Home" power supply system has won the Ministry of Economy, Trade and Industry (METI) Minister's Prize in the Grand Prize for Excellence in Energy Efficiency and Conservation program for its high efficiency and energy savings.

The power supply system won the METI Minister's Prize.

"LEAF to Home" with EV power station developed by Nichicon Corp.

Popularization of Power Supply Systems

Nissan is promoting a power supply system that uses a Nissan LEAF battery as its power storage device. In April 2012, we helped the city of Yokosuka, Kanagawa Prefecture, to install systems manufactured by Tsubakimoto Kogyo Co., Ltd. and Tsubakimoto Chain Co. at a public facility. These bidirectional systems can both charge EVs and draw power from EV batteries as needed. By pairing these systems with the EV taxis that are already on Yokosuka's streets, we can help "peak shift" power usage to alleviate shortages in times of heavy demand, as well as make electricity available during a disaster or other emergency.

Nissan is also forming a wide range of partnerships to promote installation of power supply systems at individual homes and apartment complexes.

The Nissan New Mobility Concept

The Nissan New Mobility Concept is a 100% electric vehicle that was developed in response to rising numbers of senior citizens and single-member households, along with increasing use of automobiles for short-distance trips by up to two people. Even smaller than a compact vehicle, it gives the driver excellent views of the surroundings and a better feel for the dimensions of the vehicle, making it an ideal choice for residential neighborhoods and other areas with narrow streets offering poor visibility.

In fiscal 2011, Nissan conducted driving trials on public roads with the authorization from Japan's Ministry of Land, Infrastructure, Transport and Tourism (MLIT) in the city of Yokohama and the prefectures of Aomori and Fukuoka, using local traffic systems and numerous studies. Also, from July 2012 to the end of March 2013, the vehicle was utilized for patrols by the Kanagawa Anticrime Seagull team, a voluntary group operating with approval from the Kanagawa Prefectural Police.

In February 2013, the city of Yokohama and the railway company Tokyu Corp. surveyed monitors using the Nissan New Mobility Concept as part of a program to plan smart communities of the future. Nissan carries out activities like these to produce fresh ideas toward the realization of new EV uses and smooth traffic flows for society, as well as to consider potential ideal forms of tomorrow's communities.

Nissan New Mobility Concept

Infrastructure to Help the Spread of EVs

Nissan commenced sales of its new proprietary quick-charging unit at Nissan parts dealers throughout Japan in 2011. This unit retains the high performance of the previous version in approximately half the volume, allowing installation in smaller spaces. We have been installing charging units in our dealers since the launch of Nissan LEAF. As of the end of fiscal 2012, all of our dealers had installed ordinary chargers and 800 dealers had also installed quick-charging units in Japan.

In Japan, Nissan, Sumitomo Corp., NEC Corp. and Showa Shell Sekiyu K.K. jointly established a new recharging service company in 2012. This new company, Japan Charge Network Co., Ltd., has already begun trial service. Its infrastructure network now includes Nissan auto dealers, convenience stores in Kanagawa Prefecture and Narita Airport. The company is steadily building up a nationwide recharging infrastructure with full consideration of user convenience and the ways drivers will actually make use of it.

Nissan is also taking part in a program run by the Ministry of Economy, Trade and Industry (METI) to promote next-generation vehicle-charging infrastructure. The plan is to install approximately 36,000 quick-charging units around Japan, a figure to match the number of gas stations operating in the country. We are currently considering ideal installation locations and methods of operation for these units.

Infrastructure-related efforts are underway overseas as well. At the end of January 2013, Nissan announced it would work together with auto dealerships, local governments, and companies like NRG Energy, Inc. and its eVgo charging network to install more than 500 new quick-charging stations for EVs within the following 18 months, thus quadrupling the number available to U.S. drivers. Earlier in that same month, we also announced our participation in the Workplace Charging Challenge launched by the U.S. Department of Energy, which will see us supporting the installation of charging stations at office buildings and other workplaces across America.

The Nissan Zero Emission Fund

In June 2012, we launched the Nissan Zero Emission Fund for individual Nissan EV owners in Japan. Through this program, Nissan LEAF owners are able to generate CO_2 emission credits that are certified by METI and sold to the Green Investment Promotion Organization, an organization that promotes investment in low-carbon emissions. The system calculates and certifies the amount of CO_2 emissions that are avoided by driving zero-emission vehicles. Profits from the sale of the credits will be invested by the fund to support the installation of quick-charging facilities and forest conservation activities to accelerate the realization of a zero-emission society. The CO_2 emission reductions are calculated by total distance traveled, so the more customers that take part, the more reductions can be achieved.

Nissan will also engage in forest conservation efforts together with More Trees, a general incorporated foundation in Japan. Nissan and More Trees will use part of the profits generated by the fund to facilitate conservation of thinning forests in Japan that need reforestation, to be designated “LEAF Forests.” LEAF Forest work will begin in three villages in Yamanashi Prefecture that are riverhead areas for the Kanto region: Tabayama, Kosuge and Doshi.

Joint Venture to Promote Second-life Use for Batteries

Even after the high-performance lithium-ion batteries used in Nissan’s EVs reach the end of their useful life in cars, they retain the capacity to let them play useful roles. “4R” business models—which reuse, resell, refabricate and recycle lithium-ion batteries—allow their effective use for energy storage solutions in a range of applications, thus creating a much more efficient energy cycle of battery use.

As the EV market expands, Nissan sees a need to utilize reusable lithium-ion batteries more effectively. In 2010 we launched 4R Energy Corporation, a joint venture with Sumitomo Corp. This company is developing and testing stationary power units based on used EV batteries. Japan is expected to see rising demand for stationary batteries as part of energy storage and backup power systems that also feature solar panels on homes or business structures, and 4R Energy is installing such batteries in houses and apartment buildings. 4R Energy home-use lithium-ion battery systems have already been installed in Park Tower Shinonome, a 585-unit residential structure built by Mitsui Fudosan Residential Co., Ltd. in Tokyo, and in Smart Solabo, a "smart house" designed by Sumitomo Forestry Co., Ltd.

4R Concept

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

After their primary automotive use is over, the lithium-ion batteries can retain enough energy capacity for secondary use.

Refabricated batteries can be used for multiple purposes such as clean energy storage or as back-up batteries in case of emergency.

Used batteries can be recycled to recover useful resources.

FUEL-EFFICIENT VEHICLE EXPANSION

Demand for motor vehicles is expected to continue to rise along with mature market recovery and emerging market expansion. Nissan is making efforts on the greatest possible improvements to the fuel efficiency of gasoline-powered engines and introducing more fuel-efficient vehicles to the market.

Improved Corporate Average Fuel Efficiency

Nissan has been making an ongoing effort to develop technologies to maximize the energy efficiency of vehicles with internal combustion engines and hold CO_2 emissions down. The marketing of vehicles with such technologies is one way that we are helping reduce CO_2 emissions. The name we give to particularly low-emitting, fuel-efficient vehicles is PURE DRIVE. The core technologies in these vehicles include one or more of: lithium-ion batteries; one-motor, two-clutch parallel hybrid systems; and next-generation continuously variable transmission (CVT) systems. Many more of our new cars will be carrying these technologies.

Our target by fiscal 2016 is a 35% improvement in corporate average fuel efficiency from the fiscal 2005 level (as measured in average fuel efficiency in the Japanese, U.S., European and Chinese markets). Our result in fiscal 2012 was 24.9% improvement from the fiscal 2005 level.

Corporate Average Fuel Efficiency

Top-level Efficiency in Various Classes

The Altima was one of the best-selling cars in the United States in 2011. In June 2012, Nissan introduced the 2013 Altima in the North American market. With attributes including exterior styling with a strong presence, excellent aerodynamics, an upscale interior as well as ride comfort with best-level acceleration, the all-new model delivers environmentally sound performance. The new Altima achieves best-in-segment fuel economy of 38 mpg[*1] in the U.S. mid-size sedan segment thanks to the combination of a newly-designed 2.5-liter inline four-cylinder engine combined with the next-generation Xtronic CVT, as well as a reduction in vehicle weight by around 80 pounds (36 kilograms) by utilizing aluminum in hood and bumper reinforcements, and expanding the use of high-strength steel for more than half of the vehicle body.

Other vehicles achieving class-leading fuel efficiency during fiscal 2012[*2] were the Note (25.2 km/l, JC08 mode) and the Latio (22.6 km/l, JC08 mode) in the Japanese market, and the Sylphy (6.3 liters/100 km[*3]) in the Chinese market. Nissan will continue to introduce models with class-leading fuel economy, making use of the fuel-efficiency technologies that best match vehicle size, use and price.

A Broader Lineup of Hybrid Vehicles

Hybrid vehicles, which run on a combination of a gasoline-powered engine and an electric motor, may allow improvement of fuel efficiency and considerable reductions in CO_2 emissions. Nissan has developed a unique hybrid system using a high-output lithium-ion battery together with a single motor for both drive and regeneration, as well as an Intelligent Dual Clutch Control system in which two clutches are linked in parallel, one to the motor and one directly to the engine and transmission. The system was used for the Fuga Hybrid in 2010, Infiniti M Hybrid in 2011 and the Cima in 2012. These hybrid vehicles deliver both fuel efficiency and powerful responsiveness.

Nissan is also developing a hybrid system for front-wheel-drive vehicles. The single-motor, dual-clutch system now used in rear-wheel-drive vehicles will be incorporated into a next-generation Xtronic CVT, achieving a compact and versatile arrangement that can be featured in a wide range of vehicles.

In August 2012, we added a new version of the Serena with a simpler and more compact hybrid system, achieved by enhancing the energy regeneration capacity of the ECO motor—enabling it to serve as an auxiliary motor—and adding a sub-battery in the engine room to boost storage capacity.

Taking into account factors like roominess of the interior and vehicle use, Nissan will utilize the hybrid system best suited to each model. Fifteen new hybrid models are planned by fiscal 2016.

Serena S-Hybrid

Progress in Plug-in Hybrid Vehicles

Plug-in hybrid electric vehicles (plug-in HEVs) have batteries that are recharged by means of household electrical outlets or other external power sources, and are capable of running on motors similar to those of electric vehicles. Nissan is advancing research and development of plug-in HEVs and will launch such a model during fiscal 2015.

Global Rollout for Our New CVT

The continuously variable transmission (CVT) enables smooth acceleration without noticeable gear changes. It also allows selection of the optimum engine speed to match the vehicle's rate of travel, thus achieving powerful driving with lower fuel consumption. In 2011, Nissan unveiled its new-generation Xtronic CVT for use in cars with 2.0- to 3.5-liter engines. This addition expanded the lineup of Nissan cars with CVT technology from the 1.2- to 3.5-liter classes.

The new Xtronic CVT features a world-leading ratio coverage of 7.0 (specific to 2.0- to 2.5-liter engine vehicles) and has reduced friction by

*1 As measured in highway mode used in North America.

*2 All figures as of time of sale in 2012. The respective classes were: gasoline vehicles with engine displacement of 1.0 liters or more (excluding hybrids and *kei* "minicars") for Note; 4-door sedans under 1.5 liters (excluding hybrids) for Latio; and 1.5-liter-class 4-door sedans (excluding hybrids) for Sylphy.

*3 As measured in the European fuel-economy mode also used in China.

approximately 40% from previous versions. These factors have improved fuel efficiency by up to 10% (in-house measurement using U.S. Environmental Protection Agency combined mode) compared to similar vehicles with older CVTs. The technology was incorporated into the new Altima launched in North America in 2012 and will be featured in vehicles sold around the world. Nissan's goal is to ship 20 million CVT-equipped vehicles, first launched in 1992. We sold 2.28 million CVT vehicles in fiscal 2012, bringing the cumulative total to 13.36 million.

Number of CVT-Equipped Units Sold

Toward Lighter Vehicles

Vehicle weight reduction is an important activity that contributes to improved fuel economy. Nissan is promoting vehicle weight reduction by optimizing vehicle body structure, better forming and joining techniques, and material substitution.

We are seeking weight reduction in steel parts and promoting the use of Advanced High Tensile Strength Steel (AHSS). In March 2013, Nissan announced the development* of 1.2 gigapascal (GPa) Ultra High Tensile Strength Steel with High Formability and its use in the new Infiniti Q50, which goes on sale in North America in 2013. With the use of AHSS and other measures, the total weight reduction for the Infiniti Q50 reached about 40 kg. The jointly developed 1.2GPa Ultra High Tensile Strength Steel with High Formability provides greater elongation through an optimal combination of materials, offers strength and high formability, and can be used in vehicle parts with highly complex shapes. Employing 1.2 GPa Ultra High Tensile Strength Steel with High Formability leads to fewer materials used per vehicle produced, and existing production lines can be used without a big modification. This results in a reduction in total cost per unit.

Nissan will expand the use of AHSS up to 25% of the vehicle parts (measured by weight) installed in its new production models starting in 2017.

1.2 GPa Ultra High Tensile Strength Steel with High Formability in the Infiniti Q50 (red shaded areas)

Reducing Traffic Congestion with ITS

An automobile's fuel efficiency depends not just on the car's own capabilities but on the environment in which it drives and the way it is driven as well. Nissan is actively working to create societal infrastructure that will help to improve the traffic environment. Intelligent Transport Systems (ITS) are a particularly important part of our efforts, and we are collaborating with others in a variety of industries to craft solutions to tough problems like road congestion that automakers cannot tackle on their own.

Under commission from Japan's New Energy and Industrial Technology Development Organization (NEDO), Nissan has since 2010 been working with the Beijing Municipal Commission of Transport to conduct experiments with a dynamic route guidance system (DRGS) using IT terminals and eco-driving support to alleviate traffic congestion in the city. Some 12,000 DRGS-equipped vehicles have been monitored in the city's Wangjing district to measure the system's traffic-dispersing impact over two and a half years. The effectiveness of the system in reducing driving time and improving fuel efficiency has been confirmed, and the technology is expected to be applied in broader areas in the future.

* Jointly developed by Nissan Motor Co., Nippon Steel & Sumitomo Metal Corp. and Kobe Steel.

CORPORATE CARBON FOOTPRINT MINIMIZATION

We are said to be in a carbon-constricted world, and reducing CO_2 emissions is a task to be tackled by all companies. Nissan is improving energy efficiency and promoting renewable energy adoption, to reduce CO_2 emissions.

A 20% CO_2 Emission Reduction in Corporate Activities

By fiscal 2016, Nissan aims to reduce the CO_2 emissions associated with its corporate activities by 20% globally from the fiscal 2005 level, as measured by the index of "CO_2 emissions per global vehicle" (total emissions generated from Nissan global corporate activities divided by the total Nissan vehicle sales volume). To achieve this goal, we widened the scope of measurable objectives in fiscal 2011 to include logistics, offices and dealerships in addition to production sites, and strengthened management. Our result in fiscal 2012 was 8.3% (t-CO_2/vehicle) reduction from the fiscal 2005 level.

Falling Global Emissions from Corporate Activities

Energy Saving in Global Production

Most of the CO_2 emissions in the manufacturing process come from the consumption of energy generated with fossil fuels. We are engaging in a variety of energy-saving activities in manufacturing our vehicles.

We are promoting the use of renewable energy sources appropriate to the location of each of our global plant sites. Since 2005, we have installed 10 power-generating wind turbines on the grounds of Nissan Motor Manufacturing (UK) Ltd., which together provide 6,500 kW, about 5% of the electricity used at the entire site. In Japan, Nissan is cosponsoring the city of Yokohama's Y-Green Partner program for wind power generation. Nissan Motor Iberica, S.A., in Spain has set up solar energy panels. Nissan Mexicana, S.A. de C.V., has established infrastructure at its Cuernavaca Plant to produce hot water by solar energy, and also started using energy generated from biogas in 2012, and wind power in 2013 in its Aguascalientes assembly plant.

In production technology, we are introducing highly efficient equipment, improving manufacturing techniques and adopting energy-saving lighting. Our plants use finely controlled lighting and air conditioning for low-energy-use, low-loss operations. We are promoting CO_2 emission reduction activities and introducing our cutting-edge energy conservation technology from Japan in Nissan plants worldwide. Meanwhile, our plants in all countries learn and share best practices with each other. In addition, we promote various activities aimed at reducing CO_2 emissions, such as by forming a team of technicians called Nissan Energy Saving Collaboration (N-ESCO); this team surveys the status of energy-loss at our plants in Japan and overseas and proposes new energy-saving countermeasures.

With these activities, we set a target of reducing CO_2 emissions by 27% below the fiscal 2005 level by fiscal 2016, as measured by the index of "CO_2 emissions per global vehicle" (total emissions generated from global Nissan vehicle manufacturing sites divided by the total Nissan vehicle production volume). In fiscal 2012 our CO_2 emissions per global vehicle were approximately 0.62 tons, a reduction of 15.2% from the fiscal 2005 level.

Global Energy Consumption

The figures are for the Nissan Group worldwide, including consolidated companies.

Global CO_2 Emissions from Manufacturing Activities

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The figures are for the Nissan Group worldwide, including consolidated companies. CO_2 emissions of 1,934 kton from Japan, U.S. and Europe have received third-party certification. For details, please refer to the environmental data at the end of this report.

Top-Level Energy Management in North America

In May 2012, Nissan's Smyrna Vehicle Assembly Plant in Tennessee obtained certification under ISO 50001, the international standard for energy usage, and Superior Energy Performance (SEP) certification from ANSI, the American National Standards Institute. As the first automobile manufacturing facility to receive either of these certifications, the Smyrna Plant has established its position as a U.S. leader in energy management.

The U.S. Department of Energy began field tests in 2008 as part of the SEP program to gauge energy management standards in preparation for the introduction of ISO 50001. Nissan was one of seven companies taking part in these field tests, which went on for three years. The Smyrna Plant succeeded in improving its energy efficiency by 7% by implementing three steps: (1) crafting approaches to reduce energy consumption, (2) implementing strategies to conserve energy and (3) sustaining efficient practices.

The U.S. Environmental Protection Agency recognized Nissan North America (NNA) as an Energy Star Partner of the Year for three straight years beginning in 2010 as part of the international Energy Star program. In 2012, NNA also received the Energy Star Partner of the Year—Sustained Excellence award. Since first taking part in the program in 2006, NNA has reduced its energy consumption by a total equivalent to some 800 billion BTUs.

Renewable Energy for the Aguascalientes Plant in Mexico

The Aguascalientes Plant of Nissan Mexicana, S.A. de C.V., is one of Nissan's major global production sites. The plant produced more than 385,000 units in 2012, and has established sustainable production operations.

In 2012 the Aguascalientes facility became the first automotive plant in Mexico, and Nissan's first plant globally, to use biogas-generated electricity for its manufacturing operations. The plant is taking part in a project that uses waste as its main resource, and is registered with the United Nations Clean Development Mechanism (CDM) through a coordinated operation between the city of Aguascalientes and the private sector. The first undertaking of its type in Mexico, this project produces biogas from approximately 3.9 million tons of landfill waste. In 2012 our Aguascalientes Plant used about 9.3 GWh of electricity generated from biogas, bringing its renewable energy use ratio to 5% of all power consumed. In January 2013, the plant also started to source electricity generated by wind-power stations, raising this ratio to 50%. In other words, starting in 2013 one of every two Nissan vehicles produced in Aguascalientes is assembled using sustainable resources. Nissan Mexicana plans to further expand its use of clean energy in line with its "Cleaner and Cheaper" policy.

More Efficient Logistics and Modal Shifts

In 2000, Nissan began sending chartered trucks for pick-up and delivery of parts, an uncommon method among automobile manufacturers in Japan at the time. This approach has been adopted widely at our overseas manufacturing sites, increasing the global efficiency of our operations. We have also worked together with suppliers to optimize the frequency of deliveries and transport routes and to improve packaging specifications in order to improve loading ratios and reduce the number of trucks required.

We devise efficient modes of packaging for the huge number of parts of different shapes and materials that go into our automobiles. Through simultaneous-engineering logistics activities, we work from the design stage to create parts and develop new vehicles with consideration for transportation efficiency, as well as to reduce the part shipments per vehicle. We also monitor the competency levels of packaging design engineers and are cultivating their abilities through global adoption of an original Nissan program.

In the area of container transport, we have long made use of high cube containers and run software-based simulations to reduce wasted space inside of containers. As a result of these activities, our container filling rate of repair parts rose from 89.6% in fiscal 2010 to 93.8% in fiscal 2011.

We constantly review our transport methods and are currently undertaking a modal shift to rail and maritime transport. Some 70% of our completed vehicles in Japan are now transported by sea. Part shipments from the Kanto area around Tokyo to Nissan Motor Kyushu Co., Ltd. are nearly all 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 and 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. In January 2013 we introduced our fourth eco-ship, the *Nissei Maru*. This ship uses solar panels, an electronically controlled diesel engine, LED lighting and other features to operate while reducing CO_2 emissions by up to 4,200 tons per year compared to similar vessels from previous generations.

Global CO_2 Emissions from Logistics

Our Efforts at Dealerships and Offices

Nissan is promoting CO_2 emission management at all business locations and dealerships in Japan, as well as at bases of operations in North America, Europe and China. In all four of these markets the aim is to slash emissions by 1% each year. At our offices, we have improved the video and telephone conference facilities, and we use Microsoft's Office Live Meeting web conferencing service to bring participants in multiple locations together when they need to share documents. This not only lessens the number of business trips needed but also improves workplace efficiency and reduces costs.

In Japan we are undertaking a broad range of efforts. For instance, in February 2012 we moved to a paperless system to replace the pay slips that had been distributed to all employees previously. These slips can now be downloaded via the Internet and viewed on computers or mobile phones. Many of our dealers, meanwhile, are making efforts to save energy, including the use of highly efficient air-conditioning, insulation films, ceiling fans and LED lighting.

Solar Power and Monitoring Electricity Consumption

In Japan, Nissan is working to build dealerships with reduced environmental impact. In May 2011, when Chiba Nissan rebuilt its Kita-Narashino dealership, it installed solar panels with a 10 kw generation capacity, as well as an in-store monitor to manage the electricity that is generated. The monitor shows how power is produced by the solar panels and how much power is being generated at the time. This easy-to-understand system has been favorably received by customers and has helped to raise employees' awareness about saving energy. Electricity costs at the dealership have been reduced by about 12% compared to the previous year.

Sales Outlets that Stand Out with Less Power

Nissan studied dealership lighting approaches to find a way to keep sales outlets easy to find and attractive to customers while also saving power. The solution was put into action at the Nissan Prince Shizuoka Nakamura-cho sales outlet in Shizuoka Prefecture. This was achieved with support from the company Seikatsu Kankyo Kobo ACT, the Hirate Laboratory in the University of Tokyo's Department of Architecture and Endo Lighting Co., Ltd., all of which collaborated with Nissan in the redesign of the dealer's lighting plans and collectively oversaw the project.

As a first step, the Nakamura-cho dealer changed all its lights to highly efficient LED units and adopted a lighting design with varied brightness levels in different parts of the sales floor. Additionally, it moved vehicles that required strong lighting close to the windows, allowing effective use of natural outside light. Conversely, the lounge space, which benefits from a more relaxed atmosphere, was placed in the rear section of the store. The ceiling and walls were given a more reflective white color, improving interior brightness and saving even more energy. To make it easier for customers to find and enter the outlet, a light spot was installed at the building entrance and the interior walls were illuminated to create a warm-colored ambience.

With these small-yet-innovative ideas, the Nakamura-cho dealer reduced power consumption by up to 50%. In recognition of its energy conservation efforts, the dealer was awarded the 2012 Energy-Efficient Lighting Design Award for power saving and lighting design in January 2013 by Japan's Ministry of the Environment in the "commercial facilities and accommodations" building category.

The outlet exterior before and after introduction of its new lighting system

NEW NATURAL RESOURCE USE MINIMIZATION

To address the risk of rising costs or depletion of mineral resources caused by growing demand for them and to reduce the environmental impact of their extraction, Nissan is making efforts to use resources more efficiently and to diversify its supplies with renewable resources and recycled materials.

Increasing Usage of Recycled Material to 25%

Demand for mineral resources and fossil fuels is growing rapidly as emerging countries develop economically. Some predictions forecast that all currently known mineral resources will have been extracted by 2050 if present trends continue. Some mining sites currently in operation and new exploration sites are located in areas where local ecosystems need to be preserved, and there is concern about the environmental effects of topsoil excavation, deforestation and wastewater.

Nissan is taking measures to address these issues. We are increasing use of renewable resources and recycled materials in addition to the traditional approach of using resources more efficiently to reduce reliance on them. Our efforts with respect to recycled materials are based on the thinking that once a natural resource is extracted it should continue to be used, while maintaining quality, to minimize environmental impact. We have set a target of increasing the usage rate for recycled materials per vehicle to 25% by fiscal 2016. In the long term, by promoting the activities that fall under the Nissan Green Program, we forecast that the volume of new natural resources used will be maintained at the level of the 2010s.

Our Closed-Loop Recycling System

Closed-loop recycling is a method of recycling waste and scrap generated during vehicle production and when end-of-life Nissan products are collected and using it as material in the same type of products while maintaining its quality standards. With this method, the same material can be used repeatedly, thus greatly reducing CO_2 emissions and the environmental impact over the product lifecycle. Together with our business partners, we are putting tremendous effort into collecting and reusing steel and aluminum sheet scraps from the manufacturing process and aluminum wheels from used vehicles. In fiscal 2012, we collected about 250 tons of end-of-life aluminum wheel rims each month. In Japan we are recycling plastic from finished bumper scraps at our plants and from scrap bumpers collected from dealerships. Collected scraps and bumpers are turned into recycled plastics in a finished bumper reprocessing line set up in our Oppama Plant. In fiscal 2012, we collected about 210,400 pieces of bumpers. Recycled plastics have already been given new life as bumpers in Nissan LEAF and many other new vehicles.

Closed-Loop Recycling

Recovered Bumpers

Raising the Recovery Rate

To optimize processing and improve the recovery rate for end-of-life vehicles (ELVs), Nissan carries out experimental studies to develop more efficient ways of dismantling its cars. To date, such research has focused on establishing methods of processing waste oil, waste liquids, lead and other substances that impact the valuable materials from ELVs. Feedback from the studies has led to improvements in dismantling techniques and has aided our product design division in choosing suitable materials and designing vehicles that are easier to dismantle. As of fiscal 2012, our own calculations showed that we have achieved a recovery rate of 99.3% in Japan.

Reducing Scarce Resource Usage

Hybrid vehicles and electric vehicles (EVs) emit less CO_2 over the lifecycle of the product than gasoline-powered vehicles, but scarce resources called rare earths are a necessary component of their motors. Uneven distribution of rare earth elements and the forces of demand and supply give rise to concern about price changes, making it important to reduce their usage.

In 2012, in a joint effort with our supplier, we developed a new electric motor that uses 40% less dysprosium (Dy), a rare earth element, compared to conventional EV motors. The new, more environmentally friendly motor powers an updated Nissan LEAF released in Japan in November 2012.

This new electric motor is only the first step in the process to limit the use of rare earth elements. Nissan plans to adopt the reduced-Dy motor for its hybrid vehicles, with the ultimate goal of achieving zero usage of Dy in other components as well.

Furthermore, we aim to reduce and optimize the usage of rare earth elements like cerium (Ce) and lanthanum (La), which are found in exhaust gas catalytic components and in cast iron. Our plans are to reduce annual use of rare earth elements by 30% by fiscal 2016 compared to the projected usage if no particular countermeasures had been implemented from fiscal 2011 onward.

Thorough Measures for Waste Materials

Nissan actively promotes measures based on the three Rs—reduce, reuse and recycle—in its production processes whenever possible, striving to minimize the waste generated and maximize recycling efficiency by means of thorough sorting of waste. Our efforts have paid off. In Japan, since fiscal 2010 we have achieved a 100% recovery rate at all of our production sites: five manufacturing plants, two operations centers and five affiliates. In Mexico, the Aguascalientes plant achieved this in 2011. We are working to bring this rate to an industry-leading level in each region of the globe.

Nissan has been making great efforts to reduce the number of wooden pallets and cardboard boxes used in import and export parts shipping, replacing them with units made from steel for more than 30 years, and plastic for more than 20 years, that are foldable and can be returned for reuse. Since fiscal 2011, the adoption rate for these containers has exceeded 98%. We have also been working with our Alliance partner Renault to expand the use of globally standardized, returnable containers. Through design activities carried out concurrently with logistics operations, we have recently been considering ways to optimize the shape of parts from the development stage, thus helping to reduce the packaging materials we use.

Through these efforts, we plan to reduce the amount of waste from our production factories by 2% annually in Japan and by 1% annually worldwide compared to waste levels expected if no special steps had been taken from fiscal 2011 onward.

Total Waste Produced

The figures are for the Nissan Group worldwide, including consolidated companies. The figures include the waste volume from non-production sites.

Sales of Nissan Green Parts

Parts with the potential for recycling include those reclaimed from ELVs as well as those replaced during repairs. In Japan, Nissan collects and thoroughly checks the quality of these secondhand parts. Those that receive a passing grade are sold through our sales outlets as Nissan Green Parts. We sell these parts in two categories: reusable parts, which are cleaned and tested for quality before sale, and rebuilt parts, which are disassembled and have components replaced as needed. Sales of these parts in fiscal 2012 reached ¥1.62 billion.

Water-Use Management

The issue of water resources is becoming ever more serious as water use increases due to global population growth and economic development. Plants producing Nissan vehicles and parts are located all over the world, and they all use water as part of the production process. We are making efforts to manage and reduce water usage at all of our production plants.

We carry out water-use assessments on an ongoing basis at all plants. Based on a Nissan-developed index of water risks, plants are categorized into three levels. Level A is defined as plants that either already have a water-related issue or are expected to face one in the near future; Level B as plants with potential water problems; and Level C as plants at low water risk. We are working to put in place activities matched to the conditions at each plant. We set water use targets for Level A plants in Australia, India, China and Mexico and began activities to reduce water use in fiscal 2011, and in Spain, Egypt and South Africa in fiscal 2012.

Water Resource Use

The figures are for the Nissan Group worldwide, including consolidated companies.

ENVIRONMENTAL MANAGEMENT PROMOTION

Nissan is introducing environmental management systems at all its operation sites worldwide. We are also working with our consolidated affiliates, sales companies and suppliers to reduce environmental impact during all stages of the supply chain.

Improving Environmental Management

As of January 2011, the Nissan Global Headquarters and all other main Nissan facilities in Japan, including those for R&D, production and logistics, along with all product development processes, acquired integrated ISO 14001 certification for environmental management systems. The ISO secretariat in Nissan, which oversees companywide efforts, and the local offices in Japan, which are responsible for activities at each facility and division and for coordinating the proposals from employees, meet at least once a month. In these meetings, they confirm the progress being made toward established goals, share best practices, improve management systems, draw up plans for the next fiscal year and communicate requests from the local facilities and divisions. The items discussed are reported to the COO, who is in charge of environmental management, twice a year (once during the management review conference) so that decisions on improvements can be made.

To confirm that this management is functioning properly, we undergo audits by third-party organizations, and we carry out our own internal audits of our environmental systems and environmental performance annually to strengthen the company's measures based on the PDCA cycle: plan, do, check and act. We have also obtained ISO 14001 certification at our main production plants outside Japan. Our policy is to extend environmental management systems with these same criteria to regions in which we are newly expanding.

Product Development Policy

We are aiming to become a "sincere eco-innovator," doing everything we can to help our natural environment, by reducing the environmental impact in real-world terms and providing customers with innovative products that contribute to the development of a sustainable mobility society. In order to achieve this goal, Nissan introduced "QCT-C" in 2006, adding a CO_2 component to the traditional QCT indices of quality, cost and time, for its Global CO_2 Management Way. We have set a target for CO_2 emission reduction in all areas of our business. Furthermore, under the Nissan Green Program 2016 (NGP2016), our environmental action plan, Nissan will annually invest 70% of its research and advanced engineering budget in environmental technologies.

Raising Employee Awareness

Nissan's environmental activities are sustained by the environment-related knowledge, awareness and competency of each of its employees. From this perspective, based on ISO 14001 activities, we conduct employee education rooted in NGP2016 regarding reduction of CO_2 emissions, energy and water consumption, and waste. In addition, education regarding environmental accident prevention, including the management of toxic materials, is provided to all employees including those from affiliated companies working in Nissan production facilities. At our production plants, ongoing improvements of employee competency to reduce environmental impact are promoted through not only education and training programs but also the quantitative evaluation of each employee. The content of these training programs is updated once a year.

In Japan, Nissan implements its own curriculum for the education provided to new employees during orientation and to mid-ranking and management personnel during the seminars in order to deepen their understanding of environmental issues surrounding the auto industry, as well as the substance of the NGP2016 program. Employees are kept up-to-date on Nissan's latest environmental initiatives through the intranet, internal newsletters* and in-house video broadcasts. All employees also receive an Environmental Policy Card with a pledge to pursue personal environmental activities, which they carry at all times.

* Nissan publishes a bimonthly newsletter, printing 60,000 copies that are distributed to not only current but also retired employees.

Overseas, we share information and provide education to employees through the intranet and various other communication tools suited to each region. During fiscal 2012, videos were created at Nissan Motor Ibérica in Spain, while Nissan North America hosted various events on Earth Day and other occasions.

Employee-Initiated Activities and Evaluation System

To reduce environmental impact, the perspectives and ingenuity of employees are essential. Therefore, in fiscal 2008, we added the "environment" factor to the range of *kaizen* activities carried out by quality control (QC) circles. This creates a mechanism by which employees are encouraged to think proactively and propose ideas to improve environmental aspects of Nissan's business. These QC circle activities are linked to achieve the goals in Nissan Power 88,* our mid-term business plan through fiscal 2016. The ideas proposed by employees are assessed by managers and QC circle secretariats in terms of such factors as how much they can contribute to environmental improvement; they are then implemented by the company.

Nissan uses various methods to reward employees for their contributions toward environmental improvement activities.

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* Click here for more information on Nissan Power 88.

Working with Consolidated Production Companies

Nissan encourages its consolidated production companies both in Japan and overseas to acquire ISO 14001 certification, in addition to undertaking various other environmental initiatives based on their respective policies. Meetings with 10 major consolidated production companies in Japan were held during fiscal 2012 to exchange views on cooperation toward the goals outlined in NGP2016. The meetings lead to a deeper understanding of the details of NGP2016 and the initiatives being undertaken by each company. Approximately 650 people including board directors of these companies participated in fiscal 2012.

Working with Sales Companies

Nissan's sales companies in Japan have introduced an original approach to environmental management based on ISO 14001 certification that we call the Nissan Green Shop certification system. This system is managed through internal audits conducted by the sales companies themselves every six months, in addition to regular annual reviews and certification renewal audits carried out every three years by Nissan Motor Co. As of the end of March 2013, 2,800 dealership outlets of 174 sales companies, including parts and forklift dealers, have been certified under the system.

Nissan conducts an annual survey of its sales companies in Japan, collecting comments and requests regarding Nissan's environment-friendly vehicles and other environment-related initiatives. The findings are shared with the presidents of sales companies and incorporated into the PDCA cycle involving Nissan and all sales companies, which is used to guide actions toward improved performance.

Working with Suppliers

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* published in 2010. In the environmental aspect, we adopted the Nissan Green Purchasing Guidelines, a set of standards for the environmental efforts of our automobile parts and material suppliers in 2008.

In fiscal 2012 we added a number of environment-related items in working with our suppliers in an effort to reduce the environmental impact of upstream processes in the supply chain. To do this, we ask suppliers for their environmental targets and data regarding their CO_2 emission levels and energy use, and consider their management of environmentally hazardous substances, recycling of resources and water-conservation efforts. We also organized briefing sessions on NGP2016 for suppliers during fiscal 2012 to fully share our targets and action plans.

A briefing session for suppliers on NGP2016

Disclosures of Environment-Related Information

Companies today are being called upon to make a wide range of information disclosure about how they are managing risks related to such environmental issues as climate change and natural resources. In addition to advancing efforts to build a sustainable mobility society, since fiscal 2012 Nissan has been making detailed disclosures of its environmental performance on its website for stakeholders including investors, rating agencies and other specialists in accordance with GRI guidelines.[*1] Among the data disclosed are CO_2 emission and waste discharge levels, as well as the amount of energy, water, materials and other resources consumed. We are also making communication efforts by organizing briefings to describe our environmental initiatives.

As a result of these activities, Nissan was listed in the Carbon Disclosure Leaders Index as one of the 22 highest scoring companies in the CDP Japan 500 Climate Change Report 2012[*2] and achieved the highest position among automakers (second overall) in the 16th Nikkei Environmental Management Survey,[*3] conducted by Nikkei Inc.

*1 International guidelines published by the NGO Global Reporting Initiative aimed at promoting the policy formulation, planning and implementation of initiatives for environmental, social and economic development.

*2 The Carbon Disclosure Project collects, analyzes and discloses major companies' data on business risks and opportunities affected by greenhouse gas (GHG) emissions and climate change annually.

*3 The survey, which contains 200 detailed questions about the organizations in place for environmental management, pollution countermeasures, responses to biodiversity, recycling of resources, environmental impact of products and measures to address global warming, was conducted to evaluate companies' balance between environment management and corporate strategy.

Environmental Classes for Kids

Nissan participates in eco-product exhibitions and various other events sponsored by government agencies and unaffiliated groups.

At the Eco-Products 2012 exhibition, Nissan's booth was a place to view the "LEAF to Home" exhibit and hear presentations that educated visitors on how EVs can help address society's energy issues by focusing on electric supply technology that utilizes EV batteries.

In addition, we offered environmental education classes called Nissan Waku-Waku Eco School with a focus on upper grades of elementary school, where students had the opportunity to learn about communities of the near future that utilize the electricity storage capabilities of EVs, through model EV assembly kits and a diorama embodying the smart communities of future cities.

The Nissan Waku-Waku Eco School in Nissan's booth at the Eco-Products 2012 exhibition

Nissan's Tough Voluntary Standards

Stricter controls on the environmental impact of substances are being implemented in countries around the world. Examples include the European ELV Directive and the European Commission's Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) Regulation, which went into force in June 2007. To help minimize the potential release of formaldehyde, toluene and other volatile organic compounds (VOCs) in vehicle cabins, the Japan Automobile Manufacturers Association has launched a voluntary program that calls for all new models launched in Japan from April 2007 to meet standards set by the Japanese Ministry of Health, Labor and Welfare for concentration levels of 13 compounds in vehicle interiors.

Nissan outlined a globally uniform policy in 2007 on reducing the use of environment-impacting substances, strengthening the management of such substances, adhering to a well-planned schedule for their reduction and advancing the use of alternative substances. We voluntarily enforce stricter standards than those required by the domestic laws of the countries where we operate in restricting the use of substances scientifically recognized as being hazardous or carrying high hazard risks, as well as those that advisory NGOs have pointed out as being dangerous.

Based on this policy, we have developed the Nissan Engineering Standard for the "Restricted Use of Substances." The standards identify the chemical substances whose use is either prohibited or controlled, and they are applied in selecting the materials, components and parts used in Nissan vehicles from the stage of initial development onward. For example, the use of four heavy metal compounds (mercury, lead, cadmium and hexavalent chromium) and the polybrominated diphenyl ether (PBDE) flame retardant has been either prohibited or restricted in all new vehicles (excluding OEM vehicles) launched globally since July 2007. We are registered and submit reports in compliance with REACH about the vehicles and parts produced in or imported to Europe. And we also comply with the Classification, Labeling and Packaging of Substances and Mixtures (CLP) regulations. As for VOCs in a car's interior, we have adopted the voluntary targets of the Japan Automobile Manufacturers Association as our own standards for global operations and are reviewing and reducing their use in the materials and adhesives of our seats, door trim, floor carpet and other items.

Lifecycle Assessment to Reduce Environmental Impact

Nissan uses the lifecycle assessment (LCA) method to evaluate and comprehensively assess environmental impact in all stages of the vehicle lifecycle, from resource extraction to production, transport, customer use and vehicle disposal. We also carry out LCAs for new technologies as they are introduced.

Our calculations show that Nissan LEAF reduces CO_2 emissions by up to 40% over its lifecycle compared to gasoline-powered vehicles of the same class. This assessment was certified by a third-party LCA assessment organization, the Japan Environmental Management Association for Industry.

We will continue to strive to lower the vehicles' environmental impact by adopting new technology and more efficient processes in manufacturing. We are aiming for further reductions in CO_2 emissions over the lifecycle of our new vehicles.

CO_2 Emissions Over a Vehicle's Lifecycle

Protecting the Air, Water, Soil and Biodiversity

The United Nations Millennium Ecosystem Assessment report issued in 2005 concluded that the ecosystem services evaluated had degraded over the past 50 years. Many scientists believe that humans have changed the Earth's ecosystems more rapidly and extensively than in any comparable period of time in history. Humankind depends on a number of ecosystem services, including provision of food and fresh water, climate regulation and protection from natural disasters. Industry must recognize not just its impact on ecosystems but also 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 the methods identified in the Corporate Ecosystem Services Review,* Nissan has evaluated its value chain from the extraction of material resources to vehicle production and operation. Based on the results, we have identified three priority areas for us as an automobile manufacturer: energy sourcing, mineral material sourcing and water usage. We have since been working to position the business risks and opportunities, reevaluating and further developing our traditional environmental initiatives.

* 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.

Supporting Tennessee Forests

Nissan and the Nature Conservancy's Tennessee Chapter have announced a new alliance to promote tree health in Tennessee's communities and forests. Nissan is supporting the Nature Conservancy's Tennessee Forest Health Program with a $50,000 grant.

The Nature Conservancy has bought more than 270,000 acres of forestland in Tennessee to protect it. The vast majority of these forests are now open to the public, enabling people to not only enjoy Tennessee's rich and beautiful natural ecosystem but also learn about the importance of conservation activities.

The Nature Conservancy's work in Tennessee's forests now includes strategies to combat invasive insect pests that threaten forest health. Nissan's funding will go toward this work.

Taking part in forest conservation activities

Cleaner Exhaust Emissions

Nissan proactively sets strict environmental goals and targets for the design and production of its vehicles. Building on our research and development, in which we have set ourselves the ultimate goal of emissions as clean as the atmosphere, we have been working to reduce exhaust emissions with the early introduction of vehicles that meet emissions regulations in each country.

Our Sentra CA, released in the United States in January 2000, was the first gasoline-powered vehicle in the world to receive Partial Zero Emissions Vehicle (PZEV) certification in compliance with the emission requirements of the California Air Resources Board. PZEV vehicles must meet the zero-evaporative-emission regulations as well as have an onboard diagnostic system that warns of problems with the catalytic converter or other emission-control systems.

The Bluebird Sylphy, released in Japan in August 2000, became the first vehicle to gain certification from the Ministry of Transport (now the Ministry of Land, Infrastructure, Transport and Tourism) as an Ultra-Low Emission Vehicle (U-LEV).[*1] In addition, this model became Japan's first vehicle to receive Super Ultra-Low Emission Vehicle (SU-LEV) certification[*2] in 2003.

Also, the X-TRAIL 20GT became the first vehicle in the world to comply with Japan's strict 2009 Emission Regulations.[*3] The X-TRAIL 20GT carries a diesel filter that traps and eliminates particulate matter, NOx absorption and oxidation catalysts and an M9R clean diesel engine developed through our Alliance with Renault. We have thus been able to overcome the difficult challenges of making diesel vehicle exhaust cleaner, achieving both energy efficiency and reduced CO_2 emissions. An X-TRAIL 20GT with a 6-speed automatic transmission (including manual mode) was introduced in 2010.

*1 U-LEV: Ultra-Low Emission Vehicles produce 50% less nitrogen oxide (NOx) and nonmethane hydrocarbon (NMHC) than the 2005 emission standards level.

*2 SU-LEV: Super Ultra-Low Emission Vehicles produce emissions 75% less than the 2005 emission standards level.

*3 The 2009 emission standards stipulate reductions of NOx by 47% and particulate matter by 64% from the levels required by the 2005 emission standards (applicable to vehicles weighing more than 1,265 kg). The regulations went into effect for new models in October 2009 and have been applied to existing models and imported cars since September 2010.

Nissan's Green Building Policy

Using the ISO 14001 management processes for evaluating environmental impact, Nissan seeks to optimize its building specifications in the construction and refurbishing stages. Our evaluation metrics in this area include buildings with a smaller environmental footprint, such as lower CO_2 emissions; construction methods that produce less waste and emissions; and reduced use of hazardous materials and other quality control tasks. Ongoing improvements are made through the PDCA cycle.

In Japan we also use a performance index, the Comprehensive Assessment System for Built Environment Efficiency (CASBEE), defined by the Ministry of Land, Infrastructure, Transport and Tourism. Among Nissan's current business facilities, the Nissan Advanced Technology Center (NATC) in Atsugi, Kanagawa Prefecture, and our Global Headquarters in the city of Yokohama have earned CASBEE's highest "S" ranking. The Global Headquarters, in particular, scored a Built Environment Efficiency rating of 5.6, which is a high score for CASBEE ratings of new constructions, earning it the distinction as one of the most environment-friendly and efficient buildings in Japan. In addition to its thoroughgoing environment-friendly design, it was recognized for its efficient use of natural energy sources, CO_2 emissions reductions, recycling of water and drastic waste reductions.

Prevention of Air Pollution

At Nissan production plants, we thoroughly implement systems and control standards to manage air pollutants and undertake activities to reduce the amount of these substances used and emitted in our production operations. We aim for even higher levels of air pollution control than those mandated by the countries in which we operate.

In Japan, we have taken strict measures to reduce emissions of NOx and SOx pollutants from our factories, reducing the amount of these emissions to one-fourth of the levels emitted in the 1970s. Painting lines and other processes in vehicle production consume large amounts of heat. We have lowered NOx and SOx emissions by introducing low-NOx burners in the ovens and boilers that provide heat for our painting lines and by switching from heavy oil and kerosene to fuels with low SOx emissions for these ovens and boilers.

A current challenge is the reduction of volatile organic compounds (VOCs), which readily evaporate and become gaseous in the atmosphere. These compounds account for approximately 90% of the chemicals released in our vehicle production processes. We are working to increase the recovery of cleaning solvents and other chemicals and reduce the amounts of these substances emitted from our plants ahead of the implementation of new regulations in each country where we operate.

VOC emissions from Nissan Motor Kyushu Co., Ltd.'s water-based paint line are now less than 20 grams per square meter of painted surface, and we are maintaining one of the best levels in the industry. Water-based paint lines have also been introduced in our Smyrna and Canton Plants in North America, our Barcelona Plant in Spain and other plants.

Our Efficient New U.S. Paint Plant

In January 2013, Nissan's Smyrna Plant in Tennessee opened the most advanced paint plant in the world. Previous processes required the vehicle to bake in between the primer application and the topcoat layers, but the new plant uses an innovative three-wet paint process that applies all three paint layers in succession, before the vehicle goes into the bake oven, reducing energy consumption and CO_2 emissions by 30% and VOC emissions by 70% while increasing production efficiency.

The Smyrna Paint Plant is Nissan's "showcase project" as part of the Department of Energy's Better Buildings, Better Plants Challenge, where Nissan North America has committed to reducing energy intensity in its three U.S. plants by 25% by 2020.

Clean Effluent Through Wastewater Treatment

We reuse water within our operations and try to reduce the total volume of water used. Wastewater undergoes processing in our wastewater treatment facilities before being released into rivers or elsewhere.

In preparation for unexpected occurrences, such as the discharge of oil in rainwater, we have installed sensors to detect irregularities and a system to stop effluent from leaving our sites.

At the Oppama Plant in Kanagawa Prefecture, for example, we have installed a system to strengthen our water quality sensors to the discharge ports of the wastewater treatment facility, and discharge of water outside the grounds is automatically suspended if water quality problems are detected.

Wastewater Release

The figures are for the Nissan Group worldwide, including consolidated companies.

Messages from Our Stakeholders

Nissan's Support Helps Keep Tennessee's Forests Healthy

Gina Hancock
State Director
The Nature Conservancy in Tennessee

During its 35 years working in Tennessee, the Nature Conservancy has protected more than 280,000 acres of land, the vast majority of it forested. Now, with the help of Nissan, the nonprofit conservation organization has expanded its Forest Health Initiative to restore key forests and combat invasive pests that threaten forest health.

Counteracting insect pests is an important feature of the Conservancy's Tennessee forest work. In one key initiative, the Conservancy leads a group of state and federal agencies that have joined forces to save hemlock trees on the Cumberland Plateau from the deadly hemlock woolly adelgid insect. In addition, the Conservancy and partners have held workshops for private landowners to show them how to treat hemlocks for woolly adelgid. Nissan's contribution enabled crucial treatment on hemlocks across 11 counties in Tennessee.

This summer, the Nature Conservancy will launch another program, "Healthy Trees, Healthy Tennessee," which will enlist tree-care professionals to monitor urban tree health and identify invasive insect pest outbreaks and then empower them to fight back against the outbreaks before they get out of hand. Nissan's support in all of these endeavors will help to conserve the Earth's resources for future generations.

SAFETY

Nissan aims to create cars that embody the "pleasure and richness of driving" while prioritizing customers' peace of mind through the pursuit of a high level of real-world safety. This means, of course, working to improve passenger safety in our vehicles. It also means researching and developing Intelligent Transport Systems (ITS) that help to reduce accidents and traffic congestion, as well as promoting educational activities to raise safety awareness among drivers, pedestrians and the community. Looking toward the realization of a safer society with more mobility, we are involved in a wide range of activities with other stakeholders.

OUR PRIORITIES

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KEY FIGURES

Fatal and serious injuries per 10,000 Nissan vehicles	(2011)
Japan	**6.33**
USA (fatalities only)	**1.45**
Europe (U.K.)	**8.09**

▸▸ GRI G3 Indicators
▸▸ PR1

NISSAN'S APPROACH TO SAFETY

Helping to reduce traffic accidents requires a comprehensive approach addressing not just automobiles, but people and the traffic environment too. To help contribute to the realization of a truly safe society, Nissan uses a triple-layered approach, taking measures in the areas of vehicles, individuals and society.

In addition to this, Nissan takes the fundamental approach of pursuing "real-world safety." In 2012 there were 4,411 deaths resulting from traffic accidents in Japan. It was the 12th straight year for this figure to decline. The World Health Organization (WHO) notes that 1.24 million people lose their lives each year in automobile accidents around the globe and warns that if urgent steps are not taken, accidents could become the fifth leading cause of death worldwide by 2030. We set a target of reducing the number of fatalities and serious injuries involving Nissan vehicles to half of the 1995 level by 2015 in Japan, the United States and the United Kingdom, and this target was reached ahead of schedule. Today we are engaged in activities aimed at halving this once again in these markets by 2020. As an ultimate goal, we are seeking to progress toward a world with virtually no accidents leading to death or serious injury.

Japan — Fatal and Serious Injuries per 10,000 Nissan Vehicles

Source: Institute for Traffic Accident Research and Data Analysis

USA — Fatalities per 10,000 Nissan Vehicles

Source: Fatality Analysis Reporting System

Europe (U.K.) — Fatal and Serious Injuries per 10,000 Nissan Vehicles

Source: STATS19 data, U.K. Department for Transport

FISCAL 2012 PERFORMANCE

- Low-speed Collision Intervention developed, introduced on the Elgrand in December 2012
- Autonomous Emergency Steering System developed to offer collision-avoidance capability in future models via automatic steering in situations where it is difficult to avoid collision by autonomous brake only
- Nissan Safety Driving Forum held in India

FUTURE MEASURES

- Development of new, more effective safety technologies and broader application of them in the product lineup
- Expansion of traffic safety programs carried out in major Indian cities to Brazil and other regions

VEHICLES: DEVELOPING SAFETY TECHNOLOGIES

Based on our unique "Safety Shield" concept, we are working to develop automotive technologies from the perspective that people are at the center of the driving experience. We focus on solutions that help maintain distance from potentially dangerous conditions. We also provide technologies that aim to activate vehicle systems (for example, the brakes) when a collision is unavoidable, thereby helping to reduce injuries.

The "Safety Shield" Concept

Nissan bases its efforts to create safer automobiles on its original "Safety Shield" concept. This defines the conditions surrounding a vehicle in terms of six phases, from "risk has not yet appeared" through "post-crash," and guides our development of technologies to help address each phase, based on the idea that cars should help protect people.

Risk has not yet appeared ▪ Distance Control Assist System ▪ Navigation-enabled Intelligent Cruise Control with full-speed range following capability ▪ Adaptive Front-Lighting System (AFS) ▪ Around View Monitor	Helps the driver to maintain comfortable driving
Risk has appeared ▪ Lane Departure Prevention ▪ Lane Departure Warning ▪ 4-Wheel Active Steer ▪ Blind Spot Warning ▪ Blind Spot Intervention ▪ Back-up Collision Intervention	Helps the driver to recover from dangerous conditions to safe driving
Crash may occur ▪ Anti-lock Braking System (ABS) ▪ Brake Assist ▪ Vehicle Dynamic Control (VDC)	
Crash is unavoidable ▪ Intelligent Brake Assist ▪ Front Pre-Crash Seatbelts	Helps minimize injuries when a collision is unavoidable
Crash ▪ Zone Body construction ▪ SRS Airbag Systems ▪ Pop-up Engine Hood	
Post-crash ▪ Automated Airbag-Linked Hazard Lamps	

Aiming for "Collision-Free Cars"

Even a careful driver may encounter some situations where blind spots occur, and even in zones that the driver can see, risks can arise to threaten the safety of the driver. Nissan is developing technologies to one day support the concept of "collision-free cars" as part of an all-around drive-support system that seeks to detect such risks in advance, warn the driver of them and, in emergency situations, intervene to help prevent accidents.

In our all-around drive-support system we have brought together various safety technologies, including our world-first Back-up Collision Intervention technology, which detects large objects in the path of the vehicle when the driver backs up. Other safety and convenience technologies found in some Nissan vehicles include the Distance Control Assist System, which helps the driver maintain distance between the car and the vehicle in front; Lane Departure Prevention, which helps the driver return the vehicle to its designated travel lane; and Blind Spot Intervention, which assists in lane changes by alerting the driver to the presence of a vehicle in the blind spot and helping him or her return the vehicle to its travel lane.

Distance Control Assist System

Nissan's Distance Control Assist System uses a sensor to calculate the distance between the car and the vehicle in front. Based on the gap and relative speed between the cars, the system then supports the driver's pedal operations when braking, thus helping to maintain an appropriate space between the vehicles. We first installed this system in the 2007 Fuga marketed in Japan.

We have also developed a world-first technology integrating the car's navigation system with these functions. Our new system can import data from the navigation system on upcoming curves in the road and help to apply the brakes gradually in preparation for them. If the driver continues depressing the accelerator pedal, the system provides support by lifting the pedal to assist the driver in switching to the brakes. The system also applies smooth deceleration when the accelerator pedal is lifted, helping make it easier to navigate curves. This upgraded system made its debut in the Fuga marketed in Japan in November 2009, and is available in the Infiniti M in the United States.

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Lane Departure Prevention

This system helps the driver return the vehicle to its designated travel lane when the vehicle is drifting out of the lane. A camera unit installed behind the rear-view mirror detects lane markers in front of the vehicle and calculates its position relative to them. When the system judges that the car may unintentionally leave its lane, it alerts the driver with visual and audible warnings and briefly activates the brakes on one side of the vehicle to assist the driver's efforts to return to the lane center. We rolled out this system in the Skyline Crossover launched in July 2009 in Japan. In the United States, it is available in various Infiniti models.

Blind Spot Intervention

This system supports the driver's operations when initiating a lane change, helping to avoid a collision with another vehicle that may be traveling in the blind spot. Sensors installed in the rear of the car detect a vehicle in the adjacent lane and provide a visual indicator to the driver. If the driver activates the turn signal, the system alerts the driver with audible and visual warnings. Moreover, if a vehicle is detected in the blind-spot area and the vehicle is approaching the lane marker, the system applies the brakes on one side of the vehicle to generate part of the necessary yaw movement to help the driver keep the car away from the other vehicle. The Infiniti M launched in North America in March 2010 was the first to feature this technology.

Back-up Collision Intervention

When the vehicle is in reverse, such as backing out of a parking space, Back-up Collision Intervention goes to work. Sensors mounted on the rear and sides of the vehicle are used to detect approaching vehicles and other large obstacles in the car's path. If an object is detected, visual and audible warnings are provided, and then the brakes are activated momentarily to help the driver avoid a collision. This system is featured in the Infiniti JX that went on sale in the United States in March 2012.

Forward Emergency Braking

This system supports the driver by helping to avoid collisions at speeds of up to 60 km/h. It uses a highly sensitive radar sensor to monitor the distance from the vehicle in front and its relative speed and supports the driver's efforts to avoid a forward collision. When the system detects an object in the vehicle path that could pose a collision danger, it actively prompts the driver to perform avoidance maneuvers by providing visual and audible warnings. Additionally, it can further help the driver by pressing back on the accelerator pedal and applying the brakes. By helping the driver to reduce speed smoothly, it may also contribute to reduced occurrence of rear-end collisions following sudden braking.

Around View Monitor

This world-first technology uses images from four cameras installed at the front, back and sides of the vehicle, combining them in a composite, bird's-eye view on the car's navigation monitor. This allows the driver to easily grasp the position of the vehicle in relation to the parking space, simplifying tasks like parallel parking or entering a garage. The system made its debut in the Elgrand released in Japan in October 2007, while the first model to offer the system in North America was the Infiniti EX35 launched in December that year.

We later added the following three functions to the system, two of them world firsts, and incorporated this upgraded version in the Skyline Crossover launched in Japan in July 2009.

1 Front/Rear Wide-view Function

The monitor displays views covering approximately 180 degrees from both the front and rear cameras, helping the driver to check for other vehicles that may be approaching. This helps the driver navigate when the car travels through blind intersections or exits a parking space. The rear wide-view function in particular is a world first.

2 Front Wide-view Function Linked to the Navigation System

After the driver registers a location on the navigation system's map, the monitor will automatically switch to front wide-view mode when the vehicle arrives at that location and comes to a stop. This lets the driver check for approaching vehicles more smoothly, without the need to manually activate the front-view camera. We hope this world-first technology will help to enhance users' peace of mind at intersections with poor visibility.

3 Parking Guide Function

This new function enhances our Around View Monitor, making it easier than ever to move the car in and out of garages or parking spaces. The driver can use the touch panel on the navigation screen to get an overhead view of the vehicle in relation to its surroundings, along with audio and visual guidance on parking maneuvers.

The system gives helpful views when backing into a space.

The Parking Guide system gives the driver an intuitive feel for the vehicle's position while parking.

When parallel parking, the driver can simultaneously check the car's rear, side and curbside front views.

New Safety Technologies in Fiscal 2012

Low-speed Collision Intervention

In October 2011 Nissan announced Low-speed Collision Intervention, a world-first technology aimed at helping to reduce accidents caused by misapplication of the brake and accelerator pedals. In December 2012 this system debuted on the Elgrand sold in Japan. During parking and other low-speed operations, this technology uses the four cameras in our Around View Monitor system and ultrasonic sonar to help detect mistaken driver operations, such as stepping on the accelerator instead of the brake pedal. This helps to reduce the risk of collisions with walls or other objects.

1 Accelerator pressed while parking in front of a wall or other obstacle:

Sonar detects objects around the vehicle, such as walls, storefront windows or cars in a parking lot. If the driver applies the accelerator instead of the brake, the system will try to control acceleration, and if contact is imminent, it will try to apply the brakes to help prevent or reduce the impact of the collision.

2 Accelerator pressed while parking in a marked space:

The cameras detect the lines around the parking space. If the driver accidentally accelerates instead of braking, the system will try to control the vehicle's speed and help prevent excessive acceleration.

3 Brake applied late while moving at low speed in congested traffic or while parking:

Sonar detects obstacles around the vehicle, such as other stationary cars in front. If the vehicle is about to collide with an object, the system tries to apply the brakes before the collision, helping to prevent or reduce the impact or damage of the collision.

Autonomous Emergency Steering System

Nissan's Autonomous Emergency Steering System is an advanced collision avoidance support system that provides steering assistance in addition to automated braking when the vehicle appears likely to collide with another object and braking alone may be insufficient to avoid the collision. The system uses a front-mounted radar and camera, two left and right rear radars and the five laser scanners attached around the vehicle to gather data on potential collision risks that cannot be avoided by braking alone. At the same time, it checks if there is a forward zone free of obstacles and that there are no vehicles approaching from the rear, displaying to the driver the direction to steer the vehicle. If the driver cannot immediately steer in that direction, the system automatically supports steering operations to help avoid a collision.

The Autonomous Emergency Steering System takes effect in situations where unpredictable risks arise, such as sudden intrusions onto the road in low speed zones or potential collisions at high speed due to the driver's delayed recognition of the tail end of a traffic jam.

Nissan has been engaged in developing and marketing brake-based control systems as one form of technology for supporting collision prevention. To increase the effectiveness of these solutions, we have worked on technology to deal with situations that cannot be mitigated through braking alone. For a driver to avoid a potential collision by steering away from it, there is a need to confirm that there are no obstacles in the area where the vehicle will move. This requires advanced technology to constantly scan and analyze the vehicle's surroundings. Our achievements to date in high-precision sensors and onboard processors have allowed us to develop technology to support the driver by automatically helping to steer the vehicle away from potential collisions when braking alone is insufficient.

Safety Technologies for Electric Vehicles

Nissan LEAF* uses high-strength body construction that helps protect its lithium-ion battery in the event of a collision. Nissan LEAF also features insulation around its high-voltage parts used in such areas as the battery and the motor. Moreover, the vehicle is designed so that the high-voltage electrical system automatically shuts down in the event of a collision. Nissan LEAF is further equipped with a lithium-ion battery controller system that continuously monitors battery conditions to help prevent overcharging, excessive discharging or overheating, which could lead to severely reduced capacity or malfunction.

Since EVs are extremely quiet when running at low speeds, Nissan LEAF is equipped with the Approaching Vehicle Sound for Pedestrians system. The car begins emitting a sound when the driver puts the car into drive gear and releases the brake. This sound fades out when the vehicle tops 30 km/h and starts up again when the vehicle decelerates, at speeds below 25 km/h. Another warning sound is generated when the car is put in reverse.

We have also prepared a special instruction manual for use in assistance and rescue operations in the case where a mechanical problem or accident does take place.

▸▸ website

* Click here for more information on Nissan LEAF's safety features (Japanese only).

INDIVIDUALS: OUR TRAFFIC SAFETY ACTIVITIES

To help create a better mobility society, it is important for as many people as possible, including drivers and passengers in vehicles as well as pedestrians outside them, to share an understanding of road safety. We take part in educational activities to boost this safety awareness, measures to improve drivers' skills behind the wheel and a range of other safety promotions.

Educational Programs in Japan

Traffic accidents are statistically more likely to occur during the dusk hours from 4:00 to 6:00 p.m. each day. As part of its Hello Safety Campaign,[*1] Nissan began urging drivers to turn on their headlights earlier in the evening in the Omoiyari Light Promotion,[*2] launched in 2010.

In fiscal 2012, we expanded our programs of town-hall-style safety meetings and other public events. We are also actively engaged in educational efforts using social media and websites. These safety activities are spreading and growing deeper throughout Japan, with more partners taking part in the Omoiyari Light Promotion and more individuals, NPOs and industries getting involved.

▸▸ website

*1 Click here for more information on the Hello Safety Campaign (Japanese only).

▸▸ website

*2 Click here for more information on the Omoiyari Light Promotion (Japanese only).

The Omoiyari Light Promotion logo

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Safety Education in Korea and the Middle East

Nissan Middle East FZE educates children about traffic safety through a dedicated website. Launched in October 2009, the site uses puzzles, pictures for coloring and other features to make learning online fun as well. The website shares easy-to-understand information with elementary school students in Arabic, English and French.

Nissan Korea Co., Ltd. launched its Nissan Kids Safety Campaign in April 2009. This campaign features similar content to that of the Middle East project and uses a website and booklets to educate children on traffic safety.

Promoting Traffic Safety in China and Indonesia

Traffic safety has become an increasingly important issue in China, which is seeing a rapid increase in the number of automobiles on the road. In 2005 Nissan (China) Investment Co. hosted its first safety program to improve drivers' skills and safety awareness in cooperation with the China Road Traffic Safety Association. In fiscal 2010 forums were held in September and October. Many customers, government officials and media representatives attended the forums, which featured programs for learning braking, cornering and other driving techniques from qualified instructors, contributing to deeper understanding of traffic safety. Programs for eco-driving skills were also included. Today these activities are implemented by the passenger automobile division of Dongfeng Motor Co., Ltd., as part of the Nissan Technology and Safety Driving Forum, a program of activities in which dealerships also participate.

The company also designed a contest to test Chinese high school students' knowledge of traffic safety and environmental protection issues. The year 2011 was the sixth for the event, which aims to increase interest and awareness of safety issues among young people, the drivers of tomorrow. In addition to taking simple quizzes on basic traffic rules, automotive safety devices and environmental issues, participating students made their own presentations on automotive and traffic safety.

In Indonesia, we started the Nissan Smart Driving program as a way to emphasize the importance of traffic safety. The program started out as a cooperative project with a lifestyle magazine designed to promote safe driving habits, but the scope of activities has since broadened to include hands-on safety workshops led by driving instructors for university students.

Nissan Safety Driving Forum in Emerging Markets

In early 2013 we launched the Nissan Safety Driving Forum program in emerging markets as part of our efforts to promote safer mobility. The aim is to enhance road safety awareness among as many of our customers as possible.

In February, the forum took place in three key Indian cities: New Delhi, Mumbai and Chennai. We used panel displays and interactive simulators to communicate the importance of wearing seatbelts and promote awareness among participants. Preparations are now underway to expand this program to Brazil and other regional markets.

SOCIETY: WORKING TOGETHER WITH SOCIETY

We believe it is possible to help create an even safer mobility society by using information from the traffic environment surrounding the vehicles on the road. Together with a wide range of governmental agencies, universities and companies, we are participating in various projects intended to promote the eventual achievement of a safer, more pleasant mobility society utilizing ITS.

Helping Reduce Accidents and Congestion with ITS

In 2006, Nissan launched the ITS Project in Japan's Kanagawa Prefecture. This project seeks to use Intelligent Transport Systems to create integrated networks of people, roads and vehicles, thereby helping to reduce traffic accidents and ease road congestion. The ITS Project gathers and uses information on nearby vehicles and the traffic environment in order to help reduce accidents involving other parties that can be difficult for a driver to see and react to.

We are building on the results of the ITS Project with our development of the Driving Safety Support System (DSSS). This will be an ongoing project promoted by Japan's National Police Agency and the UTMS Society of Japan, an organization operating under its aegis.

It uses the latest ITS technologies, such as optical-beacon communication tools to connect vehicles and the network of roads, with the aim of reducing traffic accidents. At intersections with reduced visibility, roadside infrastructure communicates with vehicles to deliver information to drivers via onboard navigation systems, warning them of potential dangers like crossing collisions and helping make sure they notice stop signs, signals and vehicles stopped at lights.

Helping Reduce Wrong-Way Accidents

Recently Japan has seen a number of serious accidents caused by vehicles traveling in the wrong direction on expressways. Working together with West Nippon Expressway Company (NEXCO), Nissan has developed a navigation program that uses GPS to notify drivers of vehicles driving the wrong way on an expressway. The system detects wrong-way vehicles based on GPS coordinates, maps, traveling speeds and other data. The driver of a vehicle going the wrong way receives audible and visual warnings. The Nissan Fuga Hybrid released in October 2010 is the first vehicle in the world to employ this system.

Combating Drunk Driving

Accidents involving driving under the influence of alcohol are a serious problem that blights society to this day. Nissan is actively engaged in a number of programs aimed at helping to eliminate drunk driving. In August 2007, working with the city of Kitakyushu, Fukuoka Prefecture, the Tochigi prefectural government, the town of Kaminokawa in Tochigi and the city of Atsugi in Kanagawa Prefecture, we began trials of a system to help prevent drunk driving.

Nissan has also carried out joint research with the University of Occupational and Environmental Health in Kitakyushu on the physiological, psychological and behavioral effects of alcohol on the human body. This research aided our development of technologies to quickly and accurately detect the errors and abnormalities in vehicle operation under the influence of alcohol. Other Nissan approaches to help reduce drunk driving include a function added to our Carwings navigation system in Japan that displays warnings against driving under the influence during the most common hours for such behavior, with the aim of increasing driver awareness of the danger of getting behind the wheel after consuming alcohol.

PHILANTHROPY

Nissan believes it is as important to contribute to society as it is to deliver innovative and exciting vehicles and outstanding services to customers worldwide. Our social contribution activities focus on three areas: caring for the environment, education and humanitarian aid. As an automaker, we can draw on our expertise, technology and products in our various philanthropic activities. We work with actors in a variety of sectors to address complex social issues. With a common vision, our regional offices and affiliates also conduct activities to respond to needs everywhere we operate.

OUR PRIORITIES

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Humanitarian Support ___p. 56

KEY FIGURES

Global social contributions (FY2012)*	**$13 million**

* On a consolidated basis, including donations and monetary contributions

▸▸ GRI G3 Indicators
▸▸ EC1

NISSAN'S APPROACH TO PHILANTHROPY

In planning and executing social contribution activities, we not only provide financial support but also pursue activities that are "distinctly Nissan," making full use of our automotive expertise, products and facilities.

We place emphasis on working with specialized nonprofit and nongovernmental organizations that have great expertise in their fields to ensure that our social contributions make the most impact.

Nissan's local companies support employee involvement in social contribution activities by providing information on volunteer activities and opportunities to participate. Nissan also has a matching gift program in which employees can volunteer time or contribute financially to nonprofit organizations, and the company will match their contributions.

FISCAL 2012 PERFORMANCE

- Expanded partnership with Habitat for Humanity, an international NGO
- Conducted Nissan Safety Driving Forum,* a safety driving promotion program, in India
- Met with those heading social contribution activities in each regional office worldwide to strength our global structure

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* Click here for more information on Nissan Safety Driving Forum.

FUTURE MEASURES

- Implement PDCA (plan, do, check, act) cycle in ongoing activities to make them more effective
- Make improvements in newly launched global programs, listening to the voices of stakeholders
- Consider using indicators to measure results of activities
- Provide ongoing support to the areas hit by the Great East Japan Earthquake

COMPANY ORGANIZATIONS FOR PHILANTHROPY

The CSR Department at Nissan's Global Headquarters in Japan formulates Nissan's policy for philanthropy. A policy discussed and decided by the Executive Committee is shared globally, and each region conducts activities based on this policy.

For organizational purposes, we divide the world into three regions: Asia and Oceania, the Americas (North and Latin America) and AMIE (Africa, the Middle East, India and Europe). Nissan's Global Headquarters is in charge of Asia and Oceania; Nissan North America Inc. (NNA), the Americas; and Nissan International SA (NISA), AMIE.

These three regional offices support social contribution activities of sales companies and consolidated subsidiaries in each region, as well as playing a central role in promoting global programs and dealing with the aftermath of natural disasters. We have a system in place for global coordination of our efforts, and we take a cross-functional, cross-regional approach to our social contribution activities as well.

Global Philanthropy Promotion Structure

ENVIRONMENT

With our environmental philosophy of "a Symbiosis of People, Vehicles and Nature," Nissan actively engages in reducing the environmental load on the planet. Placing a priority on the environment in our philanthropic activities as well is a natural extension, so we undertake educational programs for cultivating deeper understanding of environmental issues and promote basic research for the realization of a low carbon society.

School-Visit Programs (Japan)

Since 2007, Nissan has put its manufacturing know-how to work by carrying out three school-visit programs. The programs target older elementary school students, with instructors dispatched from Nissan.

One of them is the Nissan Waku-Waku Eco School, where students can deepen their understanding of global environmental issues. They learn about Nissan's environmental efforts and experience the latest in environmental technology. This has included test rides in the pure electric Nissan LEAF electric vehicle and fuel-cell vehicles.

In fiscal 2012, about 5,000 students from 32 schools, mainly in Kanagawa Prefecture, attended the program. Since the launch of the Nissan Waku-Waku Eco School, a total of some 20,000 children have participated as of March 2013.

Partnership with Fleet Forum (Europe)

Nissan has partnered with Fleet Forum, an NPO headquartered in Geneva, with the goal of helping to reduce the environmental impact of vehicles used in nonprofit activities. We provide Nissan LEAF electric vehicles through Fleet Forum to five U.N.-affiliated and other organizations for fixed periods, free of charge. We will continue our support in fiscal 2013.

Nissan LEAF plays a valuable supporting role in nonprofit activities. (Photo: Rein Skullerud, WFP)

Appeal to Join Earth Hour (China)

As an environmental awareness-raising activity, Nissan (China) Investment Co., Ltd. (NCIC) appealed to its entire staff to take part in the "Earth Hour" event launched by the World Wildlife Fund (WWF), together with their families and friends.

For Earth Hour, people are asked to turn off their lights for one designated hour of one designated day every year as a symbolic way to show commitment to doing something about climate change. NCIC invited participants to upload photos to the Web showing their environmental commitment, and special gifts were given to the five persons with the most forwarded blog entries.

EDUCATION

Nissan believes supporting children and young people is an investment in the future and generations to come. For the realization of a society where anyone can open a door to a better future, we are working on several educational programs that utilize our knowledge and technology base to provide primary school education opportunities in emerging countries.

Youth Literacy Efforts (Japan, Portugal, U.S. and other countries)

Nissan has organized the Nissan Children's Storybook and Picture Book Grand Prix each year since 1984. We have introduced a number of writers and works through this program.

Through March 2013, approximately 193,000 copies of published winning works have been donated to public libraries across Japan and kindergartens near Nissan offices. In 2012, Nissan Iberia S.A. in Portugal established a similar program in which the company identifies young talented writers in schools within the country and provides opportunities for book publication in cooperation with local government.

In the United States, Nissan North America (NNA) supports the Governor's Books from Birth Foundation literacy program to introduce children up to age five to the joy of books. In areas hit by natural disasters, including the Great Sumatra Earthquake and the Great East Japan Earthquake, we support mobile library projects organized by the Shanti Volunteer Association as part of relief efforts. Our youth literacy efforts are one unique aspect of our philanthropic activities.

Outreach to Students to Talk about *Monozukuri*

Through engaging and fun activities, we work to instill in the younger generation the importance of *monozukuri*, Japan's tradition of careful craftsmanship. For instance, the Nissan Technical Center Europe in the United Kingdom, our R&D center in Europe, conducts the Annual University Engineering Summit, inviting U.K. university students majoring in engineering to the facility. The most recent forum, held in February and March 2013, welcomed 300 students from 26 universities. They toured the site, met with Nissan engineers and participated in structured discussions.

In Japan, the message of *monozukuri* is shared through school-visit programs, the Nissan Monozukuri Caravan and the Nissan Design Waku-Waku Studio, which bring Nissan employees to visit elementary schools. Some 23,000 children take part in the programs every year.

In addition, the company donates vehicles and engines to universities and vocational schools to be used for instructional purposes in many countries, including South Africa and Indonesia. Access to real-world vehicles helps students build their skills and practical knowledge.

Students and Nissan engineers took part in discussions together.

Education Support for Children in Need (China, South Africa)

In China, where the economy continues to grow dramatically, many people migrate from rural regions to major cities in search of work. Many of them are economically challenged, and their children are in need of social support.

Nissan (China) Investment Co., Ltd. (NCIC) began a program in 2010, "Nissan Caring for Migrant Children," to address the challenges of a rapidly migrating population. In fiscal 2012, Dongfeng Nissan Passenger Vehicle Company (DFL-PV) and Zhengzhou Nissan Automobile Co., Ltd. (ZNA) also joined the program. They donated computers and musical instruments to schools attended by children from economically challenged households. An event built around the donation was attended by Nissan employees, car owners and local Nissan dealership representatives.

Elementary schoolers in a ceremony to welcome Nissan employees

In 2012, Nissan South Africa (NSA) provided a mobile eye clinic that screened 11,482 schoolchildren and dispensed 597 pairs of prescription eyeglasses. The mobile team referred 650 students requiring more advanced eye screening to specialist clinics. This is part of the Nissan Mobile Child Eye Health Project, which has been running for the past three years. This activity helps children from disadvantaged backgrounds to get access to eye-care, thus increasing their ability to learn effectively.

Academic Efforts

Nissan Global Foundation (Japan)

We recognize that creating a sustainable society on a global basis is a necessity. The Nissan Global Foundation nurtures individuals who understand the issues and challenges facing the planet and who can lead sustainable development efforts. The Foundation provides financial support for scientific research that leads to far-reaching solutions to the many issues humankind faces.

One way the Foundation nurtures childhood development is by providing financial support to science education that develops critical thinking in youth and by extending internships with the Renault Foundation. The Nissan Global Foundation also provides support for basic research in various fields for the realization of a low-carbon society.

In fiscal 2012, the Foundation contributed approximately ¥40 million to 34 projects. Since the establishment of the Foundation in 1974 through the end of March 2013, a total of ¥6.92 billion has been provided to approximately 2,500 projects.

Nissan Institute of Japanese Studies, Oxford (U.K.)

Founded at the University of Oxford through donations from the company, the Nissan Institute of Japanese Studies is a well-known center for the research of modern Japan in Europe that contributes to the promotion of mutual understanding between Japan and Europe.

HUMANITARIAN SUPPORT

Nissan has provided assistance around the world to people who have been affected by large-scale natural disasters. We understand the needs of customers making use of our worldwide network of business offices and group companies, and provide relief assistance quickly and effectively. In fiscal 2012, we expanded our humanitarian efforts to include a new global partnership with Habitat for Humanity.

Partnership with Habitat for Humanity

Nissan started collaborating with Habitat for Humanity in the wake of Hurricane Katrina, which struck the American South in 2005. Habitat for Humanity carries out its activities around the globe, building or repairing houses to aid people without safe, clean housing.

We fully endorse the vision behind these activities, which is in accordance with our own vision of Enriching People's Lives, and decided to expand the partnership. In Japan, Thailand, India, Indonesia, Vietnam and the Philippines, we started the construction of houses and other related activities with our regional companies and their employees, who contributed their time to volunteer.

▸▸ website

Click here for more information on the Nissan Global Foundation.

▸▸ website

Click here for more information on the Nissan Institute.

North American Employees Offer Reconstruction Assistance in Haiti

Nissan North America (NNA) launched a project with Habitat for Humanity to send volunteers to Haiti. Employees in North America were invited to apply, and five were selected from many applicants, based on essay submissions. Employees joined volunteers from all over the world and participated in a large-scale construction project from November 21 to December 1, 2012.

NNA employees participated in Haiti reconstruction.

Employees in Japan Volunteer After Great East Japan Earthquake

Working with Habitat for Humanity Japan, Nissan engaged in reconstruction support activities in the tsunami-stricken city of Ofunato, Iwate Prefecture, with the help of volunteer employees. About 90 employees visited the site four times, helping to make temporary housing complexes more comfortable for the occupants.

Addressing Natural Disasters

Relief Activities in China's Yunnan Province

On September 7, 2012, a 5.5 magnitude earthquake hit Yunnan Province in China. Houses were severely damaged, transportation was disrupted and there were continuous landslides. While immediate relief is always a necessity in such a crisis, there was an even greater sense of urgency as the earthquake hit right before the start of winter.

Facing the major disaster, Nissan (China) Investment Co., Ltd. (NCIC) and Zhengzhou Nissan Automobile Co., Ltd. (ZNA) immediately initiated relief efforts. They donated winter clothing and other needed items collected through their employees. At the same time, ZNA sent two vehicles to the disaster area to support volunteers in transporting relief materials. In addition, the companies provided financial support for the volunteers on the front lines.

Relief Activities in Quake-impacted Northern Italy

Nissan made a contribution of €100,000 to the Italian Red Cross to give aid to Northern Italy, which suffered from two earthquakes in May 2012. The company also donated a 4×4 Nissan Navara Pickup to the Regional Protection Agency in Emilia Romagna to assist with recovery operations.

The Navara is perfectly suited to difficult travel conditions, and thus helped the agency and other volunteer organizations in their essential rescue efforts and wider relief work.

CONTRIBUTIONS TO COMMUNITIES WHERE NISSAN CONDUCTS BUSINESS

Nissan aspires to be a good corporate citizen, recognized in local communities in every region where it does business. We contribute locally in a variety of ways by supporting community events, sponsoring neighborhood cleanups and hosting fun and informational activities, among other forms of contributions. Many of our employees actively participate as volunteers.

Putting Our Expertise to Work for Society

The Nissan Technical Center (NTC) and Nissan Advanced Technology Center (NATC), in the city of Atsugi, Kanagawa Prefecture, contribute to the local community by promoting "Nice Wave" activities, which include neighborhood cleanups and cooperation with local events. In fiscal 2011, 11,000 people—nearly 100% of employees working in these offices—participated in the activities.

In fiscal 2012, we expanded these activities and launched a new program for community contributions, the Nissan Technical Center Chiiki Fureai (contact with the local community) School. The purpose is to link the expertise of NTC and NATC, our *monozukuri* bases, to the community. We visit schools and deliver lectures on a variety of topics, including product planning, design and environmental technology in response to requests from local schools and governments.

Messages from Our Stakeholders

A Valued, Compassionate Partner

Jonathan T. M. Reckford
Chief Executive Officer
Habitat for Humanity International

Since 2006, Nissan has donated nearly $11 million to help families around the world experience the blessings of safe and decent housing. By partnering with Habitat for Humanity and taking an active role in building homes, communities and hope, Nissan has become a crucial element in weaving a strong social fabric.

In 2012, Nissan's donation of nearly $3 million supported a variety of Habitat initiatives in the United States and Asia, including affordable housing, energy efficient upgrades, sustainability grants and sanitation projects. The donation of vehicles is also helping local Habitat groups carry on their work of building and rebuilding communities.

Just as Nissan responded to the needs of those affected by hurricanes along the U.S. Gulf Coast in 2005, that compassionate response has expanded to recovery efforts following the Great East Japan Earthquake, the flooding in the Philippines and Thailand, and Superstorm Sandy along the U.S. East Coast.

We are extremely grateful for Nissan's faithful commitment to affordable housing and community development, and we look forward to continuing this partnership as together we envision a world where everyone has a decent place to live.

QUALITY

The rating of a car and the value of an auto manufacturer's brand come entirely from the customer's appraisal of quality. Nissan engages in ongoing activities to provide a high level of quality to customers at every stage of its engagement with them. The "Enhancing Quality" program is one of our strategies in pursuing the goals of Nissan Power 88, our mid-term business plan. Through our efforts in this area we aim to achieve higher quality that inspires lasting trust among our customers, leading them to choose a Nissan and make it part of their lives for a long time. By exceeding customer expectations at every point of contact, we strive to earn the highest satisfaction of our customers.

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For "Management Quality," please see the Employees section.

OUR PRIORITIES	
Product Quality	**p. 61**
Perceived Quality	**p. 64**
Sales and Service Quality	**p. 65**

KEY FIGURES	
Product Quality	**Top-level rankings in the most influential third-party indices in each country**
Perceived Quality	**Top-group customer ratings for Nissan and Infiniti**
Sales and Service Quality	**Among the top in the J.D. Power and other major indices**

▸▸ GRI G3 Indicators
▸▸ PR5

NISSAN'S APPROACH TO QUALITY

There are many aspects to the single word "quality." We seek to provide a high level of quality at every stage connected to our vehicles, from the condition of a vehicle and the customer's impression of the showroom salespeople's service to even the creation of a working environment in which every single Nissan employee can find fulfillment.

In 2011 we announced our "Enhancing Quality" program, spelling out clear quality-related goals for Nissan and methods to achieve them by 2016. The end target is to achieve the top level in the area of quality from the customers' perspective. There are certain third-party quality indices on which customers around the world place considerable weight, and our aim is to win top-level rankings in these objective benchmarks. In our aim to become the leader in overall quality, we will continue to inspire trust and ensure satisfaction in all situations involving Nissan customers and their vehicles.

Through this comprehensive approach to quality improvement, our goals are to raise the Nissan brand into the top group of global automakers in product quality and to elevate Infiniti to leadership status among luxury brands.

A Fair, Prompt Approach to Recalls

It is the primary responsibility of the manufacturer to make every effort to ensure that product incidents do not occur in the first place. It is also our duty to ensure that cars, which are extraordinarily complex industrial products, are manufactured to be as ready as possible for various eventualities. Our approach is to make recalls transparent and to handle them fairly and promptly. The decision to make a recall is based on our compliance with relevant laws and our consideration of how the incident may affect the safety of our customers. When Nissan judges that a recall is necessary, it is carried out swiftly to ensure that top priority is given to customers' safety and to minimizing any disruption.

Our recall decision process has received high praise from the U.S. Department of Transportation as a model for the automotive industry, and has already been implemented at all of our operation sites worldwide.

FISCAL 2012 PERFORMANCE

- Four models received the highest-ranking awards in J.D. Power's Initial Quality Study (IQS) in their respective segments: Infiniti EX, Infiniti M, Frontier and Quest.
- Infiniti placed sixth in the nameplate ranking, up two notches from the 2011 study. The Nissan brand improved 12 places to rank twelfth.
- The Versa was the top-rated compact sedan and March was the top-rated compact hatchback in a survey conducted by Brazilian magazine *Quatro Rodas.* This was the first time Nissan vehicles were included in the study.
- In road breakdown statistics issued by the ADAC of Germany, Qashqai and Micra were given the "dark green" (very reliable) rating—the highest of five grades—for four consecutive years in the middle class and compact car categories, respectively, enabling them to meet their "Enhancing Quality" targets ahead of schedule.
- The 2012 J.D. Power study showed that customer satisfaction with Nissan vehicles remained at the top level in Japan and China, and it also indicated dramatic improvements in the United States over the past several years.

FUTURE MEASURES

- Comprehensive efforts to enhance quality will continue to be made toward the goal of elevating the Nissan brand into the top group among global automakers and Infiniti into a leader of luxury brands.
- CS improvement know-how of successful countries will be shared at Global SSI/CSI (Sales Satisfaction Index/Customer Service Index) meetings.*

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* Click here for more information on our Global SSI/CSI meetings.

COMPANY ORGANIZATION FOR QUALITY

To further improve overall customer satisfaction, Nissan has revamped its Quality Management System (QMS), headed by the COO, to strengthen its implementation structure. The management system now clarifies responsibility for a broad range of quality items, promoting initiatives that not only address the quality of our products but also enable cross-functional management of our sales and service activities, the distribution phase and the suppliers who provide parts so that we can offer top-level quality to satisfy customers in every way.

PRODUCT QUALITY

Nissan has defined "Enhancing Quality" as one of the areas of focus for Nissan Power 88, its mid-term business plan. Until now we have worked to reduce reliability issues in vehicles coming off of the line. Now we are also undertaking additional efforts to reduce customer dissatisfaction even in the absence of breakdowns and durability issues arising during lengthy vehicle use, as well as "quality image breaker" issues that impact people's perception of the cars.

We track our level of product quality with both internal and third-party indices. Among the external indices, we have identified 11 "most influential indicators" in eight national markets around the world, and we are aiming to achieve top-level scores in each of them. Since these external scores are only updated once per year, we have set up internal indices along similar lines. We update these more frequently to track our progress and correlate the findings with those of external indices to make quicker improvements as needed.

Improving Initial Quality

Initial quality issues involve defects that occur within a year of a new-car purchase. At Nissan, we have endeavored to reduce defects by establishing internal indices showing the frequency of defect claims within 3 and 12 months following sales. As a result, we have reduced defects by roughly half from levels prior to the launch of this initiative.

At the end of 2011, we introduced the Quality Connection Survey (QCS) as part of our "Enhancing Quality" activities in the United States. Surveys are taken 75 days after delivery of new car buyers who provided email addresses. These comments that come directly from customers are dealt with very quickly in order to achieve higher levels of customer satisfaction.

Improving Durability

Durability issues are those that arise from lengthy vehicle use as molded resin parts change color or deform, as surface materials are abraded, as chrome is stripped away and as material fatigue begins to lead to odd noises from the vehicle. Nissan obtains data on warranty service claims made two to four years after the initial sale and on problems that arise out of the warranty period. We analyze this data with a view to developing technologies that are more resistant to durability issues. We are aiming to reduce durability quality issues by at least 30% by fiscal 2016, compared to the fiscal 2010 level.

Nissan Quality Forum for Employees and Suppliers

The Nissan Quality Forum was launched in 2003 for employees and suppliers to familiarize them with quality issues, customer comments and progress with meeting improvement targets through presentations featuring panels, videos and exhibits of actual parts and vehicles. The forum is organized continuously and cross-functionally by the Total Customer Satisfaction Function (TCSX) and the R&D, manufacturing and other divisions in order to raise awareness of CS and quality-improvement issues of all employees. During fiscal 2012, forums were held globally in Japan, the United States, the United Kingdom, Russia, China and Thailand.

At the November 2012 forum held at the Nissan Technical Center in Japan, an event was held focusing on durability issues during lengthy vehicle use. In addition to experiencing how vehicles age by seeing, touching and driving cars both new and used for various years, participants also exchanged views on how improvements could be made.

Participants at the Nissan Quality Forum

Activities Aimed at Reducing Customer Dissatisfaction

Aside from defects or breakdowns, some of the reasons customers evaluate vehicles negatively include dissatisfaction with the confusing placement of switches or complicated operation of car navigation systems. The June 2011 J.D. Power Initial Quality Study indicated, for instance, that rear wiper switches on Nissan vehicles —because of differences with other manufacturers' models—were difficult to use. The sales and service division thus teamed up with R&D personnel to undertake a cross-functional initiative, resulting in not only a revised instruction manual but also efforts by sales personnel to explain how the switch is used at the time of delivery and consideration by the R&D team of adjusting how rear wipers are operated.

Nissan always has an ear for customers' comments and addresses quality improvements from their perspective.

Activities to Reduce Customer Dissatisfaction

TCSX

- Understanding sources of customer dissatisfaction
- Setting targets

Examples of TCSX measures:
- Identifying points of dissatisfaction through J.D. Power IQS
- Using Nissan Quality Connection Survey (QCS) to set new tasks

R&D

- Addressing dissatisfaction issues
- Implementing projects to enhance CS

Examples of R&D measures:
- Classifying and analyzing dissatisfaction based on actual customer use patterns and perspectives
- Changing specifications as appropriate to improve safety, CS

Cross-functional approach to addressing dissatisfaction

Manufacturing

- Maintaining product capability
- Enhancing problem-prevention activities

Examples of manufacturing measures:
- Adjusting factory processes in line with specification changes to address dissatisfaction
- Designing manufacturing lines to handle adjusted processes

Sales/Service

- Explaining vehicle functions to customers

Examples of sales/service measures:
- Using checklists to explain complicated functions at time of delivery
- Developing, sharing E-QRGs (electronic quick reference guides)

Field Quality Centers

Nissan established its Field Quality Centers (FQCs) with the goal of getting a better understanding of customer demands in each region of the world and providing prompt solutions to the quality issues arising there. There are now eight FQCs in operation in Japan, Europe, the United States (two locations), Brazil, China and India, in addition to a new center in South Africa that opened in fiscal 2013.

The centers 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. Second, they bring together suppliers along with our R&D and manufacturing personnel to share the information and to decide on areas for further investigation and to assign responsibilities. Based on the findings of the detailed studies, all staff members are brought together again to scientifically pinpoint the cause of the problems and decide on specific countermeasures. These measures are incorporated in future R&D and manufacturing activities and in building new management structures to prevent a recurrence of reliability issues or incidents.

Quick Rollouts of New Vehicle Production Structure

Nissan introduced 4G Strategies to provide consistent, high-quality products to customers around the world. We have been able to quickly build an optimum production structure for new models at each of our plants worldwide according to these 4G Strategies.

Nissan's 4G Strategies (Japan)

Global Production Engineering Center (GPEC)

The GPEC develops optimized production processes through focused trials and analysis of new vehicles. In addition to dramatically improving quality in the vehicle production preparation stage, it strives to establish quality consistency globally by spreading high quality standards to manufacturing plants in and outside Japan.

Global Training Centers (GTCs)

Manufacturing quality and productivity depend greatly on the skills of individual workers. To raise these skills to a competitive level in Nissan's plants worldwide, the GTCs carry out training through classroom lectures and skills training activities based on the Nissan Production Way. Graduates of the Master Trainer programs take part in training programs for local staff in regional training centers, effectively passing their skills on to others.

Global Packaging Design Center (GPDC)

The GPDC functions as a training center for developing logistics specialists to work at our manufacturing bases. Training includes parts packaging design, packaging testing and evaluation methods, CAD and optimum logistics cost management to maintain high quality.

Global Launching Experts (GLEs)

GLEs provide support in resolving issues related to *monozukuri* (production) that arise in the new vehicle launch phase. We are meeting our QCT (quality, cost, time) targets for each new vehicle launch thanks to the evaluations and advice from GLE core members and the support of GLE registered members.

Most Influential Indicator (MII) Survey 2012 Results

Country	Survey	Results
USA	*Consumer Reports*	Top reliability rating for Infiniti G Sedan, Nissan LEAF.
	J.D. Power Initial Quality Study (IQS)	Infiniti placed 6/34; Nissan placed 4/22 overall. Infiniti EX in 1st place, Infiniti M 1st, Frontier 1st, Quest 1st.
	J.D. Power Vehicle Dependability Study (VDS)	Nissan Z placed 1st.
China	J.D. Power IQS	Livina placed 3rd.
	J.D. Power VDS	Tiida placed 1st, Qashqai 2nd, Teana 3rd.
South Africa	Synovate Product Satisfaction Index	X-TRAIL placed 1st, NP200 placed 1st, Micra 3rd, Navara 3rd.
Germany	ADAC	Qashqai and Micra ranked "very reliable."
U.K.	*What Car?*	Qashqai and Note ranked "good."
Brazil	*Quatro Rodas*	Versa ranked 1st, March 1st.

PERCEIVED QUALITY

Another pillar of our quality improvement approach is "perceived quality." This is the quality that customers feel when seeing, touching and using a vehicle. For example, when customers come to the showroom they open the vehicle doors, sit in the seats and check things like the texture of interior fittings. Nissan carries out thorough analysis of why customers perceive certain things as good as part of its efforts to improve quality as it appeals to all five senses. We set clear targets and methods for achieving higher levels of quality so that customers will sense attractiveness in Nissan vehicles that cannot be found in other brands.

Anticipating Customers' Quality Perceptions

The feeling of quality is a subjective matter, and fixing quantified criteria calls for very careful investigation. To date Nissan has evaluated cars using the opinions of numerous in-house product monitors and specialists with in-house training and has surveyed customers who have purchased or are considering purchasing a Nissan car in order to fix criteria for quality evaluation from the customer's point of view.

Customer sensibilities and social trends change from day to day. Cutting-edge technologies are constantly in development, and customer needs for these technologies are a moving target. We are working to improve our ability to foresee future social and technological trends in markets around the world, addressing the rapid change seen in the markets and feeding what we have learned into our vehicles, giving them attractiveness not seen in other brands.

We have now begun carrying out actions that reflect our understanding of customers' feelings from the stage of new model development. We are also expanding the geographic range of our surveys to deepen our knowledge of people's emotional approach to vehicles in each global market.

Developing an Attractive Product

In order to increase perceived quality, it is necessary to objectively understand the feelings customers experience when they look at, touch and use a vehicle. Nissan employs scientific methods to measure and analyze human perception and quantifies feelings of comfort to help create optimal designs.

For the sense of touch, for example, we analyzed the feel of various objects such as clothing, furniture and traditional handicrafts. We found that softness close to that of a finger pad feels best when pushing, and a surface texture with roughness similar to a fingerprint's ridges feels best when stroking. We are now using a new material on the armrest of the Nissan Fuga that has the softness of a finger pad and a surface texture similar to a fingerprint.

Further, the human finger has "moisture sensors" in the valleys of the fingerprint ridges. These trigger a sensation of soft, pleasant moisture when the ridge valleys are stimulated, despite the absence of wetness. Softness, meanwhile, is felt more easily when the finger comes into contact with multiple ridges at the same time. We use a premium textured material called "soft-feel grain" on the interior door handles of the Fuga. We have also applied our findings on human touch perception of moisture and softness to improve the feel of the hard plastic materials used in the vehicle interior.

SALES AND SERVICE QUALITY

There are many occasions for Nissan to interact with customers: when they purchase a vehicle, of course, but also when they bring it in for servicing, when they finish paying off the loan and when we send them information on special sales campaigns, such as those for new models and test-drive opportunities. As a means of enhancing the Nissan brand, we pursue "sales and service quality" by going beyond customer expectations in all of these areas. Through effective management of our sales and service quality at sales companies in major national markets around the world, we enhance our connections with customers, improve customer satisfaction, earn stronger support for Nissan and strengthen our brand. Our aim is to achieve top-level customer satisfaction in 16 key national markets including Japan, the United States and Europe.

We are currently working on two key initiatives aimed at boosting our sales and service quality: (1) globally sharing the data collection and systematization of the know-how of successful countries, and (2) achieving overall improvement by reducing discrepancies in performance among sales companies and dealerships in various countries.

These two initiatives will be pivotal to our continuous and consistent activities to maximize customer satisfaction.

Customer Evaluation

To deliver top-level sales and service quality, the purchasing experience of Nissan car owners must be analyzed objectively. Studies are implemented based on third-party surveys in each national market.

Nissan maintained top levels in Japan in J.D. Power's Sales Satisfaction Index (covering such items as delivery process, delivery timing and salesperson) and Customer Service Index (including service, maintenance and repair), while making marked improvements in China thanks to closer coordination between the sales and servicing divisions there. Improved performance in the United States made Nissan the top Asian brand in the CSI (excluding premium brands) as well.

The Nissan Sales and Service Way

Nissan has established the Nissan Sales and Service Way (NSSW) as a set of global guidelines helping dealers to better respond to the individual needs of customers, to see things from the customer's point of view and to provide professional, high-value service. We conduct various activities to increase customer satisfaction and to improve our sales and service quality based on these guidelines. These activities include dealer training to improve product knowledge, service skills and customer care, as well as the provision of guidance to improve dealership operations in response to customer satisfaction surveys. We are also developing personnel and systems to put these improvements into place and enhance the customer focus of our job process, with care given to the voices of customers collected through our call centers and other means.

Nissan carries out these initiatives globally while keeping in mind differences in cultural conditions and customs across countries and regions. In this way we seek to provide the best customer service during the purchase and ownership experiences, as well as in other areas.

Enhancing Frontline Staff Capabilities

In the area of sales quality, it is critical to improve salespeople's knowledge of the vehicles and their sales skills. We conduct new model training and sales skill training activities for our sales companies on a global basis. Future plans include the codevelopment of training materials by participants in our major markets; these materials will be distributed to other markets to improve the level of our training quality worldwide.

For service quality, one key goal is to provide high-quality repair and maintenance work that only takes one visit and does not require the customer to wait too long. We are working on a global basis to enhance service quality by training our people, providing accurate technical information, delivering parts promptly, improving shop tools and designing cars to be more easily maintained.

Boosting Service Quality Through Mechanic Competency

Nissan aims to satisfy customers by always providing highly reliable technical skills. In Japan, we have been developing highly competent technical staff through the establishment of an in-house qualification system that requires even higher certification standards than national programs. We are currently considering ways to allocate the required number of highly certified Nissan technicians depending on dealer size, thereby ensuring consistent shop competency. This practice has already started in the North American and European markets. We aim to provide reliable maintenance and other after-sales services for all our customers.

Sharing CS Improvement Successes Globally

To improve customer satisfaction levels in markets worldwide, we need to not only enhance sales functions on a global basis but also help sales companies in various national markets meet local needs. Nissan conducts sales satisfaction index (satisfaction with the purchasing experience) and customer service index (satisfaction with maintenance and delivery services) surveys in various markets and periodically organizes the Global SSI/CSI Meeting of major sales companies to globally share regional best practices. Regions with high satisfaction levels invariably possess know-how regarding specific approaches and tools. These best practices are showcased at the meetings so they can be applied in regions that are working particularly hard to enhance customer satisfaction.

Sales company representatives at the Global SSI/CSI Meeting

Applying Japan, China Market Know-how to CS in Thailand

Improving customer satisfaction scores in Thailand has been a difficult challenge, so Nissan is comprehensively introducing activities implemented in Japan and China. Specifically, we identified activities to be improved and implemented a thoroughgoing *kaizen* program. The main targets in Thailand were the vehicle delivery process, vehicle quality after repair and customer treatment. Quality improvement efforts are being made by educating sales personnel on the importance of CS and through PDCA cycles for individual dealerships. By introducing such *kaizen* tools as training programs, evaluation systems and incentives, both qualitative and quantitative improvements are being made in the human resources of Nissan dealers in Thailand.

Nissan representatives observe CS improvement activities in Thailand.

Improved Service Capabilities

Nissan is making efforts to improve the technical capabilities, including basic diagnostic and repair skills, as well as the customer service skills of its after-sales care service staff. These skills are put to the test in the All-Nissan Service Technical Contest. The event, hosted with assistance from throughout the Nissan Group, focuses on employees working in dealership service departments.

The competition has four categories: Technical Staff and New Technical Staff for those involved in maintenance, diagnostic and repair work, and Technical Advisor and Female Technical Advisor for those involved in frontline service reception. Teams and individual participants who take top honors at the nine regional competitions go on to compete at the national competition. The event brings together service staff with exceptional knowledge and experience from all around the country, giving them a chance to put their day-to-day practices to the test against those of their fellow colleagues. Such events help to increase both the technical skills and motivation of employees in service departments, thus strengthening the service structure of the Nissan Group as a whole.

Prompt Service Support

Nissan has opened its National Customer Service Center (NCSC) in Japan to make qualitative improvements to the service support it offers to customers and dealerships. The NCSC consolidates dealership vehicle repair support and service technical support functions, as well as our customer call center. It carries out tasks that include providing expertise for maintenance and repair services, giving support to dealers for repairs, carrying out training in body and paint repair, collecting market data on incidents and managing call center issues. Initiatives adopted by the NCSC include collaboration with service technical support teams and digitization of product information including catalogs. This has enabled provision of highly precise technical data and reduced waiting times for customers with telephone inquiries, resulting in an overall improvement in the quality of our response to customer inquiries.

In conjunction with the launch of Nissan LEAF, we introduced a support system for dealers worldwide. Utilizing information technology to exchange image and voice data, as well as data from diagnostic devices, the system links dealers with Nissan's development division to enable prompt, accurate remote servicing.

VALUE CHAIN

Together with its business partners, Nissan aims to achieve sustainable growth built on a foundation of mutual trust. We strive to listen carefully to our suppliers and dealers on an equal footing and work hard together with them as partners, developing and maintaining cooperative relations that enable us to implement best practices. Our value chain today extends around the globe due to the expansion of the company's business interests. We endeavor to improve our CSR management by sharing our fundamental values and principles with our business partners, thereby promoting consistency in the CSR activities undertaken throughout the supply chain.

OUR PRIORITIES	
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KEY FIGURES	
Distribution of *Renault-Nissan CSR Guidelines for Suppliers*	**7,600 suppliers**
Distribution of Nissan Green Purchasing Guidelines	**3,000 parts and materials suppliers**
Environmental data of suppliers examined	**70% of global purchases**
Improvements recommended for compliance violations (FY2012)	**11**
Nissan Green Shop certification* conferred	**174 firms, approx. 2,800 outlets**

GRI G3 Indicators
EC6/EN26/PR2

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* Click here for more information on the Nissan Green Shop certification.

NISSAN'S APPROACH TO THE VALUE CHAIN

Nissan uses a fair, impartial and completely transparent business process when selecting suppliers. We provide a wide variety of opportunities for other companies to do business with us, regardless of their nationality, size or history with us. When making selections, the relevant Nissan divisions meet to examine from a range of perspectives the proposals received from suppliers. We explain our final decision to every supplier that has taken part in the selection process.

We make every effort to maintain the highest standards of impartiality and fairness in our business transactions, abiding by the Nissan Global Code of Conduct* (item 4: Be Impartial and Fair). As well as maintaining close communication in our day-to-day dealings with suppliers, we also take heed of their ideas through regular questionnaires and direct meetings, checking our business practices from an external perspective.

Nissan works hard to promote correct business practices throughout the supply chain. We have disseminated internally a leaflet on guidelines for appropriate business practices in the automobile industry, focusing on the industry's principles of procurement and important points relating to subcontracting and antimonopoly law, and we hold briefings with our suppliers on these issues.

In fiscal 2012 we launched a new initiative incorporating environmental concerns and compliance requirements, over which there is rising global interest, in addition to continuing the disaster countermeasures in our supply chain from the preceding year.

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* Click here for more information on the Nissan Global Code of Conduct.

FISCAL 2012 PERFORMANCE

- Supply chain disaster countermeasures continued from previous year:
  - Database created to visualize supply-chain operations in Japan
  - Regions at risk of disaster identified; confirmation of suppliers' provision systems at main overseas locations
- Joint activities implemented with suppliers in accordance with the Nissan Green Program 2016 (NGP2016) mid-term environmental action plan
- Preliminary investigation of suppliers' use of conflict minerals
- Regarding sales companies: information security training conducted, global social media policy crafted and shared with example policy violations, anti-bribery regulations enhanced and re-disseminated

FUTURE MEASURES

- To enhance disaster risk preparedness:
  - Database creation to visualize supply-chain operations at main overseas locations
  - Creation of initial response duty flowcharts for main overseas locations
  - Diagnosis of supplier sites in high-risk areas in Japan
  - Introduction in Japan of simulation system for disaster forecasts
- Continued examination of our suppliers' environmental data to promote CO_2 emission reductions and other environmental efforts in our supply chain
- Investigation of use of conflict minerals in the supply chain and disclosure of findings in our Sustainability Report and elsewhere
- Continued information security training for our sales companies

WORKING WITH OUR SUPPLIERS

All of Nissan's suppliers are important business partners for the company. We work with them to build relationships based on the three values of trust (work fairly, impartially and professionally), respect (honor commitments, liabilities and responsibilities) and transparency (be open, frank and clear).

Renault-Nissan CSR Guidelines for Suppliers

Nissan and Renault have produced a booklet, *The Renault-Nissan Purchasing Way,*[*1] outlining the important values and processes to be adhered to when doing business. This booklet has been shared with the primary suppliers of Renault and Nissan since 2006. Furthermore, in May 2010, we published the *Renault-Nissan CSR Guidelines for Suppliers*[*2] in order to effectively implement CSR practices across our globally expanding base of suppliers. This was distributed to all primary suppliers worldwide with the aim of helping them review their business activities from a CSR viewpoint and further instill CSR activities. The guidelines explain Nissan's CSR and procurement policies in five main sections: safety and quality, human rights and labor, the environment, compliance and information disclosure.

Since being published in 2010, the CSR guidelines have been provided to suppliers for thoroughgoing implementation. In fiscal 2012, a number of compliance violations that appeared to be in breach of relevant laws came to light in the auto industry. In response to these developments, Nissan took rigid measures with respect to the guidelines, and confirmations are being made of suppliers' steady compliance with all laws and regulations and their efforts to organizationally strengthen CSR activities.

▸▸ website

[*1] Click here to download *The Renault-Nissan Purchasing Way* and the *Renault-Nissan CSR Guidelines for Suppliers.*

[*2] References to the CSR guidelines of the Japan Automobile Manufacturers Association, Inc. and the Japan Auto Parts Industries Association were made in drafting the *Renault-Nissan CSR Guidelines for Suppliers.*

Activities to Improve Manufacturing Approaches

Nissan has been working to continually produce more competitive products through its Monozukuri Activities program, a collaboration among suppliers and Nissan that commenced in 2008. Since 2009, we have been expanding these activities through the joint Thanks Activities initiative, which emphasizes trust and cooperation between Nissan and its suppliers. With the goal of working with our suppliers to become cost leaders in today's challenging market conditions, we are striving to improve product quality, cut costs and rationalize our manufacturing through measures that include increasing production volume per part, promoting localization and improving logistics.

One important issue in the light of the substantial increases in global production volume during 2012—the second year of our Nissan Power 88 mid-term business plan—is building with our suppliers a system to ensure steady supply. Working with our suppliers, we are enhancing our Monozukuri Activities to establish such a system.

Responding to Disaster Risk

In addition to our supply chain business continuity plan (BCP) formulated for Japan and Thailand, we expanded our scope of consideration to include establishing similar supply chain BCPs for other operations (North America, Europe, China and India). We are also promoting the visualization of the supply chain via steps to ensure smooth initial response by ascertaining supply chain conditions and measures to address anticipated risks in advance.

▸▸ website

Click here for more information on the quality initiatives we undertake with suppliers.

Recognizing Supplier Contributions Worldwide

Each year Nissan recognizes the contributions of its suppliers with awards presented in each of the regions where we operate, as well as with two worldwide supplier awards, the Global Quality and Global Innovation Awards. These are presented to suppliers that have contributed to our business performance at the global level. This awards system aims to encourage suppliers in the global supply chain to embrace our management approach, which balances the economic activities of quality, cost reduction and technological development with environmental concern and social responsibility.

Global Quality Award recipients are selected by our purchasing, quality and other divisions using standard criteria applied worldwide. Global Innovation Award recipients are selected from suppliers nominated by our production, development and quality divisions in the two categories of product technology and process management. In fiscal 2012, three companies received Global Quality Awards, and Global Innovation Awards went to seven companies in the product technology category.

Revising Our Green Purchasing Guidelines

Nissan set forth the environmental standards for its suppliers in 2001 in the Nissan Green Purchasing Guidelines, asking them to cooperate by reducing their environmental impact. Prior to 2012, the guidelines had been updated twice, expanding coverage to include the following items:

1. 2008: Management of environment-impacting substances and reductions of their use throughout the supply chain
2. 2010: Promotion of environmental activities throughout the supply chain in line with the *Renault-Nissan CSR Guidelines for Suppliers*

In 2012, the following items were added based on the Nissan Green Program 2016:

1. Start gathering environmental data, including CO_2 emissions and water discharges, in the supply chain
2. Enhance management of environment-impacting substances in response to the environmental regulations of various countries by expanding regions and substances covered
3. Begin confirming with suppliers the setup for the management of environment-impacting substances and items to be observed at the stage of supplier selection

Policy on Conflict Minerals

In August 2012, bylaws were enacted in the United States requiring companies to report the use of four minerals mined in the Democratic Republic of the Congo and surrounding countries, which were potentially believed to be sources of funds for armed insurgents. Agreeing with the spirit of this legislation, Nissan decided, from a CSR viewpoint, to investigate the supply chain for any use of conflict minerals and established a policy aimed at preventing the use of conflict minerals.

Preliminary studies were conducted between October and December 2012, and full-scale investigations will begin in fiscal 2013. We plan to disclose the findings of the study in our Sustainability Report and elsewhere.

website

Click here to download the revised version of the Nissan Green Purchasing Guidelines.

WORKING WITH OUR DEALERS

Nissan undertakes various measures to ensure that its approach to compliance is shared with dealerships and to enhance its internal controls. We aim to further improve our CSR management by strengthening the lines of communication with dealers.

Working with Dealers for CSR Management

To promote consistency in the CSR management approaches taken by Nissan and its dealers, we carry out activities on an ongoing basis aimed at helping dealerships in Japan enhance their compliance.

As a specific measure, we organize self-inspection programs at all dealerships to enable fuller understanding of and improvements to their current compliance management status. The programs carried out during fiscal 2012 have led to increased awareness and improvements on a voluntary basis. To bolster compliance initiatives in cooperation with dealers, we made an effort to familiarize them with our various programs and undertook improvement activities during fiscal 2012. We aim to further improve our CSR management by ensuring that our sense of compliance is shared with dealerships and by working to build stronger internal controls.

Compliance Training for Sales Companies

Nissan offers the following compliance training programs for sales companies:

Information Security

Based on teaching materials that cover the same topics as those taught in our e-learning courses, each sales company implements information security training so as to avert risks arising from serious incidents occurring in the course of daily activities, such as virus infections, unintended email transmissions and information leaks due to misplaced or stolen PCs.

Global Social Media Policy

Examples of inappropriate posts on social networking services or blogs that are in violation of Nissan's global social media policy are shared with sales companies. In an effort to enhance awareness and prevent a recurrence, we also convey information on the potential adverse impact, not just to the sales company but also to the Nissan Group as a whole, when such posts are made.

Harassment

We provide training materials, particularly on power harassment, given the growing social interest in abuses of authority and incidents of such abuse at sales companies. Sales companies undertake training on such topics as "examples of acts and statements that constitute harassment," "what impact a harassment case can have," "past incidents involving sales companies" and "what steps should be taken when a case comes to light."

Prevent Bribery

We are making thoroughgoing efforts to prevent bribes involving Nissan employees on a global basis, and we are asking sales companies, too, to update existing rules and to inform their employees of the changes.

At the same time, we are also distributing materials based on the detailed rules of the Nissan Group's Global Code of Conduct concerning entertainment and gifts.

CONTENTS | INTRODUCTION | CEO MESSAGE | COO MESSAGE | BLUE CITIZENSHIP: NISSAN'S CSR | RENAULT-NISSAN ALLIANCE | CSR DATA | THIRD-PARTY COMMENT
ENVIRONMENT | SAFETY | PHILANTHROPY | QUALITY | VALUE CHAIN | EMPLOYEES | ECONOMIC CONTRIBUTION | CORPORATE GOVERNANCE & INTERNAL CONTROL

EMPLOYEES

Nissan strives to create workplaces where employees are motivated to rise to challenges and are able to work safely and comfortably, enjoying full mental and physical health. By respecting the diversity of our employees, we promote the creation of an environment in which all individuals can utilize their talents to the fullest while working in teams to achieve ambitious goals. By sharing their knowledge, based on their individual experiences and different ways of thinking, our employees are able to meet the increasingly diverse needs of our customers. This makes them the driving force for Nissan's sustained growth.

OUR PRIORITIES

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Career Design Support ___p. 79
Creating a Culture of Learning ___p. 79
Stronger Internal Communication ___p. 81
Building Safe Workplaces ___p. 82

KEY FIGURES

Consolidated number of employees	**160,530**
Ratio of managerial posts filled by women (global)	**10.3%**
Turnover ratio (Nissan Motor Co., Ltd.)	**3.9%**

▸▸ GRI G3 Indicators
▸▸ 2.8/LA2/LA13

NISSAN'S APPROACH TO EMPLOYEE ISSUES

Nissan requires all its people to respect the human rights of others and forbids discrimination against or harassment of others based on race, nationality, gender, religion, physical capability, age, place of origin or other reason. Nor may Nissan employees allow such a situation to go unchecked if it is discovered.

The Nissan Way is a code of conduct that aims to ensure continual growth. It outlines five mindsets and five actions based on the idea that "the power comes from inside," and has been made available in eight languages (Japanese, English, French, Chinese, German, Spanish, Dutch and Russian) for our employees worldwide. The Nissan Way encourages employees to adopt such mindsets as "cross-functional, cross-cultural" and "frugal," and to act in ways that include "motivate" and "challenge."

"The power comes from inside"

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

Mindsets

1. **Cross-functional, Cross-cultural**
   Be open and show empathy toward different views; welcome diversity.
2. **Transparent**
   Be clear, be simple, no vagueness and no hiding.
3. **Learner**
   Be passionate. Learn from every opportunity; create a learning company.
4. **Frugal**
   Achieve maximum results with minimum resources.
5. **Competitive**
   No complacency, focus on competition and continuous benchmarking.

Actions

1. **Motivate**
   How are you energizing yourself and others?
2. **Commit and Target**
   Are you accountable and are you stretching enough toward your potential?
3. **Perform**
   Are you fully focused on delivering results?
4. **Measure**
   How do you assess performance?
5. **Challenge**
   How are you driving continuous and competitive progress across the company?

FISCAL 2012 PERFORMANCE

- Received multiple awards in Japan for our diversity efforts
- Successful applicants for Open Entry System to support career development: 89 (in Nissan Motor Co., Ltd.)
- Total accident frequency ratio: 0.31

FUTURE MEASURES

- Raise global ratio of women in managerial posts to 14% by 2017
- Worldwide efforts to enhance strategic human-resource training
- Continuation and improvement of open opinion exchange between managers and employees

COMPANY ORGANIZATIONS FOR EMPLOYEE ISSUES

Fostering diversity is an important management strategy at Nissan. We established our Diversity Development Office (DDO) in Japan in October 2004 to play a principal role in this pursuit. Since then, we have been working with our offices in North America, Europe and other markets in a variety of ways to realize our common goal of achieving sustainable corporate growth while respecting diversity. Moreover, we established a Diversity Steering Committee, headed by executives representing each business division, to set the direction and establish strategies for promoting diversity throughout the company.

Organization of the Diversity Steering Committee

NISSAN'S RESPECT FOR DIVERSITY

Diversity is an important strategy at Nissan. We undertake initiatives in pursuit of our goal of achieving sustainable growth while respecting diversity.

website

Click here for more information on Nissan's diversity.

Diversity as a Corporate Strategy

At Nissan, we believe that diversity is a source of strength. When employees from diverse backgrounds—from gender and nationality to culture, age, academic background and lifestyle—contribute their ideas and perspectives, the result is better, more creative solutions and higher value.

Our diversity-oriented mindset rests at the foundation of our business strategy, where it supports our efforts to leverage workplace diversity in the twin areas of gender and culture. We seek to make full use of the talents of female employees while also actively exploring ways to create higher value through cultural diversity, in particular by utilizing the cross-cultural nature of the Alliance formed with Renault in 1999.

Global Initiatives to Utilize the Talents of Women

Since fiscal 2004 the Diversity Development Office (DDO) has been concentrating its efforts in the following two areas as a means of better utilizing female employees' abilities.

1. Women's career development

Diversity takes on different meanings in various regions of the world. In Japan, where the ratio of women in the automobile industry workforce has traditionally been low, the participation of women, particularly in positions of responsibility, is essential to providing diverse value to our customers.

Nissan is working to create an inclusive environment that encourages active participation from all employees, regardless of gender, and supports the career development of female employees.

At Nissan in Japan, women comprise 4% of senior-level managers (as of April 2012), up from 2% in 2008, and a total of 6.7% of manager-level and higher positions are filled by women. This compares favorably to the average of 2.9% for Japanese companies with 5,000 or more employees (according to 2011 statistics from Japan's Ministry of Health, Labor and Welfare).

As of April 2012, women fill 10% of the manager-level and higher positions at Nissan globally, up from 7% in 2008. The ratio is 7% for Nissan's senior-level managers globally, nearly double the 4% ratio from four years ago. Nissan does not view these figures as simple numerical targets to meet and improve; no candidates are selected for managerial posts because of their gender. Rather, we focus on boosting women's presence in all levels of management, carrying out training to ensure that top candidates will be ready to take on greater responsibility.

We support women's career development in every region where we do business. In Japan, the DDO provides personalized support to female employees through individual counseling sessions with career advisors. The office works with Nissan's human-resource divisions to organize activities geared especially to female employees, including skill-development training courses and networking events. Moreover, interviews with senior female employees who are active in a variety of fields within the company are posted on our corporate intranet to offer further encouragement. The DDO promotes young female employees' proactive networking activities aimed at increasing their contact with women outside the company, thus providing fresh stimulation, and with women who have risen into management roles in Nissan, who share their experiences in a valuable educational setting.

In the Americas, Nissan has implemented mentoring for women in the workplace and other outreach programs to encourage young women to consider careers in technical fields. These programs have seen participation by numerous employees at Nissan North America, Inc. (NNA), Nissan Canada Inc. (NCI), the Nissan Technology Center North America (NTCNA) and Nissan Mexicana, S.A. de C.V. (NMEX). Nissan recently partnered with

Microsoft on "DigiGirlz," a one-day event in which high-school-aged girls participated in activities designed to expose them to the specific ways Nissan uses technology to create and market its innovative products.

In the AMIE region (Africa, Middle East, India, Europe), we ensure female representation in all development programs. The Women@Nissan network also supports our diversity strategy by organizing various events to provide networking opportunities.

In Asia, we pursue a range of activities to promote diversity and women's career development. Through discussion sessions bringing female employees together with the CEO and sessions for young female workers to come together with women in senior positions, Nissan aims to deepen its culture of respect for diversity.

2. Women's input from the planning to sales stages

Nissan must meet the diverse needs of customers globally. For example, in Japan, 30% of all cars are purchased by women, while roughly another 30% are purchased by a man with input from a woman, meaning that women participate in nearly two-thirds of vehicle purchase decisions. This makes it important to reflect our female employees' views in all stages of our business, from the development of new vehicles through their manufacture and sales.

Models like the Nissan Note, our global compact car, have benefited from recommendations to adjust the rear door's opening angle to make it easier for both men and women to access child seats there. In the assembly stage, meanwhile, we are promoting ergonomic design of our equipment and work processes at our manufacturing plants to benefit female workers, who are generally smaller in stature and have less strength than men. As a result, the assembly lines have been optimized for both men and women, young and old—and thus, more efficient.

Nissan sales staff must be prepared to respond to the needs and questions of men and women customers alike. As both male and female customers report higher satisfaction with our female CAs, or car-life advisors, we are working to improve the work environment and carry out ongoing training to give these women employees more room to succeed.

A Firm Grounding for Cultural Diversity

Nissan recognizes the need to make full use of the strengths and abilities of its multinational, multicultural family of employees in order to develop the company's business globally. We are working to leverage the synergy created through our cross-cultural Alliance with Renault, which not only recognizes and accepts cultural differences but also utilizes such differences to the full, to make cultural diversity our strength.

We are working to make cultural diversity an integral part of our corporate culture. A vital part of our success as a company 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. We judge people only on their contributions and loyalty to the company. Nissan's top decision-makers, for example, often have different citizenship from the place where the company is headquartered, as can be seen from the company's Executive Committee, which is 50% Japanese and 50% non-Japanese.

The rewards of this approach are clear. The more diverse the group that is working to develop the solution, the more creative, detailed and successful that solution will be. For Nissan, diversity is a key element of corporate strategy that helps produce solutions for the issues that we face today and in the future.

To help Nissan's people utilize cultural differences as a source of strength, we have designed our e-learning program as a course open to anyone at any time. In Japan, for example, this enables Japanese people to learn skills for understanding and communicating with business partners of different cultural backgrounds, so that they can work together to get results. We hold training sessions to cultivate a better understanding of specific countries with which we have particularly close relations, and we are working to make cultural diversity an integral part of our corporate culture.

Nissan's Diversity Mindset

Nissan presents CEO diversity messages and carries out regional diversity events and diversity training for its employees all around the world. In fiscal 2012 we held a small town-hall-style meeting where the CEO discussed diversity directly with Nissan employees of diverse nationalities, genders and ages at our Global Headquarters. All employees can watch the video posted on the intranet site to learn about the company's diversity vision.

In Japan, as part of the company's managerial training program we hold workshops that help participants understand the importance of diversity, learn how to best utilize employee diversity and think about how diversity can

be useful in the company's business activities. We invite guest speakers from companies well-known for their diversity development to events to encourage our managers and to provide tips on diversity management. In addition, Nissan executives post articles on the company intranet discussing their views on diversity as well as their own personal experiences. These personalized messages from management encourage the development of a diversity mindset among our employees.

In the United States, a program of guest executive seminars brings leaders of other companies to share their insight with Nissan managers and employees. We have actively arranged presentations on diversity-related themes in particular, bringing noted corporate officers and authors to explain how diversity can be a channel for innovative solutions to a broad range of issues companies face today.

In the AMIE region, we have designed a "multicultural effectiveness training" program to raise awareness of cultural differences and to support all employees working in a multicultural environment.

Work-Life Balance for Employees (Japan)

In Japan, Nissan has implemented a system offering flexible working arrangements to enable employees to effectively balance work with family responsibilities, such as childcare and nursing of elderly relatives.

Arrangements to help employees of both genders strike an appropriate work-life balance include "Family Support Leave," which allows an employee to take time off for a wedding, the birth of a child, child rearing or nursing care; reduced working hours and home-based telecommuting for employees to provide childcare or nursing care; and the establishment of "March Land" daycare centers. The first March Land, at our Technical Center in Atsugi, Kanagawa Prefecture, was followed in fiscal 2012 by daycare facilities at the Nissan Global Information System Center and at our Global Headquarters.

Nissan has been recognized by the Japanese government as a corporation actively promoting childcare support, successfully implementing programs to achieve the goals set forth in the action plan of the Ministry of Health, Labor and Welfare based on an April 2005 law outlining measures to support the development of future generations.

In 2011 we launched our "returnee seminars" to enable employees coming back to work after childcare leave to make a proactive return to work with the full understanding and cooperation of those around them. These seminars were popular once again in fiscal 2012. Our employees also continue to use the internal social networking site "Work/Life Park" for sharing information to support the balance between their career and childcare needs.

▸▸ website

Nissan proudly takes part in the Work-Life Balance Promotion Project of Japan's Ministry of Health, Labor and Welfare. (Japanese website)

Support Systems for Childbirth and Childcare (Japan)

Enhanced Diversity in the Workplace (Americas)

Nissan North America (NNA) has established a regional diversity steering committee for the Americas to create accountability and provide guidance to diversity initiatives in the region. We have also established Diversity Committees at several locations. These committees work closely with regional management to provide programming supporting cultural awareness through various activities and functions.

NNA has established a regional diversity office to coordinate diversity initiatives in the United States, Canada, Mexico and Brazil. Employee-driven Business Synergy Teams (BSTs) have been launched to leverage diversity to achieve business objectives, expand cross-functional interaction and assist with community outreach. There are currently 11 BSTs across the region, including the Women's BST (WBST), the first such group, which was established in 2007. This was followed in 2009 by the creation of the Multicultural BST (MBST), which aims to enhance the company's consumer-relations capabilities through cross-cultural communications and awareness. There are also BSTs supporting generational, veterans and wellness diversity initiatives to provide support to Nissan's diverse workforce.

These BSTs are operated from our North American headquarters in Nashville, our R&D facility located in Farmington Hills, Michigan, and the Dallas-based Nissan Motor Acceptance Corporation, as well as at our production facilities in Smyrna and Decherd, Tennessee and Canton, Mississippi.

Recognition for Our Efforts

Nissan's efforts to enhance its diversity and the value it places on a diverse workforce have not gone unnoticed. In 2008 we won the Catalyst Award for our initiatives to support and advance women in business. Catalyst, a nonprofit advisory organization dedicated to expanding opportunities for women and building inclusive work environments, noted our efforts to give women key decision-making roles and the global impact of this proactive approach. We were the first company headquartered in Asia, as well as the first automaker, to receive this award.

In the same year, the Japanese business publisher Toyo Keizai gave Nissan the grand prize in its first annual Diversity Management Awards. The six members of the selection committee were unanimous in their recognition of our commitment to diversity at the executive level, our clear positioning of diversity as a means of addressing issues facing the company and our appropriate, effective information disclosure.

In 2013, we took the grand prize in the J-Win Diversity Awards, presented by the NPO Japan Women's Innovative Network. This was our third award from J-Win, which gives its prizes to companies that show proactive, innovative approaches to recruitment, skills development and promotion of women.

The Japanese Ministry of Economy, Trade and Industry (METI) launched its Diversity Management Selection 100 program in fiscal 2012 to recognize companies that have enhanced corporate value through diversity-minded management practices. Nissan was one of the companies recognized in the program's inaugural year. We were also selected by the Tokyo Stock Exchange, Inc. for inclusion on its Theme Issues List for investment in 2013, earning a spot as a Nadeshiko (active utilization of women) brand. We are proud that our focus on diversity has earned us this external recognition. These awards are a clear sign that our executive commitment to diversity is producing results and that we are on the right track in making cross-cultural and gender diversity key elements of our competitive strategy.

CAREER DESIGN SUPPORT

Nissan believes that employees should "design their own careers" and actively assists their efforts to do so.

Continually Improving Human-Resource Systems

A company's employees are its most important resource. So that both Nissan and its employees can reach their full potential, we constantly work to improve our human-resource systems. The evaluation-based remuneration system used to accurately gauge employee contributions 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, which measure how well the employee achieved certain goals (commitments), and competency evaluations, which measure such intangible variables as technical skill, knowledge and attitude.

Support for Self-Designed Careers

Nissan provides opportunities for employees in Japan and the Americas to meet with their supervisors at least twice a year to discuss their performance and competency evaluations, as well as their career aspirations and goals.

Employees in Japan also 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 areas that interest them regardless of whether there is a position immediately available. The OES allows them to apply for all openly advertised positions. As of February 2013, 229 employees had applied for 161 open posts during fiscal 2012, and 89 of them succeeded in getting the positions they applied for.

Fostering Specialized Skills

Helping employees develop specialized skills over the medium to long term is vital for a company to achieve sustainable growth. We introduced the Nissan Expert Leader System as 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 2012, the system's seventh year, we designated 50 employees as Expert Leaders and two management-level employees as Nissan Fellows in a total of 98 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 our 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.

CREATING A CULTURE OF LEARNING

We believe that a corporate culture of learning cannot exist without the desire to create value. As an organization that grows through constant learning, Nissan supports employees' personal growth through proactive human-resource development.

A Variety of Learning Opportunities

Within the company, we implement training programs allowing employees to gain the task-specific skills they need and give them opportunities to extend their knowledge in fields of their choosing. In these ways we work to create a culture of constant learning in Nissan.

Training Programs at Our Headquarters in Japan

	FY2010	FY2011	**FY2012**
Number of trainees	11,001	11,012	**13,834**
Total hours in training	343,147	332,897	**411,727**
Hours per trainee	12.0	13.7	**16.9**
Trainee satisfaction (out of 5)	over 4.5	over 4.2	**over 4.3**

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* Click here for more information on Nissan Power 88.

Improving Management Quality

Nissan is working to improve the quality of its management in order to fulfill the goals of its mid-term business plan, Nissan Power 88,* and achieve sustainable growth. In Japan, we have established a training framework for mid-level managers. This gives them opportunities to promote activities putting the Nissan Way into practice and to extend their skills in managing people and business operations. In North America and Europe, meanwhile, we implement the Nissan Way Leadership Academy program for managers, examining how the Nissan Way has been put to use most effectively and sharing those actions as part of training tools to elevate management quality overall.

Technical Education Around the World

To enhance Nissan's efforts to expand its business globally, the company must improve the technical skills of individual employees working all over the world. We strive to offer opportunities for personal growth equally to all employees in both R&D and production, whether they work in Japan or elsewhere around the globe, to help them enhance their capabilities.

Global Training Program Participants from R&D Divisions

Note: Figures for 2013 onward are based on current plan.

Training Future Leaders

Nissan engages in leadership training aimed at passing down the company's hard-won knowledge and experience to the next generations of workers; action-based learning that has participants tackle issues actually facing Nissan; and cultural diversity training to promote understanding of the issues. We also carry out strategic internal transfers and job rotations across departments, divisions and regions. All of this is part of a systematic approach to fostering future managers and specialists who will lead the company.

The Nissan Way, as the crystallization of the experience and knowledge gained through the company's revival, is important for our employees to understand and put into practice in their work. Our managers take the lead in workshops on this theme and make the Nissan Way a part of their duties, thus helping it to penetrate the entire organization. We implement these leadership training programs and strategic human-resource management systems all around the globe.

STRONGER INTERNAL COMMUNICATION

Nissan actively seeks the opinions of employees through surveys, using the results to improve management quality and employee motivation. We also ensure that information is shared with all employees around the world without delay.

Employee Surveys

Nissan carries out surveys to get employee input and suggestions for improvements. From the results of these surveys, we identify the strengths of the company as a whole and those of individual divisions, as well as areas for improvement. We then work to make improvements that will lead to the creation of a better work environment for our employees and to continued growth for the company. The results of these efforts are analyzed for the company as a whole and for each region and department. Based on these analyses, each level of management formulates and carries out action plans tailored to specific needs.

Enhancing Communication Tools

Nissan has introduced a corporate intranet system called WIN (Workforce Integration @ Nissan) as a tool to promote communication and information sharing. We continually update the system with new technologies while encouraging employees to make active use of it for internal communication and collaborative activities. We have expanded the WIN network beyond Japan, North America and Europe to include other markets and our major business partners. We also use internal newsletters and in-house video broadcasts to provide a variety of information to be shared by all employees at Nissan production sites with no time lag.

So that all our employees gain a deeper understanding of our products and the ability to convey their features and attractiveness to others more effectively, we also hold new model announcements and test drive events for employees. These are received very positively, with some participants stating that their enhanced knowledge of Nissan products has boosted their pride in the company and their work motivation, and have been effective in creating "brand ambassadors" for Nissan.

N-Square, a Tool for Employee Exchange (Japan)

Nissan has operated N-Square, an internal social networking service for employees, in Japan since fiscal 2009. Users form communities based around various themes, improving interaction with one another and gathering information they need. There are now more than 300 communities registered in the service. Given that the need for social networking services is on the rise, Nissan plans to improve and expand them for employees.

Employee-Executive Exchange

Nissan holds opinion-exchange meetings involving executives and employees as a means of building trust through clear and transparent communication. These meetings are held frequently at Nissan's Global Headquarters in Japan as well as the company's business offices elsewhere around the world. These meetings give company leaders a venue to inform employees about the current situation of the company and to deliver key management messages. They also provide employees with opportunities to ask questions and voice their concerns in a direct, open manner. Their topics cover everything from business in emerging countries to environmentally friendly technologies, quality and brand issues. We plan to continue these meetings as an important channel for active communication.

BUILDING SAFE WORKPLACES

Nissan promotes practices aimed at reducing worker burdens and improving productivity. We have made promotion of employee health a top priority, establishing it as a key tenet in our companywide declaration on workplace safety.

A Uniform Set of Global Labor Safety Standards

Nissan's human resources are the company's most valuable asset. So that all employees can use their abilities to the fullest, we make health and safety the top priorities when designing workplace functions and processes. We proactively work at all levels to identify potential issues or concerns in the workplace environment, develop measures to address them and make it easier for employees to get their jobs done. In 2010, we standardized the safety indices that previously differed among our global sites. Every quarter we monitor safety performance for each area where we do business.

Improved Production-Line Environments

Nissan seeks to fulfill the company's mission of engaging in "human-friendly production" by continuously improving the workplace environments of its manufacturing facilities worldwide. The workplace on hot summer days can be physically very taxing, and there is even the danger of heatstroke. We have therefore been proactive in installing internal cold-air ducts and ensuring there are set breaks to drink water, particularly in locations with considerable workloads. This is part of constant improvements to allow employees to work in a comfortable environment.

Creating Safe Workplaces

Nissan employs its own safety management diagnostic methods, as well as a risk–assessment approach to workplace management, to create a more danger-free environment and help to prevent accidents through proactive inspections of facilities to identify potential dangers. We also bring trainees together from around the world to give them practical instruction in labor safety management.

In April 2007, we added "promotion of employee health" to the existing tenets related to occupational safety in our companywide declaration on workplace safety.

Trends in Occupational Accidents (Total Accident Frequency Ratio)

Total accident frequency ratio: total accident cases ÷ total working hours × 1 million
Source: Statistics on occupational accidents in the automobile industry (Japan Automobile Manufacturers Association, Inc.)

Global Sharing of Accident Information

Unexpected accidents can sometimes occur at manufacturing plants, resulting in employee injuries. In such cases, the most pressing issue is to make every possible endeavor to ensure that a similar accident will not occur again. Nissan continually works to prevent accidents through probing investigations to fully uncover the causes of any accident that has occurred and by sharing what has been learned with all global production bases.

Work Safety Risk Management

Since 2011 we have been systematically carrying out risk-prediction training at our plants in Japan to ensure that individual workers are aware of the risk of accidents and to help prevent accidents. This training cultivates appreciation of danger among workers, thus reducing their risk of work accidents. While this method has been in place for some time, we are endeavoring to increase its effectiveness through repeated application.

Specialized Mental Healthcare

Nissan has put together a specialized team led by a clinical psychiatrist to care for the mental health of employees. In fiscal 2005, in cooperation with external mental healthcare specialists we introduced a mental healthcare program, EAP (Employee Assistance Program), to provide employees with consistent care covering everything from prevention and early diagnosis to treatment and recovery. Since fiscal 2007 we have extended the program to include production-line workers, giving all employees in Japan and their family members access to mental-health professionals for consultations, diagnosis and counseling. We additionally offer specialized care programs that respect employee privacy, such as the yearly “Stress Check,” through which employees receive advice from a doctor via e-mail or letter. In fiscal 2011 we expanded our mental health training with items that stress bolstering the mental health of individual employees. We are currently promoting mental healthcare with a wide range of approaches.

ECONOMIC CONTRIBUTION

Nissan seeks to contribute to the economic development of society through sustainable, profitable growth. The company aims to maintain top-level performance in the global automotive market and to build a foundation for a highly profitable business into the future. The company also focuses on providing timely and accurate information on the implementation of its strategies, vision and management plans to shareholders, investors and other stakeholders.

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Corporate Value Creation	**p. 85**
Timely and Accurate Information Disclosure	**p. 86**

KEY FIGURES	
Consolidated operating profit margin	**5.4%**
Global market share	**6.2%**
Dividend	**¥25/share**

GRI G3 Indicators
2.8/EC1

website

* Information on Nissan Power 88 is also available on our website.

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* Click here for more information on Nissan Power 88.

NISSAN'S APPROACH TO ECONOMIC CONTRIBUTION

Through its business activities, Nissan aims to create value and contribute to the development of a sustainable society. To achieve these goals, the company launched its mid-term business plan, Nissan Power 88,* which established a clear, global vision and strategic directions through fiscal 2016. The company continues to implement the plan's strategies and initiatives in order to maximize its corporate value.

The goal of Nissan's investor-relations activities is to ensure a profound and thorough understanding of the company's objectives and strategies. Therefore, the disclosure of timely, consistent and transparent information is essential. In order to further strengthen stakeholder and investor trust, Nissan IR has increased the number of events and opportunities for investors to speak directly with executive management.

Under the strict control of the chief financial officer, information is disclosed accurately and in a fair, transparent manner. This enables shareholders and investors to make the best-informed investment decisions. Nissan's sound IR activities ensure trust in the marketplace, which in turn contributes to maximizing shareholder value.

FISCAL 2012 PERFORMANCE

- Consolidated operating profit margin: 5.4%
- Global market share: 6.2%
- Dividend: ¥25/share
- Improved agency ratings (long-term credit ratings): Moody's A3, Rating and Investment Information (R&I) A+
- Recognized for the sixth straight year by the Securities Analysts Association of Japan for excellence in corporate disclosure

FUTURE MEASURES

- By enhancing brand power, investment in products, technologies and global capacity, the company aims to achieve both the goals of Nissan Power 88 and further sustainable growth.
- Over the current mid-term plan, the company's dividend policy targets a minimum dividend payout ratio of 25%.

CORPORATE VALUE CREATION

Nissan seeks to improve profitability by increasing revenues and controlling costs. In addition, the company continues to focus on strengthening its balance sheet and achieving healthy levels of positive free cash flow, which in turn will improve its net cash position in the automotive business. In order to ensure future sustainable growth, the company continues to invest in strategic initiatives and key markets.

Strategic Investment in Focus Areas and Markets

To accelerate its growth in global markets, Nissan must expand its business and provide products that meet the needs of customers. To extend the reach of the premium Infiniti brand, in fiscal 2012, sales were launched in Singapore, Chile, the Dominican Republic, South Africa and Australia. In Europe, meanwhile, the company announced that its U.K. Sunderland Plant would begin production of premium compact cars. The company will continue working to expand its vehicle lineup.

Nissan is also actively investing in growing emerging countries, such as the BRICs (Brazil, Russia, India and China). In Brazil, now the world's fourth-largest automobile market, a new Nissan plant is under construction in Resende in the state of Rio de Janeiro. This will provide a platform for efforts to gain at least a 5% share of the Brazilian market by 2016. The new plant will go online in the first half of 2014, eventually reaching annual capacity of 200,000 V-Platform vehicles for the Brazilian market. In addition to providing direct employment opportunities to up to 2,000 workers, this operation will create more than twice that many new jobs throughout the supply chain.

In the ASEAN region, Nissan announced an expansion plan for the Nissan Technical Center Southeast Asia (NTCSEA). The new facilities and larger staff at this center will enable the company to grasp customer needs in these markets quickly and reflect that feedback accurately in its products.

In the U.S. market, production began of the all-electric Nissan LEAF at the Smyrna Plant in Tennessee, where a lithium-ion battery production facility also went online. This cutting-edge facility will allow increased battery production to power the equivalent of 200,000 EVs annually. This expansion of vehicle and battery manufacturing is expected to create up to an additional 1,000 new jobs. Nissan's moves to boost production capacity in the United States are based on the strategy of building its main models in the markets where they are sold. By 2015, the company aims to produce locally approximately 85% of the Nissan and Infiniti vehicles sold in North America.

TIMELY AND ACCURATE INFORMATION DISCLOSURE

Nissan views its shareholders and investors as partners in the creation of a more sustainable society. To facilitate a deeper understanding of the company, IR activities are conducted frequently with prompt and transparent information. The company will continue to enhance its communication efforts so that institutional investors, securities analysts and individual investors can make optimal investment decisions.

Communication with Stakeholders and Investors

To communicate with its stakeholders and investors, the company's IR team actively meets with institutional investors and sell-side analysts and responds to inquiries in a timely manner. Nissan also participates in conferences held by securities companies, as well as other events, to report proactively on its business.

To promote understanding of its business strategies, Nissan uses a range of IR events to voluntarily disclose information. September 2012 saw a strategic seminar covering the Kyushu region—home to more than half of Nissan's vehicle production capacity in Japan—giving presentations to institutional investors and sell-side analysts on the role of Japan's *monozukuri* culture of craftsmanship in the face of an overvalued yen. At the Advanced Technology Briefing in October 2012, the company introduced some of its environmental and safety technologies and gave participants a chance to experience the newly developed hybrid system for front-wheel-drive vehicles and Autonomous Emergency Steering System. By posting details related to these IR events on the website, the company discloses information fairly.

113th Shareholders Meeting

The 113th Ordinary General Meeting of Shareholders was held at the Pacifico Yokohama on June 26, 2012, and was attended by 1,188 shareholders. Following reports on Nissan's business results for fiscal 2011 and an update on Nissan Power 88, the mid-term business plan, shareholders and company officials engaged in a question-and-answer session.

On June 23, just ahead of the meeting, 200 shareholders were selected by lottery to visit the Oppama Plant in Kanagawa Prefecture and take part in a special event to experience Nissan's automotive technologies. Participants observed the plant's production lines and test-drove the all-electric Nissan LEAF, deepening their understanding of the company. They also got to spend time with CEO Carlos Ghosn and other company executives, allowing them to share their views directly with top management.

Positive External Assessment for IR Activities

At the 18th Awards for Excellence in Corporate Disclosure presented by the Securities Analysts Association of Japan, Nissan was proud to come in first for the sixth year straight in the automobiles, auto parts and tires category. Winners of these awards are selected by analysts through a survey assessing companies' IR activities during the fiscal year with the goal of improving corporate disclosure. The analysts recognized Nissan for its executive management's proactive participation in investor relations and its voluntary disclosure on corporate governance and business activities.

Nissan Power 88

Announced in June 2011, Nissan Power 88 is the mid-term business plan covering the six years from fiscal 2011 to 2016. Encompassing a broad range of tasks, the plan aims primarily to accelerate growth in global markets, including new markets and segments. The number "88" in the plan refers to two key goals to achieve by the end of fiscal 2016: achieving global market share of 8% and increasing corporate operating profit to a sustainable 8% margin as early as possible.

Nissan Power 88 reflects a clear, global vision through fiscal 2016:

- By the time Nissan's extended new product plan is completed, the company's global portfolio will have 66 vehicles and will cover 92% of all markets and segments.
- The emphasis on sustainable mobility will continue, as the company's zero-emission and PURE DRIVE strategies move forward with expanded lineups of electric vehicles (EVs) and fuel-efficient vehicles. Cumulative EV sales for the Renault-Nissan Alliance will reach 1.5 million units.
- "Mobility for all" will expand with dedicated new cars and light commercial vehicles (LCVs) developed for entry-level segments and emerging markets.
- Nissan will introduce more than 90 new, advanced technologies, averaging 15 per year.
- Nissan will increase investments in its brands and retail networks to enhance customers' entire ownership experience from the moment they begin considering a purchase through their ownership of the vehicle.

Six Strategies of Nissan Power 88

Pillar 1: Strengthening Brand Power

To strengthen Nissan's brand power, the company will expand its strengths in engineering and production to the sales, marketing and customer value creation fields.

Pillar 2: Enhancing Sales Power

Sales power in the mid-term plan refers to fully grasping the needs of customers in each market and drastically raising sales volume and market share. To achieve this, the company will expand its number of sales outlets from the present 6,000 to 7,500 by fiscal 2016.

Pillar 3: Enhancing Quality

Nissan aims to make steady progress in improving product quality. During the Nissan Power 88 period, the aim is to raise Nissan into the top group of global automakers in product quality and to elevate Infiniti to leadership status among peer luxury products by fiscal 2016.

Pillar 4: Optimizing Nissan's Zero-Emission Leadership

Nissan will take the lead as the all-time volume leader in dedicated EV sales. The Renault-Nissan Alliance is bringing seven more all-electric models to follow the successful launch of Nissan LEAF.

Pillar 5: Business Expansion

The fifth pillar of the plan relates to the company's strategies for business expansion. In 1999, Nissan's global market share was 4.6%. In 2011, Nissan achieved a record 6.4%. For fiscal 2016, Nissan is targeting 8%.

Pillar 6: Cost Leadership

Growth is not possible in any market without high cost competitiveness. The sixth pillar of the plan is cost leadership. By further increasing unit production, the company will achieve greater cost efficiencies. Nissan will examine not just development and component purchase costs but also internal costs and distribution fees, driving total costs down by 5% annually. These total manufacturing costs include everything from production and parts procurement to the logistics costs of delivery to distribution and service centers.

CORPORATE GOVERNANCE & INTERNAL CONTROL

It is essential for Nissan to enhance its corporate governance policies as it fulfills its corporate social responsibilities. We strive to maintain a high level of management transparency by disclosing to stakeholders our business goals and guidelines that clearly indicate management responsibility and by sharing information on our progress toward these goals as promptly as possible. As a company we will work to continue earning the trust of our stakeholders.

OUR PRIORITIES

Internal Control Systems and Compliance ___p. 89

Risk Management ___p. 92

Information Security ___p. 103

NISSAN'S APPROACH TO CORPORATE GOVERNANCE & INTERNAL CONTROL

Nissan's approach to corporate governance is founded on three cornerstones: compliance built on the high ethical standards of all employees, efforts to bolster information security and an effective and appropriate risk management system. Our offices and factories around the world work together to support educational activities, ensuring that all employees are properly trained and understand the issues involved.

FISCAL 2012 PERFORMANCE

- Global implementation of information security training, including a self-evaluation program at the Global Headquarters
- Update of the statement on security-related export controls
- Establishment of Global Anti-bribery Policy and implementation of employee training

FUTURE MEASURES

- Strengthening of corporate governance & internal control on a global basis

INTERNAL CONTROL SYSTEMS AND COMPLIANCE

Compliance built on the high ethical standards of all employees is integral to promoting CSR. To foster compliance awareness throughout the company, Nissan has established specialized departments and placed officers in charge of promoting compliance policy in each region where it operates.

Internal Control Systems

Nissan places high value on transparency, both internally and externally, in its corporate management. We focus consistently on the implementation of efficient management for the purpose of achieving clear and quantifiable commitments. In line with this principle, and in accordance with Japan's Companies Act and its related regulations, the Board of Directors has decided on the Internal Control Systems to pursue these goals and on its own basic policy. The board continually monitors the implementation status of these systems and the policy, making adjustments and improvements as necessary. One board member has also been assigned to oversee the Internal Control Systems as a whole.

Nissan has adopted a system under which the Board of Statutory Auditors oversees the Board of Directors. The Statutory Auditors attend board and other key meetings, and also carry out interviews with board members to audit their activities. The Statutory Auditors regularly receive reports on the results of inspections and plans for future audits from independent accounting auditors, as well as exchange information to confirm these reports. The Statutory Auditors also receive regular reports from the Global Internal Audit Office, making use of this information for their own audits.

Nissan's Internal Governance System

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* Click here for more information on the Nissan Global Code of Conduct.

Legal Compliance Framework

Nissan's CSR approach is founded on compliance with a strong sense of ethics held by each and every employee. We produced the Nissan Global Code of Conduct* in 2001 outlining a set of guidelines for employees to put into practice, and it is being applied at all Nissan Group companies worldwide.

We also produced guidance for directors and corporate officers regarding compliance, and we hold regular seminars and educational activities to ensure strict adherence to the rules. Under the oversight of our Global Compliance Committee, we have established three regional compliance committees to form a system for preventing illegal and unethical behavior worldwide. To enhance legal and ethical compliance, we are working with all regions and bases of operation to ensure full awareness of compliance issues and engage in prevention of illegal activities. Nissan deals severely with any employee who violates or infringes upon the Global Code of Conduct or the laws.

FY2013 Global Compliance Committee Organization

Security-Related Export Controls

Nissan thoroughly complies with the laws and regulations of Japan and the other countries where it does business, giving full consideration to the requirements of the international community. Part of this effort includes the company's initiatives aimed at contributing to global peace and security. Nissan has established export control rules in line with Japanese and other countries' laws and regulations to prevent the proliferation of weapons of mass destruction, conventional weapons and any goods or technologies used for their development. In line with these rules, Nissan implements export controls under an independent system headed by the company's chief operating officer.

Specifically, the Export Control function sets the process of monitoring and validating the exports which is strictly applied in operations. In order to fully implement and improve the level of internal management, the Export Control function and related business functions at Nissan conduct employee training on export control. Affiliated companies also strictly adhere to the same export control rules, thereby enhancing the entire Nissan Group's level of compliance.

Global Export Control Policy Framework

Promoting Thoroughgoing Compliance

We have established a Global Code of Conduct and have identified sections and officers at each of our operations responsible for promoting compliance measures.

To ensure full understanding of the code, employees in Japan take an e-learning or video training course based on the Japanese version of the Nissan Code of Conduct—"Our Promises," revised most recently in October 2010—after which they sign an agreement to abide by it. In this way we seek to ensure across-the-board understanding, making all our people more deeply aware of compliance issues. A number of education programs to promote compliance are held regularly for employees in North America, and a set of universal guidelines has been drawn up for each country in Europe. We are also carrying out compliance-related training in other regions based on guidelines that take into account conditions in each country. Moreover, all group-affiliated companies have introduced their own codes based on the Nissan Code of Conduct.

Additionally, we have created sets of internal regulations globally covering the prevention of insider trading, personal information management, information security, prevention of bribery and corruption* and use of social media. With these regulations in place, Nissan is working to prevent compliance infractions.

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* Click here for more information on our global anti-bribery policy.

Global Code of Conduct for Nissan Group

Principle

The following standards apply to all employees in Nissan Group companies (collectively herein referred to as "Nissan" or "Company"). Each member of the Company is charged with responsibility to uphold and extend this code of conduct.

Global Code of Conduct

1. Comply with All Laws and Rules
   Nissan employees will abide by all laws of the country, and all regulations of the Company, in which they work.
2. Avoid Conflict of Interest
   The best interests of Nissan are expected to be foremost in the minds of employees. It is prohibited to behave, act or use information in a way conflicting with Company interests.
3. Preserve Company Assets
   Nissan employees are personally accountable for preserving and safeguarding Company assets. Unauthorized use or diversion of Company assets, including funds, information and intellectual property, is prohibited.
4. Be Impartial and Fair
   Nissan employees must maintain impartial and fair relationships with business partners, including dealers, parts suppliers and other third parties.
5. Be Transparent and Accountable
   Nissan employees shall make fair, transparent, timely and appropriate disclosure of the Company's business activities to our stakeholders, including stockholders, customers, other employees and local communities.
6. Value Diversity and Provide Equal Opportunity
   We value and respect the diversity of our employees, suppliers, customers and communities. Discrimination or harassment, in any form or degree, will not be tolerated.
7. Be Environmentally Responsible
   Nissan employees shall strive, within the business objectives of Nissan, to consider environmental protection when developing products and services, to promote recycling and to conserve materials and energy.
8. 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, and such employees shall be protected from retaliation.

Our Stance Against Discrimination and Harassment

Item 6 of Nissan's Global Code of Conduct, "Value Diversity and Provide Equal Opportunity," is our requirement to accept, value and respect the diversity to be found among our employees, business partners, customers and communities where we do business, and to reject discrimination and harassment in all their forms, no matter how minor they may be. 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, physical capability, age, place of origin or 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.

Internal Reporting System for Corporate Soundness

To promote thorough understanding of compliance among all employees worldwide and to facilitate sound business practices, Nissan employs a variety of internal reporting mechanisms. These allow employees to submit opinions, questions or requests to the company, thereby improving workplaces and operations as well as fostering a compliance-oriented corporate culture. In Japan our Easy Voice System, which offers full protection to any persons offering information in accordance with Japan's Whistleblower Protection Act of April 2006, has become an integral part of operations in all Nissan Group companies in the country.

Independent Internal Audits

Nissan has established a global internal audit unit, an independent department to handle internal auditing tasks. Under the control of the chief internal audit officer, audit teams set up in each region carry out efficient, effective auditing of Nissan's activities on a groupwide and global basis.

RISK MANAGEMENT

At Nissan, we define risk as anything that might prevent us from achieving our business goals. By detecting risk as early as possible, examining it, planning the necessary measures to address it and implementing those measures, we work to minimize the materialization of risk and the impact of damage caused should it arise.

Principles for and Approach to Corporate Risk Management

Risk management must be a real-world activity closely linked at all times with concrete measures. Based on its Global Risk Management Policy, Nissan carries out activities on a comprehensive, groupwide basis.

In order to respond swiftly to changes in its business environment, Nissan has 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 company's "risk map" in line with impact, frequency and control level.

The Executive Committee makes decisions on risk issues that must be handled at the corporate level and designates "risk owners" to manage the risks. Under the leadership of these owners, the company designs appropriate countermeasures. Finally, the board member in charge of internal controls (currently the chief operating officer) regularly reports to the Board of Directors on progress being made.

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 do materialize. Nissan Group companies in Japan and overseas are strengthening communication in order to share basic processes and tools for risk management, as well as related information, throughout the group.

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* Click here for more information on Nissan Power 88.

In addition, we have created an area on our intranet called "Companywide Risk Management." Information relating to risk management is also distributed to subsidiaries in Japan, North America, Europe and other overseas regions, and to important affiliated companies.

Nissan is currently engaged in meeting the goals of the Nissan Power 88 mid-term business plan.* To achieve the ambitious goals of raising both global market share and operating profit margins, we need to fully utilize our existing production capacity in countries around the world so that new spending can be curtailed, and we also need a highly efficient production setup so production can be restored quickly in case a plant is forced to shut down due to unforeseen circumstances.

To support the mid-term business plan from a risk-management perspective, our efforts will also be expanded worldwide and throughout the supply chain by incorporating the important lessons learned from the March 2011 earthquake and tsunami in east Japan and the 2011 flooding in Thailand.

The Current State of Nissan's Risk Management

Below we present some of our efforts to address Nissan's corporate risks.

1 Risks Related to Financial Market

1) Automotive

1. Liquidity

An automotive business must have adequate liquidity to provide for the working capital needs of day-to-day normal operations, capital investment needs for future expansion and repayment of maturing debt. Liquidity can be secured through internal cash and cash equivalents, internal cash flow generation and external borrowings.

As of the end of fiscal year 2012 (March 31, 2013), Nissan's automotive business had ¥771 billion of cash and cash equivalents (compared with ¥781 billion as of March 31, 2012). In addition to cash, Nissan had approximately ¥480 billion of committed lines available for drawing as of March 31, 2013.

As for external borrowings, Nissan raises financing through several sources including bond issuance in capital markets, long- and short-term loans from banks, commercial paper issuance and committed credit lines from banks.

Nissan has a liquidity risk management policy that is intended to ensure adequate liquidity for the business while at the same time ensuring mitigation of liquidity risks such as unmanageable bunched maturities of debt. In the policy, Minimum Required Liquidity is defined, objectively considering several factors including debt maturity, upcoming mandatory payments (such as dividends, investments and taxes) and peak operating cash needs. We also benchmark our liquidity targets with other major Japanese corporations and global auto companies to ensure we are reasonable in our assumptions.

2. Financial Market

Nissan is exposed to various financial-market-related risks, such as foreign exchange, interest rates and commodity prices. It is the general policy of Nissan not to use derivative products as a primary tool to manage foreign exchange and commodity price risks as it does not provide a permanent solution to mitigate these risks. In some cases, Nissan does hedge select currencies and commodity price risks. Nissan is taking the following measures to minimize financial market risks.

- Foreign exchange

As a company engaged in export activities, Nissan is faced with various foreign currency exposures that result from the currency of input cost being different from the currency of sale to customers. In order to minimize foreign exchange risk on a more permanent basis, Nissan is working to reduce foreign currency exposure by such measures as shifting production to the countries where vehicles are sold and procurement of raw materials and parts in foreign currencies. In the short term, Nissan may hedge risks in foreign exchange volatility within a certain range by using derivative products in accordance with the internal policies and procedures for risk management and operational rules regarding derivative transactions.

- Interest rates

The interest rate risk management policy is based on two principles: long-term investments and the permanent portion of working capital are financed at fixed interest rates while the non-permanent portion of working capital and liquidity reserves are built at floating rates.

- Commodity prices

Nissan purchases raw materials in the form of parts provided by the suppliers, as well as direct purchase. Nissan is exposed to the price fluctuation risks of

raw materials, no matter whether purchased directly or indirectly.

For precious metals, which are used in catalysts, Nissan is making continuous efforts to reduce its usage by technological innovation in order to minimize commodity price risk. In the short term, Nissan manages commodity price volatility exposure through the use of fixed-rate purchase contracts in which commodity prices are fixed for a period of time; Nissan may also hedge risks in commodity price volatility within a certain range by the use of derivative products in accordance with the internal policies and procedures for risk management and operational rules regarding derivative transactions.

- Marketable securities

The Company may hold marketable securities for certain reasons including strategic holding, relationship management and cash management. There are risks of price fluctuation for these securities. Therefore, price fluctuations in the stock and bond markets could adversely affect the company's business performance and financial position. The Company defines the authority for decision concerning such transactions within the internal policies and procedures for risk management. The company also takes measures for these risks including mandatory periodical reporting with fair value of such financial transactions.

3. Counterparties

The Group does business with a variety of local counterparties including suppliers, sales companies and financial institutions in different regions around the world. Should unprecedented conditions such as bankruptcies be triggered by a global economic crisis, the resulting interruption to business operations from production interruption and/or troubles on any other production activity at the procurement side, and any significant default by a counterparty at the sales side or financial institutions, would adversely affect the Group's financial position and business performance.

The Group assesses its own counterparty credit risks by conducting comprehensive ongoing reviews of suppliers', sales companies' and financial institutions' financial condition based on their latest available financial information. Based on such assessment, the Group is prepared to take necessary actions for risk avoidance or mitigation in a prompt manner.

4. Pensions

Nissan has defined benefit pension plans mainly in Japan, the United States and the United Kingdom. The funding policy for pension plans is to make periodic contributions as required by applicable regulations. Benefit obligations and pension costs are calculated using many different drivers, such as the discount rate and rate of salary/wage increase.

Plan assets are exposed to financial market risks as they are invested in various types of financial assets including bonds and stocks. When the fair value of these assets declines, the amount of the unfunded portion of pension plans increases, which could materially increase required cash pension contributions and pension expenses.

As countermeasures to manage such risks, the investment policy of these pension plans is based upon the liability profile of the plans, long-term investment views and benchmark information regarding asset allocation of other global corporations' pension plans.

In addition, Nissan holds Global Pension Committee meetings on a periodic basis to review investment performance, manager performance and asset allocations and to discuss other issues related to pension assets and liabilities.

2) Sales Finance

1. Liquidity

Nissan operates captive sales finance companies in Japan, the United States, Canada, Mexico, China, Australia and Thailand. In these countries, banks and other financial institutions also provide financing solutions to Nissan's customers and dealers.

Additionally, in Europe and other regions, RCI Banque and several other banks/financial institutions are providing financing to Nissan's customers and dealers.

We monitor the liquidity of sales finance companies on an ongoing basis to ensure we have adequate liquidity to meet maturing debt and continue operations. As a policy, we target to match maturity of liabilities with maturity of assets wherever possible. In some of the countries where we operate, long-term capital markets are not developed and thus it is not always possible to be perfectly match-funded. Match-funding policy allows us to meet maturing debt obligations even in an environment in which we cannot raise additional debt due to the state of capital markets.

In addition to match-funding, we manage liquidity risk in sales financing

through several measures including keeping adequate liquidity in the form of cash and unutilized committed lines, unencumbered assets (mainly vehicle loans and leases), liquidity support from auto operations to the extent we have excess cash in auto operations, diversified funding sources and geographical diversification of capital market access.

As of March 31, 2013, sales finance companies' liquidity (cash and unutilized committed lines) was approximately ¥538 billion. Additionally, we have a healthy mix of secured (30.8%) and unsecured and other (69.2%) funding sources, which ensure a stronger balance sheet and incremental liquidity through utilization of unencumbered assets.

The pie chart below describes our diversified funding sources in sales finance business.

During fiscal year 2012, we were able to raise new funding through bank loans, asset-backed securities, asset-backed commercial paper, commercial paper and bonds reflecting our diversified access to financing instruments.

Sales Finance Business Funding Sources (As of March 2013)

2. Interest Rate Risk Management

The sales financing business is exposed to interest rate risks. Interest rate risk is defined as the potential variance in the earnings of an entity or the fair value of the portfolio that would result from a fluctuation in the general level of market interest rates where funds with differing fixed-rate periods or differing terms are financed and invested.

Nissan measures the risks by using the sensitivity analysis with various interest rate scenarios and determines the risk tolerance level. Nissan controls the interest rate maturities of both assets and liabilities to maintain the risks within an acceptable tolerance level.

The sensitivity analysis mentioned above uses statistical models, such as the Monte Carlo Simulation Method. However, the actual fluctuation of market interest rates and its impact may deviate significantly from the assumptions used in the models. Nissan enters into interest rate derivative financial instruments to maintain the potential variability of interest rates at the desired level of risk exposure. The main objective of these transactions is to mitigate the risks and not to pursue speculative profit maximization.

3. Credit Risks

Nissan is exposed to the risks of failure to recover the full value of financial receivables for its Auto credit and Lease business with retail customers and for its Dealer finance business, due to changes in the economic situation and credit quality of customers. Nissan manages the credit risks closely by establishing an effective screening and collection system and structure. Credit applicants are all subject to credit assessments of their creditworthiness under a detailed scoring system. Based on the information directly obtained from applicants and from credit bureaus, loan authorization is made in a comprehensive manner by considering the following points: applicant's credit history; applicant's capacity to pay, which is estimated by debt ratio, payment to income ratio and disposable income; applicant's stability; and loan conditions including the loan collateral, loan advance and payment terms. In addition to carrying out this screening process, whenever required, Nissan takes into account qualitative information by conducting field visits to customers or referring to past business records with Nissan in accordance with characteristics of regional business practices and risks.

Dealer finance for inventory vehicles is authorized on the basis of an internal rating system that takes into account the financial position of dealers, and if necessary, personal guarantees and/or mortgage collateral are taken in pledge in addition to pledges of inventory vehicle collateral. These scoring models are regularly reviewed and revised to keep them adequate in actual practice.

In some regions and products, Nissan also offers different pricing depending on the applicant's credit score to compensate for the risks.

As a matter of accounting policy, Nissan maintains an allowance for doubtful accounts and credit losses adequately to cover probable losses. Nissan makes best efforts to recover the actual losses from bad debt accounts as quickly as possible by taking necessary actions, including flexible and effective organization change for collection and utilization of third-party collection services.

4. Residual Value Risks

Vehicles on operating leases and some balloon-type credits, where Nissan is the lessor, are guaranteed end-of-term residual value by Nissan. Nissan is therefore exposed to the risk that the sale value of the vehicle could fall below its contractual residual value when the financed vehicle is returned and sold in the used car market at the end of the contract term.

To mitigate the risks mentioned above, Nissan objectively sets contractual residual value by using the future end-of-term market value estimation by third parties such as the Automotive Lease Guide in North America, and the estimation from statistical analysis of historical data on the used car market in Japan. To support used car market value Nissan takes several strategic initiatives, including control of sales incentives for new car sales promotion, fleet sales volume control and introduction of a certified pre-owned program. As a matter of accounting policy, Nissan evaluates the recoverability of carrying values of its vehicles for impairment on an ongoing basis. If impaired, Nissan recognizes allowance for potential residual value losses in a timely and adequate manner.

2 Risks Related to Business Strategies and Maintenance of Competitiveness

1) Product Strategy

To secure our profitability and sustainable growth based on our future product lineup plan, in 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 our plan.

Risk Scenario Examples:

1. Drastic decline of total global demand, using past examples as reference
2. A demand shift between vehicle segments drastically faster than our mid-term planning assumptions
3. A demand shift from mature markets to emerging markets drastically faster than our mid-term planning assumptions

We periodically monitor the impact of these scenarios to secure our future profitability and sustainable growth, and also update our future lineup plan periodically based on the results. To improve the robustness of our product lineup against these risks, our main approach is to take the following countermeasures when planning our product strategy.

- Expand availability of individual products across markets to mitigate the risk of single market demand fluctuations
- Increase volume and efficiency per product through a consolidation and rationalization of the portfolio to lower the breakeven point and thereby reduce the profit risk of global total industry volume (TIV) declines
- Prepare a more balanced product portfolio meeting needs in a broader range of markets and segments reducing reliance on specific large markets

2) Quality of Products and Services

Nissan is making a companywide effort toward "Enhancing Quality," one of the six areas of focus defined by Nissan Power 88, our mid-term business plan through fiscal 2016. Under this plan, actions are being carried out with numerical targets for the following areas.

- Product quality: Quality of our products based on the customer's actual experiences as an owner of the vehicle
- Perceived quality and attractiveness: Customers' impressions of a vehicle's quality when they look at and touch it in a dealer's showroom

For example, the target for "product quality" is to attain the top level in the Most Influential Indicators (MIIs) in each region. In order to achieve the target, internal indicators for each model correlating with the MIIs have been established. Progress of all quality improvement activities is monitored on an ongoing basis with those internal indicators.

With respect to new model projects, in order to achieve quality targets, milestone meetings are held for processes from design, production preparation and production, at which key check points are confirmed, such as achievement of quality targets, prevention of recurring problems, and adoption of measures for potential risks related to new technology and mechanisms and design changes. Commercial production can be started after confirmation at the Start of Production (SOP) Judgment Meeting, which confirms all issues are solved and quality targets can be achieved. The final decision that the model can be sold is made at the Delivery Judgment Meeting after confirmation of the quality of commercial production and preparedness for service/maintenance.

As described above, Nissan is implementing thorough quality checks before new model launches. Nissan is advancing quality improvement activities after launch as well by constantly gathering quality information from markets and promptly deploying countermeasures if problems arise. In case safety or compliance issues do occur, necessary actions such as recalls are implemented with close cooperation with the marketing side based on a management decision reached by an independent process. Incidents are thoroughly investigated and analyzed, and the lessons are applied to existing or upcoming models to prevent a recurrence.

In addition to the above described activities, such as quality assurance for new model projects and quality improvement activities on a daily basis, the "Quality Risk Management" framework has been newly developed from fiscal 2009. While quality-related risks have hitherto been assessed and dealt with for new models, 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 executive tasked with heading this activity, 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, chemical substances and recycling, and these regulations are getting more stringent year by year. To comply with these regulations and to meet society's expectations, Nissan formulates an environmental strategy based on materiality assessments of management risk factors, analyzing the Company's potential issues and opportunities and identifying issues that are crucial for both Nissan and its stakeholders.

In this context, we believe that one effective solution from a long-term perspective will be the widespread use of zero-emission vehicles. Nissan started sales of Nissan LEAF, the world's first affordable, mass-produced EV, in 2010. The Renault-Nissan Alliance, moreover, has a goal of becoming a leader in zero-emission vehicles and is considering partnering with national and local governments to promote zero-emission mobility and to help build a supporting infrastructure.

Additionally, Nissan will help to 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 highly fuel-efficient, low CO_2 emitting vehicles named PURE DRIVE, equipped with such technologies as our hybrid system, fuel efficient direct injection engine and continuously variable transmission (CVT).

Stricter controls on the environmental impact of substances are being implemented in countries around the world. In accordance with a globally uniform policy on reducing the use of environment-impacting substances, Nissan is strengthening the management of such substances, adhering to a well-planned schedule for their reduction and advancing the use of alternative substances. We voluntarily enforce stricter standards than those required by the domestic laws of the countries where we operate in restricting the use of substances scientifically recognized as being hazardous or carrying high hazard risks, as well as those that advisory NGOs have pointed out as being dangerous. Based on this policy, we have developed internal engineering standards restricting the use of designated substances. The standards identify the chemicals whose use is either prohibited or controlled, and they are applied in selecting the materials, parts and articles for Nissan vehicles from the stage of initial development.

Demand for mineral resources and fossil fuels has steadily increased in response to the 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. Nissan has raised to 25% the target for the use of recycled material in new vehicles by 2016. To achieve this, we will promote design centered on the vehicle lifecycle, reduce the use of scarce resources, 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 at plants 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 have set standards for the efforts of our automobile parts and material suppliers in the form of the Nissan Green Purchasing Guidelines. In fiscal 2012 we added a number of environment-related criteria in selecting our suppliers to coordinate our efforts to reduce environmental impact; we now ask suppliers to furnish data regarding their CO_2 emission levels and energy use and also consider their management of environment-impacting substances, recycling of resources and water-conservation efforts.

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 Department within the Corporate Planning and Business Development Division 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.

Our Framework for Global Environment Management

Nissan's Global Environment Management Organization

4) Compliance and Reputation

Nissan produced the Nissan Global Code of Conduct for all employees of the Nissan Group worldwide. To ensure thorough understanding of the code, training and education programs such as e-learning are improved and our compliance with laws and ethical standards is monitored by the Global Compliance Committee. Nissan has also adopted an internal whistle-blowing system (Easy Voice System). This allows any employees to submit opinions, questions, requests or suspected compliance issues directly to Nissan's management.

Additionally, we have created sets of internal regulations globally covering the prevention of insider trading, personal information management, information security and prevention of bribery and corruption. Nissan makes efforts to prevent compliance infractions and reputation risk to the company by continuous implementation of various education and training programs.

3 Business Continuity

1) Natural Disaster Measures

In case of an earthquake measuring 5-upper or higher on the Japanese seismic intensity scale or other natural disasters causing heavy damage affecting Nissan's business activities, a First Response Team (organized by the main units of the Global Disaster Headquarters) will gather information and decide actions to be taken based on the information. If necessary, the Global Disaster Headquarters and Regional Disaster Headquarters will be set up to gather information about employees' safety and the damage situation of facilities and to work for business continuity.

At the same time, we are working with our suppliers to develop a Business Continuity Plan (BCP). This includes assessment of the priority of work by each and every function and development of countermeasures to continue priority work. The BCP will be reviewed annually in the process of the PDCA cycle.

Organization for Disaster Recovery (Earthquake)

Policy and Principles in Case of Earthquake:

1. The first priority is human life (utilization of employee safety confirmation system)
2. Prevention of secondary disaster (in-house firefighting organization, stockpiling, provision of disaster information)
3. Speedy disaster recovery and business continuity (measures for hardware, improvement of contingency plan and development of BCP)
4. Contribution to local society (cooperation/mutual aid with neighboring communities, companies, local and central governments)

The Global Disaster Headquarters and Regional Disaster Headquarters conduct simulation training assuming a large earthquake to prepare for a catastrophe. The drills test the effectiveness of this organization and contingency plan and clarify the issues to be improved. The contingency plan is reviewed based on the feedback.

In the aftermath of the March 11, 2011, disaster, our periodic simulation training helped to ensure the smooth launch of our Global Disaster Headquarters and Regional Disaster Headquarters on the initiative of the First Response Team. This also helped to complete confirmation of employees' safety and checks on the extent of the damage.

Additionally, based on the policy of contribution to local society, we reacted rapidly to provide rest space to people who could not return home on March 11 and to support damaged areas.

At the stage of business recovery, the Disaster Headquarters and the project teams of each function continuously shared up-to-date information and were addressing the issues for production and business recovery with companywide cooperation. It was effective for the quick recovery of our total supply chain, including parts supply, production, logistics, sales and services.

The response to the March 2011 disaster was reviewed during fiscal 2011 to identify issues that came to light on a function-by-function basis and to consider countermeasures. In March 2012, simulation training was conducted based on a new scenario incorporating the review findings, and the new measures were verified.

Simulation training continued in fiscal 2012 in an effort to enhance our response to earthquake damage. Based on a scenario of a consolidated Tokai, Tonankai and Nankai earthquake, we confirmed our preparedness for issues that came to light during drills held the preceding fiscal year, such as responses to wide-area disruptions to our logistics network and fuel shortages. During the fiscal year, we also worked to enhance responsiveness to earthquake disasters through advance risk estimates carried out by each of the Company's divisions.

In the face of our expanding global operations and the need to enhance the natural disaster response of our overseas facilities, we are undertaking horizontal development of best practices at each facility and inviting overseas personnel to observe the simulation training held in Japan. In addition, we conducted communication training (four times during fiscal 2012) among our overseas facilities based on a scenario of a major disaster in various regions of the world.

Utilizing the PDCA cycle, disaster measures will be advanced to address additional issues raised during training and in response to recent changes in the government's anticipated seismic scale announcements. The Global Headquarters building, where the Disaster Headquarters has been set up (built in August 2009), has an earthquake-resistant structure using vibration-controlling brace dampers. Safety is assured even in the case of a maximum-level earthquake at the site. Inspections after the March 2011 earthquake confirmed that the building had no problems whatsoever with its safety and functions.

2) Pandemic

In response to the outbreak of H1N1 type influenza in April 2009, Nissan established a global policy for infection prevention. Each region has organized a response team and has promoted concrete countermeasures based on the policy. Infection status can be monitored globally thanks to firmly developed reporting lines between the global response team and each regional team.

Nissan has promoted countermeasures based on three basic principles stated in the global policy, which are:

1. First priority on employees' health and lives
2. Prevention of the spread of infection
3. Continuity of business operation

As specific actions, Nissan established the "guidelines for employees' action" which stipulated actions to be taken by employees, Sections and Companies, and kept employees informed.

Nissan also developed a Business Continuity Plan (BCP) for each business section, with several triggers to invoke the BCP depending on the infection ratio, to maintain business continuity even under a high infection situation.

Nissan will keep prepared for contingencies like avian flu through its PDCA cycle, such as by updating response team members and the BCP, carrying out educational activities for infection prevention and stockpiling sanitary and medical goods.

3) Countermeasures for Production Continuity Risk

Nissan's production division has dealt with various risks related to the three elements of production, as listed in the chart at right. Particularly for natural disasters, we have identified the measures needed to restart production within our established goal of two weeks following a large-scale disaster. We have worked over the years on continuous prevention countermeasures to physical infrastructure (quakeproofing and reinforcement of buildings and other facilities), maintained an operations recovery manual to shorten recovery time and regularly executed BCP simulation drills. We are also strengthening the resilience of our global production network by establishing a BCP for parts exports to enable continued operations at our overseas plants.

In addition to such countermeasures to natural disasters, it is absolutely important to manage risks associated with parts procured from Leading Competitive Countries (LCCs) in order to expand markets globally. To deal with such risk, Nissan has been conducting risk assessment before making sourcing decisions, providing support for improvement activities after sourcing, implementing quality checks at key points in the production and logistics process to prevent the production and utilization of imperfect parts and undertaking activities to confirm and help improve supply capacity in order to secure global market expansion and growth. Specifically, in addition to existing organizations to manage supplier risk in North America, Europe and Japan, new bodies are being created in Thailand, China and India to reinforce our global efforts to prevent risks associated with the supplies of parts.

3 elements of production / Risk factor	HR/Workforce	Purchased parts/ Raw materials	Facilities
Natural disasters (earthquakes)	• Reinforcement of office buildings (completed) • Development of earthquake response manual, implementation of evacuation drills (once/year) • Conducting of disaster prevention drills (once/year or more)	• Assessment of earthquake preparedness of major suppliers located in high quake-risk areas (FY08) • Planning to adopt damage reporting system on web base (FY10) • Confirmation of BCPs to be implemented at time of disaster by suppliers in high quake-risk areas (FY11) • BCP for parts exports to continue production at overseas plants (FY12)	• Reinforcement of buildings & machinery (continued) • Regular audits of each business facility • Review of facility recovery manual (FY11)
Fire	• Risk assessment based on F-PES (Fire Prevention Evaluation System) (once/year)	• Same as on the left	• Same as on the left • Revision of equipment standard based on the assessment result
Workplace injury	• Risk assessment based on SES (Safety Evaluation System) (once/year) • Assessment for health & safety management system (once/year)	• Same as on the left	• Same as on the left
Pandemic	• Development of flu response manual (FY09)	• Requested suppliers to develop response manual coordinated with Nissan	—
Demand fluctuation	• Backup from other Nissan plants (as needed) • Backup from other companies (as needed) • Employment of short-term employees (as needed)	Regular check of demand projection and supply capacity; implementation of measures	• Installation of flexible manufacturing system (completed) • Regular check of demand projection and production capacity; implementation of measures • Development of complementary production system for main powertrains
Machinery breakdown	—	—	• Share past incident experiences and reflect them in preventive maintenance • Reflect them in equipment standards
Electric power shortage	—	—	• Thoroughgoing energy conservation efforts • Flexibility in plant operations and working hours in response to requests from the government or power companies
Expansion of LCC-manufactured parts	—	• Assessment of *monozukuri* ability before supplier sourcing and support for improvement activities after sourcing • Quality assessment at production preparation phase • Quality check at mass production phase (action "Gate 1-3") • Establishment of organization for supplier risk management at operations in major LCCs (FY12)	—
Decrease of skilled workers/experts	• Planning and implementation of training program at each plant to develop skilled workers (FY10) • Global development of human resources through the Global Pilot Plant program (FY11) • Development of experts to teach technical skills (planning and implementation from FY12)	—	—

4) Supply Chain Continuity

Control was enhanced as follows to prepare for increased supplier risk.

● Response to suppliers' financial risk

1. Risk assessment (annual)
   - Work with Alliance partner Renault to conduct financial assessments of suppliers based on the latest data on a global basis
2. Prompt decision on risk avoidance
   - Prompt decision-making by a cross-functional committee based on risk assessment findings
   - Thoroughgoing monthly management of risks for each supplier and anticipated expenditures
   - Steady implementation of the above operational process

● Response to suppliers' disaster risk

1. Ensuring business continuity

In fiscal 2012, major efforts to cope with disaster risk in the supply chain that were continued from the preceding year included:

- Promoting visualization of the supply chain (enabling smooth initial response by ascertaining in advance the links between parts and the vehicles produced, as well as the attendant risks, through research of supply chain conditions)
- Following up on the BCP established for suppliers
- Implementing checks of suppliers' initial response process (making revisions through coordination among production, development and purchasing divisions)

2. BCPs for overseas operations

In fiscal 2012, Nissan introduced measures taken in Japan to overseas operations besides Thailand (North America, Europe, China and India) and started to work on supply chain BCPs for those regions.

5) Risk Financing and Loss Prevention

1. Global Insurance Management Policy

Nissan manages hazard risk on a global basis with risk financing techniques that combine self-retained risk with external risk transfer via insurance.

In order to minimize the cost of risk, Nissan adheres to the following global insurance management policy. This policy has provided appropriate coverage for damage resulting from the unpredictable and massive disasters that the world has seen in recent years.

- Predictable risks with low impact and high frequency
  - ▸ Retained risks up to an acceptable level on a consolidated basis by the company
- Unpredictable risks with low frequency and high impact or shock value
  - ▸ Risks whose financial impact may exceed the acceptable level of self-retention are transferred outside the company via insurance

2. Global Insurance Programs

In order to minimize the cost of hazard risks and manage risks occurring globally and interdependently in a concentrated manner, global insurance programs have been established for main lines of insurance. The Finance Department in the Global Headquarters decides insurance conditions and structures, and negotiates directly with insurance companies for these global programs. The insurance companies are important strategic partners, and they are thus decided in consideration of risk spread and financial solvency.

The following risks are covered in this way:

- Property damage and business interruption by accidents

  The program covers risks not only for property damage but also for business interruption and contingent business interruption due to accidents, taking into consideration the global expansion of the supply chain for products and parts. Coverage limits are determined based on the probable maximum loss amount measured by third-party experts.

  We achieved further improvement and optimization of insurance conditions by negotiating with insurance companies together with our Alliance partner Renault from fiscal 2011.

- Transportation and storage of vehicles and products for sales
  This program covers risks relating to transportation and the supply chain for parts and products globally. By covering risks spread geographically under a global program, we can manage loss data on a global basis and ensure stability of insurance costs.
  From fiscal 2011, this program was also combined with Renault's program for negotiating with insurance companies to achieve best possible results utilizing synergies of scale.
- Product liability
  To manage this risk, we have insurance programs suitable for the legal systems and practices in each region. The programs are led by the Global Headquarters in order to implement a consistent strategy globally.
- Indemnity liability for unanticipated accidents during operations or caused by owned or managed facilities (general liability)
  While keeping in mind the legal systems and compensation criteria of various countries, a globally uniform program is being implemented to ensure consistent worldwide coverage and to achieve lower insurance costs.

3. Utilization of Captive Insurance Company

For the purpose of more efficient self-retention on a consolidated basis for insurance programs other than general liability, Nissan Global Reinsurance, a Bermuda-based captive insurance company (an insurance company of the Nissan Group) is utilized to reinsure a certain amount of risk for each of our global programs.

Utilization of a captive insurance company enables the following:

- Helps to reduce insurance costs by obtaining the minimum necessary insurance
- Each group company can obtain necessary coverage
- Can gather and analyze loss data below self-retained limit

4. Loss Prevention Activities

Nissan conducts loss prevention activities to improve loss results and reduce the cost of premiums on an ongoing basis. Since the global insurance programs have been introduced, loss prevention activities have been promoted more actively and globally to maintain low premium rates. Examples of Nissan's loss prevention activities include conducting risk-engineering surveys and obtaining recommendations for safety from third-party experts, creating manuals for actions in the event of typhoons and constructing hail nets to prevent hail damage.

INFORMATION SECURITY

Nissan shares its Information Security Policy with group companies worldwide and implements necessary measures through the Information Security Committee, bolstering its capability to prevent information leaks and other such incidents. Furthermore, we carry out various in-house programs every year to thoroughly educate and motivate employees to uphold their responsibilities in this regard.

Protecting Personal Data and Reinforcing Information Security

Nissan recognizes its social responsibility to properly handle customers' personal information, in full compliance with Japan's Personal Information Protection Act. We have set up internal systems, rules and procedures for handling personal data. All group companies in Japan are fully enforcing these processes.

Moreover, Nissan shares with group companies worldwide its Information Security Policy as its basis to reinforce overall information security. Our Information Security Committee implements measures as necessary to further strengthen information security in order to prevent information leaks and other such incidents. To thoroughly educate and motivate employees to uphold their responsibilities in this regard, we institute regular in-house educational programs every year.

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NISSAN CSR SCORECARD

Nissan makes year-round use of the CSR scorecard as a fundamental tool to manage, review and validate its progress in each of eight sustainability strategies defined for its CSR activities.
The table below shows some of the values behind our present activities in these areas and the indices used in the scorecard to gauge our performance.

ENVIRONMENT

FY2012 target achievement rate: ◎ Achieved ○ Mostly Achieved △ Not Achieved – Not Calculated

Strategy	Major Activity or Value		Scope of Application	Indicators of Progress	FY2011	FY2012			FY2016 (Target)	Long-Term Vision (Year2050)	
					Result	Target	Result				
Nissan aims to lead a social transformation aimed at bringing about a sustainable mobility society by reducing vehicles' environmental impact throughout their lifecycle and expanding the lineup of effective green products and technologies.	Implementation and promotion of Nissan Green Program 2016 (NGP2016)	Zero-emission vehicle penetration	Global	Number of zero-emission vehicles sold	Global Nissan LEAF sales: 23,000 units	Promote EV sales globally	Global Nissan LEAF sales: 30,500 units Cumulative sales since its launch in 2012: more than 58,000 units	○	Cumulative sales 1.5 million EVs under Renault-Nissan Alliance by FY2016, securing leadership in zero-emission mobility	90% reduction in CO_2 emissions from new vehicles from FY2000	Reduce environmental impact and resource usage of Nissan corporate activities and vehicles to within the Earth's natural ability to absorb
			Global	Number of new EV models introduced	(Nissan LEAF introduced already in FY2010)	Promote development of EVs	Implemented field test of the all-electric commercial vehicle, e-NV200	○	4 models including Nissan LEAF released		
			Global	Promotion of activities toward realization of zero-emission society	Efforts underway, including development of "LEAF to Home" system, road tests of Nissan New Mobility Concept ultracompact EV	Promote the actitivites with regional government and other industries	Launched the "LEAF to Home" power supply system with "EV Power Station" Promoted rollout of "LEAF to Home" power supply system at public facilities, houses, condominiums	○	Realization of zero-emission society		
		Fuel-efficient vehicle expansion	Global	Corporate average fuel efficiency (CAFE) (Japanese, U.S., European, Chinese markets)	15% improvement from FY2005	Improve CAFE by introducing HEV and other technologies to improve fuel efficiency	24.9% improvement from FY2005	○	35% improvement in CAFE from FY2005 (Japanese, U.S., European, Chinese markets)		
			Global	Number of models launched with class-leading fuel efficiency* *as of launch	Tiida (China), Versa Sedan (U.S.)	Introduce 4 models	Altima (U.S.), Note, Latio (Japan), Sylphy (China)	○	Global rollout		
			Global	Cumulative number of hybrid models launched	Development underway of front-wheel drive hybrid vehicles, plug-in hybrid electric vehicles (PHEVs)	Introduce 2 models	Cima HEV, and Serena S-HYBRID in Japan	○	Global rollout		
			Global	Number of CVT-equipped units sold	11.08 million cumulative sales	Promote sales of CVT equipped vehicles	2.28 million units 13.36 million of cumulative sales since 1992)	○	20 million cumulative sales		
		Corporate carbon footprint minimization	Global	Rate of CO_2 emission reduction for corporate activities (production, logistics, offices, sales companies; t-CO_2/unit, from FY2005)	8.0% reduction	Promote activites to reduce CO_2 emissions	8.3% reduction	○	20% reduction	80% reduction from FY2005 (t-CO_2/unit)	
				Plants (t-CO_2/unit, from FY2005)	20.5% reduction		15.2% reduction	○	27% reduction		
				Offices (Japan, North America, Europe, China; output level basis)	2.6% reduction		17.7% increase	△	1% annual reduction (FY2010 as base)		
				Sales companies (Japan; output level basis)	11.9% reduction		1.8% increase	△	1% annual reduction (FY2010 as base)		
		New natural resource use minimization	Global	Recycled material use ratio per vehicle	Efforts underway, including reuse of steel and aluminum plate scraps generated during manufacturing in new plate metal	Continue activities	Promoted activities	○	Improve recycled material use ratio to 25%	Reduce ratio of new natural resources per vehicle by 70% from FY2010	
			Japan	Resource recovery rate	98.8%	Promote activites	99.3%	○	Top-level recovery rate		
			Global	Waste reduction percentage at plants	8.4% reduction in Japan 12.3% reduction globally	Promote activities to minimize wastes	10.3% reduction in Japan 3.2% reduction globally	○	Japan: 2% annual reduction (compared to business as usual) Global: 1% annual reduction (compared to business as usual)		
			Global	Number of facilities with water-resource management	4 facilities (Australia, India, China, Mexico)	Implement water-resource management in 3 facilities	Implemented in Spain, Egypt and South Africa	○	All production facilities		

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SAFETY

FY2012 target achievement rate: ◎ Achieved ○ Mostly Achieved △ Not Achieved – Not Calculated

Strategy	Major Activity or Value	Scope of Application	Indicators of Progress	FY2010	FY2011	FY2012			Long-Term Vision
				Result	Result	Target	Result		
Nissan develops innovative technology and plays an active role in safety promotion, making the automobile society safer for all.	Establishment of quantitative reduction targets for Nissan-related traffic deaths, etc., real-world analysis of accidents to build safer cars and implementation of driver-education programs	Japan, U.S., U.K.	Reduction from 1995 levels in Nissan-related traffic deaths and injuries (Figures are available approx. two years later due to calculation based on publicly released data)	Japan: 54% reduction U.S.: 50% reduction U.K.: 61% reduction	Japan: 59% reduction U.S.: 54% reduction U.K.: 58% reduction	Develop and boost use of safety-related technologies based on Nissan Safety Shield approach to reduce fatal and serious injuries from previous FY, progressing toward ultimate goal	Figures to be calculated once data is released	–	Aim for ultimate goal of zero fatalities and serious injuries involving Nissan vehicles

PHILANTHROPY

FY2012 target achievement rate: ◎ Achieved ○ Mostly Achieved △ Not Achieved – Not Calculated

Strategy	Major Activity or Value	Scope of Application	Indicators of Progress	FY2010	FY2011	FY2012			Long-Term Vision
				Result	Result	Target	Result		
Nissan carries out social contribution activities as a corporate citizen, focusing on the environment, education and humanitarian support.	Clarification of Nissan's philanthropy policy, reinforcement of in-house organization and enhancement of philanthropic activities	Global	Clarification of Nissan's philanthropy policy and establishment of an in-house promotion organization	Launched joint projects with Habitat for Humanity, beginning in March 2010 in India and in March 2011 in Indonesia and Thailand	• Designated officers to head CSR, philanthropic efforts at 3 main bases, including Global Headquarters; created system for global promotion and cooperation • Signed global agreement with Habitat for Humanity, an NGO Nissan North America has partnered with since 2006; set FY2012 course for stronger participation in poverty relief • Held talks with 10 NPOs active in the March 11 disaster zone to provide maximum support possible targeting high-need areas • Held a town meeting in Yokohama in connection with Omoiyari Light Promotion safety campaign; carried out dialogue with wide range of experts, other stakeholders	• Review March 11 disaster relief and advance measures to create environment conducive to employee participation in volunteer efforts • Work on systems allowing swift decisions on form of relief efforts following disasters • Develop existing programs to enable more global activities delivering value more widely	• Through cooperation with the NGO Habitat for Humanity Japan, NML organized volunteer tours for employees in the tsunami-affected area in Ofunato, Iwate Prefecture. Special paid holiday was given to participants. A total of some 100 employees participated • Started discussion to establish 'Natural Disasters Response Policy' among headquarters in Japan/U.S./Europe • Started discussion to expand school-visit educational programs globally	◎	Continually implement unique philanthropic programs centered on "environmental awareness," "education" and "humanitarian support," balancing global perspectives with the most appropriate activities for each region

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QUALITY

FY2012 target achievement rate: ◎ Achieved ○ Mostly Achieved △ Not Achieved – Not Calculated

Strategy	Major Activity or Value	Scope of Application	Indicators of Progress	FY2010	FY2011	FY2012			Long-Term Vision
				Result	Result	Target	Result		
Nissan provides top-level quality in its products and services around the world.	Score of external indicator that is most influential to customers	Global	[North America] Consumer Reports J.D. Power IQS/VDS	Achieved nearly all FY2010 targets	Achieved nearly all FY2011 targets	Improve rankings in respective KPIs	U.S. – J.D. Power Initial Quality Study (IQS): Infiniti EX, Infiniti M, Frontier, Quest took the top spot in each segment.	○	Under quality improvement goals of Nissan Power 88, make Infiniti a leading luxury brand and make Nissan a leading global automotive brand by FY2016
			[Europe] U.K.: *What Car?* Germany: ADAC Italy: *Quattroruote*	• U.K.: Qashqai and Note earned high marks in *What Car?* • Italy: Qashqai earned high marks in *Quattroruote* • Germany: Qashqai and Note earned reputation for high reliability in ADAC	U.K.: Qashqai and Note earned high marks in *What Car?* Germany: Qashqai and Micra won high reliability marks in ADAC		U.K.: Qashqai and Note earned high marks in *What Car?* Germany: Qashqai and Micra won high reliability marks in ADAC		
			[Other] China: J.D. Power IQS/VDS South Africa: Pied Piper PSI Brazil: *Quatro Rodas* India: J.D. Power IQS	China JDP/IQS: 3 models earned top 3 rankings	China: 3 models in top 3 rankings for J.D. Power IQS, 4 models in top 3 for J.D. Power VDS South Africa PSI: 3 models in top 3 rankings		South Africa – Synovate Product Satisfaction Index (PSI): X-TRAIL and NP200 ranked first, Micra and Navara ranked among the top three in each segment. Brazil – *Quatro Rodas*: Versa, March took top rank in each category.		
	Achievement of Sales and Service Quality objectives, resulting in the highest levels of customer loyalty and service retention	Global	Customer satisfaction survey results relating to Sales and Service Quality in focus countries (Nissan and Infiniti)	Improvements carried out according to plan toward achievement of Top-Level Quality objectives	Maintained Top-Level Quality in those focus markets where already attained; improved rankings in other markets by implementing *kaizen* actions.	Continue Sales and Service Quality improvement in focus markets toward Top-Level Quality achievement	Maintained Top-Level Quality in those focus markets where already attained; improved rankings in other markets by implementing *kaizen* actions.	○	Achieve Top-Level Quality in all focus markets by FY2016

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VALUE CHAIN

FY2012 target achievement rate: ◎ Achieved ○ Mostly Achieved △ Not Achieved – Not Calculated

Strategy	Major Activity or Value	Scope of Application	Indicators of Progress	FY2010	FY2011	FY2012			Long-Term Vision
				Result	Result	Target	Result		
Nissan promotes ethical, environmentally sound actions in all stages of the supply chain.	Reduce the environmental impact of products through green procurement activities	All primary suppliers to Renault-Nissan Purchasing Organization (RNPO; responsible for 100% of total Renault-Nissan procurement by value, April 2009)	Extent to which values and codes of conduct are shared with suppliers	• Worked with Renault to distribute "CSR Guidelines for Suppliers" from purchasing departments at operational sites to suppliers (from June) • Carried out MPA revisions incorporating penalties for compliance infractions (from July)	• Recovery from the Great East Japan Earthquake and Thai flooding carried out with suppliers as vital activities; these were implemented and evaluated as CSR for contributing to society through support for suppliers in affected areas, prompt relaunch of production • Main approaches included: 1. Swift sharing of information related to production recovery 2. Steps to deal with planned blackouts, shift to weekend operations in summer months 3. Creation of BCPs for supply chains (Japan and Thailand) • Rules created in FY2010 defining penalties for supplier compliance infractions applied to cases that arose	Begin formulation of BCPs for overseas locations (other than Japan, Thailand) from the first half of FY2012 • Implement survey of steps taken to address conflict mineral usage, with the goal of deepening CSR penetration through the supply chain • Continued steps to address supplier infractions	1. Requested consideration of business continuity plans (BCPs) in overseas branches (North America, Europe, China, India). We held briefings for suppliers at each branch, and are considering BCPs for the supply chain 1.-2 Implemented preliminary survey of conflict minerals based on CSR policies. Currently clarifying the issues and formulating plans for a full-scale survey scheduled for next fiscal year 2. Clarified and started applying procedures to halt a request for quotation (RFQ) when a supplier has violated regulations	○	Continually support suppliers' efforts to enhance their systems for CSR activities
	Reduce the environmental impact of products through green procurement activities	All primary suppliers around the world	Ascertaining compliance with Japan's green procurement guideline for environment-impacting substances in purchased parts, and promotion of such activities with regard to global guideline	Globally published "Nissan Green Purchasing Guidelines" on the website; initiated their deployment in North America	New management processes created in line with NGP2016, explained at supplier meetings in November; began global deployment of revised "Nissan Green Purchasing Guidelines" (enhancement of management of environment-impacting substances in Europe)	Implementation and improvement of steps under new management processes	In an effort to comprehensively comply with regulations on environment-impacting substances, we have launched a new management process which helps suppliers standardize disciplined and consistent substance control	◎	Reduce Nissan's environmental impact throughout the lifecycle by establishing structures for suppliers; enhance management scope by extending activities to the whole value chain
	Promotion of CSR activities at sales companies	Sales Companies (Japan)	Regular sharing of information with sales companies and support for voluntary activities	Further enhanced awareness of compliance through implementation of companywide self-assessment program	• Efforts to firmly establish compliance self-assessment program helped boost compliance awareness from FY2010 levels • Representative meeting in June urged greater care with personal information protection, leading to enhanced measures and stronger information management at each company	Implement self-assessment program revised based on recent compliance trends to further boost awareness; hold regular events to exchange information (e.g. company representative meetings)	In fiscal 2012, we continued implementation of the compliance self-check program with the aim of enhancing awareness about compliance. At a meeting for dealership representatives, we shared information about examples of violations and policies to make improvements, and provided educational materials regarding improper handling of money, information security, and harassment, in order to encourage each dealer to prevent compliance problems	◎	Provide support to help cement voluntary efforts at sales companies

EMPLOYEES

FY2012 target achievement rate: ◎ Achieved ○ Mostly Achieved △ Not Achieved — Not Calculated

Strategy	Major Activity or Value	Scope of Application	Indicators of Progress	FY2010	FY2011	FY2012			Long-Term Vision
				Result	Result	Target	Result		
Nissan aims to form an attractive organization where diverse human resources can achieve personal growth through experience in global business.	Build a learning-oriented corporate culture	Nissan Motor Co., Ltd.	Trainee satisfaction: Based on surveys of employees undergoing annual training courses. Scores (on a scale of 1 to 5) are the lowest of the averages for each course	4.5 or higher	4.2 or higher	Implement education programs to enhance competency; maintain/increase satisfaction of attendees	4.3 or higher	◎	Create a learning-oriented corporate culture and a setup allowing individual employees to achieve personal growth
	Enhance management quality, employee motivation based on employee attitude surveys	Global	Improved scores for management quality, employee motivation; share of positive responses to questions in employee attitude surveys	Quality of management: 50% Employee motivation: 57%	Surveys not implemented in FY2011	Promote activities to enhance quality of management and revise corporate culture based on employee attitude surveys; raise scores on quality of management/ employee motivation	Surveys not implemented in FY2012	—	Improve quality of management and create an organization that inspires and enhances employee engagement
	Support for self-initiated career development	Nissan Motor Co., Ltd.	Number of successful applicants under Open Entry (employees can apply for advertised position openings) and Shift Career (employees can apply to the department or occupation of their choice, regardless of availability) Systems	103 (Open Entry and Shift Career Systems)	99 (Open Entry and Shift Career Systems)	Further advance assignment of employees to relevant positions via Open Entry/Shift Career Systems	94 (Open Entry and Shift Career Systems)	◎	Provide support for career development that emphasizes employees' self-initiative
	Creating safe and worry-free workplaces	Nissan Motor Co., Ltd.	Frequency of labor accidents (injuries or deaths per 1 million worker-hours)	0.43	0.35	0.27	0.25	◎	Build and maintain safe, worry-free workplaces
			Intensity of labor accidents (Intensity=total working hours lost/total working hours x 1,000)	0	0	No serious accidents	0	◎	
	Promotion of diversity through active development, engagement with women	Global	Share of women in middle management and management positions	Japan (Nissan Motor): 6.1% Americas: 12% Europe: 14%	Global: 10% Japan (Nissan Motor): 6.7% Americas: 12% Europe: 15%	Global: 10.5%	Global: 10.3% Japan (Nissan Motor): 7.0%* Americas: 13% Europe: 16% *including Nissan Global Co., Ltd.	○	Provide greater value to customers through diversity
			Employee survey score on diversity	Global 50%	Surveys not implemented in FY2011	Maintain/upgrade scores	Surveys not implemented in FY2012	—	
	Promotion of diversity through cross-cultural recruitment	Nissan Motor Co., Ltd.	Share of non-Japanese employees	1%	1%	Maintain/upgrade share of non-Japanese employees	2%	◎	

ECONONIC CONTRIBUTION

FY2012 target achievement rate: ◎ Achieved ○ Mostly Achieved △ Not Achieved — Not Calculated

Strategy	Major Activity or Value	Scope of Application	Indicators of Progress	FY2010	FY2011	FY2012			Long-Term Vision
				Result	Result	Target	Result		
Nissan aims for sustainable, profitable growth, contributing to economic development for all of society.	Implementation and promotion of Nissan Power 88	Consolidated companies	Consolidated operating profit margin	6.1%	5.8%	6.8% (forecast)	5.4%	△	Achieve sustainable, profitable growth by advancing a sustainable mobility society; continue providing value to all stakeholders over the long term
			Global market share	5.8%	6.4%	6.7% (forecast)	6.2%	△	
	Company stock	Nissan Motor Co., Ltd.	Dividend	¥10/share	¥20/share	¥25/share	¥25/share	◎	

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CORPORATE GOVERNANCE & INTERNAL CONTROL

FY2012 target achievement rate: ◎ Achieved ○ Mostly Achieved △ Not Achieved – Not Calculated

Strategy	Major Activity or Value		Scope of Application	Indicators of Progress	FY2010	FY2011	FY2012			Long-Term Vision
					Result	Result	Target	Result		
Nissan aims to conduct fair, impartial and efficient business activities, having a high degree of transparency and consistency by adhering to the applicable laws and corporate rules.	Establishment/ effective management of internal control system	Compliance/ Code of Conduct	Consolidated companies	Establishment/global development of compliance promoting organizations and codes of conduct	• Clarified key tasks in each region and formulated action plans to advance activities to prevent noncompliance • Disclosed Nissan's Global Code of Conduct to outside parties worldwide	• Clarified compliance-related risks and confirmed action plans for each region in the Global Compliance Committee; regularly followed up progress thereafter • Formulated medium-term regional action plans (FY2011–13) • Launched anti-bribery activities in line with expanding scope of Nissan's business; defined global policy, reached decision to implement related training	• Further enhance improvement activities based on PDCA cycle and prevent compliance infractions • Set global anti-bribery policy and implement training activities	• Discussed priority topics at the Global Compliance Committee and incorporated them into action plans for each region. Regularly monitored implementation status • Established a Global Anti-Bribery Policy (see p. 114) and implemented global training	○	A fully functioning framework (process) for the prevention of conduct violations
		Risk Management		Establishment/global development of an effective risk management system	• Promoted common understanding among Global Headquarters and regional headquarters in the Americas and Europe regarding fundamental processes of risk management; exchanged related information with Renault • Explained risk management initiatives in the Annual Report and Sustainability Report	• Reviewed responses to Great East Japan Earthquake for each function; reflected results in the BCP and shared the findings throughout the company; verified progress through further simulation training, enhancing level of readiness • Disclosed information on risk management activities via Annual Report and Sustainability Report, adding items and updating content of disclosure • Re-implemented benchmarking activities following Renault's shift to new system	• Carry out risk management activities to support successful achievement of mid-term business plan goals • Continue disclosing information and updating its content	• Identified corporate risk factors that could negatively affect the mid-term plan. Under the lead of risk owners, established control methods and implemented the necessary risk reduction activities • Updated "Business and other risks" in financial information (Yukashoken-Hokokusho) and "The current state of Nissan's risk management" in Sustainability Report and Annual Report • These activities are reported twice a year to the Internal Control Committee and Board of Directors to ensure that the PDCA management cycle is functioning	○	Contribute to raising corporate value with a global risk management system; obtain better external understanding through appropriate information disclosure
		Information Security		Addressing personal data protection issues and establishment of stable information security	• Continually monitored compliance with policies to safeguard personal information at Nissan Motor Co. and its sales companies; verified levels had been maintained or improved • Globally implemented an annual plan for information security management and confirmed its progress; verified levels had been maintained or improved	• Continued monitoring compliance with personal information safeguarding policies at Nissan Motor and its sales companies, confirming that level was maintained or improved • Globally implemented, tracked progress in annual information security management plan, confirming that level was maintained or improved • Implemented process for monitoring information security incidents that occurred outside of Nissan and confirmed that similar issues could not take place within the company	Maintain/raise level of information security management	• Continued monitoring compliance with personal information safeguarding policies at Nissan Motor Co. and its sales companies, confirming that level was maintained or improved • Based on the Information Security Policy, held Information Security Committee, implemented annual education, managed information assets, managed incidents, implemented PDCA cycle for assessment, and verified that the levels are being maintained or improved • Learning from recent server attacks and social engineering-related information security incidents at other companies, verified and made improvements to ensure that similar incidents do not occur at Nissan	○	Contribute to pursuing stable corporate activities and social responsibility by globally implementing PDCA cycles on information security

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, forklifts, marine products and related parts. The Nissan Group also provides various services accompanying its main business, such as logistics and sales finance.
Number of Employees (consolidated) (As of March 31, 2013)	160,530
Global Network (as of June 2013)	R&D: 15 countries/areas (Japan, USA, Mexico, U.K., Spain, Belgium, Germany, Russia, China, Taiwan, Thailand, South Africa, Brazil, India, Vietnam; total of 43 sites)
	Design: 4 countries (Japan, USA, U.K., China; total of 5 sites)
	Automobile Production: 15 countries/areas (Japan, USA, Mexico, U.K., Spain, Russia, China, Taiwan, Thailand, Philippines, South Africa, Indonesia, Brazil, India, Egypt; total of 27 sites)

▸▸ GRI G3 Indicators
▸▸ 2.4 / 2.2 / 2.8 / 2.3

FINANCIAL DATA

					(FY) billion yen
	2008	2009	2010	2011	2012
Consolidated net revenue	8,437.0	7,517.3	8,773.1	9,409.0	**9,629.6**
Consolidated operating profit	–137.9	311.6	537.5	545.8	**523.5**
Ordinary profit	–172.7	207.7	537.8	535.1	**529.3**
Profit before tax	–218.8	141.6	480.1	529.3	**516.7**
Net income	–233.7	42.4	319.2	341.4	**342.4**
Capital expenditure	383.6	273.6	312.0	406.4	**524.5**
Depreciation	421.2	363.3	372.1	334.4	**315.8**
R&D costs	455.5	385.5	399.3	428.0	**469.9**

					thousand units
Global Sales Volume	3,411	3,515	4,185	4,845	**4,914**
Japan	612	630	600	655	**647**
North America	1,133	1,067	1,245	1,404	**1,466**
Europe	530	509	607	713	**660**
Others	1,136	1,309	1,733	2,073	**2,141**

					thousand units
Conslidated Production Volume	2,850	2,954	3,755	4,266	**4,310**
Japan	1,050	1,025	1,073	1,199	**1,060**
North America	868	837	1,074	1,221	**1,344**
Europe	450	445	571	647	**643**
Others	482	647	1,037	1,199	**1,263**

▸▸ website

To obtain more detailed financial information, please visit our IR website.

▸▸ GRI G3 Indicators
▸▸ 2.8 / A4

FY2012 Global sales volume and consolidated production volume

Region	% of global sales volume	thousand units
Japan	13.2%	647
China	24.1%	1,182
North America	29.8%	1,466
Europe	13.4%	660
Others	19.5%	959

Region	% of production volume	thousand units
Japan	24.6%	1,060
China	15.6%	672
North America	31.2%	1,344
Europe	14.9%	643
Others	13.7%	591

▸▸ GRI G3 Indicators
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EMPLOYEE DATA

(FY)

		2010	2011	2012
Nissan Motor Co., Ltd.				
Number of employees[*1]		28,403	24,240	**23,605**
Number of employees by gender	Male	26,384	22,327	**21,675**
	Female	2,019	1,913	**1,930**
Average age (years)		42.4	42.8	**42.6**
Average service (years)		20.7	20.5[*4]	**20.5**
Employee turnover rate (voluntary leave and retirement)		2.9	2.8	**3.9**
Average annual salary (yen)[*2]		6,847,796	7,058,538	**6,996,504**
Disabled employment ratio (%)		2.01	1.95	**1.88**
Number of employees taking parental leave		195	192	**219**
Number of employees taking nursing care leave		15	9	**17**
Number of unionized employees		26,790	23,122[*4]	**22,865**
Consolidated				
Consolidated number of employees[*3]		155,099 (27,816)	157,365 (34,775)	**160,530** **(36,449)**
Japan		72,876	69,141	**67,290**
North America		23,411	24,702	**28,637**
Europe		13,891	14,725	**15,198**
Asia		42,718	46,516	**46,187**
Other overseas countries		2,203	2,281	**3,218**

[*1] A major reason for the decrease of 4,163 persons during FY2010–FY2011 was the employment transfer resulting from the establishment of Nissan Motor Kyushu Co., Ltd.
[*2] Average annual salary for employees not in managerial positions; includes bonuses and overtime pay.
[*3] Numbers in brackets represent part time employees not included in the consolidated number of employees
[*4] Updated from 2012 Sustainability Report

UNION INFORMATION

Nissan Motor Co., Ltd.'s employees are affiliated with the All 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 workers was 22,865 as of March 31, 2013.
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 are affiliated with their respective trade unions. In Mexico, for example, workers are affiliated with a domestic trade union for which the governing body is the Confederation of Mexican Workers (CTM) or independent trade unions, whereas most employees in the United Kingdom are affiliated with the Unite the Union, Nissan Motor Manufacturing (UK) Ltd., Branch. Local employees of other group companies are affiliated with different types of trade unions according to the labor environment in each country.

▸▸ GRI G3 Indicators
▸▸ 2.8/EC1/LA1/LA2/LA4/LA13/LA15

SOCIAL CONTRIBUTIONS ACTIVITY DATA

(FY)

	2010	2011	2012
Donations for disaster relief	Over ¥430 million (by Nissan Motor Co., Ltd., Nissan North America, Nissan Europe S.A.S., etc. for Great East Japan Earthquake) About ¥6.8 million (by Nissan (China) Investment Co., Ltd. for Yushu earthquake) $100,000 (by Nissan North America for 2010 Haiti earthquake)	¥11.9 million (by Nissan Motor Co., Ltd. for Great East Japan Earthquake) ¥10.0 million (by Nissan Motor Co., Ltd. for Typhoon No. 12) ¥55.1 million (by Nissan Motor Co., Ltd. and Nissan Thailand for 2011 Thailand floods) ¥10 million (Nissan Europe S.A.S., for Horn of Africa crisis)	¥17.0 million (by Nissan Motor Co., Ltd. for Great East Japan Earthquake) ¥10.0 million (by Nissan Motor Co., Ltd. for heavy rains in northern Kyushu) €100,000 and a vehicle (by Nissan International SA and Nissan Italia S.r.l for Northern Italy earthquake) $20,000 and a vehicle (Nissan North America for Hurricane Sandy)

Global social contributions: $13 million
(On a consolidated basis, including donations and monetary contributions)

▸▸ GRI G3 Indicators
▸▸ EC1

NISSAN GLOBAL ANTI-BRIBERY POLICY

OVERVIEW:

The Global Code of Conduct requires the Nissan Group (as defined below) to comply with the laws and Local Guidelines (as defined below) applicable to our business activities. Nissan Group prides itself on acting fairly and ethically wherever it does business. Nissan Group's reputation is built on its values as an organization and the values of its employees. Nissan Group consistently treats customers, employees, suppliers, and communities with honesty, integrity, fairness, and trust.

This Global Anti-Bribery Policy ("Policy") sets out how you should behave and what you should do if you are confronted with corruption, the responsibilities of the Nissan Group and its Employees, and establishes the global framework for this Policy.

1 SCOPE:

This Policy applies to Nissan Motor Co., Ltd., its subsidiaries and affiliates ("Nissan Group") and their respective officers, directors, employees, contract employees, and other individuals employed by Nissan Group ("Employees"). Each Employee must comply with this policy.

2 ANTI-BRIBERY LAWS AND HOW THEY APPLY TO YOU:

The laws of Japan and of many other countries where Nissan Group does business specifically prohibit or otherwise regulate certain activities such as authorizing, paying, promising or offering to give anything of value to "government officials"[*1] or private individuals in order to influence those individuals to act favorably towards Nissan Group. In some countries, these acts are criminal acts of bribery[*2] and globally, are in all cases subject to prohibitions and regulations under the Global Code of Conduct and applicable Local Guidelines.

Since the laws and Local Guidelines applicable to companies and Employees of Nissan Group may vary from country to country, each Employee of Nissan Group must familiarize himself or herself with the laws and Local Guidelines applicable to his or her activities world-wide and, in all cases of doubt regarding the appropriateness of conduct, consult with his or her manager, Legal Department, or Compliance Committee in order to ensure that they conduct business in compliance with applicable anti-bribery laws. These laws include, but are not limited to, the Japan Unfair Competition Prevention Act, U.K. Bribery Act 2010, US Foreign Corrupt Practices Act.

Violations of these laws and other similar laws, in many cases, are punishable by imprisonment and fines for the individuals involved, regardless of nationality. For Nissan Group, a violation may result in substantial fines and restrictions, greatly impacting the Nissan brand, reputation and financial position.

In addition to applicable laws, you also should consult relevant portions of Nissan corporate policies relating to Code of Conduct, and Code of Ethics, Gift Policy, and Conflict of Interest, where applicable.

*1 Individuals that act in a public capacity and including government employees, employees of government controlled or owned entities, elected or appointed officials (including candidates), any official or agent of a public international organization, and members of a royal family in some countries, are treated as "government officials" under the anti-bribery laws of some countries.

*2 While the laws of each country may vary, prohibited acts of "bribery" are generally recognized as including acts such as offering, giving, accepting, receiving, or soliciting something of value to or from a "government official" or private individual where the intent is to improperly obtain or retain business or gain an advantage. It may also include any promise, representation or conduct without actually carrying through the bribe, if that promise, representation or conduct influences a person to act improperly.

3 GOVERNING PRINCIPLES OF THE POLICY:

3.1. Nissan Group will only conduct business in compliance with the laws. Nissan will institute zero tolerance for acts constituting bribery which violate this Policy.

3.2. Nissan Group shall comply with the following principles:

3.2.1. Keep and maintain impartial and fair relationships with all third parties with whom Nissan Group conducts business.

3.2.2. Do not give, or promise, offer to give anything of value (money, gifts, entertainment, travel, preferential treatment, etc.) in violation of applicable anti-bribery laws and/or the Nissan Group Code of Conduct, Ethics, and Gift Policies to obtain a business advantage or to obtain or retain business for the benefit of Nissan Group. Do not receive, or offer to receive anything of value (money, gifts, entertainment, travel, preferential treatment, etc.) from another person or entity seeking to do business with Nissan Group resulting in such violation. With respect to certain limited circumstances (e.g., bona fide marketing activities to promote Nissan products) special and/or local exceptions to the foregoing may be provided under the Local Guidelines to the extent permitted by applicable laws.

3.2.3. "Facilitation or Grease payments" are small financial payments to low-level government officials that have non-discretionary power for the purpose of expediting a routine government action. Facilitation or grease payments are also prohibited except to the extent clearly approved under Local Guidelines and are subject to the required approval being obtained in advance as set forth in any such Local Guidelines.

3.2.4. Take affirmative steps to prevent third parties acting for or on behalf of Nissan Group from engaging in Bribery. Nissan Group expects its suppliers, contractors, vendors, distributors, third party agents, consultants, or individuals acting for or on behalf of Nissan Group to also comply with all applicable laws and company policies regarding anti-bribery.

3.2.5. Report violations of this Policy, Local Guidelines, or any other related policies. Refer to Local Guidelines for specific reporting requirements, processes, and local contacts.

3.2.6. Keep accurate records such as invoices, receipts, payments made, and purpose of such receipts/payments in accordance with the Nissan Group record retention policies. Full and accurate records demonstrate complete transparency.

3.2.7. Do not retaliate for reported violations. Retaliation against anyone who reports a potential violation in good faith or who participates in an investigation is strictly prohibited.

3.3 Examples of Prohibited and Permitted Activities:

3.3.1. Examples of bribery:

- Cash, gifts, travel, and entertainment, except those allowed under 3.3.2 below, in exchange for awarding or retaining Nissan business.
- Gifts or favors (such as offer of employment, loaning a vehicle) to a family member of a government official.
- Cash or gift made by a third party agent or sales company on behalf of Nissan to government official or private individual to secure vehicle sales.
- Cash payment in exchange for reduction of custom duties or favorable tax treatment.
- Supplier offers gift to Nissan employee to influence placement on Nissan supplier panel or sourcing decision.
- Expensive gifts, dinners, entertainment, and travel made to government official or employee of a government owned company resulting in the recipient taking actions in favor of Nissan.
- Foreign service assignee makes a small payment or gift to government official or government owned company for purpose of securing or retaining Nissan business.

3.3.2. Examples of acceptable entertainment and hospitality gifts:

- In certain limited circumstances, reasonable (moderately priced) entertainment and small gifts may be acceptable so long as it is allowed under applicable laws.
- Entertainment or gift value must be a small amount measured against (a) prevailing market rates for similar expenses, (b) Nissan business expense guidelines and corporate policies, and (c) custom, locally and within the industry. Lavish or expensive entertainment or gifts are not permitted and considered to be unreasonable.
- Small gifts (giving and receiving) for purposes of marketing activities such as promoting one's product or services so long as it does not violate Nissan's corporate policies on gift giving, conflict of interest, or code of conduct and is not made on a frequent basis in same calendar year.

In each instance, you must refer to Local Guidelines, applicable anti-bribery laws, and any other relevant corporate policies to confirm such entertainment or gift is allowed. When in doubt, consult your manager, HR representative, Legal Department, or Compliance Committee. Where required under Local Guidelines or Nissan corporate policies, seek necessary approvals in advance.

4 OTHER RESPONSIBILITIES:

4.1. Global Policy

NML Legal is responsible for updating this Global Policy. Legal advice regarding the subject matter of this policy should be obtained from the legal departments of the applicable MC Region.

4.2. Local Guidelines

A regional compliance committee shall establish Local Guidelines to augment this Policy. "Local Guidelines" are regional or local Nissan policies, procedures, handbooks or other resources to augment this Policy, including but not limited to how and where to report violations, accurate record keeping, responsible department or individuals for anti-bribery policies, and internal controls to ensure compliance by Employees and the Nissan Group. Local Guidelines shall not contradict or supersede this Global Policy and shall be limited for the purpose of explaining this policy, conforming to local laws and regulations, or setting out local processes, procedures, and controls.

Each MC Chairman and/or head of global function will ensure that their respective region and/or function comply with this Global Policy and Local Guidelines.

The regional compliance committee will:

(a) develop, implement, and administer Local Guidelines, monitor compliance, and appoint local representatives where necessary to assist in developing and administering such Local Guidelines, and

(b) ensure that each Nissan Group in the region has implemented Local Guidelines to ensure compliance with local laws and this Global Policy.

4.3. Training:

Nissan Group shall conduct awareness training of this Policy and applicable Local Guidelines. Nissan Global HR is responsible for the implementation and monitoring of such training of Employees.

▸▸ GRI G3 Indicators
▸▸ S02 / S03 / S04

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Regarding Data for Publication

- Fiscal year: April 1 through March 31.
- Scope: All Nissan manufacturing facilities, management offices, and Nissan subsidiaries worldwide.

GOVERNANCE

Stakeholder Engagement

In addition to providing the obvious benefit of growth with sustainable profits, Nissan seeks to contribute to the sustainable development of society. To this end, we listen carefully to the wide variety of our stakeholders, working with them as we pursue activities that meet society's needs.

We identify key stakeholders with the use of value-chain analysis. Our entire value-chain, from extraction of materials to dismantling of the vehicle, has dependency to the stakeholders and also creates impacts to the stakeholders. Opinions from those diverse stakeholders and people who may help solve the issues should be engaged in our strategy processes. Nissan constantly communicates with a number of regional and international stakeholders including customers, shareholders/investors, business partners/suppliers, non-governmental organizations (NGOs), local communities, government, and future generations.

Nissan creates various venues for engagement with the stakeholders. We invite globally active authorities in the environmental field to our annual Advisory Meetings, including both academics and people on the front lines of the business world. The board of directors and these stakeholders exchange opinions on Nissan's business direction and the validity of our strategy in the area of the environment, and then Nissan uses this information in the strategies going forward.

▸▸ GRI G3 Indicators
▸▸ MA

Materiality (Environment)

The automotive industry is affected globally by various regulations and requirements related to the environment, such as exhaust emissions, greenhouse gases, fuel efficiency, noise, materials/recycling, water, hazardous substances, and these are becoming more stringent year by year.

Nissan's strategy is built on the idea of listening to the voices of society and identifying the seeds of both opportunity and risk. The framework of this plan is built around the PDCA, or "plan, do, check and act," cycle. With the conception of materiality analysis, we analyze potential opportunities and risks, taking the levels of importance that society and Nissan ascribe to various issues as our indices. Priority is focused on issues where both stakeholders and Nissan believes the same levels of importance. The board of directors and the stakeholders exchange opinions on Nissan's business direction and the validity of our strategy in the area of the environment to engage in the process of creating our future environmental strategy.

▸▸ GRI G3 Indicators
▸▸ MA

Nissan's Global Environment Management Organization

We have created specific organizational roles and responsibilities to clarify areas of activity and responsibility. Our Global Environment Management Committee (G-EMC) headed by the chief operating officer (COO), a member of the board, assembles twice a year to determine overall policies and the proposals to be put before the Executive Committee with other board members. The Environmental Planning Department, which is a part of the Corporate Planning and Business Development Division, determines which proposals will be forwarded to the G-EMC and assigns specific actions to each division.

Nissan has also implemented an environmental management system based on ISO 14001 in all of its business locations in Japan, including production and R&D facilities, offices and training centers. The COO is assigned to oversee all the company's environmental activities directly. Twice a year, review meetings with the COO are assembled to report the progress of these activities. This is part of a PDCA, or "plan, do, check and act" process, to ensure that Nissan's environmental performance will see continual improvement.

The goals defined by the COO are cascaded down through the organization's personnel for integrated ISO management to each business location and finally to individual employees, who share the goals and targets as each of them plays a role in implementing the company's environmental activities.

Environment Management Organization

Awards and Incentives for Employees

Employee engagements in environmental activities are included as a part of "commitment and target," each employee's annual performance objectives in Japan and some overseas facilities. The results of these activities are evaluated according to how well they have achieved their targets and reflected in the performance-based component of their compensation.

By forging a clear connection between the results achieved by individuals and the environmental activity performance of the company as a whole, Nissan is able to foster environmental awareness among all its employees, motivate their abilities, and support their self-realization efforts at the same time.

Exceptional contributions in the environmental area will be awarded in various ways. Managers present their workers with personal thank-you cards, and employees are honored with the Nissan Prizes presented by the CEO or COO and with awards given by factory chiefs. We seek to enrich our systems for promoting environmental consciousness among employees.

GRI G3 Indicators
MA

CORPORATE INDICATORS

Material Balance

Input

	Unit	(FY) 2012
Raw materials	ton	**7,330,000**
Water	1000m³	**27,585**
Energy	MWh	**8,984,864**

Output

	Unit	(FY) 2012
Vehicles		
Group vehicles produced	ton	**4,309,602**
Waste	ton	**170,910**
Waste for disposal	ton	**33,479**
Recycled	ton	**137,431**
Total wastewater	1000m³	**20,557**
CO_2 emissions	t-CO_2	**3,268,655**
VOC	ton	**12,305**
NOx	ton	**525**
SOx	ton	**43**

Nissan's mid-term environmental action plan, Nissan Green Program 2016 (NGP2016) focuses on reducing the environmental impact of corporate activities and pursuing harmony between resource consumption and ecology. To minimize our corporate carbon footprint, we aim to reduce CO_2 emissions per vehicle produced by 20% in fiscal year 2016 compared to fiscal year 2005. Furthermore, to improve resource efficiency, we aim to increase the ratio of recycled material usage per vehicle to 25% in Japan, U.S., and Europe by fiscal year 2016.

▸▸ GRI G3 Indicators
▸▸ EN1 / EN2 / EN3 / EN4 / EN8 / EN16 / EN20 / EN21 / EN22

Energy Input

(FY)

	Unit	2008	2009	2010	2011	2012
Total	MWh	6,480,833	6,525,000	9,353,605	9,460,190	**8,984,864**
Japan	MWh	4,195,000	4,142,222	5,525,097	5,573,174	**4,565,499**
North America	MWh	1,267,500	1,175,278	1,782,399	1,733,447	**2,157,793**
Europe	MWh	683,056	719,444	1,066,503	939,469	**982,332**
Other	MWh	335,278	488,056	979,606	1,214,099	**1,279,240**
Primary						
Natural gas	MWh			3,691,097	3,467,178	**2,847,325**
LPG	MWh			340,985	527,696	**360,891**
Coal	MWh			245,848	160,720	**235,239**
Heating oil	MWh			259,530	253,821	**248,445**
Gasoline	MWh			81,502	90,413	**211,449**
Diesel	MWh			18,114	20,247	**72,151**
Heavy oil	MWh			92,607	87,368	**67,967**
External						
Electricity (external source)	MWh			4,365,622	4,524,044	**4,741,046**
Chilled water	MWh			11,692	9,087	**25,947**
Heated water	MWh			0	0	**7,492**
Steam	MWh			9,022	67,940	**114,281**
Internal						
Electricity (in-house)	MWh			236,624	250,520	**52,630**
Renewable energy	MWh			962	1,157	**38,666**
Ratio of renewable energy	%	0.000	0.000	0.017	0.026	**0.82**

Comprehensive energy-saving activities at Nissan facilities resulted in a reduction of energy usage from 9.46 million MWh in fiscal year 2011 to 8.98 million MWh in fiscal year 2012, a reduction of 5.0% despite an increase of 1% in global production volume.

▸▸ GRI G3 Indicators
▸▸ EN3 / EN4 / EN5

Energy per Vehicle Produced

In fiscal year 2012, comprehensive energy-saving activities at Nissan facilities resulted in an increase in the efficiency of production, leading to a reduction in energy per vehicle produced from 2.22 MWh to 2.08 MWh, a decrease of 6.0% compared to the previous fiscal year.

(By Region)

	Unit	(FY) 2012
Japan	MWh/vehicle	**4.31**
North America	MWh/vehicle	**1.60**
Europe	MWh/vehicle	**1.53**
Other	MWh/vehicle	**1.01**

Data for the Japan region includes manufacturing of powertrains and other components for overseas assembly use. Since the denominator is vehicles produced in the region, intensity tends to show higher values.

▸▸ GRI G3 Indicators
▸▸ EN3 / EN4 / EN6

CORPORATE INDICATORS – CO_2

Carbon Footprint

	Unit	2008	2009	2010	2011	(FY) 2012
Scope 1	t-CO_2	909,000	869,592	1,023,208	1,047,691	**835,766**
Scope 2	t-CO_2	1,531,000	1,587,603	1,944,684	2,051,965	**2,432,889**
Scope 1+2	t-CO_2	2,440,000	2,457,195	2,967,892	3,099,656	**3,268,655**
Japan	t-CO_2			1,444,074	1,451,343	**1,526,182**
U.S.	t-CO_2			610,016	623,654	**758,457**
Europe	t-CO_2			316,856	311,790	**284,079**
Other	t-CO_2			596,945	712,868	**699,937**
Scope3						
Commuting	t-CO_2				449,110	**468,346**
Japan, U.S., Europe	t-CO_2				213,538	**214,619***
Logistics	t-CO_2	992,000	1,102,000	1,438,000	1,660,000	**1,490,050**
Manufacturing only	ktCO_2	2,189	1,805	1,899	2,589	**2,822**
Japan, U.S., Europe	ktCO_2				1,698	**1,934***
Other	ktCO_2				891	**888**

In fiscal year 2012, CO_2 emissions from Nissan facilities increased 5.5% from the previous fiscal year, and the total of Scope 1 and 2 emissions was 3.27 million tons. While the fiscal year 2012 results show that comprehensive energy-saving activities at Nissan facilities had positive effects, CO_2 emissions increased at a higher percentage rate than global vehicle production due to changes in the CO_2 emission coefficient of electrical power generated in Japan.

▸▸ page_141

* Nissan receives third-party certification from PricewaterhouseCoopers Aarata Sustainability Certification Co., Ltd. For details, please see p. 141.

▸▸ GRI G3 Indicators
▸▸ EN16 / EN17 / EN18

Scope 1 and 2 CO_2 per Vehicle Produced

For fiscal year 2012, CO_2 emissions per vehicle produced increased 4.4% from the previous fiscal year, with combined Scope 1 and 2 emissions at 0.76 tons. Our energy conservation diagnosis and best practice sharing among global Nissan plants contributed to significant improvements; however, overall results were greatly influenced by the changes in the electrical power generated in Japan.

(By Region)

	Unit	(FY) 2012
Japan	t-CO_2/vehicle	**1.04**
North America	t-CO_2/vehicle	**0.44**
Europe	t-CO_2/vehicle	**0.38**
Other	t-CO_2/vehicle	**0.70**

Data for the Japan region includes manufacturing of powertrains and other components for overseas assembly use. Since the denominator is vehicles produced in the region, intensity tends to show higher values.

▸▸ GRI G3 Indicators
▸▸ EN16 / EN18

Scope 1 and 2 CO_2 per Revenue

In fiscal year 2012, as measured by sales value, the CO_2 emissions of Scope 1 and 2 totaled 0.34 tons per ¥1 million, which was the same level as in fiscal year 2011.

▸▸ GRI G3 Indicators
▸▸ EN16 / EN18

Corporate Carbon Footprint per Vehicle Sold

Manufacturing CO_2 per Vehicle Produced

We aim to reduce CO_2 emissions from corporate activities by 20% compared to fiscal year 2005, which focuses on manufacturing, logistics, offices, and sales companies (in Japan). From this report, we have expanded our scope to include all consolidated companies, and revised including origin and previous year results. Fiscal year 2012, even with the improvement in energy consumption in manufacturing, it was greatly influenced by the changes in the electrical power generated in Japan. However, improvement in logistics made the overall corporate emission result as 8.3% reduction compared to fiscal year 2005.

▸▸ GRI G3 Indicators
▸▸ EN16 / EN17 / EN18

In the NGP 2016, we aim to reduce CO_2 emissions per vehicle produced from manufacturing activities by 27% in fiscal year 2016 compared to fiscal year 2005. Nissan's manufacturing CO_2 emissions per vehicle produced in fiscal year 2012 were reduced by 15.2% compared to fiscal year 2005.

▸▸ GRI G3 Indicators
▸▸ EN16 / EN18

CORPORATE INDICATORS – WATER

Water Input

(FY)

	Unit	2008	2009	2010	2011	2012
Total	1000m³	20,901	15,629	28,671	29,216	**27,585**
Japan	1000m³	14,532	9,221	17,612	17,268	**14,844**
North America	1000m³	3,009	2,970	4,330	4,591	**4,770**
Europe	1000m³	1,954	1,315	2,297	2,276	**2,252**
Other	1000m³	1,406	2,123	4,432	5,081	**5,720**

In fiscal year 2012, water input in our global sites was about 27,585 thousand cubic meters, a reduction of 5.6% from fiscal year 2011 despite an increase in global production volume. Change in regional production volume and efforts to reduce water use were factors in the overall reduction.

▸▸ GRI G3 Indicators
▸▸ EN8, EN10

Water Discharge

(FY)

	Unit	2008	2009	2010	2011	2012
Total	1000m³	15,970	10,435	19,281	20,398	**20,557**
Japan	1000m³	11,040	6,293	13,030	13,565	**13,710**
North America	1000m³	2,152	2,099	2,732	3,214	**3,055**
Europe	1000m³	1,486	972	1,830	1,930	**1,871**
Other	1000m³	1,292	1,071	1,689	1,689	**1,920**

(FY)

	Unit	2008	2009	2010	2011	2012
Quality						
Chemical oxygen demand (COD)	kg	13,640	11,685	12,345	13,613	**8,763**

In fiscal year 2012, water discharge from our global sites totaled 20,557 thousand cubic meters, which was about the same amount as fiscal year 2011.

▸▸ GRI G3 Indicators
▸▸ EN21

Water Input per Vehicle Produced

In fiscal year 2012, water use per vehicle produced was decreased to 6.40 cubic meters, a reduction of 6.5% from fiscal year 2011. Increased efficiency in each region contributed to the overall result.

(By Region)

(FY)

	Unit	2012
Japan	m³/vehicle	**14.00**
North America	m³/vehicle	**3.55**
Europe	m³/vehicle	**3.50**
Other	m³/vehicle	**4.53**

Data for the Japan region includes manufacturing of powertrains and other components for overseas assembly use. Since the denominator is vehicles produced in the region, intensity tends to show higher values.

▸▸ GRI G3 Indicators
▸▸ EN8

Water Discharge per Vehicle Produced

In fiscal year 2012, water discharge per vehicle produced was 4.77 cubic meters, which was about the same as fiscal year 2011.

(By Region)

	Unit	(FY) 2012
Japan	m³/vehicle	**12.93**
North America	m³/vehicle	**2.27**
Europe	m³/vehicle	**2.91**
Other	m³/vehicle	**1.52**

Data for the Japan region includes manufacturing of powertrains and other components for overseas assembly use. Since the denominator is vehicles produced in the region, intensity tends to show higher values.

▸▸ GRI G3 Indicators
▸▸ EN8

CORPORATE INDICATORS – EMISSIONS

Emissions

	Unit	2008	2009	2010	2011	(FY) 2012
NOx	ton	802	755	751	731	**525**
SOx	ton	154	36	41	46	**43**

▸▸ GRI G3 Indicators
▸▸ EN20

Volatile Organic Compounds (VOCs)

	Unit	2008	2009	2010	2011	(FY) 2012
Total	ton	9,514	8,615	10,130	11,424	**12,305**
Japan	ton	4,607	4,008	4,018	4,399	**3,623**
North America	ton	2,451	2,264	2,941	3,366	**5,194**
Europe	ton	2,456	2,343	3,171	3,658	**3,488**

In fiscal year 2012, VOCs from manufacturing plants was 12,305 tons totally, a 7.7% increase from fiscal year 2011, partly due to the increase in global production volume.

▸▸ GRI G3 Indicators
▸▸ EN20

VOCs per Vehicle Produced

In fiscal year 2012, VOCs per vehicle produced were 2.86kg, a 6.6% increase from fiscal year 2011.

(By Region)

(FY)

	Unit	2012
Japan	kg/vehicle	**3.42**
North America	kg/vehicle	**3.86**
Europe	kg/vehicle	**5.42**

▸▸ GRI G3 Indicators
▸▸ EN20

PRTR

(FY)

	Unit	2008	2009	2010	2011	2012*
Japan site total	ton	3,960	3,773	3,607	4,441	—
Oppama	ton	1,111	1,263	911	981	—
Tochigi	ton	904	897	829	915	—
Kyushu	ton	1,145	910	1,106	1,390	—
Yokohama	ton	453	429	418	555	—
Iwaki	ton	70	13	58	320	—
NTC	ton	276	260	284	280	—

*The PRTR (Pollutant Release and Transfer Register) result for fiscal year 2012 is scheduled to be announced around the end of August 2013.

▸▸ GRI G3 Indicators
▸▸ EN20 / EN24

PRTR per Vehicle Produced

*The PRTR per vehicle produced for fiscal year 2012 is scheduled to be announced around the end of August 2013.

▸▸ GRI G3 Indicators
▸▸ EN20 / EN24

CORPORATE INDICATORS – WASTE

Waste

(FY)

	Unit	2008	2009	2010	2011	2012
Total	ton	149,520	128,664	164,381	193,798	**170,910**
Japan	ton	68,032	62,064	70,136	74,412	**67,705**
North America	ton	24,957	24,214	31,806	35,780	**40,208**
Europe	ton	52,176	39,474	59,617	56,996	**45,985**
Other	ton	4,355	2,912	2,822	26,610	**17,012**
Detail						
Waste for disposal	ton			41,288	40,048	**33,479**
Recycled	ton			123,093	153,750	**137,431**

The scope of the waste data is limited to global production facilities. For fiscal year 2012, waste totaled 170,910 tons, a decrease of 11.8% from fiscal year 2011.

▸▸ GRI G3 Indicators
▸▸ EN22

Waste per Vehicle Produced

Waste per vehicle produced was 39.66kg, a decrease of 12.7% from fiscal year 2011. The improvements in waste processing are reducing the total volume of waste generated.

(By Region)

(FY)

	Unit	2012
Japan	kg/vehicle	**63.86**
North America	kg/vehicle	**29.91**
Europe	kg/vehicle	**71.51**
Other	kg/vehicle	**13.48**

▸▸ GRI G3 Indicators
▸▸ EN22

Waste for Disposal per Vehicle Produced

Nissan production sites continue to dedicate strong efforts toward reducing waste for disposable, and the number of "Zero Waste" facilities is increasing. In fiscal year 2012, we reduced the volume of waste for disposal to a total of 7.77kg per vehicle produced, a 17.3% reduction from fiscal year 2011.

▸▸ GRI G3 Indicators
▸▸ EN22

CORPORATE INDICATORS – LOGISTICS

Logistics Volume

	Unit	2008	2009	2010	2011	(FY) 2012
Total	mil ton km	26,696	26,336	35,132	37,946	**35,747**
Inbound	mil ton km	5,751	7,556	10,659	11,603	**12,156**
Outbound	mil ton km	20,944	18,780	24,473	26,343	**23,591**
Sea	%	76.3	68.0	71.8	70.8	**70.7**
Road	%	13.9	21.2	19.6	20.4	**20.6**
Rail	%	9.4	10.5	8.2	8.1	**8.2**
Air	%	0.3	0.3	0.4	0.7	**0.5**

▸▸ GRI G3 Indicators
▸▸ EN29

In fiscal year 2012, despite a 1% increase in global production volume, with our improved filling method for shipping containers and efficient modes of packaging, logistics volume showed improvement. Compared to fiscal year 2011, total volume decreased 5.8%. Although temporary airfreight use remains at a relatively high volume, we are making efforts to substitute rails, trucks and vessels whenever possible.

CO_2 Emissions in Logistics

	Unit	2008	2009	2010	2011	(FY) 2012
Total	t-CO_2	981,562	1,083,305	1,412,657	1,642,195	**1,490,050**
Inbound	t-CO_2	380,825	501,056	686,412	859,671	**821,030**
Outbound	t-CO_2	600,737	582,249	726,246	782,524	**669,020**
Sea	%	30.1	24.0	25.2	23.3	**23.9**
Road	%	51.7	58.4	54.7	50.8	**55.3**
Rail	%	5.9	5.6	4.5	4.1	**4.3**
Air	%	12.3	12.0	15.7	21.8	**16.4**

▸▸ GRI G3 Indicators
▸▸ EN29

In fiscal year 2012, the promotion of a modal shift, improved container filling ratios and efficient modes of packaging decreased relevant CO_2 emissions by 9.3% compared to fiscal year 2011. Note: "Inbound" includes parts procurement from suppliers and transportation of knockdown parts, and "Outbound" includes transportation of complete vehicles and service parts.

CO_2 Emissions per Vehicle Transported

In fiscal year 2012, despite an expansion in global production, the CO_2 emissions per vehicle transported were 0.42 ton, which marked an improvement through efficient logistics compared to fiscal year 2011.

▸▸ GRI G3 Indicators
▸▸ EN29

CORPORATE INDICATORS – SUPPLY CHAIN

CO_2 Emissions in Supply Chain

(FY)

	Unit	2011
Carbon Footprint (Direct)	t-CO_2	**12,542,888**
Carbon Footprint (Indirect)	t-CO_2	**15,001,066**
Energy	MWh	**93,291,958**
Renewable energy	MWh	**542,166**
Water Input	m^3	**40,502,969**
Water Discharge	m^3	**26,351,024**
Waste	ton	**1,726,859**

CO_2 emission results for fiscal year 2012 are scheduled to be announced by the end of 2013.

▸▸ GRI G3 Indicators
▸▸ EN17

Component Ratio of Scope 3

(FY)

Category	Component ratio	2012
1. Purchased Goods & Services	%	**8.7**
2. Capital Goods	%	**0.5**
3. Fuel- and energy-related Activities	%	**0.2**
4. Upstream transportation & distribution	%	**0.9**
5. Waste generated in operations	%	**0.1**
6. Business travel	%	**0.1**
7. Employee commuting	%	**0.3**
8. Upstream leased assets	%	**0.0**
9. Downstream transportation & distribution	%	**0.4**
10. Processing of sold products	%	**0.0**
11. Use of sold products	%	**88.4**
12. End of life treatments of sold products	%	**0.2**
13. Downstream leased assets	%	**0.2**
14. Franchises	%	**0.0**
15. Investments	%	**0.0**
Total	%	**100**

Nissan conducted a study based on the draft Corporate Value Chain (Scope 3) Accounting and Reporting Standard from the GHG Protocol. The results showed that about 90% of Scope 3 emission was from the use of sold products.

▸▸ GRI G3 Indicators
▸▸ EN17

CORPORATE INDICATORS – ENVIRONMENTAL ACCOUNTING

Environmental Expenses

(FY)

	Unit	2011		2012	
		Investment	Cost	Investment	Cost
Total	mil Yen	5,110	158,149	**5,520**	**165,959**
Business area	mil Yen	310	1,660	**320**	**1,632**
Upstream/downstream	mil Yen	0	664	**-**	**683**
Management	mil Yen	0	2,426	**0**	**2,537**
R&D	mil Yen	4,800	153,300	**5,200**	**161,000**
Social activities	mil Yen	0	99	**0**	**106**
Damage repairs	mil Yen	0	0	**0**	**0**

(FY)

	Unit	2011	2012
Total	mil Yen	2,581	**2,604**
Cost reduction	mil Yen	889	**900**
Profit	mil Yen	1,692	**1,704**

All environmental costs are based on the guidelines provided by Japan's Ministry of the Environment, and are calculated for activities in Japan only. Expense results for fiscal year 2012 are tentative and subject to future change.

▸▸ GRI G3 Indicators
▸▸ EN30

CORPORATE INDICATORS – FACILITY

Carbon Credit

(FY)

	Unit	2008	2009	2010	2011	2012
Allowance	t-CO_2		7,308	7,308	7,308	**7,308**
Credit	t-CO_2		2,681	4,934	4,066	**5,261**

Nissan Motor Iberica, S.A. in Barcelona, Spain, entered EU-ETS in 2009. The verified emissions credit earned for fiscal year 2012 was 5,261 tons.

▸▸ GRI G3 Indicators
▸▸ EN18

ISO 14001 Certification

Nissan is progressing with the introduction of environmental management systems to all its operation sites worldwide. In January 2011 we obtained integrated ISO 14001 certification for our Global Headquarters and all of our main facilities in Japan for research and development, production and distribution, as well as for our product development processes. We have also obtained ISO 14001 certification at our all production plants outside Japan.

▸▸ GRI G3 Indicators
▸▸ MA

Green Building Policy

With ISO 14001 management processes for evaluating environmental impact, Nissan makes it a key task to optimize its buildings in the construction or refurbish stages for making all its structures greener. Our evaluation metrics in this area include buildings with a smaller environmental footprint, such as lower CO_2 emissions; construction methods producing less waste and emissions; and reduced use of hazardous materials and other quality control tasks. Furthermore, in Japan we use the Ministry of Land, Infrastructure, Transport and Tourism's Comprehensive Assessment System for Built Environment Efficiency (CASBEE) as one of our performance indices.

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

The Global Headquarters gained a Built Environment Efficiency Rating of 5.6, the high rating CASBEE 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_2 emissions were highly evaluated, as were its methods of water recycling and drastic reduction in waste produced.

▸▸ GRI G3 Indicators
▸▸ MA

Fines from Environmental Laws

No fines or compliance concerns from national environmental law materialized in the reporting year.

▸▸ GRI G3 Indicators
▸▸ EN23/EN25/EN28

CORPORATE INDICATORS – EMPLOYEE ENGAGEMENT AND EDUCATION

Employee Engagement

Nissan is implementing systems within its Quality Control (QC) circles with small-scale teams focused on *kaizen* activities to allow manufacturing employees to actively propose new environmental improvement steps and take part in them. This companywide effort headed by executive-level managers is a channel to deliver the message that employees' actions can contribute to Nissan Power 88, the company's mid-term business plan, in particular to achieve zero-emission leadership. It has developed into a way for employees to take a more active role in thinking about and making proposals related to the environment, and executives evaluate all proposals for their potential contribution to Nissan's environmental goals.

Nissan also carries out surveys to measure satisfaction with its environmental measures as part of its annual dealership satisfaction surveys. They are one of the key stakeholders for the company who interface directly with customers every day. These valuable opinions are allocated to relative departments, and the status is reported at a dealer representative meeting attended by Nissan executives and the presidents of each dealership to secure the PDCA cycle.

▸▸ GRI G3 Indicators
▸▸ MA

Employee Education

All environmental activities rest on the foundation of individual employees' knowledge, awareness and competency. From this perspective, as part of its environmental management system, Nissan implements regular environmental education sessions for its own employees and for the employees of partner companies working in Nissan production facilities. The content of these sessions includes topics in line with the Nissan Green Program (NGP), such as CO_2 reduction, energy and water conservation, waste reduction, and management of hazardous materials. We update the content of our training exercises once a year as a means of constantly improving employees' knowledge.

NGP2016, the mid-term environmental action plan announced in fiscal 2011, was communicated through town-hall-style meetings at Nissan business locations throughout Japan with the participation of company executives to discuss topics including the significance and background factors to NGP2016.

The events of these meetings are also shared through the company intranet, internal newsletters and in-house video broadcasts. The same material presented to Nissan's own employees is communicated to affiliate companies as well.

▸▸ GRI G3 Indicators
▸▸ MA

CORPORATE INDICATORS – NISSAN GREEN PROGRAM KPIs

NGP KPIs (Corporate)

The Nissan Green Program 2016 (NGP2016), our environmental action plan for the six years through fiscal year 2016, focuses on reducing the environmental impact of corporate activities and pursuing harmony between resource consumption and ecology. The program includes activities in development, manufacturing, sales, service and all other departments companywide.

The status of each action plan of NGP2016 is as follows. The overall status column shows the progress achieved by fiscal 2012 compared to the objectives laid out for the duration of NGP2016. Each dot shows the progress achieved versus the target of the planned annual objectives.

Action plans	FY2012 Status	Overall Status
Reduce CO_2 emissions of corporate activities by 20% (t-CO_2/vehicle, vs. FY2005)	Reduced 8.3% from FY2005	●●●○○○
Reduce by 27% in all manufacturing sites (t-CO_2/vehicle, vs. FY2005)	Reduced 15.2% from FY2005	●●●●●○
Promote activities to reduce CO_2 emissions in inbound/outbound logistics	Promoted measures including introduction of *Nisshai Maru*, our fourth energy-efficient auto shipping vessel	●●○○○○
Reduce by 1%/year in offices (Japan, North America, Europe, China, t-CO_2/unit)	17.7% increase from FY2010	○○○○○○
Reduce by 1%/year in dealers (Japan, t-CO_2/unit)	1.8% increase from FY2010	○○○○○○
Reduce waste	Waste reduced by 10.3% in Japan plants and 3.2% in global plants	●●●●○○
Reduce waste by 2%/year (Japan) and 1%/year (global) in manufacturing plants Reduce waste in logistics by expanding best-practice activities		
Promote water-usage management and reduction in all plants	Set targets, started activities to reduce water use in Spain, Egypt, and South Africa	●●○○○○
Enhance and promote environmental management throughout supply chain (consolidated companies, sales companies, suppliers)	Briefing held about NGP2016 with consolidated manufacturers and suppliers; environmental objectives and environmental data, activities reporting added to management items for supplier selections upstream in the supply chain	●●○○○○
Promote reduction, substitution and management of environment-impacting substances	Added our global policy related to environment-impacting substances in the Nissan Green Purchasing Guidelines and distributed it to our suppliers	●●○○○○
Reduce environmental impact of products with lifecycle assessments (LCAs)	CO_2 assessments underway as part of product LCAs	●●○○○○

PRODUCT INDICATORS – FUEL ECONOMY, CO_2

Japan Fuel Economy by Weight Rank

(FY)

	Unit	2005	2006	2007	2008	2009	2010	2011	2012
Passenger cars (≦702 kg)	km/L 10-15								
Passenger cars (703–827 kg)	km/L 10-15	19.9	20.6	20.9	20.8	21.7	22.5	25.0	**26.2**
Passenger cars (828–1,015 kg)	km/L 10-15	18.6	18.8	18.6	18.3	19.5	22.5	23.0	**23.1**
Passenger cars (1,016–1,265 kg)	km/L 10-15	17.3	17.6	18.1	18.3	19.5	19.4	19.4	**21.8**
Passenger cars (1,266–1,515 kg)	km/L 10-15	12.8	12.8	13.6	13.3	13.8	14.4	14.4	**14.5**
Passenger cars (1,516–1,765 kg)	km/L 10-15	11.7	11.8	11.6	12.0	12.7	13.1	14.1	**15.2**
Passenger cars (1,766–2,015 kg)	km/L 10-15	8.6	8.7	8.6	9.2	9.2	11.7	11.9	**12.5**
Passenger cars (2,016–2,265 kg)	km/L 10-15	8.3	8.3	8.3	8.4	8.4	9.2	9.4	**9.7**
Passenger cars (≧2,266 kg)	km/L 10-15	5.5	5.5	5.5					

Corporate Average Fuel Efficiency (CAFE, JC08 mode) in Japan

In fiscal year 2012, the increase of sales of Note and the higher proportion of *kei* vehicles (minicars) year-on-year improved the average fuel economy to 18.2km/l in the JC08 mode, which is around a 12% improvement compared to 2011.

▸▸ GRI G3 Indicators
▸▸ EN6/EN26

Corporate Average Fuel Efficiency in U.S.

In fiscal year 2012, strong sales of fuel-efficient vehicles equipped with the continuously variable transmission (CVT), such as the Altima and Versa, resulted in CAFE of 35.2 mpg for passenger cars, an improvement of 3% from fiscal year 2011.

▸▸ GRI G3 Indicators
▸▸ EN6/EN26

CO_2 Emission Index from Nissan Vehicles in Europe

In fiscal year 2012, Nissan reduced its CO_2 emissions by more than 20% compared to fiscal year 2000 on its European sales models.

▸▸ GRI G3 Indicators
▸▸ EN6/EN26

Global Corporate Average Fuel Efficiency (CAFE)

Nissan's CAFE result in fiscal year 2012 represented a 24.9% improvement from the fiscal year 2005 level. We are steadily progressing toward the Nissan Green Program 2016 (NGP2016) goal of a 35% improvement from fiscal year 2005 (as measured by fuel efficiency standards in the Japanese, North American, European, and Chinese markets).

▸▸ GRI G3 Indicators
▸▸ EN6/EN26

Top Fuel Economy Models

(FY)

	Unit		2012
Global	km/L(10-15mode)	Nissan NOTE 1.2L 2WD w/Super Charger + Stop/Start System	**28.0**
Best selling model	mpg	Nissan Versa Sedan (Latio/Sunny/Almera) 1.6L 2WD	**43.0**
Japan(excl. minicars)	km/L(10-15mode)	Nissan NOTE 1.2L 2WD w/Super Charger + Stop/Start System	**28.0**
Japan(incl. minicars)	km/L(10-15mode)	Nissan MOCO 0.66L 2WD + Stop/Start System	**29.0**
Europe	gCO_2 /km	Nissan Micra 1.2 DIG-S 2WD + Stop/Start System	**95.0**
U.S.	mpg	Nissan Sentra 1.8L 2WD	**44.2**
China	L/100km	Nissan Sunny 1.5L 2WD	**5.8**

Only models with internal combustion engines are listed. The 100% electric Nissan LEAF which produces zero CO_2 tailpipe emissions is excluded.

▸▸ GRI G3 Indicators
▸▸ EN6/EN26

PRODUCT INDICATORS – TECHNOLOGIES

Technologies

	Unit	Gasoline-powered vehicles	Diesel-powered vehicles	Natural-gas drive vehicles	Hybrid drive vehicles	Electric drive vehicles
Japan	%	88.9	3.1	0.05	0.89	0.68
North America	%	98.7	0.3			
Europe	%	46.7	52.1			
Russia	%	92.5	7.5			
Brazil	%	81.4	18.6			
China	%	99.7	0.3			
Other	%	77.2	22.8			

▸▸ GRI G3 Indicators
▸▸ EN6/EN26

The 100% electric Nissan LEAF sold about 30,500 units in fiscal year 2012, and more than 58,000 vehicles have been sold globally since its introduction in 2010. Nissan LEAF is the bestselling electric vehicle in the world. Also, the Nissan Serena S-Hybrid was introduced in the Japan market from 2012.

Green Products Innovation

Nissan believes it is important not only to develop and introduce zero emission vehicles such as electric vehicles and fuel cell vehicles, but also to improve the fuel economy of engine-powered vehicles. Nissan's PURE DRIVE title is given to vehicles that not only meet existing fuel economy requirements in each market but clear more stringent internal standards which we periodically review in line with societal demands. PURE DRIVE implements innovative environmental technologies that maximize energy efficiency to lower fuel consumption and reduce CO_2 emissions. Cars featuring these technologies are being marketed worldwide.

PURE DRIVE Sales Volume Ratio in Japan

Sales volume ratio in Japan was nearly 40% in fiscal year 2012, almost doubled from the previous year.

PURE DRIVE Sales Volume Ratio in Europe

* PURE DRIVE Vol. / Nissan TTL (except Infiniti and EVs)

Since its drop due to the PURE DRIVE criteria revision in 2011, volume ratio was improved to 42.7% in fiscal year 2012, a jump of 6.3 points.

PURE DRIVE Sales Volume Ratio in China

Volume ratio in China has increased to 57% in fiscal year 2012, a jump of 8.2 points from the previous year.

PURE DRIVE was first introduced in Japan and Europe in 2008, and by 2011, it was available in almost all markets worldwide.

Country/Region	2008	2009	2010	2011	2012	2012 PURE DRIVE Line-up
Japan						CIMA, FUGA, LATIO, CUBE, NOTE, MARCH, X-TRAIL, SERENA, LAFESTA HS, NV350 CARAVAN, NT450 ATLAS, MOCO, ROOX
U.S.						CUBE, SENTRA, ALTIMA SEDAN, JUKE, VERSA SEDAN
Europe						NV200, NOTE, JUKE, NEW MICRA, NEW QASHQAI, PIXO, Q50 SEDAN, QASHQAI
China						SUNNY, TIIDA, SYLPHY, TEANA, LIVINA
Certain Region of Asia/Oceania						MARCH, LATIO, NOTE, SYLPHY, TIIDA, SERENA
Certain Region of Latin America						MARCH, CUBE, JUKE, QASHQAI, SENTRA, SYLPHY, TEANA, VERSA, NOTE, TIIDA SEDAN

GRI G3 Indicators
EN6/EN26

Product Innovation Policy

Nissan aims to be a "sincere eco-innovator." We show that we are sincere by taking a proactive stance toward addressing environmental challenges and reducing the real-world environmental impact. We believe that being an eco-innovator means providing our customers with optimal value in the form of innovative products, technologies and services as contributions to a sustainable mobility society.

As one of the objectives, we have introduced the Nissan Global CO_2 Management Way, QCT-C. This is a new set of management indices with CO_2 (C) added to the traditional QCT indices of quality, cost and time. With QCT-C, we have set CO_2 reduction targets in all areas of our business.

As steps toward becoming a "sincere eco-innovator", Nissan will annually invest 70% of its research and advanced engineering budget on environmental technologies under Nissan Green Program 2016, our environmental mid-term plan.

GRI G3 Indicators
MA

PRODUCT INDICATORS – OTHER EMISSIONS

	Unit	(FY) 2012
Japan SU-LEV	%	**98**
Europe Euro 5	%	**100**
U.S. U-LEV/SU-LEV/ZEV	%	**83**
China Euro 4	%	**100**

While we have zero-emission vehicles, the ultimate clean car, in our portfolio, we endeavor to make our entire fleet as clean as possible by reducing exhaust emissions. We have introduced vehicles that comply today with each region's or country's more stringent future emission regulations. Due to differences in regulations, there is no direct way to compare by region or country, but we show here the percentage of our fleet in each location produced to the strictest standards of that region or country. EURO5 vehicles are introduced in China where that standard applies.

GRI G3 Indicators
EN26

Share of Noise Emissions

Japan

Europe

Noise emissions are shown by the noise produced by the acceleration of vehicle in accordance with each national regulation. Only complete built up imported models are shown for Europe and China data.

GRI G3 Indicators
EN26

China

Regulated Chemical Substances

In 2007, Nissan created a unified global approach to reducing environment-impacting substances. Since then we have enhanced our management of these substances and advanced plans to reduce or to replace their use.

Through our communication with NGOs, we restrict usage of substances that have potential to be hazardous, that are thought to have a high risk of falling into this category or that have been identified as potential threats even if they are not covered by laws and regulations in each country where we do business. As defined in the Nissan Engineering Standard (NES) titled "Restricted Use of Substances", these substances are banned or subject to controls in line with this approach. We are working to apply this standard from the early development phase onward to the modules, raw materials, and service parts that go into all Nissan vehicles. In 2012, NES was revised and added substances based on the definition of substances of very high concern (SVHC) in the EU REACh regulation, and also based on the Global Automotive Declarable Substance List (GADSL) which is the result of the efforts of the global automotive, automotive parts supplier and chemical/plastics industries.

Defined Chemical Substances

GRI G3 Indicators
EN26

PRODUCT INDICATORS – LIFECYCLE ASSESSMENTS (LCAs)

Lifecycle Assessment to Reduce Environmental Impact

CO_2 Emissions Over a Vehicle's Lifecycle*

Nissan uses the lifecycle assessment (LCA) method to evaluate and comprehensively assess environmental impact in all stages of the vehicle lifecycle, from resource extraction to production, transport, customer use and vehicle disposal. We also carry out LCAs for new technologies as they are introduced.

Our calculations show that Nissan LEAF reduces CO_2 emissions by up to 40% over its lifecycle compared to gasoline-powered vehicles of the same class. This assessment was certified by a third-party LCA assessment organization, the Japan Environmental Management Association for Industry.

In the future we will continue to strive to lower the vehicles' environmental impact based on new technology and more efficient manufacturing processes. We are aiming for further reductions in CO_2 emissions over the lifecycle of our new vehicles.

PRODUCT INDICATORS – MATERIALS, RECYCLING

Material Ratio

We are increasing the use of renewable resources and recycled materials in addition to the traditional approach of using resources more efficiently to reduce reliance on them. Our efforts with respect to recycled materials are based on the thought that once a natural resource is extracted, it should continue to be used, while maintaining quality, to minimize environmental impact. We have set a target of increasing the usage rate for recycled materials per vehicle to 25% by fiscal year 2016.
Pie data shown here represents the status of fiscal year 2011.

▸▸ GRI G3 Indicators
▸▸ EN1/EN2

Recycling

For the efficient use of limited and precious natural resources, Nissan aims to reduce dependency on the newly extracted resources as much as possible. We have defined a long-term goal of maintaining our global usage of these natural resources at 2010 levels through 2050. As a mid-term goal, we are working to raise the ratio of recycled materials, such as plastics, aluminums, and steels, which go into each new Nissan vehicle to 25% per unit by fiscal year 2016.
Toward this end, we are presently researching ways to increase the recovery rate further in order to reclaim and reuse valuable materials from End-of-Life Vehicles (ELVs). As of fiscal year 2012, our own calculations showed that we had achieved a recovery rate of 99.3% in Japan.

From the early development stage, we consider the use of highly recyclable materials and made structural improvements for ease of recycling. Since Nissan Note, launched in 2005, all new models have achieved a 95% or greater recyclability rate based on the national regulations on ELVs in regions such as Europe, Japan, and Korea.

Recycled Plastic Usage in Vehicles

Ratio of recycled plastic to total plastic was calculated based on the bestselling model in Europe. An additional 200 g of parts have been replaced with recycled plastics since minor modifications in 2010.

Automotive Shredder Residue to Landfill Ratio

Based on the Automobile Recycling Law in Japan, we calculated the ratio of landfills to residues after removing ferrous and non-ferrous metals from ELVs. We achieved a 0.0% landfill ratio in 2012 by enhancing recycling capability through acquiring additional facilities that comply with the Automobile Recycling Law.

▸▸ GRI G3 Indicators
▸▸ EN2/EN22/EN27

PRODUCT INDICATORS – NISSAN GREEN PROGRAM KPIs

NGP KPIs (Product)

The Nissan Green Program 2016 (NGP2016), our environmental action plan for the six years through fiscal 2016, focuses on reducing the environmental impact of our corporate activities and pursuing harmony between resource consumption and ecology. The program includes activities in development, manufacturing, sales, service and all other departments companywide.

The status of each action plan of NGP2016 is as follows. The overall status column shows the progress achieved by fiscal 2012 compared to the objectives laid out for the duration of NGP2016. Each dot shows the progress achieved versus the target of the planned annual objectives.

Action plans	FY2012 progress	Overall Status
1.5 million cumulative EV sales with Alliance partner Renault	Global Nissan LEAF sales: about 30,500 units in fiscal 2012, and 58,000 units cumulatively since 2010 launch	●●○○○
Introduce four EVs including Nissan LEAF	Promoted field test of the e-NV200	●●○○○
Prepare to introduce fuel-cell electric vehicle (FCEV) into market	Signed agreement for joint development of common fuel-cell system with Daimler AG and Ford Motor	●●○○○
Take global leadership in supplying batteries for electric-drive	Started battery production by Nissan North America and Nissan Motor Manufacturing (UK)	●●○○○
Help create zero-emission society utilizing EVs and their derivative technologies with partners • Develop EV charge/discharge system and information network • Demonstrate smart house/community/grid, starting from Yokohama	Launched the "LEAF to Home" power supply system using Nichicon's EV Power Station Promoted rollout of "LEAF to Home" power supply system at public facilities, houses, condominiums	●●○○○
Provide energy storage solution with used EV batteries through "4R" business	Promoted use of EV batteries as stationary power units for houses, apartment buildings	●●○○○
Improve CAFE* by 35% from FY2005 (Japan, U.S., Europe, China) * Corporate average fuel economy; meet or exceed regulatory requirements	Improved CAFE by 24.9% from FY2005	●●○○○
Introduce top fuel-efficiency models in various classes	These models had top fuel efficiency in their classes: • Note, Latio in Japan • Altima in U.S. • Sylphy in China	●●○○○
Introduce FF-HEV in C class and above; expand FR-HEV offerings	Introduced Cima Hybrid, Serena S-Hybrid in Japan	●●○○○
Introduce plug-in hybrid vehicle (P-HEV)	Promoted P-HEV development	●●○○○
Introduce next-generation CVT globally; expand CVT sales to 20 million cumulative units from 1992	Global CVT-equipped vehicle sales of 2.28 million; cumulative total since 1992 of 13.36 million	●●○○○
Develop lightweight technologies with structure optimization, new materials and new manufacturing processes	Developed and used 1.2 gigapascal ultra-high tensile strength, highly formable steel in the Infiniti Q50, achieving weight reduction of about 40 kg	●●○○○
Contribute to CO_2 reduction by ITS technologies	Worked with Beijing Municipal Commission of Transport to confirm effectiveness of dynamic route guidance to disperse traffic congestion	●●○○○
Collaborate with Beijing city government to improve traffic congestion, promote eco-driving		
Increase recycled material usage ratio per vehicle by 25% in Japan, US and Europe	Activities promoted	●●○○○
Expand closed-loop recycling scheme with business partners • Collect and recycle scrap, waste from vehicle production • Collect and recycle end-of-life vehicles (ELVs)	Started activity to collect steel and aluminum sheet scraps generated during production, recycle them into steel and aluminum sheets for use	●●○○○
Improve ELV recovery rate • Achieve top level ELV recovery rate (Japan) • Promote proper treatment and resource recovery globally	Achieved recovery rate of 99.3% in Japan; efforts underway globally	●●○○○
Reduce scarce resource usage		
Reduce critical metal, rare earth usage	Developed and applied a new electric motor to reduce use of rare earth dysprosium by 40% in Nissan LEAF	●●○○○
Comply with emission regulations in each region with minimum precious metal usage		

ASSURANCE AND EXTERNAL RATINGS

Third-Party Assurance

pwc

This English language report is a translation of the original Independent Assurance Report in Japanese on the specific environmental performance data included in Nissan Motor Co., Ltd. 's Sustainability Report 2013 and is for reader's convenience.

Independent Assurance Report

June 5, 2013

To: Mr. Toshiyuki Shiga, COO
Nissan Motor Co., Ltd.

PricewaterhouseCoopers Aarata Sustainability Certification Co., Ltd.
Sumitomo Fudosan Shiodome Hamarikyu Bldg.
8-21-1 Ginza, Chuo-ku, Tokyo 104-0061, Japan

1. Objectives and Scope

We, PricewaterhouseCoopers Aarata Sustainability Certification Co., Ltd., have been commissioned by Nissan Motor Co. Ltd. (hereafter the "Company") to provide limited assurance on the Company's "Sustainability Report 2013" (hereafter the "Report").

The Company is responsible for the preparation of the Report in accordance with the Company's policies and standards. Our responsibility is to independently express a conclusion on the specific environmental performance data (scope 1 and scope 2 emissions from consolidated production sites of Japan, North America and Europe, and total of scope 3 emissions from commuting for employees of consolidated companies in Japan, U.S. and Europe) in the Report, using the Company's policies and standards as criteria as to:

- Whether the specific environmental performance data (scope 1 and scope 2 emissions from consolidated production sites of Japan, North America and Europe, and total of scope 3 emissions from commuting for employees of consolidated companies in Japan, U.S. and Europe) for the year ended March 31, 2013 included in the Report were collected and reported in accordance with the Company's policies and standards in all material respects.

The accuracy and completeness of sustainability performance indicators and information are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. Our assurance report should therefore be read in connection with the Company's policies and standards on the reporting of its sustainability performance.

2. Summary of Assurance Procedures Performed

We performed limited assurance procedures in accordance with International Standard on Assurance Engagement 3000 — Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE3000), revised in December 2003 by the International Federation of Accountants.

In a limited assurance engagement the procedures are more limited than for a reasonable assurance engagement. Therefore, the evidence-gathering procedures to provide a basis for conclusion are more limited in nature, timing or extent than a reasonable assurance engagement. Therefore, our limited assurance provides a lower level of assurance than reasonable assurance. Because we did not conduct an audit in accordance with generally accepted auditing standards, we do not express an audit opinion.

The procedures we performed for our limited assurance engagement are summarized as follows:

- Reading relevant documents with regard to the Company's overall status and environmental management (including the internal controls), and interviewing relevant personnel;
- Interviewing relevant personnel with regard to the establishment and implementation of the Company's policies and standards for the subject matter at the headquarters and at the sites we visited (listed in the table below);
- Reading relevant documents at the headquarters and at the sites we visited with regard to the methodologies for measuring, compiling, and reporting the subject matter information, and interviewing relevant personnel;
- Performing analytical procedures and tracing part of the subject matter information with supporting documents available at the headquarters and the plants.
- The sites we visited are as follows:

Name of Site		Functions
Nissan Motor Co., Ltd.	Global Headquarters	Headquarters
Nissan Motor Co., Ltd.	Technical Center	Headquarters
Nissan Motor Co., Ltd.	Yokohama Plant	Manufacturing
Nissan Motor Co., Ltd.	Oppama Plant	Manufacturing
Nissan North America, Inc.	Smyrna Plant	Manufacturing

The specific environmental performance data (scope 1 and scope 2 emissions from consolidated production sites of Japan, North America and Europe, and total of scope 3 emissions from commuting for employees of consolidated companies in Japan, U.S. and Europe) subject to our assurance procedures are marked (*) and footnoted in the Report.

3. Our Conclusion

Our conclusion is as follows:

- Based on our work described in this report, nothing has come to our attention that causes us to believe that the specific environmental performance data (scope 1 and scope2 emissions from consolidated production sites of Japan, North America and Europe, and total of scope 3 emissions from commuting for employees of consolidated companies in Japan, U.S. and Europe) for the year ended March 31, 2013 included in the Report were not collected or reported, in all material respects, in accordance with the Company's policies and standards.

[i] The maintenance and integrity of the Company's website is the responsibility of management; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the Report when presented on the Company's website.

[Remarks] Calculation

- CO_2 emissions from production sites: Calculated based on Nissan internal standards. The energy use data of each site is based on invoices from suppliers which is multiplied by a CO_2 emissions coefficient derived from a survey and validated by each production site.
- CO_2 emissions resulting from employees' commute: Calculated based on the GHG Protocol Scope 3 Standard. Specifically, the annual CO_2 emissions resulting from each employees' commute is calculated using a standard unit of measurement announced by METI, MOE and MLIT. This figure is calculated on the basis that employees working at GHQ commute by bus and others employees use cars that are vehicles designated by Nissan, based on the data they submit when applying for transportation allowances. This is multiplied by the number of employees at each facility or office.

Ratings

Nissan and Socially Responsible Investment

Today investors are paying more attention than ever 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 FTSE 4Good Index Series, DJSI Asia/Pacific, and Carbon Disclosure Leadership Index CDLI in the CPD Japan 500 Climate Change Report 2012.

In January 2013, Nissan achieved the highest position among automakers (second overall), in the 16th Nikkei Environmental Management Survey conducted annually by Nikkei Inc.

FTSE4Good

FTSE4Good Index Series

Dow Jones Sustainability Indexes Member 2012/13

Dow Jones Sustainability Asia/Pacific Index

CARBON DISCLOSURE PROJECT

Carbon Disclosure Project
Japan Carbon Disclosure Leadership Index

Nikkei Environmental Management Survey

Ranking 2nd in overall, and 1st in automotive sector

GRI index (Environment)

Section	Index	Reference
EN1	Materials used	122, 139
EN2	Percentage of recycled materials	122, 139
EN3	Direct energy consumption	122, 123
EN4	Indirect energy consumption	122, 123
EN5	Energy saved	29, 30, 122
EN6	Energy-efficient or renewable energy-based products and services	29, 30, 123, 133-137
EN7	Reduction of indirect energy consumption	29, 30
EN8	Total water withdrawal	35, 36, 122, 125, 126
EN9	Water sources significantly affected by withdrawal of water	35
EN10	Percentage and total volume of water recycled and reused	125
EN11	Location and size of protected areas	–
EN12	Description of significant impacts in protected areas	40, 41
EN13	Habitats protected or restored	–
EN14	Strategies for managing impacts on biodiversity	40, 41
EN15	IUCN Red List species in areas affected by operations	–
EN16	Total direct and indirect greenhouse gas emissions	29, 30, 122-124
EN17	Other relevant indirect greenhouse gas emissions	123, 124, 130
EN18	Reduction of greenhouse gas emissions	123, 124, 131
EN19	Emissions of ozone-depleting substances	–
EN20	NOx, SOx and other significant air emissions	122, 126, 127
EN21	Total water discharge	43, 122, 125
EN22	Total weight of waste	35, 122, 128, 139
EN23	Total number and volume of significant spills	131
EN24	Weight of transported, imported, exported, or treated hazardous waste	127
EN25	Areas affected by the reporting organization's discharges of water and runoff	131
EN26	Mitigation of environmental impacts of products and services	20-28, 133-138
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	33, 34, 139
EN28	Significant fines and noncompliance with environmental laws and regulations	131
EN29	Environmental impacts of transporting products, goods, materials, and members of the workforce	31, 32, 129
EN30	Environmental protection expenditures and investments	130

THIRD-PARTY COMMENT

Toshihiko Goto
Chief Executive
Sustainability Forum Japan

Enriching People's Lives, Nissan's corporate vision, is a splendid ideal for which to strive. As we move toward an era when 9 billion people will walk on the Earth, though, it appears that this vision will run up against challenges like limited supplies of natural resources. To survive in such a milieu, I believe that corporations will need to craft closed-loop systems and provide services that contribute to spiritual richness that goes beyond simple material goods. CEO Carlos Ghosn has stressed this perspective in his message in this report, which is heartening; nonetheless, I hope to see Nissan redouble its efforts over the medium to long term to address the issues humanity will face.

The steps Nissan is taking together with its Alliance partner Renault are bearing fruit, a factor that is likely to increase the possibility that the company can realize its corporate vision and mission, even given the massive expenditure that will be required for future technological development. Nissan also deserves praise for publishing its scorecard and Nissan Green Program 2016 progress chart in this report: the company's targets are clearly defined and its progress toward these goals is visually easy to grasp.

On the environmental front, the measures Nissan is undertaking as a group can only be described as marvelous. However, this report would have benefited from more detailed information on the overall direction and goals of environmental efforts throughout the supply chain and at dealerships, rather than just anecdotal presentations and coverage of Nissan's purchasing standards.

With respect to safety, Nissan has published figures on the numbers of deaths and serious injuries from accidents involving its vehicles. The company deserves commendation for sharing this data—which may be common knowledge in the industry, but is not broadly known—in an easy-to-understand format. While the various safety technologies Nissan develops are wonderful, some concerns remain: will these end up as unusual implementations without broad industry uptake, or will they prove too difficult to master for an increasingly aged vehicle-using population? Japan is a forerunner in the aging of its population, but the rest of the world is following in its tracks; fully automating these safety features should enhance the company's competitive standing. Proper explanation of these safety features—which I am certain Nissan is already pursuing—is also a key element in improving "sales and service quality."

Issues in the area of the value chain are among the hottest industry topics today. As international nongovernmental organizations work to achieve social justice, they are increasingly targeting the corporations at the top of the value chain in their efforts. These companies at the apex are increasingly expected to manage supplier actions throughout the value chain—not just for primary, secondary, and tertiary suppliers, but all the way upstream to the resource extraction stage.

The realm of the ISO 26000 standard for social responsibility is, in its essence, the pursuit of more robust management of the value chain and of human rights and ethics issues. In this connection, the processes of stakeholder engagement and due diligence with respect to the supply chain have taken on extraordinary importance.

A company cannot fulfill its due diligence duties simply by distributing explanations of its purchasing standards to suppliers. Such an approach is also insufficient from the perspective of risk management. A reading of this report shows that Nissan has made progress from the previous year, but the world is a swift-moving place, and I feel that the company will need to accelerate its efforts to improve its management in this area, adjusting its approach as required for individual suppliers.

The term "human rights" does not appear so frequently in the pages of this report, and with the exception of the section on philanthropy, it is hard to fully grasp Nissan's approach to stakeholder engagement. This engagement is a factor connected with all eight of the company's CSR strategies, so it is advisable for Nissan to find some way to touch on it in each part of the report. I must stress here that what I hope to see the company pursue is not CSR as a defensive mechanism, but CSR as a form of offense—a tactic that can produce business opportunities for Nissan.

In the area of diversity, Nissan is to be commended as a leading company that has received numerous awards for its achievements. Diversity efforts take considerable time to implement, and Nissan must be praised for promoting them in a strategic fashion. I hope the company will continue to be a leading player in this field.

As for the mechanics of the report, the section at the beginning explaining how to navigate the content and use the category tabs is easily understood and an excellent addition.

Finally, I would note that Nissan's website for Japanese customers places the CSR-related information four levels deep. While it may not need to be located in a top-level menu, as it is on the company's global website, I recommend elevating this content by at least one level to improve its accessibility.