

# ***SUSTAINABILITY REPORT 2021***



**NISSAN**  
MOTOR CORPORATION

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## Making a positive impact on people and the planet through innovation

Working to address global environmental and societal challenges has been, and will always be, core to Nissan's purpose and values. Nissan products and technologies help to enrich people's lives and deliver real-world innovations in mobility and transport which have a meaningful role to play in resolving these global challenges. Nissan's unique culture, the company's willingness to innovate and to challenge the status quo, is being applied today to many of these challenges, be that reducing greenhouse gas emissions, facilitating smart cities and urbanization, or increasing road and passenger safety. These are just some of the many of the areas where Nissan can have a sizeable impact. In this interview, Nissan's CEO Makoto Uchida talks about the company's approach to delivering social value, including the recently announced ambition to become carbon neutral by 2050.

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




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## On the road to carbon neutrality

**Q: In January 2021, Nissan set itself a goal to achieve carbon neutrality by 2050. What is your strategy to get to this target?**

**A:** Combatting climate change will need governments and the private sector to work hand in hand. While no one country or indeed company can achieve this goal alone, we each have an important role to play. That is why Nissan declared every all-new vehicle offering in our key markets will be electrified by early 2030s, alongside our aim to achieve carbon neutrality by 2050, across the company's operation and the life cycle of our products.

This decision should not come as a surprise. While we have recently seen countries pledge to achieve carbon neutrality, at Nissan we have had the Nissan Green Program in place since 2002. We also have ten years' experience of mass-producing electric vehicles (EVs). Despite skepticism at the time, Nissan took on the challenge to become a leader in EVs. I am proud we have delivered over half a million EVs. For me, this is a clear-cut example of Nissan's DNA - "Do what others don't dare to do" – in action.



For us, vehicle electrification is a key step to making carbon neutrality a reality. At the same time, EVs need to have real consumer appeal and drive better value of ownership. Nissan is a world-leader in combining technological excellence delivering on customer needs and at the same time play a differentiated role in driving efforts to combat global environmental change. As we laid out in our NISSAN NEXT plan, we will keep on investing in innovation to adapt to the rapidly changing marketplace that we operate in.



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Our innovations are not limited to products but move beyond mobility. Our groundbreaking partnership with 4R Energy Corporation promotes the repurposing of secondhand batteries. We have developed technology that enables us to reuse batteries collected from end-of-life cars. This means we reduce CO<sub>2</sub> emissions from the production of new batteries as well make the most of the rare earths that go into batteries. One example is where Nissan and 4R Energy Corporation are working together with JR East on the trial

operation of safety devices for railroad crossings powered by recycled EV lithium-ion batteries. Reusing secondhand batteries in this way maximize the use of finite resources and reduces environmental harm. In addition, through our Blue Switch program we go beyond mobility to use electric cars as emergency power source during natural disasters in Japan. Nissan has signed over 130 agreements with local governments and companies under the Blue Switch program since 2018.

## Shift in consumer thinking is the key driver

**Q: How do you see the shift in consumer thinking? Do you see any change in their mindset these days?**

**A:** There are increasing number of people who are sensitive to environmental performance, especially among the younger generation. They are willing to do good for environment, such as carrying their own shopping bags to reduce wasting plastic bags, saving energy of home electrics, and choosing an eco-friendly car to buy. This gives more opportunities for people to know about Nissan's environmental initiatives. Nissan will make sure that people know more about the wholistic EV value, including EV ecosystem for energy management.

However, the policies and measures are different between markets, and so will be the speed of change. The primary key here is customers' willingness or acceptance of electrified vehicles. People will not buy an EV unless the total cost of ownership (TCO), which includes vehicle purchase price and maintenance costs, makes sense. We need an electrification strategy that is consistent with customers' need. This is why Nissan is taking on a challenge to build cost-competitive electrified vehicles.

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## Aligning the United Nations' Sustainability Development Goals (SDGs)

**Q: Companies today are being asked about their contribution to achievement of the UN Sustainable Development Goals. What is Nissan's view?**



**A:** SDGs are high-level targets that guide governments and societies towards making the world a better place for everyone to live in. As with climate change, no one company will solve these big challenges alone. We are aligning our Sustainability strategy with SDGs, engaging our business plan. Nissan is using them as a guideline to build our sustainability strategy. We are an organization that contributes to many of the SDGs, such as climate action, clean energy, and sustainable cities and communities through our carbon neutrality strategy. Our approach is to make continual progress through PDCA (Plan-Do-Check-Act) cycle. We can use the SDGs to benchmark our past efforts and identify room for improvement. Nissan has been participating in the United Nations Global Compact since 2004. We will continue to be aligned with the universal principles, and actively contribute to achieving SDGs.

As stated in our corporate purpose, Nissan is "Driving innovation to enrich people's lives" and this statement is fundamental to why we exist and the role we play for the society. I want Nissan people to be aware of the benefits of the work they do, and what value they are delivering by showing them the direction and the company's purpose. This helps revitalize the organization and ensure Nissan's sustainability, which will contribute SDGs.



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## Protecting human rights throughout our supply chain

**Q: We are seeing rising expectations for companies to do more to address human rights issues. What is Nissan doing on this front?**

**A:** Our goal is to conduct ethical, social, and environmentally conscious business practices at every level of the supply chain in global markets. Nissan has zero tolerance for human rights abuses anywhere, based on our policies outlined in the "Nissan Human Rights Policy Statement". The company is proactive and thorough in our efforts to support human rights and mitigate risks in our supply chain. We have ensured that our global policies such as Global Minerals Sourcing Policy Statement supplement these guidelines. We are also bolstering our investigative efforts to identify potential violation of human rights across supply chain and take timely and appropriate corrective measures.

Another perspective that we take is to think about what a "Just Transition" looks like. Our journey to carbon neutrality can be achieved if only we commit to respect and protect human rights within Nissan and suppliers. Our aim is to contribute to sustainable economic growth by creating new business models that help deliver decarbonization while taking care of vulnerable members of society. We want to ensure we do not generate additional groups of society facing new hardships.

We recognize that Nissan could do more to communicate about our environmental initiatives enough and we are going to do more on information disclosure. It is natural for Nissan, which respects diversity, to actively address human rights issues. We should be working more on this front.



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## Promoting diversity across Nissan

**Q: The last year has seen the issue of diversity really come to the fore. What does diversity mean to Nissan?**

**A:** Diversity is our strength and a critical topic that I am personally committed to taking on. We are not starting from 'square one' – we are a hugely diverse company made-up of people from all over the world. I am proud of this. I foster the diverse and inclusive environment where we value and respect employees to drive innovation.

Last year, during the process of redefining our corporate purpose, I had the opportunity to exchange opinions with many colleagues on this topic.

I believe “Nissan-ness” is a culture where innovation is fostered through gathering together people from diverse backgrounds and allows for people act freely and authentically.

I do not want Nissan to be an organization where every colleague says the same thing like a “cookie-cutter” world. Different opinions generate innovation and offer indefinite possibilities. That’s why we are able to make a range of cars from A to Z catering diverse markets and distinct customers. Our alliance with Renault and Mitsubishi has contributed immensely to this culture. I strongly believe that the top management needs to bring forth the power from inside to make it happen.

## Ensuring the well-being of our colleagues and their families

**Q: How did COVID-19 impact Nissan? What initiatives have you to protect colleagues and their families as well as the wider communities in which you operate?**

**A:** I would like to start by offering my deepest condolences to all those affected by the COVID-19 outbreak, and express my sincere gratitude to all the healthcare and frontline workers for their tireless work during the pandemic.

COVID-19 has forced us to change the way we work and live. Nissan continues to place the highest priority on the well-being of our employees and their families by ensuring safe-distancing, hygiene and protective equipment and encouraging and supporting our people to work remotely.

We are also actively involved in efforts to ensure the health and safety of the communities we operate through donation of vehicles, manufacturing of masks etc.

We are also providing comprehensive support to our dealer network and our customers. One example I refer to is the great progress we have made in digital sales. That has seen us rethinking, in partnership with our dealer networks, what the role of a dealership can be in engaging the customer, while also responding to some of the restrictions brought about by the pandemic. Remote work proved to be effective. We can save the commuting time and use it for our families and friends. This will help us strike a better work-life balance.



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## Meeting customer needs today and tomorrow

**Q: With the world continuing to undergo so much change, what will be the future priorities of Nissan in responding to what customers and society wants?**

**A:** We are now in the second year of the NISSAN NEXT business transformation plan, which is intended to revive the business to deliver sustainable growth for the next decade. We are pleased to see the good progress especially of our efforts to better quality of sales without seeking excessive sales growth. This is a significant change on our business culture. This gives me great confidence in the future of Nissan.

What makes me most happy is when our customers are delighted by our products, and our employees find what they and the company are doing is meaningful. We have initiated several projects that demonstrate the crucial role we play creating sustainable cities and communities. For instance, in February 2021, Nissan signed an agreement with the three local governments in the Fukushima Prefecture namely Namie-machi, Futaba-cho, and Minami Souma City along with eight other companies, including 4R Energy Corporation and local dealerships, to work together to design a community leveraging new mobility. We are exploring the possibility of redesigning the community to accommodate driverless vehicle operations and conducting field tests to make it happen.

Nissan has a rich heritage and a consistent track record of bringing together people and communities to help shape the future of mobility. Our challenger spirit and an innovating mindset combined with our deep-rooted commitment to sustainability, dives our determination to create distinctive and innovative products and services that inspire our customers and provide real social value.



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## Driving business value and social value through sustainability

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

### Our strategy

Our sustainability strategy, Nissan Sustainability 2022 (NS2022), sets a clear long-term vision and goals for the period of 2018 to 2022 identifying our priorities around Environmental, Social and Governance topics.

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While we continue to be guided by NS2022, over the course of last year, we have prioritized our response to the COVID-19 pandemic. Our primary focus was to make sure that our employees and the communities around us remained safe and healthy.

## Evolution toward carbon neutrality and beyond

At the heart of our strategy is Nissan's commitment to reduce our environmental impact and dependence to a sustainable level. We believe in managing natural resources in a responsible manner and hand them over to the future generations thereby realizing our environmental philosophy - Symbiosis of People, Vehicles, and Nature. Through our midterm environmental action plan, Nissan Green Program, we have increased our efforts to resolve most material issues and pursuing several identified areas to address sustainability agenda since 2002. It is with this confidence we set the goal of carbon neutrality by 2050 across the company's operations and the life cycle of our products. As part of this objective, by early 2030s every new Nissan vehicle offering in key markets will be electrified.

We are also cognizant that since setting NS2022 the world has undergone tremendous changes. The severity of environmental issues is increasing each year and inequalities between, as well as within, nations are widening. This makes it imperative for us to refocus our plans to help address these challenges.

While important, our sustainability initiatives are not limited to achieving carbon neutrality by pursuing further innovations in electrification and manufacturing technology. We are also delivering resource efficiency benefits by using material alternatives that do not depend on newly-extracted resources. Our other actions include improving air quality by reducing emissions from products and manufacturing processes, focusing on better management of water quality and reducing water consumption.



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## Strengthening focus on Human Rights

Nissan respects the rights of our stakeholders and strives to comply with applicable laws and practices wherever we operate. We uphold the highest ethical standards in our operations and do not condone discrimination on the basis of race, nationality, gender, religion, disability, age, place of origin, gender identity, sexual orientation or any other characteristics nor any infringement of human rights.

As part of Nissan Human Rights Policy Statement, published in 2017, we have identified employee labor conditions as one of the priority areas and have been undertaking assessment across of our facilities. In addition to Nissan South Africa in the fiscal year 2019, Nissan Motor Thailand and its group companies (Nissan Power Train (Thailand) and SNN Tools & Dies) underwent the Human Rights Impact Assessment for their employees. Based on the results of the assessment, our local entities are undertaking continuous improvement initiatives to address any issues / opportunities that were discovered in the assessment.

With enormous uptake in technological innovations such as digital connectivity, electrification and autonomous driving, data privacy and security have become critical areas for business. To ensure proper governance, we have implemented a Global Customer Privacy Policy in 2020 outlining our company's commitment to protecting customer personal data and have enforced the policy consistently across all locations.



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## Enhanced Corporate Governance

As part of Nissan's ongoing commitment to the highest standards of corporate governance and transparency, we adopted the three-statutory-committee format in June 2019. The company has clearly separated management functions and supervisory functions, with outside directors comprising the majority of the board. The board engages in active and transparent discussions on the direction of the company. Outside directors are also helping Nissan to strengthen its corporate governance and ensure management transparency through the discussions at the Nomination, Compensation, and Audit Committees.

Such drastic transformation in a short period of time was only possible because of a common ambition shared among the board members and the business operations to make Nissan shine again. To further embed sustainability into our business strategy, Nissan includes sustainability indicators into the performance evaluation of its senior management, including executive officers.

## Executive commitment to ESG

To further integrate sustainability into our strategy and operations, the Global Sustainability Steering Committee, which I chair, conducts regular reviews of progress and priorities of our NS2022 considering the evolving ESG trends that are affecting the world and us. This forum allows us to have an open and transparent discussion on emerging social issues among the relevant parties to build and implement more effective action plans for each country.

In addition, at the senior management level, we are actively driving discussions about the company's long-term value-creation with a clear focus on delivering social value aligned to SDGs. Our intention is to promote sustainability within the organization as well as contribute to the society driving towards safe and smart electrified mobility.

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## Driving Sustainable, Long-Term Growth

Environmental and social challenges pose a material risk not only to our business but to our stakeholders and communities around the world. We must act on them now. While we know achieving carbon neutrality is not simple, it is no exaggeration to say that survival of the human race is at stake. Human rights issues also cannot be overlooked. Nissan wants to create social value for generations to come by leveraging its assets and strength.



As the world continues to undergo significant changes, the expectations for companies are also changing. People expect companies to create long-term value rather than short-term profits. We strongly believe Nissan will play a crucial part in addressing environmental and social challenges. We will do that through Nissan's challenger spirit and longstanding commitment to innovation, as well as our outstanding technological expertise. The announcement of the carbon neutral goal for 2050 builds on our legacy of environmental efficiency and strengthens our future commitment to tackling climate change.

As Chief Sustainability Officer, I will always look for ways for Nissan to contribute more to society, to build a resilient strategy, to ensure proactive risk management and maintain a close dialogue with our stakeholders to ensure we take into account the issues that are material to them. I will continue driving the company's sustainability strategy to make sure that Nissan delivers sustainable growth over the long term and remains an integral part of society that people can rely on.



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# Carbon neutrality

## Toward the Realization of Carbon Neutrality in 2050

To achieve carbon neutrality across the Company's operations and product life cycle by 2050, Nissan's aim is for every all-new Nissan vehicle offering in key markets to be electrified by the early 2030s, and to this end, will promote innovations in electrification and manufacturing technologies in the following strategic areas:

- 1** Battery innovations for cost-competitive and more efficient EVs
- 2** Greater energy efficiency of our e-POWER electrified powertrains
- 3** Develop of a battery ecosystem to support decentralized renewable energy generation
- 4** Greater energy and material efficiencies during the manufacturing process

[GRI102-11](#) [GRI102-12](#) [GRI102-15](#) [GRI102-29](#) [GRI103-1](#) [GRI201-2](#) [GRI203-1](#) [GRI203-2](#)

### Our response to climate change

Response to climate change is one critical issue that must be addressed globally, thus international long-term goals have been discussed since the adoption of the United Nations Framework Convention on Climate Change in 1992. At the Climate Change Summit in April 2021, the leaders of 40 countries and regions gathered with the aim of realizing carbon neutrality in 2050 and announced CO<sub>2</sub> emission targets leading up to 2030.

To contribute to the resolution of global climate change issues, Nissan formulated a long-term vision based on the 2° C scenario in the 2006 Intergovernmental Panel on Climate Change (IPCC) report, achieving sustainable success through the steady achievement of retroactive milestones. In 2020, we conducted a scenario analysis\*1 regarding the opportunities and risks posed by climate change and selected important themes based on assumptions about society taken from the International Energy Agency (IEA) 4° C and 2° C scenarios, as well as the IPCC's 1.5° C Special Report. Further, in January 2021, we announced a new goal for achieving carbon neutrality in 2050, throughout the vehicle lifecycle, such as material extraction, manufacturing, vehicle use and vehicle recycling or reuse at end-of-life. Nissan considers CO<sub>2</sub> emissions not only when the vehicle is running, but throughout the value chain, including suppliers, from the procurement of raw materials to transportation. We are developing new technologies and strive to reduce CO<sub>2</sub>, including strengthening the use of renewable energy in the manufacturing process.

\*1 Please refer to the following for details regarding Climate Change Scenario Analysis. [>>> P049](#)

\* Please refer to the following for details regarding climate change  
 Climate Change Strategy [>>> P057](#)  
 Product Initiatives [>>> P059](#)  
 Corporate Activity Initiatives [>>> P072](#)  
 Reducing environmental burdens through utilizing of the life cycle assessment (LCA) method [>>> P107](#)



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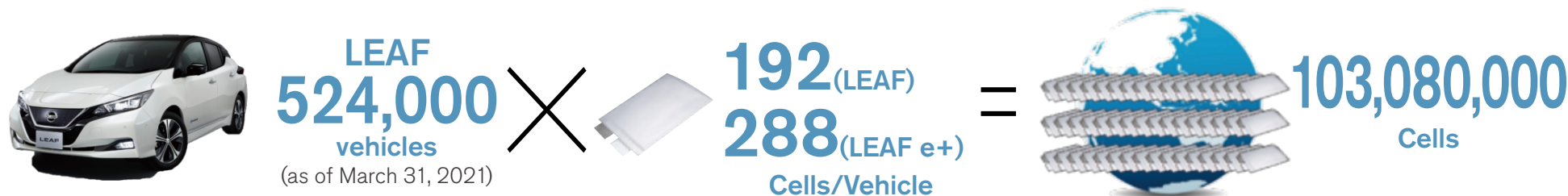
# 1 Battery innovations for cost-competitive and more efficient EVs

## Battery Technology Innovations

We are developing batteries according to a long-term roadmap. We are seeking economies of scale and greater competitiveness in technology by aligning specifications and increasing commonization within the Alliance. Moreover, Nissan continues working on battery innovations including development of battery materials that reduce the amount of cobalt used and all-solid-state batteries. At the same time, with regard to battery costs, we plan to achieve a profitability equivalent to that of internal combustion engines by 2030, working with suppliers to pursue further optimization of battery pack designs and manufacturing process rationalization.

## Safety is Essential for the Adoption of Electric Vehicles

Safety is one of Nissan's most important requirements in developing and providing electric vehicles. We increase battery energy density to improve performance while conducting tests under various harsh conditions to ensure safety and reliability before releasing batteries in the market. The Nissan LEAF has sold 524,000 units (as of March 31, 2021) since the launch of first-generation model production, evidence that no serious accidents caused by batteries have occurred. Going forward, Nissan will ascertain the various environments in which our customers use their vehicles from market driving data, incorporate this data into advanced reliability design and experimental standards, reflect it in development, and contribute to the spread of EVs and the realization of mobility free from CO<sub>2</sub> emissions.



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## 2 Greater energy efficiency of our e-POWER electrified powertrains

### Development of e-POWER

e-POWER is Nissan's proprietary powertrain, using a gasoline engine to generate electricity for the electric motor that propels the vehicle. e-POWER achieves top-level fuel efficiency as well as nimble responsiveness, smooth acceleration and remarkable quietness while driving.

Based on the idea of creating a totally new type of electric vehicle, e-POWER first debuted in Japan on the Note compact car in November 2016. In March 2018 an e-POWER version of the Serena minivan was launched, which was followed by the all-new Kicks SUV e-POWER in June 2020. In December of the same year the all-new Note was launched exclusively with the evolved, second-generation e-POWER system. These models were well received, and as of March 31, 2021, cumulative domestic sales of e-POWER exceeded 500,000 units.

With the aim of achieving carbon neutrality, by the early 2030s, every all-new Nissan vehicle offering in Japan and all key markets will be electrified. To this end, we are promoting research and development that will substantially contribute to the elimination of carbon. Nissan announced breakthrough in engine efficiency, reaching 50% thermal efficiency with its in-development, next generation e-POWER system.

Nissan's latest approach to engine development has raised the bar to world-leading levels, accelerating past the current auto industry average range of 40% thermal efficiency, making it possible to even further reduce vehicle CO<sub>2</sub> emissions.

Nissan continues to accelerate innovation of these electrification technologies as one of the major pillars until battery EV spread everywhere.

# e-POWER



New Note **e-POWER**



**e-POWER** version of the popular Serena minivan



Kicks **e-POWER**



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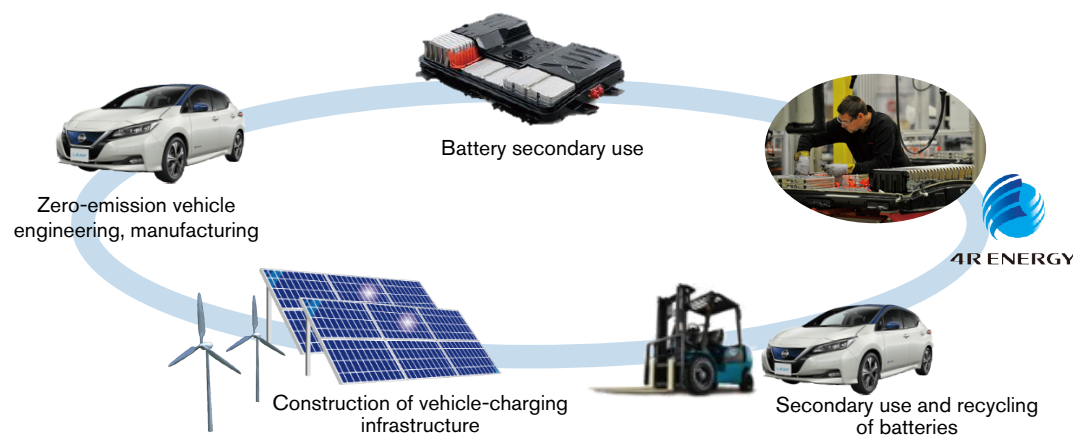
## 3 Develop of a battery ecosystem to support decentralized renewable energy generation

### Creating Value though the Reuse of Batteries

Nissan and Sumitomo Corporation established a joint-venture company 4R Energy Corporation in September 2010 to conduct research on the secondary usage of lithium-ion batteries that have been used previously in electric cars.

Naming a second-life business for recyclable advanced lithium-ion batteries as the "4R Energy" business in October 2009, both companies started a joint study to "Reuse, Resell, Refabricate and Recycle" the lithium-ion batteries used in electric cars. In March 2018, 4R Energy Corporation inaugurated the Japan's first plant specializing in the reuse and recycling of lithium-ion batteries from electric vehicles, in the town of Namie in Fukushima Prefecture.

By expanding this model into a business, we will realize increased EV value through the reuse of batteries, contributions to reducing resource dependency on the precious metals required for batteries and reduced CO<sub>2</sub> during battery production so that we will drive the increased spread of electric vehicles. Additionally, we will contribute to the expansion of renewable energy by providing renewable batteries that are safe, reliable and highly price competitive.



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## Toward the Realization of a Future Mobility Society

Cutting-edge automotive technologies centered on EVs benefit customers who own cars as products, as well as contribute to the enrichment of everyone's daily lives throughout society. Nissan is also engaged in research on systems that adjust power supply and demand connecting energy storage to the power grid using reused batteries. We offer Nissan Energy\*, a solution further enhancing the attractiveness of EVs by utilizing the storage and discharge functions of batteries installed in EVs. One of these, Nissan Energy Share, incorporates V2X technologies (V2L, V2H, V2B, V2G) using (sharing) electric power stored in the EV for a variety of applications, enabling the supply of electricity to homes and society as mobile storage batteries. In 2012, we launched the "LEAF to Home" system supplying electricity stored in Nissan LEAF batteries to homes and we are also conducting research into systems that adjust power supply and demand by connecting energy storage using recycled batteries to the power grid. We will make full use of advanced safety, autonomous driving, electrification and connected technologies accumulated up to now. Also, in cooperation with local governments, we aim to create an environment in which everyone can move with peace of mind, and at the same time, we are verifying the new business models created as a result of these efforts.

\* Click here for information on Nissan Energy <https://www.nissan-global.com/EN/TECHNOLOGY/OVERVIEW/nas.html>

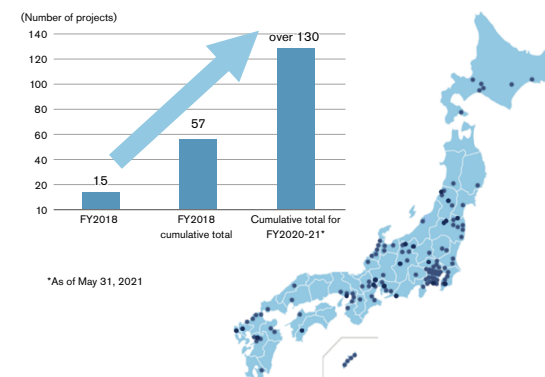
### Blue Switch Program

In Japan, Nissan is engaged in the "Electrify Japan: Blue Switch" program. In conjunction with local governments and companies, the program promotes the use of EVs to address local issues related to the environment, disaster prevention, energy management, population declines, assistance for people with less access to transportation and tourism. At the same time, we aim to realize a resilient society that excites the people who lives there.

The high-capacity lithium-ion battery installed in the Nissan LEAF contributes to powerful driving performance and provides value as a mobile power source. In recognition of this value, Nissan has concluded agreements with many local governments and companies across Japan that utilize the Nissan LEAF as an emergency power source in the event of power outages caused by disasters or other unforeseen events.

Examples of fully leveraging the advantages of electric vehicles include using the Nissan LEAF to reduce energy costs and CO<sub>2</sub> emissions, field operation test of energy management by virtual power plants\*, and car sharing services as eco friendly transportation options in sightseeing areas.

Since its launch in 2018, Nissan has signed over 130 agreements under the Blue Switch programs.



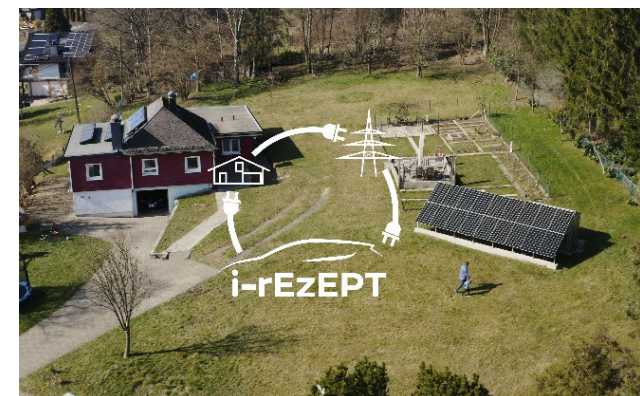
\* Virtual power plant is a system that integrates several types of power sources, for examples, power generation, energy storage batteries and electric vehicles owned by local government, companies and residential customers, using information technologies such as IoT to function as they were a single power plant.

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## Experiments Using Nissan LEAF V2G Technologies in Germany

Nissan is engaged in global initiatives utilizing EV batteries. In December 2019, Nissan launched the "i-rEzEPT\*" project together with Bosch.IO and the Fraunhofer Institutes IAO and IFAM. The project is also supported by the Federal Ministry of Transport and Digital Infrastructure. This project aims to verify the effective use of renewable energy by combining Nissan LEAF charging with the power generated by residential solar panels and power supplied from the Nissan LEAF to homes and the power grid. At the same time, we will verify the effects of reducing public power grid loads and lowering the overall cost of owning EVs. Nissan is leading the project by providing the Nissan LEAF and chargers to 13 households with solar power systems. This project will end in October 2021, with the report publication scheduled for early 2022.

\* i-rEzEPT stands for intelligente rückspeisefähige Elektrofahrzeuge zur Eigenstrommaximierung und Primärregelleistungsmarkt-Teilnahme, which in English means "intelligent regenerative electric vehicles for self-power maximization and primary control market participation."

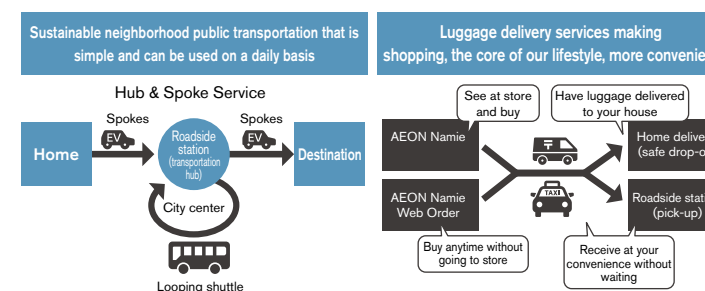


## Building Communities with a Sustainable Future

To realize carbon neutrality and provide mobility services with a sustainable future, Nissan is making efforts to utilize Nissan innovations for the enrichment of people in the local community.

In early February 2021, Nissan, the three municipalities of Namie, Futaba and Minamisoma in Fukushima Prefecture, and eight companies including 4R Energy and local dealerships concluded the agreement to develop new modes of the transportation, and to promote the use of renewable energy in the Hamadori area of Fukushima. In recovering, from the Great East Japan Earthquake the overall goal is to help develop a revitalized, resilient and sustainable low-carbon community.

In addition, as a member of Namie Smart Mobility Challenge Secretariat organization, Nissan conducted a field operation tests of new mobility services in February 2021. This tests aimed to resolve issues of public transportation at Namie. Using only electric vehicles, it included running an autonomous vehicle on a route around central Namie to operate EV shuttle service. The long-term vision is to create sustainable transportation services that offer convenience in depopulated area.





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## 4 Greater energy and material efficiencies during the manufacturing process

### Nissan Intelligent Factory

Along with efforts to realize carbon neutrality through products and energy management, Nissan Intelligent Factory, the new production methods, will be introduced to build electrified, intelligent and connected cars. Nissan Intelligent Factory will contribute to further CO<sub>2</sub> reductions through making production operations more flexible, efficient and sustainable.

For example, Nissan has developed a water-based paint that maintains the right viscosity at low temperatures, so that bodies and bumpers can be painted together. This will cut carbon dioxide emissions from the process by 25%. Nissan will also use a water-free painting booth that makes it possible to collect all waste paint and reuse it in other production processes.

Additionally, Nissan has plans for a major expansion to renewable energy generation equipment at its UK Sunderland Plant, which is the largest automotive plant in England. In addition to existing wind turbines and a solar farm, 37,000 solar panels will be added for a 20MW extension. With this expansion, 20% of the plant's energy will be provided by renewable energy produced onsite, and it is expected that renewable energy will be able to supply power for the assembly of Nissan LEAF vehicles sold in Europe.



Nissan Intelligent Factory Innovative Paint Lines



Renewable energy generator facility at the U.K. Sunderland Plant

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## Closed-Loop Recycling of Aluminum Parts

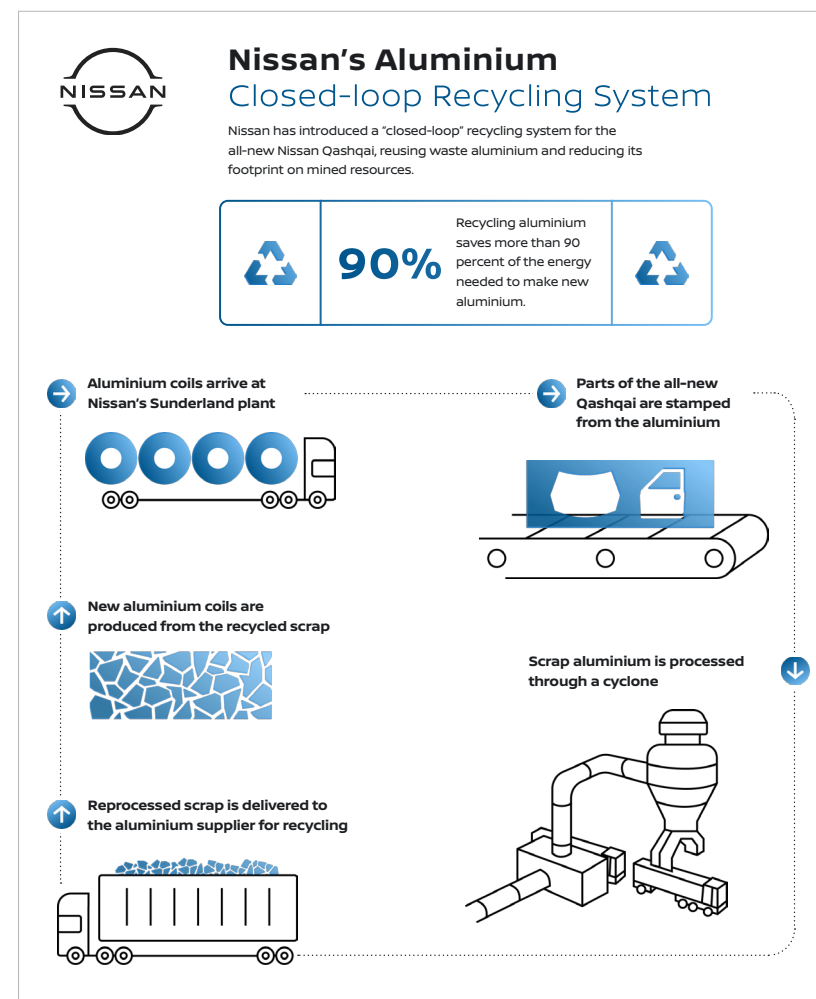
Nissan is promoting efforts to reduce CO<sub>2</sub> emissions through reducing resource dependency. For example, Nissan has introduced a “closed-loop” recycling system for the all-new 2021 Nissan Rogue at Nissan North America and Nissan Motor Kyushu, and for the all-new Qashqai at Nissan Motor UK, collaborating with aluminum suppliers.

The system helps reduce CO<sub>2</sub> emissions compared with using parts made with primary alloys from raw materials. It also promotes the use of materials that don't rely on newly mined resources, as well as the reduction of waste from factories.

The hood and doors of the 2021 Rogue and the all-new Qashqai are stamped from aluminum alloy, a material that reduces vehicle weight and helps improve fuel efficiency and power performance.

Nissan is considering expanding the application of this process to future models and other factories. We will continue to promote efficient and sustainable use of resources, including the use of renewable resources and recyclable materials.

\* Click here for information on initiatives related to Resource Dependency  
[>>> P088](#)



Nissan's Aluminum Closed-loop Recycling System

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# Road Map to the Future

## EV36Zero, the World's First Electric Vehicle (EV) Hub

Nissan is a pioneer in achieving carbon neutrality throughout the entire lifecycle of our products. Our comprehensive approach includes not only the development and production of EVs, but also the use of on-board batteries as energy storage and their reuse for secondary purposes. To realize carbon neutrality in Europe with our partners, Nissan unveiled the Nissan EV36Zero, an Electric Vehicle (EV) Hub creating a world-first EV manufacturing ecosystem in July 2021.

- **New-generation Nissan electric crossover announced for UK production**
- **Envision AESC will build a new 9GWh-capacity giga-factory on the International Advanced Manufacturing Park (IAMP), adjacent to the Nissan Sunderland Plant**
- **Renewable energy 'Microgrid' to deliver 100% clean electricity for Nissan and its suppliers on the IAMP**
- **2nd life EV batteries used as energy storage for ultimate sustainability**
- **This comprehensive projects represent 6,200 jobs at Nissan and in its UK suppliers**

Centered around the plant in Sunderland, UK, Nissan EV36Zero will supercharge the company's drive to carbon neutrality and establish a new 360-degree solution for zero-emission motoring.

The transformational project has been launched with an initial £1billion investment by Nissan and its partners Envision AESC and Sunderland City Council. Comprised of three interconnected initiatives, Nissan EV36Zero brings together electric vehicles, renewable energy and battery production, setting a blueprint for the future of the automotive industry.

The experience and know-how gained through the project will be shared globally, enhancing Nissan's global competitiveness. Nissan will continue to leverage its strengths in electrification to become a company that continues to provide value to its customers and society.





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# Our response to COVID-19 outbreak

We offer our deepest condolences to all those affected by the COVID-19 outbreak, and express the sincere gratitude to all the healthcare and frontline workers for their tireless work during the pandemic.

Nissan has supported our communities and valued the relationship with them as one of our most important missions.

At Nissan, the health and safety of stakeholders including communities, employees and their families are always our highest priorities. Nissan has implemented proactive actions, such as providing vehicles and supplies to medical institutions and local governments, in order to prevent the spread of COVID-19.

Nissan will continuously respond to the needs of local society, making the best use of the know-how and experience we have developed.

## In-kind Support for Medical Institutions through our manufacturing

Nissan has used its manufacturing capabilities to produce face shields and medical gowns in Japan, the U.K., and the U.S., and delivered them to medical institutions and local governments.

At Nissan's powertrain plant in Barcelona, Spain, the company has cooperated with QEV Technologies, Eurecat and Hospital de Sant Pau to make ventilators.

In Brazil, engineers at the Resende Plant have helped repair ventilators through a partnership with other carmakers.



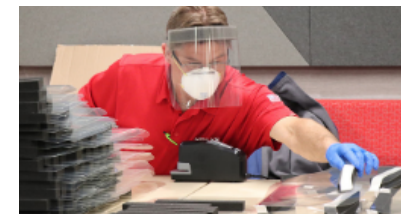
China: Manufacturing mask-making machines



Japan: Making medical gowns



Brazil: Repairing ventilators



The U.S.: Making face shields

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## Lending Cars to Medical Institutions

Nissan lends and provides vehicles to medical institutions and donates food supplies. Vehicles are lent to governments, municipalities, medical institutions and other organizations in Japan, Asia, Europe, South Africa, South America and other locations. For example, in Thailand, partnering with the Red Cross, Nissan has started a caravan project to transport medical supplies and food to local communities, with Nissan employees participating as drivers.

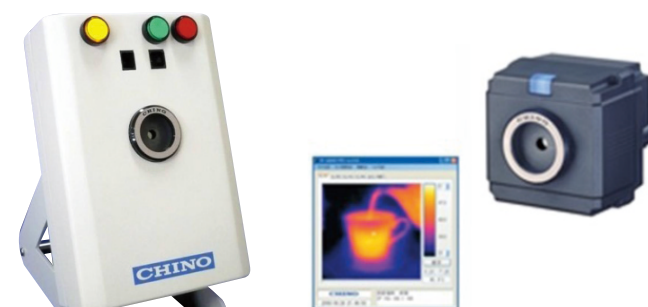


Thailand: Providing vehicles to project delivering medical supplies and food.

## Nissan licenses technology free of charge to support the measures against COVID-19

To promote the fastest possible development and manufacturing of therapeutic drugs, vaccines, medical devices and infection control products, Nissan joins as one of the founders of "IP open access declaration against COVID-19". Nissan agreed not to seek compensation nor assert any patent, utility model, design or copyright claim against any activities aimed at combatting the pandemic.

Nissan's contactless temperature-measuring sensor detects infrared rays from an object or area. It can display images, such as temperature distributions, with a resolution of about 2000 pixels and can be manufactured at significantly lower cost than sensors made using conventional technologies. The measuring devices are used in facilities such as schools, airports and medical facilities to help prevent the spread of COVID-19.



Contactless temperature measuring devices developed by Chino Corp. using Nissan's technology

## Other Initiatives

In protecting the health and safety of employees, we strive to thoroughly prevent infections in the workplace globally, strengthen office hygiene measures\*1 and recommend indirect employees work from home to reduce the risk of infection in the workplace and while commuting. Although some Nissan community contribution activities have been canceled due to COVID-19 unfortunately, we have launched new initiatives\*2 such as online virtual factory tours and online eco-school.

\*1 Employees' Health and Safety

[>>> P178](#)

\*2 Community Engagement

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

Nissan has entered a major milestone year for the achievement of the NISSAN NEXT business transformation plan targeting sustainable growth and earnings stability. To solidly execute these reforms and restore the trust of society as quickly as possible, there are great expectations for Board of Directors transparency and fairness as a supervisory body.

My role as Chair is to ensure discussions among Board members are energetic and at the same time highly productive and constructive. In practice, this requires an important balance between respect and certain distance in which executives and Board members so that each side can stimulate the other on a foundation of trust. To ensure executives are able to decisively carry out their duties and meet the expectations of a wide range of stakeholders—from Nissan shareholders to Nissan employees—the Board of Directors monitors executives to confirm that the management

process has been executed appropriately.

In fiscal 2020, the Nomination Committee deliberated three points: Proposals for the selection of Chief Executive Officer and directors, as well as an appropriate succession plan for the President and Chief Executive Officer. The Compensation Committee



determines compensation and other details for individuals based on policies regarding the determination of Board member and executive officer compensation. A new stock compensation system (transfer-restricted stock units) was also introduced, while directors contributed to medium- to long-term business performance and raised motivation, incorporating mechanisms that seek compensation for the Company in the event of fraudulent or illegal activities. As part of audits related to the execution of duties by Board members and executive officers, the Audit Committee receives individual reports related to the creation of an internal controls system and management status, including risk management and cybersecurity. Further, in terms of Board of Directors efficacy, in March 2021, a self-assessment was conducted in the form of a questionnaire for directors that was reported to the Board of Directors in May 2021. Upon review, the Audit Committee confirmed the effectiveness of the Board of Directors.

Nissan pioneered the development of electric vehicles (EVs) ahead of other companies. In January 2021, we announced the new goal of achieving carbon neutrality throughout the vehicle life cycle, including Nissan business activities, by 2050. It is extremely important that Nissan indicates its intentions in terms of the direction it will take as the automobile industry and entire world approaches enormous transformations. I have a great interest myself in the overall transformation of the auto industry. Moving forward, I think one topic that is worth addressing in discussions among the Board of Directors is the long-term management approach that needs to be taken to enhance corporate value. Now that Nissan is realigning itself on a growth trajectory, we will continue fulfilling our responsibilities as Directors to enable further contributions promoting societal and corporate developments—and above all—sustainability.

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



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# SUSTAINABILITY AT NISSAN

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## SUSTAINABILITY STRATEGY

### Sustainability at Nissan

To fulfill the corporate purpose of "Driving innovation to enrich people's lives", Nissan, as a company worthy of trust, provides unique and innovative automotive products and services that deliver superior value to all stakeholders.

As it develops as a company through its full range of global activities, Nissan seeks to create economic value and contribute to the resolution of each issue facing society as a leading global automaker. Nissan is committed to all stakeholders including customers, shareholders, employees and the communities where it does business and contributing to the development of society, through the realization of cleaner, safer and more sustainable mobility as well as the provision of related services.

### Corporate Purpose

Driving innovation to enrich people's lives

### Societal Issues Analysis and Identification of Key Issues

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

With regard to climate change, which is one of Nissan's key issues, the new goal has been set to achieve carbon neutrality across the vehicle life cycle including procurement by 2050, and strategic areas have been identified for achieving it. In addition, as expectations for corporate human rights initiatives are rising, Nissan clarified the priority areas for human rights issues that it should address to engage in strategically.

Additionally, since fiscal 2020, we have responded to the COVID-19 outbreak as part of Nissan's sustainability strategy. Putting the health and safety of employees and local communities first, we are implementing

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various measures based on the advice of experts.

Furthermore, we proactively deploy social contribution support for local communities at each Nissan site globally, and participate in the “IP open access declaration against COVID-19”. In accordance with this declaration, Nissan will not seek compensation, nor assert any patent, utility model, design or copyright against any activities whose purpose is to prevent the spread of COVID-19.

\*For a highlight of our climate change initiatives

[>>> P014](#)

\*For more information on our human rights initiatives

[>>> P117](#)

## Sustainability Strategy: “Nissan Sustainability 2022”

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

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

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

The wide availability of automobiles has let countless people enjoy the convenience that comes with automotive mobility as well as the pleasure of driving itself. At the same time, however, increased greenhouse gas emissions and traffic accidents are pressing issues for the world today. Nissan is using its position as a world-leading automaker to pursue the ultimate goals of achieving zero emissions, through carbon neutrality across the life cycle of its products by 2050, and zero fatalities, through the elimination of virtually all fatalities that result from traffic accidents involving Nissan cars. To this end, the company will work together by growing as an inclusive organization that supports a diverse range of employees in demonstrating their abilities and developing as professionals over the medium and long term.

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



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

### **Nissan Green Program 2022**

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

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

### **Traffic safety**

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

### **Diversity and inclusion**

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

### **Quality**

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

### **Supply chain**

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

### **Employees**

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

### **Community engagement**

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

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

### **Corporate governance/internal control**

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



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## Selecting Key Report Themes

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

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

## Participation in the UN Global Compact

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

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



\* Click here for more information on the UN Global Compact.  
<https://www.unglobalcompact.org/>

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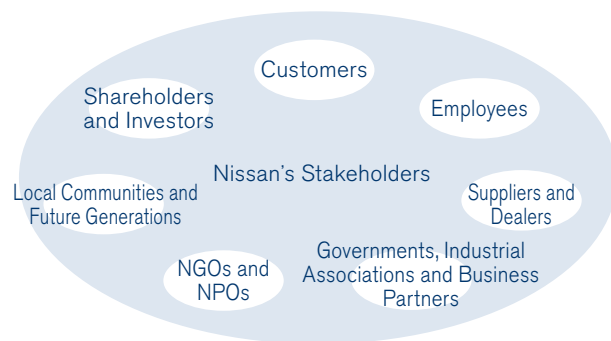
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## STAKEHOLDER ENGAGEMENT

### Dialogue with Stakeholders

Nissan defines stakeholders as those individuals and organizations that influence or are influenced by the company's business. The company aims to align its corporate activities with societal needs. Nissan gathers and integrates stakeholder feedback into its operations to build trustworthy relationships. To incorporate as many opinions as possible, the company provides various opportunities for dialogue with stakeholders and seeks to identify opportunities and risks in their early stages. These interactions take place at its global headquarters and other facilities in Japan and globally. Nissan established this structure to ensure feedback reaches the company. For specific examples of dialogue with stakeholders, please refer to the company's sustainability strategy section.

### Nissan's Stakeholders and Engagement Opportunities



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

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## Nissan's Approach to Shareholder and Investor Engagement

Nissan's shareholders and investors are partners in the creation of a more sustainable society. To that end, and to facilitate deeper understanding, the company has an active investor relations (IR) program that provides transparent information promptly. The company, along with its chief financial officer (CFO), conducts constructive dialogues with shareholders and investors. In order to build trustworthy relationships, the company communicates its long-term vision, innovations applied to enhance competitiveness and the latest market trends on a timely basis. The company also established a department dedicated solely to investor relations. The IR department gathers materials from relevant functional sections, such as corporate planning, finance, accounting, and legal, and discloses appropriate information. Questions and feedback from shareholders and investors are reported to executive management and reflected in the company's corporate decision making. In order to mitigate the risk of insider trading, the company refrains from communicating with investors during the period beginning on the quarter-end date and ending at the time of the announcement of the earnings results.

## Communication with Shareholders and Investors

The IR department conducts quarterly results briefings and meets frequently online with institutional investors and analysts from securities companies. The department proactively communicates about the company's operations and initiatives at business briefings and equity conferences hosted by the various securities companies. Topical information is also available on the IR website. Each year we hold events to present our business activities to investors and analysts, focusing on themes most relevant to them and making available our divisional and regional managers to actively provide the required information.

In September 2020 and March 2021, the IR department hosted roundtables with its independent outside directors for institutional investors. In October 2020, the department conducted a briefing with its executive officer in charge of research and development. The session focused on Nissan's electrification technologies and intelligent functions that included a R&D tour and a new model test drive at the Nissan Technical Center. In March 2021, the IR department held a session with 4R Energy Corporation, a Nissan subsidiary, on the secondary usage of EV batteries.

The company will continue to disclose information to its stakeholders and investors in order to increase their understanding of Nissan.

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## Major shareholder engagements in FY2020

<b>Q1</b>	<ul style="list-style-type: none"> <li>• FY2019 full year financial results</li> <li>• The 121st Annual General Shareholders Meeting</li> </ul>	<b>Q3</b>	<ul style="list-style-type: none"> <li>• FY2020 first half financial results</li> </ul>
<b>Q2</b>	<ul style="list-style-type: none"> <li>▪ FY2020 1st quarter financial results</li> </ul>	<b>Q4</b>	<ul style="list-style-type: none"> <li>▪ FY2020 3rd quarter financial results</li> <li>▪ Published Nissan Management Report</li> </ul>

## Shareholders Meeting

The General Meeting of Shareholders provides an opportunity for Nissan's executive management and its shareholders to communicate directly with each other. Through this meeting and other gatherings, the company aims to develop trust with its shareholders and enhance their understanding of Nissan.

The 121st Ordinary General Meeting of Shareholders was held at its global headquarters on June 29, 2020, and was attended by 295 shareholders.

\* Click here for more IR information.

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



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## INTERNAL EFFORTS TO PROMOTE SUSTAINABILITY

Company-wide management of specific activities under Nissan's sustainability strategy, from setting goals to monitoring progress, is the responsibility of the Global Sustainability Steering Committee chaired by the company's Chief Sustainability Officer (CSO). The committee meets biannually and includes management representatives from functions for each of the ESG areas. Each function is responsible for advancing its own activities and progress is reported to the committee. Nissan implements the PDCA (plan, do, check, act) cycle in pursuit of improved sustainability performance. As in past years, two committee meetings were held in fiscal 2020.

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

## Nissan's Sustainability Decision-Making Process



## Executives' roles on sustainability and its performance assessment

Top managements including executive officers are expected to create corporate and social value to realize Corporate purpose "Driving innovation to enrich people's lives".

The compensation reflects whether the company's response to the sustainability issues meets the expectation from the society.

- KPI for Environment: External rating for climate action
- KPI for Social: External rating for human rights

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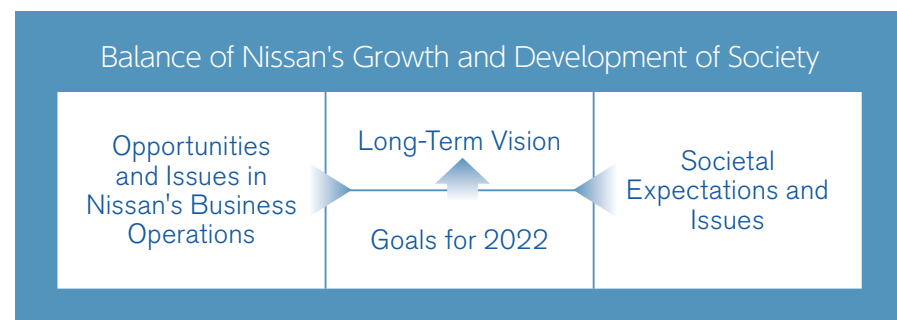
## LONG-TERM VISION AND GOALS FOR 2022

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

Additionally, Nissan has set the new goal for achieving carbon neutrality across the entire life cycle of its products by 2050. As part of this effort, by the early 2030s every all-new Nissan vehicle offering in key markets will be electrified.

In achieving its goals for each of the initiatives and realizing our Long-Term Vision, we are aiming to achieve both our own sustainable growth and the sustainable development of society.

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



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

Activities within ESG	Long-Term Vision		Main Goals for 2022
Environmental	Manage the environmental dependence/impact caused by our operations and products to a level that can be absorbed by nature, and pass on rich natural capital to future generations		
	Climate change	Achieve carbon neutrality by 2050 across the life cycle of its products · By the early 2030s all new vehicles offering in major markets will be electrified	· Product CO <sub>2</sub> emissions reduction: 40% reduction of CO <sub>2</sub> emissions from new cars (vs. FY2000; JPN, U.S., Europe, China) · Overall reduction of CO <sub>2</sub> emissions from corporate activities: 30% reduction of CO <sub>2</sub> emissions per vehicle sold (vs. FY2005; global)
	Resource dependency	Zero new material resource use · Using materials that do not rely on newly mined resources for 70% of the materials used in each vehicle in 2050	New resource usage minimization · Reduce new natural resource usage by 30% per vehicle
	Air quality	Zero impact	· Cabin air quality improvement: Promote research on technical solutions · Reduce VOC from MFG: Promote reduction of VOC per paint area (vs. FY2010)
	Water scarcity	Zero stress	· Water withdrawal reduction (manufacturing) : 21% reduction of water withdrawal per global production (vs. FY2010)

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Activities within ESG	Long-Term Vision		Main Goals for 2022
Social	Traffic safety	Reduce the number of fatalities involving Nissan vehicles to virtually zero	75% reduction from 1995 levels in fatalities involving Nissan vehicles by 2020
	Diversity and inclusion	Achieve sustainable development by creating innovation through building an inclusive organization where individual employees with diverse backgrounds in terms of race, nationality, gender, religion, disability, age, place of origin, gender identity and sexual orientation can demonstrate their potential to the fullest	Improvement in ratio of women in managerial positions · Global: 16% by 2023 · Japan: 13% by 2023
	Quality	Product quality	Strive for top-level quality from the customer's perspective
		Sales and service quality	Achieve top-level quality in all focus markets and maintain top-level quality for sales and service over the longer term
	Supply chain	Aim to establish a sustainable supply chain with due regard to the environment and human rights	· All of our suppliers follow Renault-Nissan CSR Guidelines for Suppliers · Aim to reduce our collective environmental footprint through environmental data survey and collaboration with suppliers
	Employees	Learning and development	Nurture an ability to cope with a range of potential future developments  Create a continuous learning culture at Nissan by: · Launching an integrated development framework · Optimization of Leadership Development Programs · Providing digital solutions to realize "anytime, anywhere learning" utilizing great digital solutions
		Occupational safety and health	Realize zero-accidents, zero-illnesses and a safe workplace  Currently adjusting FY2022 targets based on new method for aggregating the accident frequency rate; the short-term goal this fiscal year is to remain at or under the previous fiscal year rate of frequency
	Community engagement	Realize a cleaner, safer and more inclusive society	All regions are executing philanthropy programs for strategic areas, such as "zero emission," "zero fatality" and "zero inequality"

Activities within ESG	Long-Term Vision		Main Goals for 2022
Governance	Compliance	A fully functioning framework for the prevention of conduct violations and for compliance at Nissan globally	· Enhance monitoring of each compliance risk area, and establish framework to oversee progress of each monitoring activity · Enhance third-party compliance system to ensure entire Nissan business process is compliant
		Risk management	Achieve benchmark levels for maintenance and enhancement of information security, prevention of information leaks, damage limitation and maintenance of transparency in the event of leaks  Achieve benchmark levels for maintenance and enhancement of information security in each area, including new environments and areas

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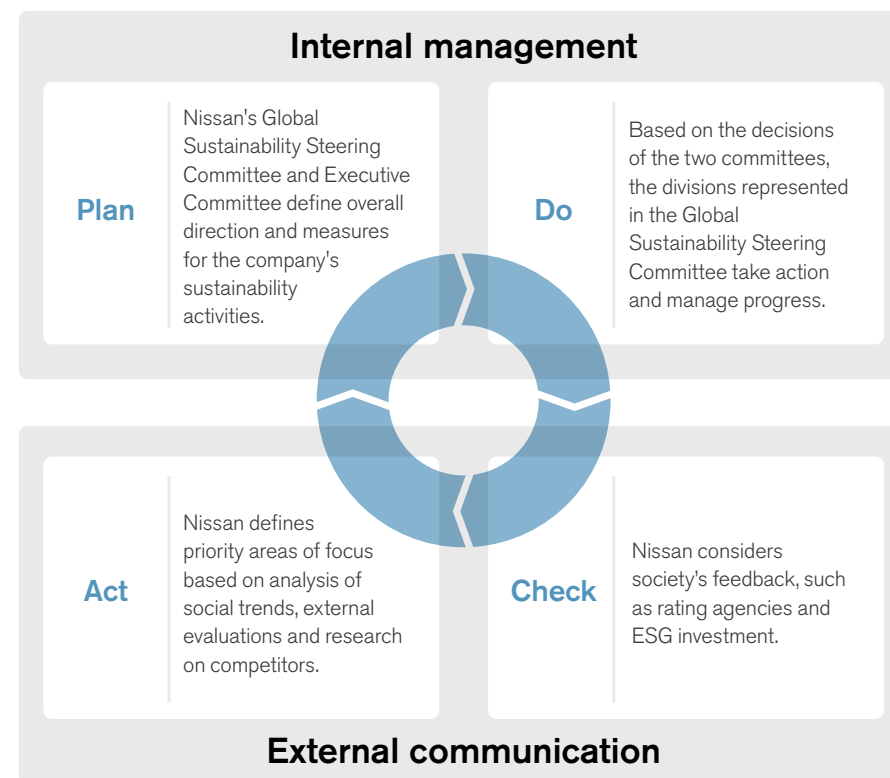
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## MANAGING THE ADVANCEMENT OF SUSTAINABILITY

### PDCA Cycle to Promote Sustainability

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

### PDCA Cycle





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## EXTERNAL ASSESSMENT

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

### FTSE4Good Index Series, FTSE Blossom Japan Index

Developed by global index provider FTSE Russell, the FTSE4Good Index Series and FTSE Blossom Japan Index measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. Both are widely used to create and assess sustainable investment funds and other financial products. The FTSE Blossom Japan Index was created exclusively for Japanese companies. In the 2020 assessment, Nissan continued to be selected as a constituent of the FTSE4Good Index Series, as well as a constituent of the FTSE Blossom Japan Index for the fifth consecutive year.



FTSE4Good



FTSE Blossom  
Japan

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

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

## CDP Climate Change and Water Security 2020

Nissan's water resource initiatives and disclosure of information in fiscal 2020 resulted in being certified as an "A-List" company in the "Water Security" category for the second consecutive year by CDP, a non-profit organization and world-class authority on the environment.



At the same time, Nissan received an A- in their Climate Change category. Consequently, Nissan has been evaluated as "Leadership Level" in two categories for the second consecutive year since fiscal 2019.

## Clarivate Top 100 Global Innovators 2021

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

Top 100  
Global  
Innovator  
2021



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# NISSAN'S CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

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

## SUSTAINABLE DEVELOPMENT GOALS



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SDG	Goal Targets	Nissan's Contribution	Nissan's Approach	Indicators	FY2018 Results	FY2019 Results	FY2020 Results	Targets
1	1.2	Improving livelihoods	Through community engagement activities, aim to realize a cleaner, safer and more inclusive society where everyone is given equal opportunities.	—	—	—	—	—
2	2.1	Emergency food assistance	Ascertain the needs of areas affected by natural disasters, providing supplies and other support.	—	—	—	—	—
3	3.6	Reducing traffic accidents	Reduce the traffic fatalities by taking measures in the areas of vehicles, individuals and society.	Number of fatalities from accidents involving Nissan vehicles compared to 1995 level (Japan)	76% reduction	76% reduction	(Most recent data is 2019)	75% reduction compared to 1995 levels by 2022
	3.9	Reducing health impacts	Improve air pollution in urban areas through the spread of zero-emission vehicles, etc.	—	—	—	—	—
4	4.2 4.3	Supporting youth education	Provide educational programs that make use of the knowledge and technologies built up during business activities.	—	—	—	—	—
	4.7	Promoting understanding of sustainability	Promote understanding of sustainability among employees, sales companies, business partners and others.	—	—	—	—	—
5	5.1	Advancing gender equality	Promote support for advancement of women in the workplace globally through diversity and inclusion and community engagement activities.	—	—	—	—	—
	5.5	Advancing gender equality	Establish an inclusive organization where individual employees with diverse backgrounds can demonstrate their potential to the fullest.	Ratio of managerial posts filled by women	13.6%	13.9%	14.7%	Global target of 16% by 2023

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SDG	Goal Targets	Nissan's Contribution	Nissan's Approach	Indicators	FY2018 Results	FY2019 Results	FY2020 Results	Targets
6	6.4	Improving efficiency in water usage	Manage and reduce water usage at all of production plants producing Nissan vehicles and parts located all over the world.	Rate of reduction in water usage per vehicle produced (vs. 2010)	18.7%	23.0%	16.0%	21% reduction in water usage at manufacturing plants across the world by 2022
7	7.2	Increasing renewable energy usage	Promote adoption of renewable energy according to the characteristics of each region by taking three approaches: generating its own power in company facilities; sourcing energy with a higher proportion of renewables; and leasing land, facilities and other Nissan assets to power companies.	Renewable energy usage rate in manufacturing plants	10.2%	10.2%	10.5%	—
	7.3	Improving energy efficiency	Promote initiatives to reduce energy consumption in the manufacturing process.	Energy per vehicle produced	1.73 MWh	1.75 MWh	2.11 MWh	—
8	8.1	Economic development	Encourage the growth of the world economy through automobile manufacture and sales.	Net sales	11.6 trillion yen	9.88 trillion yen	7.86 trillion yen	—
	8.2	Offering learning opportunities	Provide every member of a diverse workforce with opportunities for self development "anytime and anywhere."	Hours per learner	21.5	26.0	24.3	—
	8.5	Establishing decent work	Promote workstyle reforms that provide a crucial foundation for supporting diversity and inclusion, allowing employees with a range of values and life needs to perform at their best.	Employee turnover rate	6.2%	6.6%	4.6%	—
	8.7	Respect for human rights	Promote initiatives based on the Nissan Human Rights Policy Statement in recognition of the UN Guiding Principles on Business and Human Rights as the standard reference.	—	—	—	—	—
	8.8	Reducing industrial accidents	Set up occupational health and safety management systems and put in place structures for the steady implementation of employee safety and health activities.	Accident frequency rate (Japan)	0.35	0.49	0.36	—



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SDG	Goal Targets	Nissan's Contribution	Nissan's Approach	Indicators	FY2018 Results	FY2019 Results	FY2020 Results	Targets
9	9.4	Improving environmental preservation technology	Work to protect the environment through business activities and the provision of revolutionary products, technologies and services.	Environmental conservation costs (Japan)	Investment: 3.79 billion yen, Cost: 171 billion yen	Investment: 2.54 billion yen, Cost: 184 billion yen	Investment: 1.82 billion yen, Cost: 152 billion yen	—
			Solicit the necessary facility proposals from each global site, preferentially allocating investment based on the benefit in CO <sub>2</sub> reduction compared to project costs.	—	—	—	—	—
10	10.2	Advancing diversity	Establish an inclusive workplace where individual employees with diverse backgrounds can demonstrate their potential to the fullest.	—	—	—	—	—
11	11.1	Creating sustainable cities	Through community engagement activities, and together with partners such as NGOs, aim to realize a cleaner, safer and more inclusive society where everyone is given equal opportunities.	—	—	—	—	—
	11.2	Establishing resilient transport infrastructure	Contribute to the development of a sustainable mobility society through use of electric vehicles, autonomous driving and other technologies.	—	—	—	—	—
12	12.4	Reducing air pollutants	Reduce air pollutants from the manufacturing process.	VOC emissions (main regions)	8,433 tons	6,465 tons	4,742 tons	—
				NOx emissions	418 tons	380 tons	364 tons	—
				SOx emissions	34 tons	14 tons	10 tons	—
				Emissions of substances designated by PRTR	3,398tons	3,313tons	(Most recent data is 2019)	—
	12.5	Reducing waste	Incorporate the three Rs at the new car design stage and reduce waste materials.	End-of-life vehicle recovery rate (Japan)	99.6%	99.2%	99.4%	—
			Reduce waste materials from the manufacturing process with methods such as recycling.	Waste reduction rate (BAU ratio)	10.2% (Japan) 2.6% (Overseas)	5.8% (Japan) 4.3% (Overseas)	7.4% (Japan) 4.4% (Overseas)	BAU -2% (Japan) and BAU -1% (overseas) of waste reduction
	12.6	Providing information about sustainability	Provide stakeholders with information through a sustainability report and other media.	—	—	—	—	—

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SDG	Goal Targets	Nissan's Contribution	Nissan's Approach	Indicators	FY2018 Results	FY2019 Results	FY2020 Results	Targets
13	13.1	Reducing greenhouse gas emissions	Reduce CO <sub>2</sub> emissions from new cars.	Reduce CO <sub>2</sub> emissions by 40% relative to FY2000 levels by FY2022	33.0%	34.8%	37.4%	Reduce CO <sub>2</sub> emissions by 40% relative to FY2000 levels by FY2022
			Reduce CO <sub>2</sub> emissions from corporate activities.	CO <sub>2</sub> emission reduction per vehicle sold (vs. FY2005)	31.4%	34%	33.7%	Reduce CO <sub>2</sub> emissions by 30% relative to FY2005 levels by FY2022
			Use carbon credits and reduce CO <sub>2</sub> emissions.	Credit amount (Spain)	42,787 t-CO <sub>2</sub>	38,845 t-CO <sub>2</sub>	26,153 t-CO <sub>2</sub>	—
14	14.1	Preventing marine pollution	Manage the water quality of waste water at all of our manufacturing sites according to standards that are even stricter than local regulations.	—	—	—	—	—
15	15.5	Preserving biodiversity	Based on the UN Millennium Ecosystem Assessment framework, identify issues and implement initiatives that include cooperation with outside organizations.	—	—	—	—	—
16	16.3	Respect for the rule of law	Strengthen the legal order through strict adherence to law.	Significant violations of laws and regulations which resulted in government penalties (Environment)	None	None	None	—
	16.4	Preventing illegal product trading	Thoroughly comply with export control laws and regulations that relate to national security issues.	—	—	—	—	—
	16.5	Reducing corruption and bribery	Reduce violations by carefully following the Nissan Global Anti-Bribery Policy.	—	—	—	—	—
17	17.16	Technological cooperation toward a sustainable society	Serve as a technology leader in the automobile industry through the Renault-Nissan-Mitsubishi alliance.	—	—	—	—	—

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# The Alliance



**RENAULT NISSAN MITSUBISHI**

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



**Jean-Dominique Senard**

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



**Luca de Meo**

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



**Makoto Uchida**

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



**Takao Kato**

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

## The Alliance Operating Board

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

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## A Business Model for Enhancing Competitiveness and Profitability

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

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

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

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

The aim of the leader-follower scheme is to enhance return on investment by expanding the Alliance's existing standardization strategy. This collaborative investment in platforms, powertrains and technologies reaches across

all product segments, technologies, and across all geographies, enabling the companies to maximize fixed cost sharing as well as leverage existing assets. In 2020, Nissan revealed the Ariya, an all-electric crossover SUV. The Ariya is the first Nissan model to adopt the Alliance-developed CMF-EV platform. This modular platform was designed to be used only for EVs and can cover multiple vehicle segments.

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

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

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



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# Environmental

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# ENVIRONMENTAL POLICIES AND PHILOSOPHY

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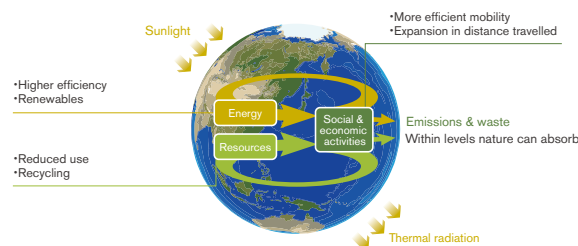
## Environmental Principles

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

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

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

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



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

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

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

### Ultimate Goal

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

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

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

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

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## Nissan's Understanding of Environmental Issues

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

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

As a global automaker, we take active steps to identify the direct and indirect environmental impacts of our activities, working with business partners and society to minimize the negative impacts of our products and services throughout their lifecycle. We acknowledge that our activities and efforts

must be continuously improved and advanced; we seek to provide greater value for society by delivering sustainable mobility for all while alleviating environmental impacts associated with climate change, natural resource dependency, water use and other issues.

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

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

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## Nissan's Strategic Approach to Environmental Issues

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

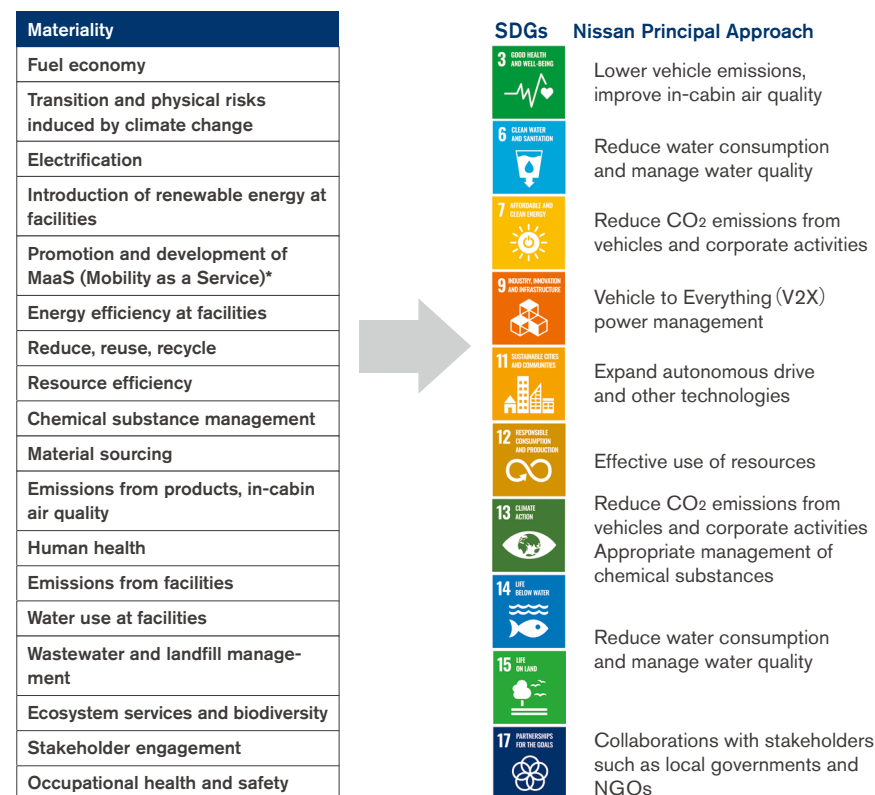
In considering environmental materiality, we applied the methods of the Corporate Ecosystem Services Review (ESR)\* developed by the World Resources Institute (WRI) in cooperation with the World Business Council for Sustainable Development (WBCSD) and the Meridian Institute based on the UN Millennium Ecosystem Assessment (MA). As a result, we specified three priority areas on which we should focus as an automaker: Procurement of

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Energy, Procurement of Material Resources and Usage of Water Resources. A fourth area that is linked directly to people's health Air Quality was cited as being within the scope of consideration, as the swelling of urban populations and economic development are often accompanied by deteriorating air quality. These were analyzed internally in terms of opportunities and risks for Nissan with reference to the 2030 Agenda for Sustainable Development, centered on the SDGs, as well as the discussions at the World Economic Forum, the Paris Agreement adopted at the 21st Conference of the Parties (COP21) and other global agendas. Moreover, through direct discussions with international environmental experts, investors and NGOs/NPOs, as well as through separate dialogues with our Alliance partners, we subsequently identified environmental materiality for Nissan. Environmental materiality corresponds to the objectives of the SDGs, and Nissan's approach contributes to the realization of the SDGs.

\* Click here to read "Ecosystem Services and the Automotive Sector," a report outlining the conclusions of the Corporate Ecosystem Services Review conducted by Nissan.  
[https://www.nissan-global.com/EN/DOCUMENT/PDF/ENVIRONMENT/SOCIAL/ecosystem\\_services\\_and\\_the\\_automotive\\_sector.pdf](https://www.nissan-global.com/EN/DOCUMENT/PDF/ENVIRONMENT/SOCIAL/ecosystem_services_and_the_automotive_sector.pdf)

## Materiality Analysis (Environment) and SDGs Comparison



\* MaaS (Mobility as a Service): Car sharing and other mobility services that do not require actual car ownership.

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## Scenario Analysis to Strategies for 2050 Society

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

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

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

the timeline, items with a more substantial impact were screened from the main drivers.

- Changes, conditions, and effects were adjusted in each scenario to provide guidance based on qualitative evaluation of the elements necessary for enhancing strategies.

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

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

However, if the societal response to climate change is delayed, possible risks include transition risks such as additional policies and regulations for a decarbonized society, increases in R&D efforts and changes in market demand or corporate reputation among other transition risks, and physical risks such as an increase in abnormal weather and rising sea levels may lead to cost increases and declines in vehicle sales that have the potential



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to substantially influence on our financial situation.

To avoid risks such as these to the extent possible and create future opportunities, Nissan is leveraging knowledge gained from scenario analysis for use in actual activities and reviewing strategies for expanding resilience.

We will continue to implement these initiatives by embodying our vision for 2030, further enhancing the disclosure of information and placing importance on dialogues with our stakeholders.

#### Envisioned scenarios and associated opportunities and risks

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

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## Building a Resilient Climate Change Strategy

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

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

A scenario analysis\*<sup>1</sup> is conducted on transition risks, physical risks and opportunities due to climate change based on the 4° C and 1.5° C scenarios created by the International Energy Agency (IEA) and IPCC 1.5° C

Special Report. We specified as major risks tighter regulations on fuel economy and CO<sub>2</sub> emissions, intensifying competition in the EV market and physical damage due to extreme weather conditions. We determine specific measures to be taken by each division after clarifying the risks and opportunities—including those relating to climate change—for our company. Additionally, climate change also greatly heightens customer needs

for energy-efficient mobility. We are meeting those needs by clearing stringent CO<sub>2</sub> emissions regulations, as outlined in the NISSAN NEXT\*<sup>2</sup> transformation plan calling for annual aggregate sales of 1 million 100% EV and e-POWER vehicles by fiscal 2023. In our corporate activities, we are actively advancing energy-saving measures, shifting to climate-efficient logistics and introducing renewable energy sources.

Based on these risks and opportunities, Nissan announced it will achieve carbon neutrality in the vehicle life cycle by 2050 as a long-term vision\*<sup>3</sup> for climate change. We will realize a carbon-neutral future by promoting the electrification of automobiles and pursuing the sustainability of our business activities in line with the expansion of renewable energy and charging infrastructure in society. To achieve this, from the early 2030s, all new models introduced in major markets will be electrified. In establishing and implementing the medium-term environmental action plan NGP2022\*<sup>4</sup> up to 2022 for realizing our long-term vision, we formulate various future climate change scenarios and strengthen the resilience of our climate change strategy. In addition, to convey information to investor and other stakeholders in an easily understandable manner, Nissan supports TCFD recommendations and strives to disclose information in line with the TCFD recommended framework.

\*<sup>1</sup> Details on Climate Change Scenario Analysis

Strengthening Strategies for 2050 Society Using Climate Change Scenario Analysis

[>>> P049](#)

\*<sup>2</sup> Click here for more information on NISSAN NEXT

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

\*<sup>3</sup> Long-term vision for climate change:

[>>> P014](#)

\* Products: Life cycle carbon neutral by 2050

Click here for more information on Policies and Philosophy for Product Initiatives.

[>>> P059](#)

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\* Strengthening Strategies for 2050 Society Using Climate Change Scenario Analysis

[>>> P049](#)

\* Corporate activities: Carbon neutral vehicle life cycle by 2050

Details are posted on the page of "Policies and Philosophy for Corporate Activity Initiatives"

[>>> P072](#)

\*4 Click here for more information on the Nissan Green Program 2022 (NGP2022)

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

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

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## Global Environmental Management Framework and Governance System

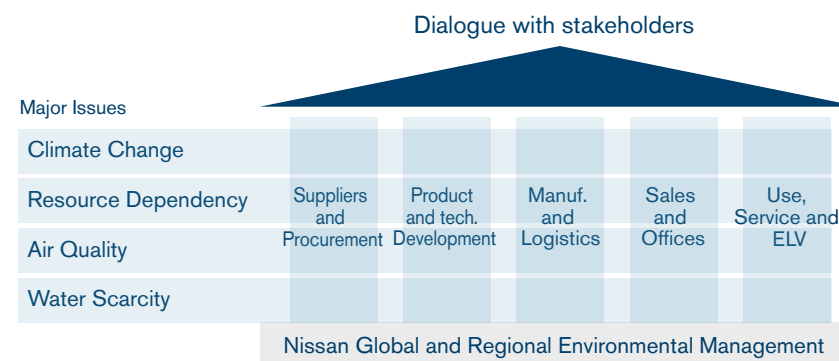
To promote comprehensive environmental management as a global company while responding to a diverse array of environmental issues, Nissan has a governance system built on dialogue and partnership with each region and many corporate functions, as well as with a variety of stakeholders.

The Global Environmental Management Committee (G-EMC), co-chaired by a board member, determines overall policies and the content of reports put before the Board of Directors. Its meetings are attended by corporate officers chosen based on the issues to be discussed. Executives also clarify risks and opportunities at the corporate level and determine the specific programs to be undertaken by each division, using the PDCA cycle to manage and operate the environmental programs efficiently. Environmental risks are regularly reported in the Internal Control Committee meetings to strengthen corporate governance.

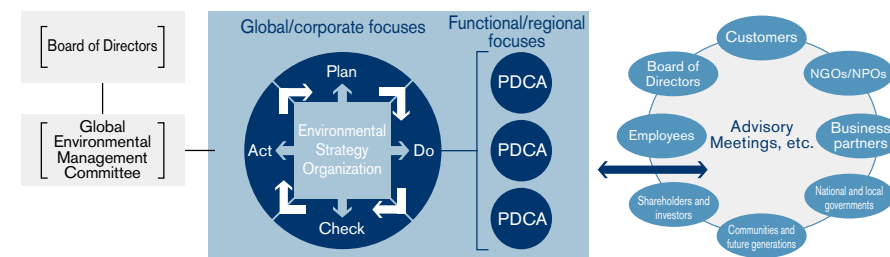
Corporations today are expected to disclose their environmental initiatives

and related decisions in a reliable and transparent manner. We actively communicate with a broad range of stakeholders through our Sustainability Report and by answering inquiries from various environmental rating agencies.

## Global Environmental Management Framework



## Environmental Management Organization



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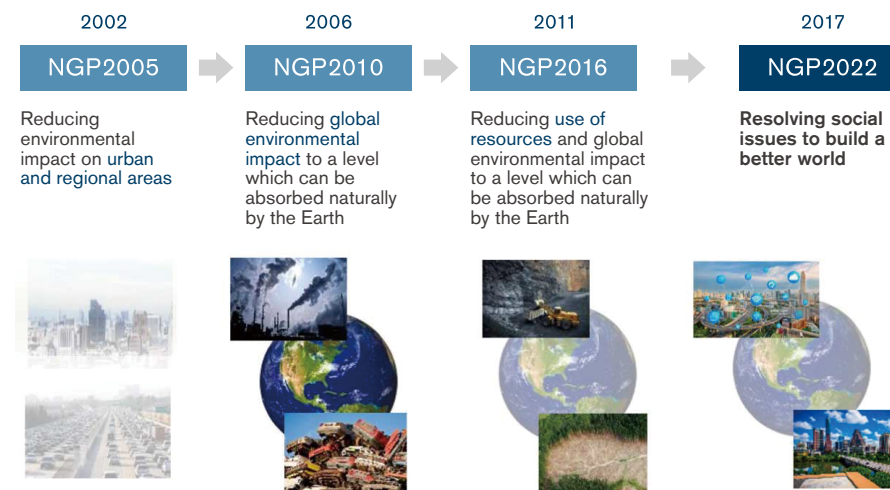
## Environmental Action Plan: Nissan Green Program (NGP)

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

\* Click here for more information on NGP2022.

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

## Evolution of NGP





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## NGP2022 Key Issues and Challenges

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

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

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

- Climate Change: We aim for carbon neutrality Promote society’s decarbonization through vehicle electrification / intelligence and innovative future *monozukuri*
- Resource Dependency: We aim to eliminate the use of new material resource Create systems that use resources efficiently and sustainably, and provide services able to use vehicles more effectively (circular economy)
- Air Quality: We aim for zero impact ,Ensure cleaner exhaust emissions and create a comfortable in-cabin environment to protect human health

and reduce the impact on ecosystems

- Water Scarcity: We aim for zero stress ,Reduce water consumption and manage water quality with *monozukuri* that is considerate of impact and dependency on ecosystems

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## NGP2022 Action Plan

Activities		NGP2022 Objectives	FY2020 Results
Climate change (Product)			
Long-term vision: Realize carbon neutrality by 2050			
1	Product CO <sub>2</sub> emission reduction	40% reduction of CO <sub>2</sub> emissions from new cars (vs. FY2000; Japan, U.S., Europe and China)	Reduced by 37.4%
2	Solid EV leadership	—	Nissan LEAF is the first global mass market EV and accumulated sales over 500,000 units. Start pre order of new EV[ARIYA] with advanced technologies
3	Support driver's behavior	Pilot program with connected cars	Activities underway
4	Expansion of vehicle usage	Global expansion of V2X for energy management (Japan, U.S. and Europe)	Promoted expansion of usage
Climate change (Corporate)			
Long-term vision: Realize carbon neutrality by 2050			
5	Overall reduction of CO <sub>2</sub> emissions from corporate activities	30% reduction of CO <sub>2</sub> emissions per vehicle sold (vs. FY2005; global)	Reduced by 33.7%
6	Reduction of CO <sub>2</sub> emissions at manufacturing sites	36% reduction of CO <sub>2</sub> emissions per vehicle produced (vs. FY2005; global)	Reduced by 29.7%

7	Reduction of CO <sub>2</sub> emissions of logistics	12% reduction of CO <sub>2</sub> emissions per production (vs. FY2005; Japan, North America, Europe and China)	Reduced by 27.8%
8	Reduction of CO <sub>2</sub> emissions at offices (including R&D sites)	12% reduction of CO <sub>2</sub> emissions per floor area (vs. FY2010)	Reduced by 16.3%
9	Reduction of CO <sub>2</sub> emissions at dealers	12% reduction of CO <sub>2</sub> emissions per floor area (vs. FY2010; Japan)	Reduced by 19.1%
10	Expansion of renewable energy use	Expansion of renewable energy introduction	Consumption rate of renewable energy at manufacturing plants 10.5%
Air quality			
11	Cabin air quality improvement	Promotion of research on technical solutions	Activities underway
12	Reduction of VOC emissions at manufacturing sites	Promotion of VOC emission reduction per paint area (vs. FY2010)	Reduced by 36.8%
Resource dependency			
Long-term vision: Reduce dependency on new materials by 70%			
13	Development of biomaterials	Promotion of research on technical solution	Development underway

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Activities		NGP2022 Objectives	FY2020 Results
14	Proper use of chemical substances	Implementation of the Alliance policy on chemical substance management	Strengthened Alliance policy and continued steady implementation
15	New resource usage minimization	30% reduction of new natural resource usage per vehicle	Promoted activities toward NGP2022 target
16	Expansion of remanufactured parts	Duplation of remanufactured item coverage (vs. FY2016)	Promoted activities toward NGP2022 target
17	Expansion of battery reuse	Expansion of the EV battery reuse business	Promoted EV battery reuse
18	Adoption of die-less forming	Plan and implement technical development	Start adoption to heritage parts
19	Waste reduction (manufacturing)	BAU 2% (Japan) and BAU 1% (overseas) reduction of waste	Reduced by 7.4%(Japan) Reduced by 4.4%(overseas)
20	Waste to landfill reduction (manufacturing)	Landfill ratio reduction	Reduced waste to landfill ratio to 3.4% (global)
Water scarcity			
21	Water withdrawal reduction (manufacturing)	21% reduction of water withdrawal per global production (vs. FY2010)	Reduced by 15.6%

Business foundations			
22	Governance enhancement	Implementation of our environmental compliance policy	Adhered to environmental compliance policy
23	Further application of LCA	Measure lifecycle environmental impact of vehicle and new technology	Continue to measure lifecycle environmental impact for new launched products in 2020.
24	Engagement with suppliers	Implementation of environment data survey to promote engagement and reduce environmental impact	Promote supplier engagement globally through CDP survey
25	THANKS activities promotion	Further promotion of Supplier THANKS activities	Continued to promote THANKS activities
26	Nissan Green Purchasing Guidelines	Adoption of updated policy	Strengthen the Nissan Green Purchasing Guidelines and its adoption
27	Education program for the next generation	Global expansion of Nissan Waku-Waku Eco school program	Distribute DVD of Nissan Waku-Waku Eco school and conduct online program
28	Collaboration with NGOs for ecosystem conservation	Enhancement of collaboration and partnerships with NGOs	Participated in campaign sponsored by WWF Japan, continued joint projects with Conservation International

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# CLIMATE CHANGE

## STRATEGY FOR ADDRESSING CLIMATE CHANGE

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### Toward a Carbon-Neutral Society

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

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

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

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

The business structure of the automobile industry is changing greatly in the face of demands to reduce CO<sub>2</sub> emissions and dependence on fossil fuels. Nissan has been proactively engaged in environmental responsiveness and the creation of social value, such as reducing CO<sub>2</sub> emissions and realizing the practical use of electrification technologies. We will further develop these initiatives and promote global activities targeting carbon neutrality in 2050, aiming for 100% electrification in the early 2030s. As a global automaker, Nissan considers emissions across the entire value chain it shares with its suppliers, from procurement of raw materials to transportation and operation of vehicles. We understand how important it is to balance environmental initiatives with business activities, and strive to reduce emissions through new technology development, renewable energy use and other measures.

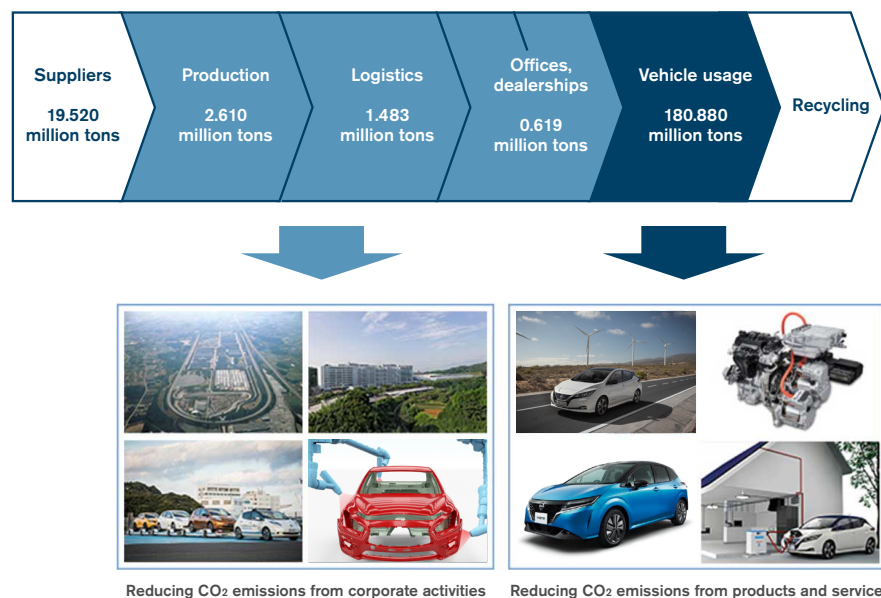


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## Efforts at Every Link in the Value Chain

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

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



\* Actual emissions in 2018.

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# PRODUCT INITIATIVES

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## Policies and Philosophy for Product Initiatives

### Reduction of Emissions from Products and Services

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

### Our Long-Term Vision

Based on the IPCC Fourth Assessment Report, Nissan made its own estimation, and in 2006, set a scientifically-based long-term CO<sub>2</sub> emission reduction target for new vehicles by 2050.

Recognizing that this would require drastic reduction of “well-to-wheel” CO<sub>2</sub> emissions from new vehicles, we set about developing a new scenario for powertrain technologies. Additionally, under the Nissan Green Program 2022 (NGP2022), to remain on track with this target, we are aiming to reduce CO<sub>2</sub> emissions from new vehicles by 40% compared to fiscal 2000 by 2022 (in Japan, the U.S., Europe and China) throughout the value chain as a whole. As a global leader in technological advancements through the electrification of our products, we believe we can substantially contribute to the global efforts to keep the temperature increase “well below” 2° C. These initiatives also reinforce the sustainability of our own business.

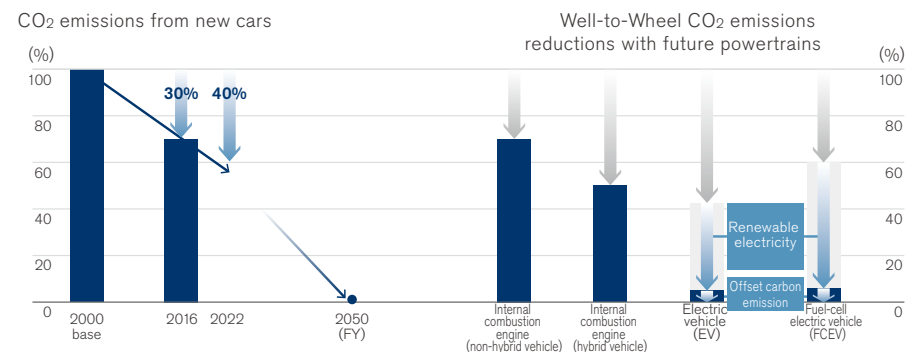
Although NGP2022 has achieved some success, in recognition that efforts made so far are insufficient in terms of the IPCC “Special Report: Global Warming of 1.5° C” published in 2018, and in terms of national / local government and customer expectations for carbon neutrality in each market, Nissan is working toward higher goals by aiming for carbon neutrality in the vehicle life cycle and all business activities by 2050. As a milestone toward the realization of this goal, in January 2021 we announced that Nissan has set the goal of achieving carbon neutrality across the company’s operations and the life cycle of its products by 2050. As part of this effort, by the early 2030s every all-new Nissan vehicle offering in key markets will be electrified.

Nissan will promote the evolution of new technologies and businesses, and under the umbrella of Nissan Intelligent Mobility,\* we take a unified approach to bringing new technologies, functions, businesses and services to market.

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

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

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



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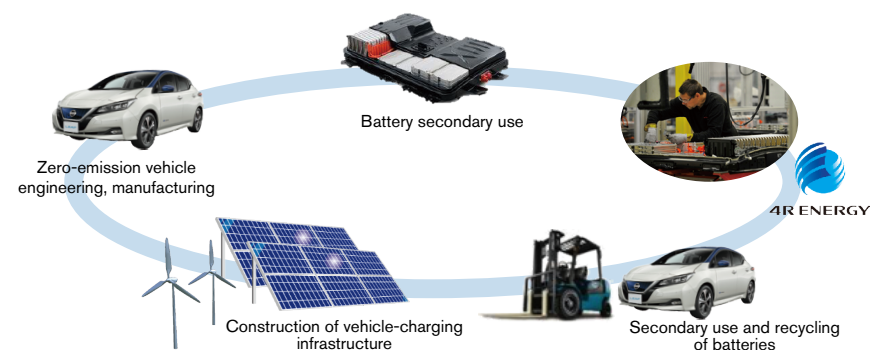
## Pursuing a Zero-Emission Society

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

We participate in a comprehensive range of vehicle-related initiatives, including the development of lithium-ion batteries, secondary use and recycling of batteries, construction of vehicle-charging infrastructure, helping to make smart grids a reality and standardization of charging methods with other manufacturers.

Increasing uptake of zero-emission vehicles will bring lifestyle changes that lay the groundwork for a new mobility society. We provide more than just EVs themselves, we also embrace the new values that they represent.

## Building a Zero-Emission Society with EVs



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## Establishing Leadership in the EV Sector

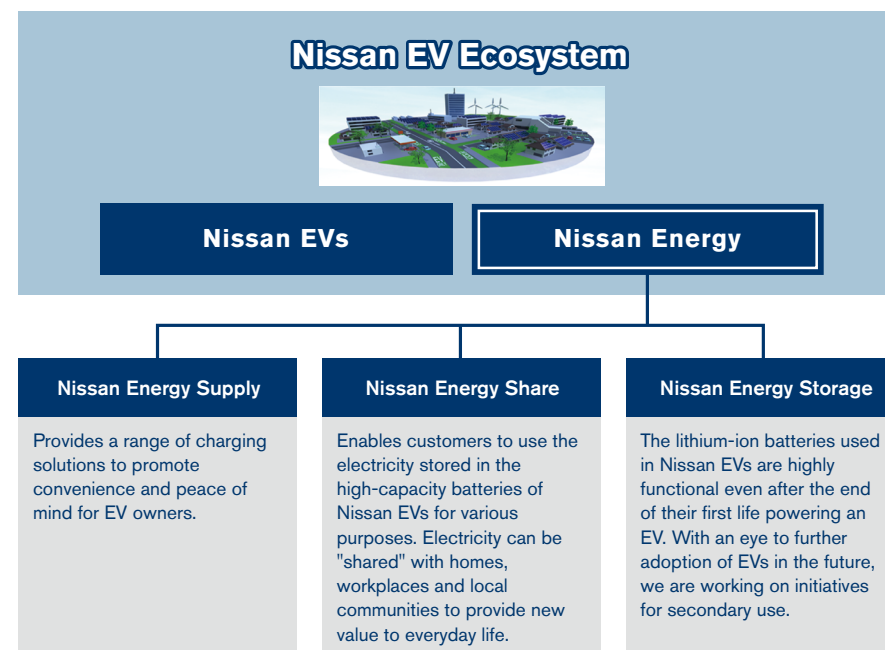
Our commitment to sustainable mobility addresses concerns over climate change and supports the sustainable growth of the company.

Our 2010 launch of the first Nissan LEAF made us pioneers of mass-produced EVs. Since then, we have sold more than 690,000 EVs (including joint venture sales) around the world in total, and our transformation plan, NISSAN NEXT, calls for even more Nissan EVs, designed to appeal to customers with an ever-wider range of needs.

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

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

## Nissan EV Ecosystem



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## Managing actions through Products

### Key Activities in NGP2022

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

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

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

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

Develop e-Pedal, which regenerates energy when the driver eases up the accelerator pedal. and e-POWER electric powertrain fusing gasoline engines and electric motors, promote adoption of route guidance technologies based on real-time information from departure point to final destination.

#### 3. Provide new mobility value

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

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

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

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



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## Product Initiatives: Achievements

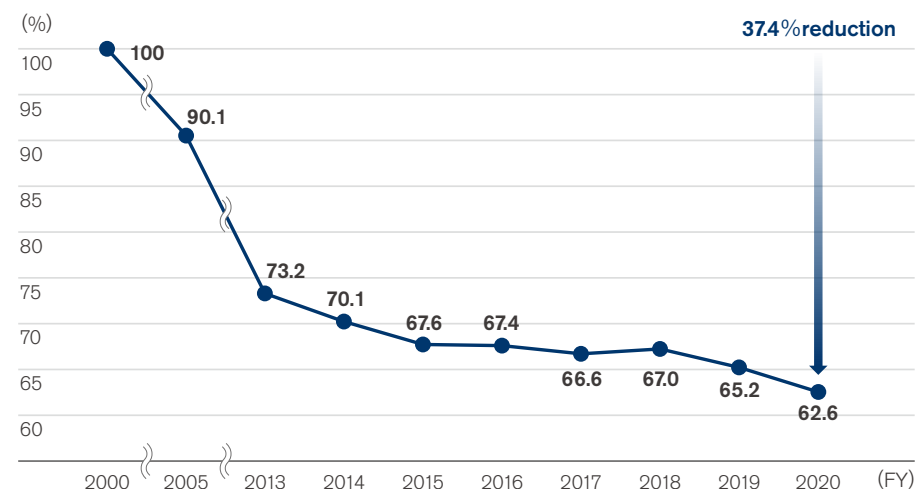
### Toward a 40% Reduction in New Vehicle CO<sub>2</sub> Emissions

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

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

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

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



In fiscal 2020, CO<sub>2</sub> emissions in Nissan's main markets of Japan, the U.S., Europe, and China were 37.4% lower than fiscal 2000 levels, as measured by Corporate Average Fuel Economy (CAFE).

In particular, fuel efficiency has improved compared to fiscal 2019 due to the introduction of new models in the United States and Europe.

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

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## Nissan's technologies of electrification realizing Carbon Neutrality

### Accelerating the Advancement and Promotion of Electrification Technologies

Nissan has set the goal to achieve carbon neutrality across the company's operations and the life cycle\* of its products by 2050. As part of this effort, by the early 2030s every all-new Nissan vehicle offering in key markets will be electrified as we pursue further innovations in electrification.

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

Nissan is working on advances in electrification technologies that can reduce CO<sub>2</sub> emissions, as well as the development of systems that can be installed in various vehicle models.

\* The vehicle life cycle includes raw material extraction, manufacturing, use, and the recycling or reuse of end-of-life vehicles.

## EV Evolution from the Nissan LEAF to the Nissan ARIYA

Nissan LEAF is Zero Emissions Vehicle, emitting no CO<sub>2</sub> or other exhaust when driving. Since its launch in 2010, it has earned high praise for the smooth, strong acceleration and quiet operation of its electric motor powered by a lithium-ion battery. Cumulative global sales of the Nissan LEAF, which celebrated its 10th anniversary in 2020, has exceeded 524 thousand units (as of Mar. 2021). We believe this is not only due to values such as its zero emission driving, but the result of customers appreciating Nissan unique EV characteristics such as outstanding driving performance such as acceleration and steering stability.



Nissan LEAF



Nissan ARIYA

\* For more information on Nissan LEAF lifecycle assessment.

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Nissan's first crossover EV announced in 2020, the Nissan ARIYA, is a further refinement of technologies cultivated in the Nissan LEAF, resulting in an advanced EV that combines powerful acceleration and smooth, quiet operation to make the most of the EVs unique qualities.

The newly developed powertrain boasts superior performance across all grades. The newly developed motor reduces energy consumption during

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high-speed cruising, realizing a range of up to 610 km\*<sup>1</sup> (2WD 90 kWh battery-equipped model WLTC mode, Nissan measurement). Supporting quick charges up to 130 kW, the addition of a water-cooled temperature control system keeps the temperature of the battery more constant to enable charging sufficient for distances up to 375 km with a quick charge of 30 minutes\*<sup>2</sup>.

\*<sup>1</sup> The distance ranges referenced in this report are Nissan measurements prior to certification and are subject to change until the starting sales.

\*<sup>2</sup> Using a CHAdeMO quick charger capable of 130 kW output or above. Charging times and amounts subject to change based on conditions such as battery state of health.

Lower cost powertrains are essential for broader EV adoption, but battery technical innovations in particular are a major issue. Specifically, Nissan will further promote the development of battery materials that reduce the amount of costly cobalt used. We are also conducting research and development on all-solid-state batteries, which have the potential to dramatically improve safety and reduce costs.

Depending on the spreading of EVs, the utilization of used battery will be the next issue and its market will also expand. 4R Energy Corp., which is funded by Nissan, established a plant in Namie, Fukushima Prefecture, and has been developing technologies for the reuse of used batteries. Nissan is already creating a business model in which used batteries collected from the market are sorted according to their condition and performance and supplied to various secondary users, passing on the value of reused batteries to customers. We will drive the increased spread of electric vehicles by expanding this model into a business and further reducing the hurdles to EV ownership for customers.

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

The e-POWER system combines an electric motor, which drives the wheels, with a gasoline engine that charges the vehicle's battery. e-POWER is a technology that achieves both the smoothness and strength of 100% motor drive and top-level fuel efficiency. It also offers driving comfort similar to that of an EV, making e-POWER a new powertrain completely different from the hybrid systems commonly used in previous compact cars. As the gasoline engine does not directly drive the wheels, it can be run under optimal conditions (RPM, load) at all times to generate electricity. In city driving, where it is expected to see frequent use, the e-POWER achieves top-class fuel economy\*. In e-POWER Drive mode, the driver can accelerate or decelerate simply by using the accelerator pedal, and the regenerative brake system also helps improve fuel economy by charging the battery.

\* As of when the model first went on sale, as measured in WLTC mode: Note e-POWER, 29.5 km/L.

In November 2016, in Japan, we launched the first vehicle to feature our innovative new e-POWER drive system: the new compact Note e-POWER. In March 2018, the e-POWER system was further expanded to the Serena e-POWER, also for the Japanese market. In June 2020, it was expanded to the Nissan Kicks. The Note e-POWER, Serena e-POWER and Nissan Kicks have received high praise from customers, with the Nissan Kicks named one of the "6 Best Cars of the Year" at the 30th Annual (2021) RJC Car of the Year Awards sponsored by the Automotive Researchers' & Journalists' Conference of Japan (RJC). At the same time, the e-POWER system

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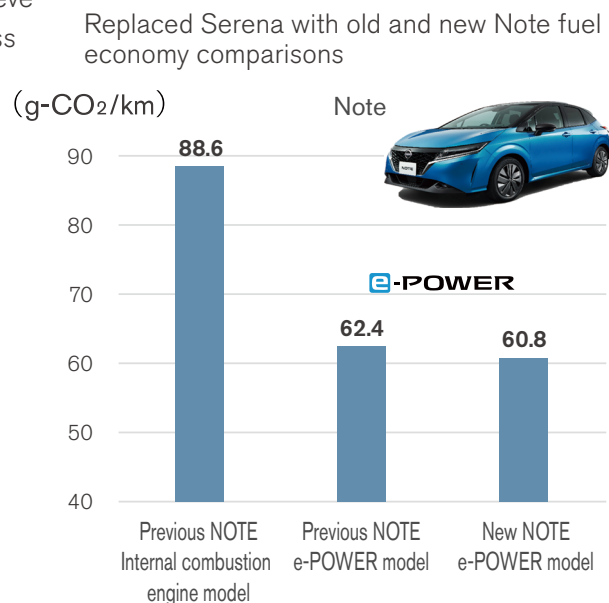
equipped on the Nissan Kicks won the “RJC Technology of the Year.” Having been launched in markets both in Japan and overseas, the e-POWER equipped Nissan Kicks has received favorable praise from local media and journalists around the world.

In December 2020, we launched the all-new Note, equipped with the second-generation e-POWER system. Additionally, global expansion of e-POWER equipped vehicles is progressing, starting with the addition of an e-POWER model on the Qashqai for Europe.

We are also working on the development of a system for the premium segment that can achieve overwhelming quietness by taking advantage of e-POWER

functionality to minimize vibration from the power generating engine.

Going forward, e-POWER will continue to evolve as a technology that can be installed in a wide range of vehicle models while balancing environmental



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

performance and driving performance at a high level. As with EVs, we will work to further reduce costs by developing battery technologies, dedicated engines for power generation and simplified systems customized for fixed-point operation. Additionally, we are developing technologies that achieve the world's highest level of 50% thermal efficiency with a next-generation engine dedicated to power generation for e-POWER and we promote technological developments enabling further reductions in CO<sub>2</sub> emissions (fuel efficiency improvement).

## The Growing Importance of Commercial Vehicle Electrification

It is estimated that commercial vehicle sales, which account for 25% of automobile sales, will increase to 50% in 2030, thus commercial vehicles electrification is important for carbon neutrality.

From June 2014, Nissan was first to sell the EV multipurpose commercial van e-NV200 in European countries and Japan. Compared to commercial vehicles based on internal combustion engines, the e-NV200 is able to reduce running costs and offer superior environmental responsiveness, including consideration for the impact of noise on the surroundings. Furthermore, the e-NV200 has power outlets in two locations drawing up to a total of 1,500 W of electricity from the onboard engine for electrical generation, which can be used to secure power on the go in business, for outdoor events and leisure activities, such as for refrigerators when outdoors or camping, as well as a power source in the event of a disaster. On construction sites, noise problems can be alleviated as there is no need to use an engine-powered generator. In Europe, Nissan is proposing a concept combining comfort and practicality through self-sufficient electricity with the

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"e-NV200 Winter Camper concept" making it possible to charge the 220-volt battery using solar panels mounted on the roof. Additionally, in 2020 the Tokyo Fire Department will begin using a zero-emission (EV) ambulance based on the NV400. Since ambulances must reduce the physical discomfort for both patients and paramedics, and because they need to be equipped with precision medical equipment, Nissan thinks quiet EVs with low vibration have strong merits. As this vehicle is also equipped with two lithium-ion batteries providing 33 kWh and 8 kWh, it is possible to operate electrical equipment and air conditioners for longer periods of time. It also enables the ambulance to be used as a mobile power source in the event of a power outage or disaster. Going forward, Nissan will continue to expand its lineup of electric commercial vehicles, including the introduction of next-generation small vans utilizing the Alliance platform, and promote the manufacture of commercial vehicles with zero emissions.



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



Zero-emission (EV) ambulance based on the NV400

## Progress in Plug-in Hybrid Vehicles

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

## Fuel-Cell Electric Vehicles

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

In alignment with Japanese government policies, we joined forces with Toyota Motor Corp., Honda Motor Co. and other companies to establish Japan H<sub>2</sub> Mobility, LLC (JHyM), targeting the full-fledged development of hydrogen stations for FCEVs in Japan. Addressing the key issues raised during the initial stage of FCEV promotion, JHyM will ensure that infrastructure developers, automakers and investors all do their part to support the successful strategic deployment of hydrogen stations and effective operation of the hydrogen station business in Japan.

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



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SOFCs can use a variety of fuels, enabling the use of existing fuel infrastructure, and have the advantage of presenting relatively low hurdles in terms of infrastructure adoption. Because our technology combines the efficient electricity generation of SOFC with the high energy density of liquid fuels, it can enable driving ranges on par with gasoline-powered vehicles. Commercial users that require higher uptime for their vehicles should increasingly be able to take advantage of this solution thanks to the short refueling times it offers.

## Weight Reduction Technologies Supporting Carbon Neutrality

Along with improving the efficiency of batteries, engines and electric powertrains, reducing the weight of vehicle is important for reducing CO<sub>2</sub> emissions.

Nissan is working weight reduction in three ways: substituting materials, developing better forming and joining techniques and optimizing vehicle body structure. In terms of materials, we are rapidly expanding the use of ultra-high-tensile steel realizing high strength and formability, which is used for the body frame components on a wide range of vehicle models, from “kei” minicars to the INFINITI.

In 2018, we adopted 980 megapascal (MPa) Ultra High Tensile Strength Steel with High Formability, which features further improvements in collision energy absorption performance, for the INFINITI QX50, and in 2019, SAE International presented Nissan with the “SAE/AISI Sydney H. Melbourne Award for Excellence in the Advancement of Automotive Steel Sheet,” among other accolades. In 2020, we expanded use of 980 MPa Ultra High Tensile Strength Steel with High Formability to the Rogue, and applied

the use of aluminum materials for hoods and doors to which the closed-loop recycling process\*<sup>1</sup> is applied. The recycling of waste aluminum is an environmentally friendly technology that can save more than 90% of energy required to make a comparable amount of aluminum from raw materials. In 2020, the Note adopted the use of Ultra High Tensile Strength Steel with increased strength up to 1470MPa. We are promoting the use of these technologies in a wide range of vehicle models to reduce weight and contribute to the reduction of energy consumption by reducing the amount of materials used and engaging in recycling.

In addition to technological advances in terms of materials and production methods, the e-POWER system, which employs a newly designed motor and inverter in line with structural optimization, has been adopted for the new Note released in 2020. This realizes vehicle weight reductions of 15% for the motor and 30% for the inverter while increasing output by 6%. Nissan will continue to proactively develop lightweight technologies to lower CO<sub>2</sub> emissions and reduce dependence on new mined resources in order to achieve carbon neutrality.

\*<sup>1</sup> Closed loop-recycling: The reuse of waste and scrap generated during manufacturing and used products collected in-house as materials for parts of the same quality or reuse in similar products.

\* For details about aluminum recycling activities, please see the following page:  
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## Initiatives for Partnerships with Society

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

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

#### Nissan Energy Supply

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

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

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

Our dedicated EV app lets customers find and check the real-time status of charging stations. This not only makes charging easier and more convenient but also provides a seamless charging experience. As of the end of January 2021, approximately 35,600 quick chargers conforming to the CHAdeMO protocol have been installed worldwide.

### Nissan Energy Share

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

Using inexpensive electricity in the evening during off-peak periods and excess electricity generated by solar panels during daytime reduces electricity costs and helps promote a model of local generation of electricity for local-consumption.

Furthermore, Nissan Energy Share makes it possible for EVs to provide backup power during blackouts or emergencies.

Local communities can connect multiple EVs to regional power grids to charge or discharge electricity in accordance with power supply and demand balance, which contributes to the stability of a community's power supply and promotes renewable energy use. EV's high-capacity batteries have high potential for usage as social infrastructure, by storing renewable energy like solar power for which generation is difficult to control.

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## Global Spread of Nissan Energy Share

Through collaborations with electric power companies, Nissan participates in demonstration projects around the world to verify how Nissan EV charge and discharge control (V2G, Vehicle to Grid), which is connected to power systems, help stabilize the supply and demand of electricity in society and the extent of economic and environmental benefits.

In the United Kingdom, in conjunction with the electric power company E.ON, we launched a project to install bi-directional chargers onsite at Nissan Technical Center Europe and verify compatibility between V2G and the efficient operation of company-owned vehicles (e4Future Project). We have also launched a project with the electric power company OVO Energy to install bi-directional charger in Nissan EV customer homes and verify the economic benefits of optimally controlling household power consumption (Sciurus Project).

Going forward, Nissan will continue to conduct V2G projects in the U.K., France, Belgium and Italy in collaboration with the electric power company EDF, a V2G project (REVS Project) aimed at frequency stabilization in the Australian Capital Territory implemented with the electric power company Actew AGL and the local government, and building energy management services (V2B, Vehicle to Building) in collaboration with US charging service provider Fermata Energy among other initiatives with our partners to increase and disseminate the value of EVs as batteries throughout the world. Based on results obtained from projects in each region, Nissan want to maximize the efficacy and economic benefits of EV charging and discharging operations and make Nissan Energy Share into a business as soon as possible.

## Nissan Energy Storage

Nissan EV batteries offer high performance even after being used in cars. As more and more customers switch to EVs, the supply of batteries capable of secondary use is expected to increase significantly.

In 2010, Nissan, as an EV pioneer, joined forces with Sumitomo Corp. to establish 4R Energy Corp., which specializes in repurposing lithium-ion batteries. The intention is to fully utilize resources by promoting the four Rs of lithium-ion batteries-reuse, resell, refabricate and recycle with the aim of building an efficient cycle of battery use.

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## Reuse system realized using EV batteries

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

In September 2019, Nissan and 4R Energy announced the establishment of a new solution for fixed storage batteries built with used batteries from the Nissan LEAF. To get started, we launched a proof-of-concept demonstration of "procuring electric power from renewable energy " at 7-Eleven stores in 10 locations across Kanagawa Prefecture. Under this scheme, 7-Eleven will introduce a package consisting of the Nissan LEAF electric vehicle and fixed storage batteries built with used batteries from the Nissan LEAF. The Nissan LEAF, which will be introduced as a commercial vehicle, will become a stationary storage battery after its use as a car has ended. The introduction of a package like this facilitates the creation of a circular system that takes into account the reuse of batteries. 4R Energy has developed a stationary storage battery with Vehicle-to-Everything (V2X) functionality, representing a further advance in the aforementioned stationary storage battery, and in line with CO<sub>2</sub> reductions during regular operations, Nissan is promoting the introduction of this package in a wide range of companies and municipalities as a BCP response for emergency situations.

## Launched Testing to Expanding EV Usage in California

California's active promotion of five million zero-emission vehicles by 2030 has helped make it the U.S. state with the largest volume of private EV sales. Even so, drivers still tend to use EVs for short-distance travel such as shopping or commuting. At the request of NEDO, and with the California government's cooperation, Nissan Motor Co., Ltd. (NML) and Kanematsu Corp. started a project in November 2016 in partnership with U.S. charging infrastructure service provider EV go to install over 57 fast chargers in more than 26 new locations along one of California's most important travel arteries. At the same time, the project created information service systems to guide EV users to the most appropriate fast charger. These initiatives are part of a pilot business to demonstrate the efficacy of expanding the driving range of EVs. The project was designed to expand the driving range of EVs to include intercity travel, and ran until September 2020, collecting and analyzing a range of EV data to establish models for further expansion of EV usage.

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## CORPORATE ACTIVITY INITIATIVES

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### Policies and Philosophy for Corporate Activity Initiatives

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

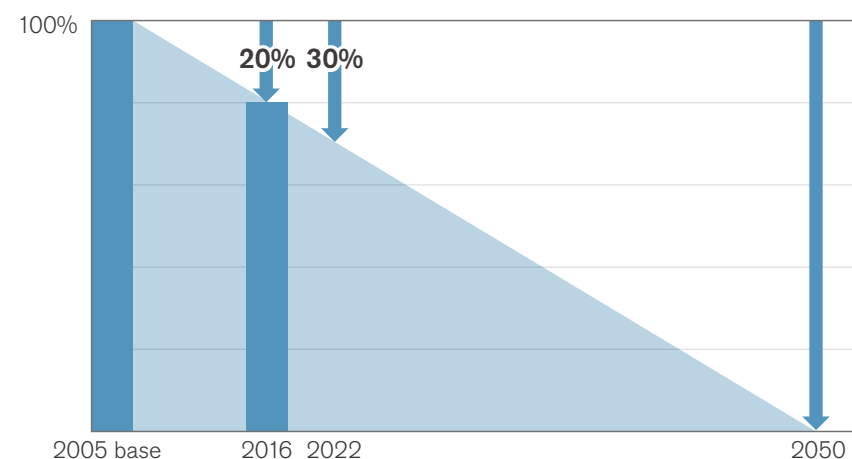
Nissan is taking steps to reduce its greenhouse gas emissions from corporate activities by promoting energy efficiency measures and also the use of renewable energy.

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

### Long-Term Vision and Road Map

IPCC 1.5°C special report published in 2018 stated the impacts of global warming of 1.5°C above pre-industrial levels and the context of strengthening the global response to the threat of climate change. Although NGP2022 has achieved some success of greenhouse gas reduction from corporate activities, in 2021, Nissan set targets for realizing carbon neutrality in the vehicle life cycle in 2050, and will accelerate greenhouse gas reduction from corporate activities to realize carbon neutral society

#### NGP2022 Long-Term Vision



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



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## Management of Corporate Activity Initiatives

### NGP2022 Objectives

Targets for each link in the value chain under the Nissan Green Program 2022 (NGP2022) aimed at achieving our long-term goal of carbon neutrality in the vehicle life cycle in 2050 are as follows:

## Overall

### (manufacturing, logistics, offices, dealerships):

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

#### Manufacturing

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

#### Logistics

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

#### Offices

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

#### Dealerships

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

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## Corporate Activity Initiatives: Achievements

### 33.7% Reduction in Emissions from Corporate Activities

In fiscal 2011, Nissan broadened the scope of its CO<sub>2</sub> reduction objectives to include logistics, offices and sales companies, as well as production sites. We expanded our emission-related initiatives, introducing high-efficiency equipment, energy-saving measures and the use of renewable energy, and also strengthened our management of these initiatives. Our objective is to reduce CO<sub>2</sub> emissions associated with corporate activities by 30% globally by fiscal 2022 compared to fiscal 2005 levels, as measured by the index of CO<sub>2</sub> emissions per vehicle (total emissions generated from Nissan global corporate activities divided by total Nissan vehicles sales volume). In fiscal 2020, we achieved a 33.7% reduction from the fiscal 2005 t-CO<sub>2</sub>/vehicle level.

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

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

In line with the acceleration of vehicle electrification, intelligence and the Nissan Intelligent Mobility concept promoted by Nissan, vehicle functions and construction are becoming increasingly complex. As further technological innovations will be essential in the production process, we announced the Nissan Intelligent Factory\* vehicle manufacturing concept.

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

\* Click here for more information on Nissan Intelligent Factory  
<https://global.nissannews.com/en/releases/release-ca298f94d2418782118342f5fd0448b6-191128-02-e>



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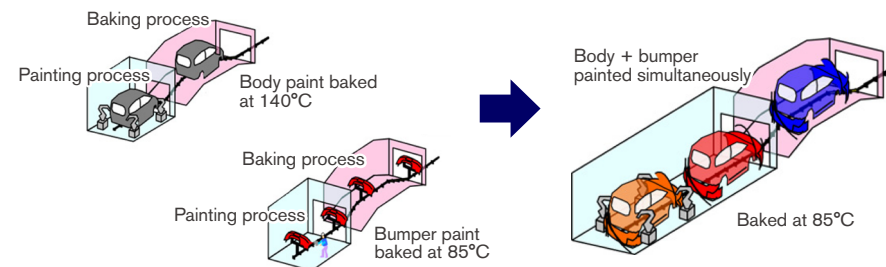
## Saving Energy in Global Production

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

In the realm of automotive production technology, we are introducing highly efficient equipment, improving manufacturing techniques and using energy-saving lighting in our assembly plants. Other key approaches are the three-wet paint process and low-temperature baking technology used for vehicle painting, which enables the body and bumpers to be painted at the same time. Approximately 30% of CO<sub>2</sub> emitted from manufacturing plants comes from the painting process, thus shortening or eliminating processes and lowering temperatures during the process will lead to a reduction in CO<sub>2</sub> emissions. The low-temperature three-wet painting technology introduced by Nissan enables the body and bumpers which were previously painted separately, to be painted at the same time, reducing CO<sub>2</sub> emissions from the painting process by 25% or more\*<sup>1</sup>. Nissan has implemented this technology in the new production line at the Tochigi Plant (launched in 2021) and will gradually expand its roll out as painting facilities become more sophisticated in the future. Also, systems for recycling air expelled from booths for reuse needed dehumidifying processing to ensure that the air was at the humidity required. Dry paint booths can reuse air without dehumidifying it, reducing energy consumption to less than half its previous levels. This technology was adopted for the dry paint booths at our Sunderland Plant in the United Kingdom (operating since September 2018) and has also been implemented on the new line at the Tochigi Plant.

\*<sup>1</sup> Source: Nissan

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



### Simultaneous Painting of Body and Bumpers

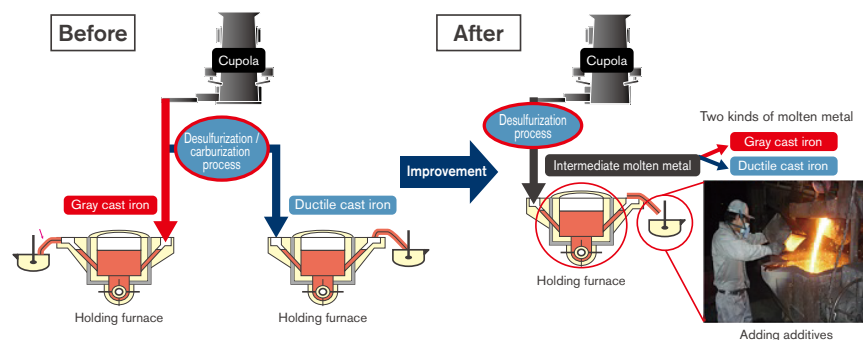
CO<sub>2</sub> emissions have been reduced by simultaneously painting the body and bumpers using a new technology and consolidating them into one process (right) and drying at a low temperature (85°C) instead of the conventional two-step process (left).

At the same time, in the powertrain production technology area, Nissan is working to reduce holding furnace energy usage in cast iron melting processes conducted by the Casting Division. Traditionally, in the melting process, two holding furnaces were used to store two types of cast iron melts with adjusted carbon and sulfur component contents. Now, intermediate molten metal with a low carbon and sulfur content is stored in one holding furnace. When transporting from the holding furnace to another process, the ingredients are adjusted by adding additive materials, creating two types of molten metal and making it possible to eliminate one holding furnace. As a result, power consumption was reduced by approximately 3,600 MWh per year (CO<sub>2</sub> conversion: Approximately 1,700 tons per year; oil conversion amount: Approximately 900 kiloliters per year). This corresponds to about 11% of the power consumed in the melting processes conducted by the cast iron factory located onsite at the Tochigi Plant. In light of this achievement, Nissan won the Agency for Natural Resources and Energy

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Award in the Small Group Activities category at the Energy Conservation Grand Prize Awards for fiscal 2019, sponsored by The Energy Conservation Center, Japan (ECCJ).

## Cast iron melting process



To reach our defined objectives for CO<sub>2</sub> emissions and energy use, we solicit facility proposals from each global site, preferentially allocating investment based on the potential CO<sub>2</sub> reduction compared to project costs. Making the value of carbon a key factor in internal evaluations lets us invest more efficiently and be more competitive. In Japan, we converted outdated facilities into cutting-edge high-efficiency facilities with investments to improve energy efficiency, including energy-saving roof insulation upgrades. Our plants use finely controlled lighting and air conditioning for low-energy use and low-energy-loss operations. We promote CO<sub>2</sub> emission reduction

activities and introduced cutting-edge energy-conservation technology from Japan in our plants worldwide. Around the globe, our plants learn and share best practices with each other, while Nissan Energy Saving Collaboration (NESCO)\*<sup>2</sup> diagnoses energy loss at plants in regions where it is active and proposes new energy-saving countermeasures. These proposals amount to a potential reduction in CO<sub>2</sub> emissions of some 45,300 tons\*<sup>3</sup> in fiscal 2020, according to our calculations.

When sourcing energy, we consider the balance of CO<sub>2</sub> emissions for the entire company alongside renewable energy usage rate and cost, choosing suppliers best suited for achieving each goal. Through such activities, CO<sub>2</sub> emissions per vehicle produced in fiscal 2020 were brought down to 0.52 tons, a reduction of 29.7% from the fiscal 2005 level.

\*<sup>2</sup> Established in Japan in 2003, then in Europe, Mexico and China in 2013

\*<sup>3</sup> Source Nissan

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## Energy Input

(FY)

	Unit	2016	2017	2018	2019*3	2020
Total	MWh	10,189,082	9,532,840	9,252,737	8,313,893	7,655,514
By region						
Japan	MWh	4,497,562	4,084,912	3,700,532	3,438,939	3,015,419
North America	MWh	2,643,303	2,452,299	2,570,438	2,180,450	1,909,902
Europe	MWh	1,093,103	1,126,186	1,048,201	913,521	888,089
Other	MWh	1,955,115	1,869,443	1,933,566	1,780,983	1,842,105
By energy source						
Primary						
Natural gas	MWh	3,537,674	3,701,640	3,579,998	3,079,723	3,089,803
LPG	MWh	249,426	179,945	191,405	175,559	144,478
Coke	MWh	217,431	218,618	200,527	154,961	100,144
Heating oil	MWh	209,232	147,522	113,200	90,078	69,618
Gasoline	MWh	303,040	299,000	259,045	243,166	184,021
Diesel	MWh	57,488	48,259	53,074	23,246	25,315
Heavy oil	MWh	43,853	27,652	15,995	16,303	22,816

(FY)

	Unit	2016	2017	2018	2019*3	2020
External						
Electricity (purchased)	MWh	5,247,663	4,755,897	4,711,467	4,384,282	3,851,011
Renewable energy*1	MWh	157,226	133,212	135,574	123,225	181,815
Chilled water	MWh	12,919	6,661	7,487	5,086	3,530
Heated water	MWh	4,690	5,000	5,000	2,706	2,635
Steam	MWh	136,593	128,038	102,324	125,662	96,960
Internal						
Electricity (in-house generation)	MWh	11,847	14,609	13,214	43,668	65,183
Renewable energy*2	MWh	11,847	14,609	13,214	43,668	65,183
Total renewable energy	MWh	169,073	147,821	148,788	166,893	246,998

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

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

\*3 Manufacturing base and office closures due to COVID-19 prevented the finalizing of FY2019 data in Sustainability Report 2020. FY2019 data has been updated for Sustainability Report 2021.



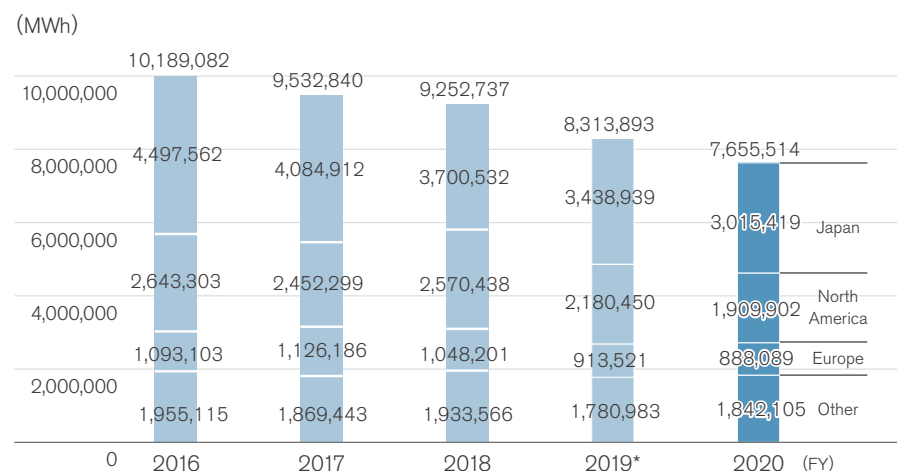
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## Energy Inputs and Energy Consumption

The total energy consumption of our global corporate activities during fiscal 2020 was 7.656million MWh, a 9% decrease from fiscal 2019. This reduction was primarily due to the promotion of energy-saving activities at facilities and a decline in total production volume. Production sites globally accounted for 6.513million MWh★ total energy consumption.

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

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\* Manufacturing base and office closures due to COVID-19 prevented the finalizing of FY2019 data in Sustainability Report 2020. FY2019 data has been updated for Sustainability Report 2021.

## Carbon Footprint of Corporate Activities

(FY)

	Unit	2016	2017	2018	2019*	2020
Scope 1	t-CO <sub>2</sub>	963,661	912,476	889,444	774,164	737,683
Scope 2	t-CO <sub>2</sub>	2,614,028	2,394,109	2,339,883	2,105,700	1,804,759
Scope 1+2	t-CO <sub>2</sub>	3,577,689	3,306,584	3,229,327	2,879,864	2,542,442
Japan	t-CO <sub>2</sub>	1,579,089	1,333,335	1,208,303	1,147,686	923,892
North America	t-CO <sub>2</sub>	823,340	683,332	738,234	648,754	647,465
Europe	t-CO <sub>2</sub>	176,285	228,998	221,692	163,553	156,441
Other	t-CO <sub>2</sub>	998,976	1,060,920	1,061,098	919,871	814,644
Scope 3	t-CO <sub>2</sub>	150,462,000	213,715,000	203,106,900	173,138,601	135,068,055

In fiscal 2020, the total of Scope 1 and 2 emissions was 2.542 million tons. Total CO<sub>2</sub> emissions from manufacturing processes were 1.951million tons★ (Scope 1 emissions: 0.599million tons★ Scope 2 emissions: 1.353million tons★).

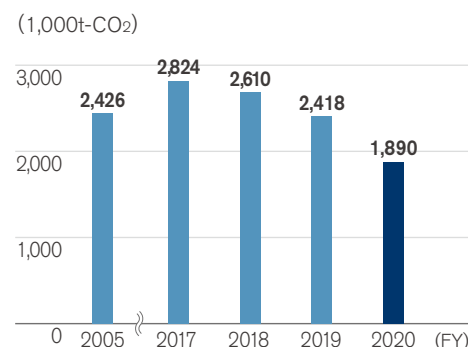
★ This figure is subject to assurance by KPMG AZSA Sustainability Co., Ltd. For details, please see here.

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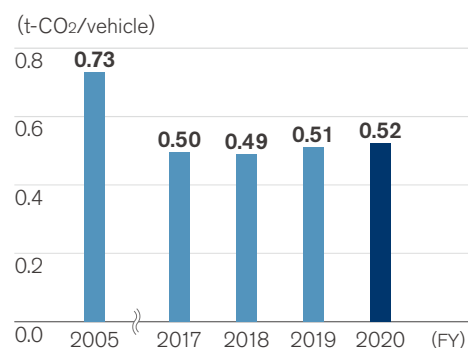
\* Manufacturing base and office closures due to COVID-19 prevented the finalizing of FY2019 data in Sustainability Report 2020. FY2019 data has been updated for Sustainability Report 2021.

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## Carbon Footprint of Manufacturing Activities



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



In fiscal 2020, our manufacturing CO<sub>2</sub> emissions per vehicle produced were 0.52 tons, 29.7% less than fiscal 2005.

## Promoting Renewable Energy

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

As an example of the first approach, our Sunderland Plant in the United Kingdom introduced 10 wind turbines supplying up to 6.6 MW of power. In 2016, the plant installed 4.75 MW solar power, and in 2021, additional installation of 20MW capacity has planned. At our Iwaki Plant, the guest hall for plant visitors is powered by solar energy. By storing surplus electricity in secondhand Nissan LEAF batteries, the plant both stabilizes the energy supply and uses resources more effectively. At the Huadu Plant of Dongfeng Nissan Passenger Vehicle (DFL-PV) in China, solar panels with a total capacity of 30 MW have been in operation since 2017, providing roughly 8% of the electricity used at the plant.

Regarding the second approach, our first Aguascalientes Plant in Mexico actively uses energy generated from biomass gas and wind power and has achieved a renewable energy usage rate of 50% since 2013. Since June 2020, we have further expanded the renewable energy usage rate to reach 70%. Solar power generators were also installed on a parking structure roof at the India plant in October 2020 and on a warehouse roof at the Egypt plant in March 2021, both of which have commenced operation. Through these efforts, we have enhanced the renewable energy usage rate at our production plants as part of reducing CO<sub>2</sub> emissions. In fiscal 2020, our renewable energy usage rate reached 10.5%.

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

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## More Efficient Logistics and Modal Shifts

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

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

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

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

We constantly review transport methods and are currently undertaking a modal shift to rail and maritime transport. Some 80% of completed vehicles in Japan are now transported by sea. Parts shipments to NMK from the Kanto area in and around Tokyo are nearly all conducted by rail and ship. The Japanese Ministry of Land, Infrastructure, Transport and Tourism (MLIT) has

recognized Nissan as an outstanding enterprise for this modal shift to sea transport.

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

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

As we expand our global logistics operations, we will continue to increase efficiency and effect a modal shift in transportation, targeting a 12% reduction in CO<sub>2</sub> emissions by fiscal 2022 compared to fiscal 2005 levels, as measured by the index of CO<sub>2</sub> emissions per vehicle\*2. In fiscal 2020, CO<sub>2</sub> emissions per global vehicle were 0.31 tons - a reduction of 11.5% reduction of 11.5%.

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

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

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

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

(FY)

	Unit	2016	2017	2018	2019	2020
Total	t-CO <sub>2</sub>	1,926,477	1,567,248	1,482,982	1,144,338	891,817
Inbound*	t-CO <sub>2</sub>	809,088	739,610	762,314	582,957	392,014
Outbound*	t-CO <sub>2</sub>	1,117,389	827,638	720,667	561,381	499,803

Sea	%	17.8	20.0	19.9	21.1	20.1
Road	%	62.1	64.6	60.3	64.1	65.9
Rail	%	5.6	7.0	6.7	5.9	6.7
Air	%	14.5	8.4	13.1	8.9	7.4

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

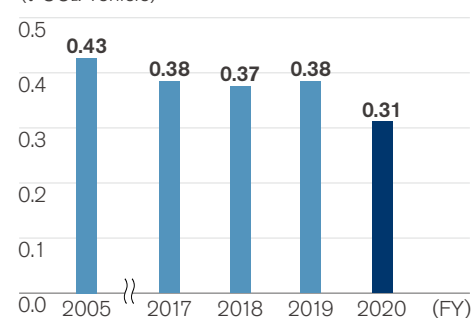
"Outbound" includes transportation of complete vehicles and service parts.

\* Value in 2016 were corrected after recalculation.

In fiscal 2020, CO<sub>2</sub> emissions from logistics were 891,817 tons, down approximately 22% from the previous fiscal year. A substantial contribution to the reduction of overall CO<sub>2</sub> emissions was made by production volume decrease and reduction of air shipping.

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

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



In fiscal 2020, CO<sub>2</sub> emissions per vehicle transported were 0.31 tons.

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## Office Initiatives

We promote efforts to reduce CO<sub>2</sub> emissions at Nissan offices in Japan, North America, Europe and China. In Japan, through Nissan Trading, we operate the Nissan Power Producers and Suppliers (PPS) scheme, sourcing clean energy for which CO<sub>2</sub> emissions and costs have been taken into account through Japan's PPS system.

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

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

## Green Building Policy

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

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

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

\* Comprehensive Assessment System for Built Environment Efficiency



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## Dealership Initiatives

Nissan promotes CO<sub>2</sub> management at dealerships with the aim of reducing total emissions per floor area by 1% each year. Our retail outlets also work continually to increase energy efficiency. Many have adopted high-efficiency air conditioning, insulation films, ceiling fans and LED lighting. During renovation work, some outlets have installed lighting systems that make use of natural daylight, as well as insulated roofs. In addition, to source electricity with low environmental load, we have broadened supply from PPS systems, including our own, to provide 120,407 MWh of power (equivalent to an annual reduction of 1,011 tons in CO<sub>2</sub> emissions) to 901 retail outlets in the Hokkaido, Kanto, Chubu, Tohoku, Kansai, Chugoku and Kyushu regions. Since April 2000, we have run a unique environmental facility certification system based on ISO 14001 for dealerships called "Nissan Green Shop." Our environmental policy requires all dealerships in Japan to meet certain standards and undergo annual audits performed by our teams. The dedicated evaluation sheet has a total of 84 key performance indicators (KPIs) and is regularly revised to reflect the requirements of national legislation, local communities and the Nissan Green Program (NGP).



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

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# AIR QUALITY

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## Air Quality Policies and Philosophy

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

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

### 1. Promoting Zero-Emission Vehicles

Electric vehicles (EVs), such as the Nissan LEAF, which has cumulative global sales of 524 thousand units (as of Mar. 2021), are an effective tool for reducing air pollution in urban areas. As a leader in this field, we are promoting zero-emission mobility and infrastructure construction in

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

### 2. Enhancing Internal Combustion Engines

We have proactively set voluntary standards and emission-reduction targets for internal combustion engines. With the ultimate goal of making automotive emissions as clean as the atmosphere itself, we have developed a wide range of technologies and achieved the results listed below through cleaner combustion technologies, catalysts for purifying emissions and countermeasures against gas vapors from gasoline tanks.

We will continue our efforts to ensure cleaner exhaust emissions from internal combustion engines, which remain the most commonly used in the automotive market.

- Sentra CA (released in the United States in January 2000): The world's first gasoline-powered vehicle that satisfied all the exhaust gas requirements set by the California Air Resources Board to receive Partial Zero Emissions Vehicle (PZEV)\*1 certification.
- Bluebird Sylphy (released in Japan in August 2000): The first passenger vehicle made in Japan to achieve Ultra-Low Emission Vehicle (U-LEV)\*2 certification.

\*1 PZEV: Partial Zero Emissions Vehicle certification set by the California Air Resources Board

\*2 U-LEV: Vehicle that produces 75% less nitrogen oxide (NOx) and nonmethane hydrocarbon (NMHC) than the 2000 emission standards level in Japan.

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## Improving In-Cabin Air Quality

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

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

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

## Reducing VOC Emissions from Production

Nitrogen oxide (NO<sub>x</sub>), sulfur oxide (SO<sub>x</sub>) and VOCs are recognized as common forms of emissions created by vehicle manufacturing facilities. We are taking firm measures to ensure that management standards and systems for atmospheric emissions are thoroughly followed; and working to reduce both VOC exhaust volumes and the use of VOC-emitting substances to levels lower than required by national regulations.

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

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

Additionally, we have adopted low-NO<sub>x</sub> burners as the heat source for the ovens and boiler equipment used in the car painting process and promote the switch from heavy oil and kerosene to fuels with low SO<sub>x</sub> emissions to reduce the emission and concentration of NO<sub>x</sub> and SO<sub>x</sub>.

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## Air Quality: Achievements

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

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

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

### Compliance with Emissions Regulations (By Region)\*1 (FY)

		unit	2020
Japan	75% lower than 2005 standard and 50% lower than 2018 standard	%	87.8
Europe	Euro 6d-temp/d	%	100*2
U.S.	U-LEV/SULEV/ZEV	%	100
China	National 6	%	100

\*1 Passenger cars and light commercial vehicles only.

\*2 Excluding registration and sales deregulation measures for discontinued models.

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## Plant Emission Management

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

In Japan, we have adopted strict measures for emissions of NO<sub>x</sub> and SO<sub>x</sub> pollutants from our factories, reducing the amount of these emissions to one quarter of the levels emitted in the 1970s. We have lowered NO<sub>x</sub> and SO<sub>x</sub> emissions by introducing low-NO<sub>x</sub> burners in the ovens and boilers that provide heat for painting lines, and by switching the fuel used by those burners from heavy oil and kerosene to alternatives with low SO<sub>x</sub> emissions.

## Lower VOC Emissions

Volatile Organic Compounds (VOCs), which readily evaporate to become gaseous in the atmosphere, account for approximately 90% of the chemicals released as the result of our vehicle production processes. Lowering VOC emissions is a challenge that we are working to address. We strive to increase our recovery of cleaning solvents and other chemicals in order to limit the amounts of these substances emitted from our plants ahead of implementation of new regulations in each country where we operate, while also advancing planned measures to increase the recycling rate for waste solvents. We are also introducing water-based paint lines that limit VOC emissions to less than 20 grams per square meter of painted surface. We have adopted these lines in Nissan Motor Kyushu as well as at two plants in Aguascalientes in Mexico, the Resende Plant in Brazil, the Smyrna Plant in the United States, the Huadu Plant in China and the Sunderland Plant in the United Kingdom. We achieved a reduction of 36.8% in fiscal 2020 in VOC emissions per painted surface area compared with fiscal 2010 levels.

\* For more information on Air Quality.

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# RESOURCE DEPENDENCY

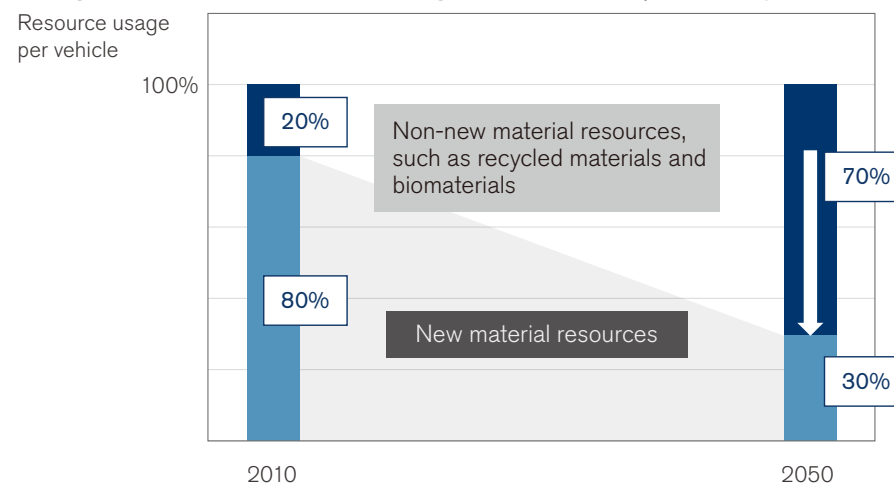
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## Resource Dependency Policies and Philosophy

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

Automobiles are made of many components, incorporating a diverse range of resources. The combination of these resources creates new value. Nissan has increased its resource diversification, using more renewable resources and recycled materials. While caring for ecosystems, Nissan became more competitive as we targeted green growth. In working toward the long-term vision of using materials that do not rely on newly mined resources for 70% of the materials used in each vehicle in 2050, we will strive to minimize the use of natural resources and maintain new resource usage at 2010 levels.

## Long-Term Vision for Reducing Resource Dependency



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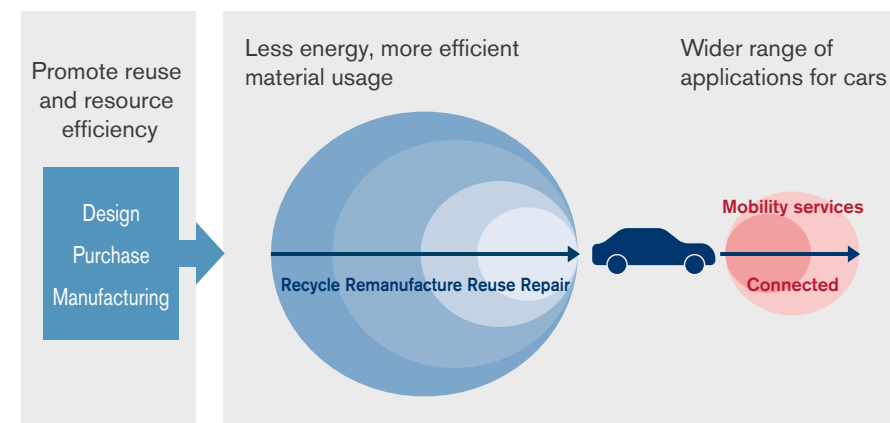
## Resource Dependency Management

In order to use the Earth's precious and limited resources efficiently, the environmental impact when extracting these resources must be kept to a minimum. At the same time, waste generated during vehicle production and scrap from end-of-life parts must be recycled as extensively as possible without compromising quality, producing materials that can be used in the same types of products. Based on this approach, known as closed-loop recycling, we have focused our efforts on recycling steel, aluminum and resin—three kinds of material which account for a large proportion of vehicle content yet also have a major impact on the environment.

As part of the Nissan Green Program 2022 (NGP2022), Nissan is developing systems for using resources efficiently and sustainably across their entire lifecycle, and has adopted the concept of the "Circular Economy" to maximize the value it provides to customers and society. In an attempt to use resources efficiently with less energy, we will promote the use of recycled materials and recycling end-of-life vehicles, and strive to incorporate reusable resources in our activities at the design, purchasing and manufacturing stages. We are using fewer resources overall, both through appropriate use of chemical substances and making vehicles more lightweight. We will continue to promote the efficient use of resources with further reduced energy requirements and the expanded use of repaired and remanufactured parts as well as the secondary use of electric vehicle

(EV) batteries in the vehicle use stage, and foster the development of biomaterials and dieless forming technology for practical use. We will also increase the value cars manufactured in this way provide to society and ensure that cars can be put to best use by promoting electrification and autonomous drive in our products, pursuing connectivity and providing mobility services such as ride sharing.

## Nissan's Circular Economy Concept



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## Resource Dependency: Achievements

### Reducing Dependence on Newly Extracted Resources to 70% by 2022

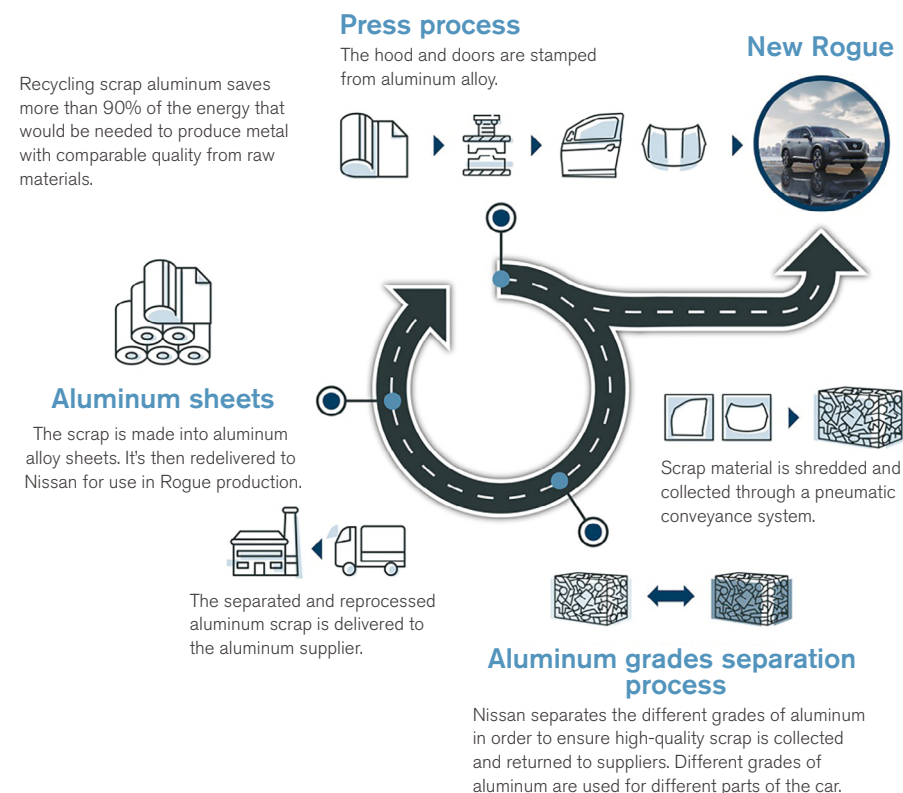
Demand for mineral and fossil resources is rising rapidly with the growth of emerging economies. According to forecasts, if growth in extraction volumes continues, all currently known mineral resources will have been extracted by 2050. There are some existing mining sites and others under exploration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

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

In the Nissan Green Program 2022 (NGP2022), our goal is to cut the use of newly extracted resources to 70% per vehicle in fiscal 2022. We intend to increase the use of recycled materials in our vehicles on a global scale, including Japan, Europe and North America, in cooperation with our suppliers.

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

In fiscal 2020, ferrous metals accounted for 61% of the materials used in our automobiles by weight. Nonferrous metals made up another 13% and resins 15%, with miscellaneous materials making up the final 12%. To further reduce our use of natural resources, we are advancing initiatives to expand the use of recycled materials in each of these categories.



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We are taking steps to reduce the steel and aluminum scrap left over in the manufacturing process, and working globally with business partners to collect and reuse this scrap as material for new vehicles through closed-loop recycling initiatives.

Since fiscal 2020, we have collaborated with aluminum manufacturers in North America and Nissan Motor Kyushu, where the new Rogue is manufactured, and in Europe, where the new Qashqai is manufactured, adopting a closed-loop recycling process that recycles aluminum scraps generated during manufacturing into aluminum plates for automobiles. The sorting and collecting of scrap in this process controls impurities, realizing horizontal recycling without quality deterioration, which contributes to reductions in the amount of new mined resources (aluminum ingots) used.

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

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

As a closed-loop recycling initiative, we are collecting finished bumper scrap generated at our plants and sending it to our Oppama Plant, where we process it by removing the paint film and recycling it. These recycled resins have been given new life as bumpers in the Nissan LEAF and many other new vehicles. This initiative was expanded to Dongfeng Motor Co. (DFL), our joint venture in China, where they have been used to produce replacement bumpers since 2014.

Additionally, exchanged bumpers collected from dealerships are being recycled as materials used in under covers and for other components. An enhanced bumper return program allowed us to collect and recycle about 98,000 bumpers in fiscal 2020, representing 67.2% of bumpers removed at Japanese dealerships.

Furthermore, 30% of the automotive shredder residue (ASR) processed at dedicated processing plants is made from resins. In order to use these resins in automobiles, we are running a number of R&D projects on topics like optimizing the

recycling process for resins recovered from ASR, liquidation of auto waste plastic and recycling polypropylene with microbes.\*



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

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

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

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

We have also joined forces with other automotive companies to promote the recycling of end-of-life vehicles (ELVs\*<sup>2</sup>) through dismantling and shredding. Based on Japan's End-of-Life Vehicle Recycling Law, Nissan has achieved at least 95% effective recycling rate of ELVs in Japan since fiscal 2006. In fiscal 2020, we achieved a final recovery ratio for ELVs of 99.4%\*<sup>3</sup> in Japan, greatly exceeding the target effective recycling rate of 95% set by the Japanese government.

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

effectively, smoothly and efficiently. Nissan is taking an important role in this joint undertaking.

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

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

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

\*3. Based on Nissan research



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## Developing Biomaterials

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



Seat coverings made from biomaterials in Nissan LEAF.

## Proper Use of Regulated Chemical Substances

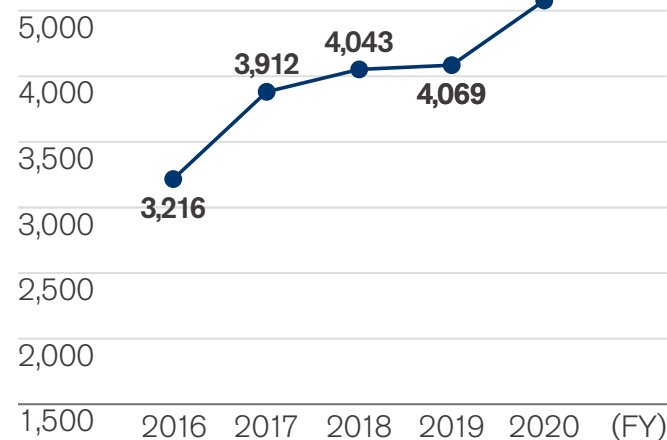
Nissan revised its standard for the assessment of hazards and risks in the Renault-Nissan Alliance, actively applying restrictions to substances more stringent than existing regulations in areas of growing concern around the world. As a result, the number of substances covered by the Nissan Engineering Standard in fiscal 2020 rose to 5,290. These steps are thought to be necessary for future efforts in the repair, reuse, remanufacture and recycle loop for resources.

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

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### Defined Chemical Substance

(Substances)



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## Expansion of Remanufactured Parts

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

In NGP2022, we are enhancing the deployment of Nissan Green Parts in Japan, and we're also strengthening management to deploy similar kinds of activities in Europe and North America, aiming for twice the parts coverage in 2022 compared to 2016. This initiative provides customers who seek to use cars for a long period of time with the new option of using remanufactured parts.



Alternator



Air conditioning compressor



Starter motor

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

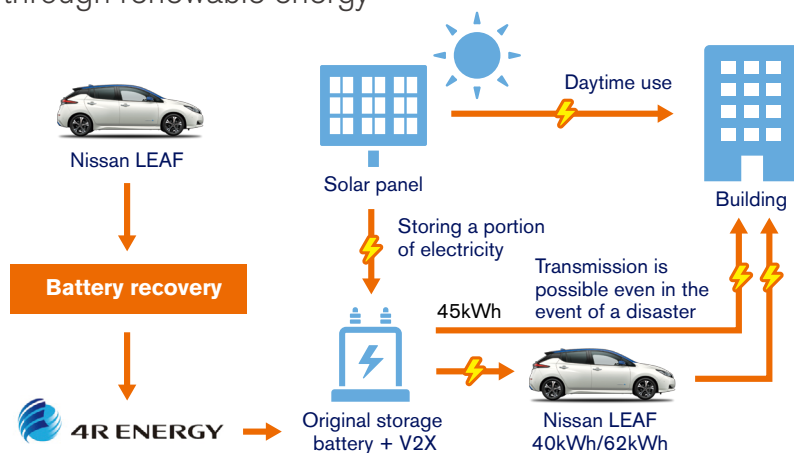
Lithium-ion batteries used in Nissan's electric vehicles (EVs) retain capacity well beyond the useful life of the vehicles themselves. The "4R" business models — which reuses, refabricates, resells and recycles lithium-ion batteries — allows for their effective use as energy storage solutions in a range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

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

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

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



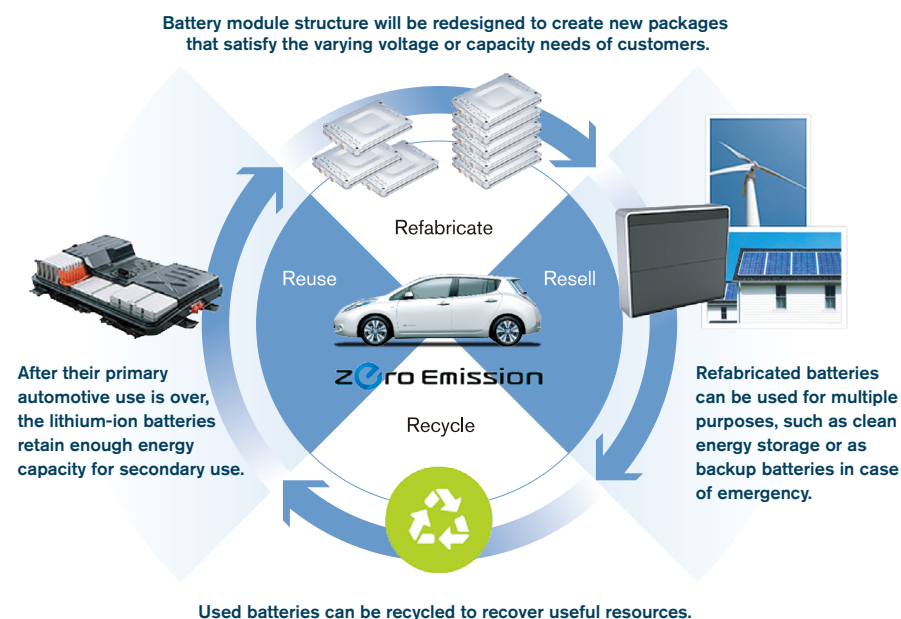
At the same time, 4R Energy acquired the world's first UL1974\*1 certification in June 2019, which is an international evaluation standard for evaluating repurposing batteries, and 4R Energy has been certified by a third-party organization for reuse and refabricating processes and product manufacturing with an emphasis on safety. Furthermore, in recognition of these activities, in October 2019, 4R Energy was presented with the Frost & Sullivan\*2 "2019 Strategy Innovation and Leadership Award", and in March 2020, in conjunction with Nissan, 4R Energy and Nissan won the "Sixth Annual Japan Resilience Award 2020", sponsored by the Association for Resilience Japan\*3.

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

- \*1. The UL1974 Standard for Evaluation for Repurposing Batteries defines the process for determining and classifying the suitability of usage when battery packs, modules or cells used to drive EVs have finished their intended period of use. Evaluating reused batteries in accordance with this process enables the provision of reused batteries that are safe and give a clear understanding of remaining capacity to meet a variety of demands.
- \*2. Frost & Sullivan provides research and consulting services in 80 countries and over 300 major markets through a global network of more than 40 locations.
- \*3. In light of the results of the National Resilience Minister's Private Advisory Committee "National Resilience Roundtable", to ensure the "Fundamental Plan for National Resilience" is executed smoothly, the Council aims to build a resilient nation with cooperation among industry, academia, government and the private sector.

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## 4R Concept



## Reducing Use of Scarce Resources

Rare earth elements are scarce resources that are necessary for electrification. Reducing their usage is important because rare earth elements are unevenly distributed around the globe, and the shifting balance of supply and demand leads to price fluctuations.

Since the motor was first adopted in the 2012 Nissan LEAF, which reduced the use of rare earth elements by 40% compared to 2010, Nissan has continued to reduce the use of heavy rare earths in hybrid vehicle motors. In 2020, the new Note e-POWER has adopted magnets with 85% less heavy

rare earths compared to 2010, and we will continue to conduct technical research on further reductions in the future. As a new initiative, Nissan is also promoting the development of rare earth metal recovery technologies from drive motor magnets. Up to now, in order to recycle magnets used in motors, multiple processes including manual disassembly and removal of the magnets have been required, making economic efficiency an issue. Nissan and Waseda University collaborated to establish technologies for recovering rare earth metals in highly pure states through direct dissolution using borate as a flux, eliminating the need to dismantle the motor rotors. Going forward, we will conduct trial testing aimed at practical implementation. In these ways, with respect to motors, which are a key technology, Nissan is engaged in developments corresponding to the circular economy concept, from reducing the amount of rare earth metals used to reuse after use, that utilize resources efficiently and sustainably.

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## Resource Dependency: Achievements in Waste Reduction

### Thorough Measures for Waste Materials

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

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

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

## Waste

Waste generated globally in fiscal 2020 amounted to 153,160 tons, decreased from 199,470 tons in fiscal 2019. Waste generated globally from production sites in fiscal 2020 was 145,529 tons ★.

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

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(FY)						
	単位	2016	2017	2018	2019	2020
Total	ton	158,939	152,674	206,645	199,470	153,160
By region						
Japan	ton	61,115	61,327	69,829	63,294	48,921
North America	ton	45,459	35,177	64,514	58,970	48,043
Europe	ton	41,110	45,268	49,662	50,205	31,868
Other	ton	11,255	10,903	22,639	27,001	24,328
By treatment method						
Waste for disposal	ton	8,707	8,041	7,231	6,365	6,539
Recycled	ton	150,231	144,633	199,414	193,105	146,621

\* Manufacturing base and office closures due to COVID-19 prevented the finalizing of FY2019 data in Sustainability Report 2020. FY2019 data has been updated for Sustainability Report 2021.

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

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# WATER SCARCITY

GRI103-1

## Policies and Philosophy for Water Resource Management

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

sustainable development.

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

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

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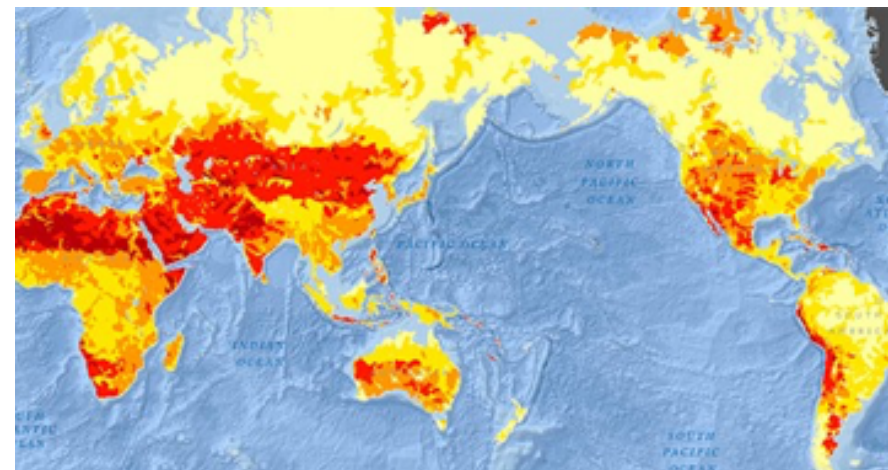
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## Water Resource Management

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

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

## Global Water Risks



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

\* Reverse osmosis (RO) membrane: The RO membrane is a type of filtration membrane that filters impurities such as ions and salts from water.

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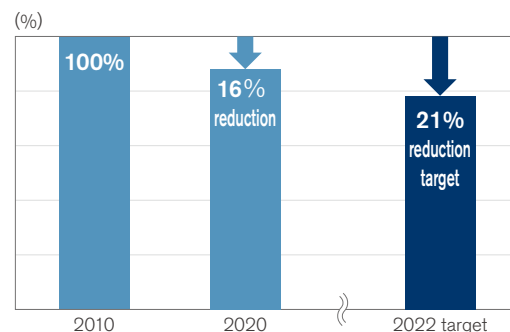
## Water Resource Achievements

### Water Use Reduction

Plants producing Nissan vehicles and parts are located throughout the world, and they all use water as part of the production process. Nissan strives to manage and reduce water usage at every plant, aiming to achieve a 21% reduction per vehicle produced by fiscal 2022 from 2010 levels. As of fiscal 2020, we had already reduced water usage by 16%, when compared to 2010.

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

### Water Usage per Vehicle Produced (Global)



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



Chennai plant, honored by the Confederation of Indian Industry (CII).

### Promoting Reduced Water Use through Wastewater Recycling

We installed a sewage treatment facility at the India plant in 2019 to reduce water consumption. After treatment, wastewater was recycled and reused for flushing toilets and watering plants. Next, we added a treatment method using RO membranes to further improve water quality to be reused for cooling for the manufacturing process and cooling towers. As a result, we are able to reduce approximately 78,000 kiloliters of water consumption per year, which is equivalent to the amount of water used by about 320,000 households a day.

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

Since 2014, the service centers of Nissan Motor India (NMIPL) have offered customers car washes that utilize an advanced foam washing technique. A traditional car wash requires about 160 liters of water for one car, but NMIPL's new service cuts consumption to approximately 90 liters—a 45% reduction in water use.

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

## Water Input for Corporate Activities

In fiscal 2020, water input for corporate activities was 21,159 thousand m<sup>3</sup>, a 11% decrease compared with the fiscal 2019 level. Water input from production sites was 20,542,337 m<sup>3</sup>★.

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

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(FY)

	Unit	2016	2017	2018	2019	2020
Total	1,000m <sup>3</sup>	29,118	26,197	26,420	23,656	21,159
Japan	1,000m <sup>3</sup>	15,563	13,115	13,022	11,918	10,797
North America	1,000m <sup>3</sup>	5,483	4,905	4,930	4,768	3,888
Europe	1,000m <sup>3</sup>	2,299	2,155	2,093	1,792	1,373
Other	1,000m <sup>3</sup>	5,774	6,023	6,376	5,178	5,101

## Cleaner Effluent Through Wastewater Treatment

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

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

(FY)

	Unit	2016	2017	2018	2019	2020
Total	1,000m <sup>3</sup>	20,516	17,410	17,345	15,391	13,624
Japan	1,000m <sup>3</sup>	12,681	10,376	10,472	9,496	8,474
North America	1,000m <sup>3</sup>	4,028	3,382	3,190	2,746	2,351
Europe	1,000m <sup>3</sup>	1,767	1,564	1,539	1,389	1,094
Other	1,000m <sup>3</sup>	2,040	2,088	2,143	1,760	1,705

### Quality

Chemical oxygen demand (COD) Japan only	kg	29,730	26,451	21,149	18,795	14,865
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\* Click here for more information on Water Resource Management.


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\* Manufacturing base and office closures due to COVID-19 prevented the finalizing of FY2019 data in Sustainability Report 2020. FY2019 data has been updated for Sustainability Report 2021.

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# THIRD-PARTY ASSURANCE

GRI102-56



## Independent Assurance Report

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

We were engaged by Nissan Motor Co., Ltd. (the "Company") to undertake a limited assurance engagement of the environmental performance indicators marked with a star ★ (the "Indicators") for the period from April 1, 2020 to March 31, 2021 included in its Sustainability Report 2021 (the "Report") for the fiscal year ended March 31, 2021.

**The Company's Responsibility**

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


**Our Responsibility**

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

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

**Conclusion**

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



**Our Independence and Quality Control**

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

*KPMG AZSA Sustainability Co., Ltd.*

KPMG AZSA Sustainability Co., Ltd.  
Tokyo, Japan  
July 13, 2021

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

- CO<sub>2</sub> emissions from production sites: Calculated based on Nissan internal standards. The energy use data of each site is based on invoices from suppliers, which are multiplied by a CO<sub>2</sub> emissions coefficient publicly available for each production site.
- CO<sub>2</sub> emissions from purchased goods & services: Calculated by multiplying the amount of CO<sub>2</sub> emissions per vehicle by the annual global production volume in fiscal 2020, covering raw materials purchased in conjunction with automobile production.  
CO<sub>2</sub> emissions per vehicle are calculated by applying the Database on GHG Emission Factors (ver.3.0) for Carbon Footprint of Products Pilot Project to the amount of raw material input per typical vehicle as of 2010.
- CO<sub>2</sub> emissions from the use of sold products: Calculated using the average regional CO<sub>2</sub> emissions per vehicle multiplied by the regional estimated average lifecycle mileage and multiplied by fiscal 2020 sales volumes. The average CO<sub>2</sub> emissions for the use phase (including direct emissions only) per unit are calculated for each of our main regions (Japan, U.S., EU and China) and extrapolated from average emissions of these markets for other markets. The Sustainable Mobility Project (SMP) model issued by the International Energy Agency was used to determine estimated average lifecycle mileages.

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



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# STRENGTHENING OUR BUSINESS FOUNDATIONS TO ADDRESS ENVIRONMENTAL ISSUES

GRI103-2 GRI103-3

## Environmental Governance

\* For more information on our Environmental Governance [>>> P052](#)

### Enhancing Environmental Management Based on ISO 14001

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

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

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

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

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

### Nissan's Voluntary Operational Standards

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

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

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

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

Every year, we revise the Restricted Use of Substances standards to reflect changes in international laws and regulations and to add new substances covered by our voluntary internal standards. For the 2017 revision, the members of the Renault-Nissan Alliance implemented shared standards based on a reassessment of select criteria for hazards and risks that go beyond the level of compliance, strengthening Alliance activities.

We build and maintain communication and management systems throughout the supply chain. For example, we disclose information to users and submit REACH reports to the relevant authorities about the vehicles and parts produced in or exported to Europe from Japan and other countries (including some from the United States). We also comply with Classification, Labeling and Packaging of Substances and Mixtures regulations.

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

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## Sanctions and Government Guidance at Nissan Production Facilities

During fiscal 2020, in relation to the environmental management system, none of Nissan's production facilities received notifications or sanctions from the government regarding significant violations of environmental laws or regulations.

## Raising Employee Awareness

Nissan's environmental activities are enabled by the knowledge, awareness and competency of its employees. Based on ISO 14001 standards, we will conduct employee education rooted in the Nissan Green Program 2022

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

In Japan, we implement a curriculum to educate new employees during orientation and organize seminars for middle managers to deepen their understanding of NGP2022 and environmental issues surrounding the auto industry. We also hold “town hall” meetings to promote dialogue between executives and employees. Employees can stay up to date on our latest environmental initiatives through features in the intranet, internal newsletters and in-house video broadcasts. Overseas, we share information and provide education to employees through the intranet, videos, events and various other communication approaches suited to each region.

## Employee-Initiated Activities and Evaluation System

In fiscal 2008, we added “environment” to the range of kaizen issues addressed by quality control (QC) circles. This has created opportunities for employees to think proactively and propose ideas to improve environmental aspects of our business. Managers encourage the active participation of employees by communicating how these activities of QC circles are linked to the achievement of our midterm business plan. The ideas proposed by

employees are evaluated by managers and QC circle secretariats for their potential contribution to environmental improvement, among other factors, after which we may implement those with the highest potential.

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

We also use various methods to reward employees for their contributions to environmental improvement activities. These activities are included in the annual performance goals used at some Japanese and overseas locations. This system assesses employees’ achievement of goals, reflecting this in performance-related elements of employee bonuses.

Employees are also recognized for environmental improvement through Nissan prizes presented by the CEO or other executives, awards given by plant heads and “THANKS CARD” recognition from managers for excellent work or achievements.

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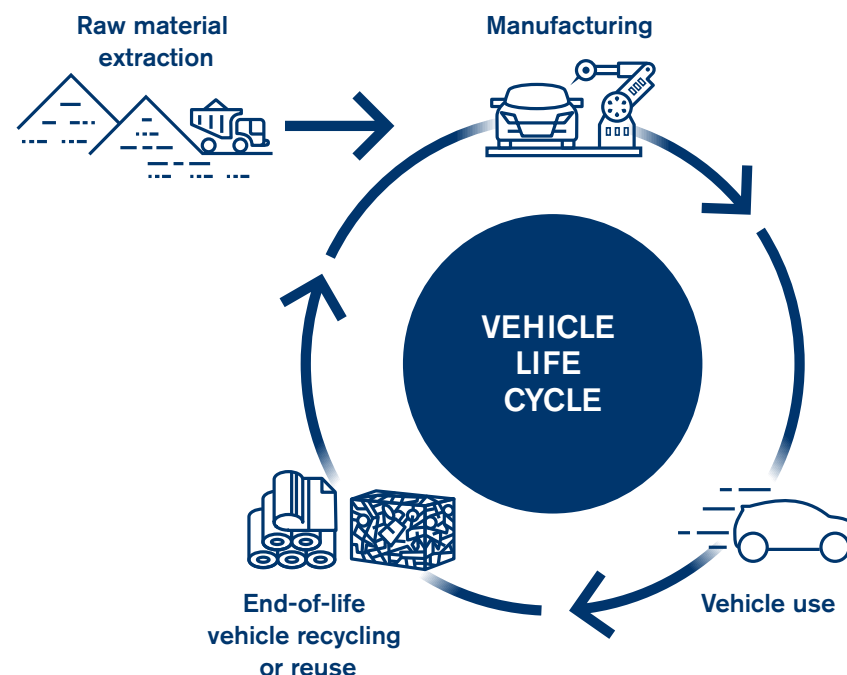
## Lifecycle Assessment to Reduce Environmental Impact

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

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

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

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



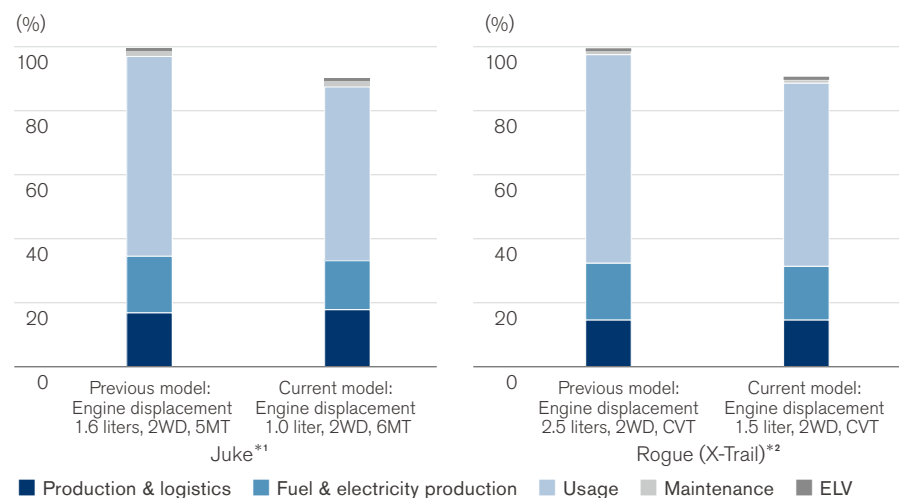
## Global Top Selling Model's Lifecycle Improvements

We have been expanding the application of the LCA method and enhancing the understanding of the environmental impact of our products in quantitative terms, especially our best-selling models worldwide. Coverage on a unit basis has reached approximately 80% of models globally and approximately 90% in Europe.

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

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



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

\*<sup>2</sup> Production in United States, 120,000 miles driven in United States (basis for comparison).

### LCA Comparison for e-POWER Models

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

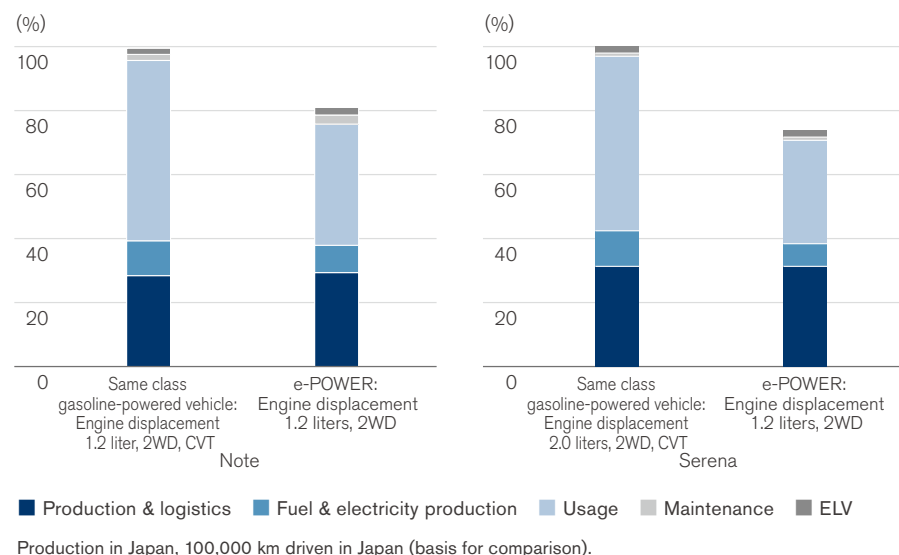
Compared to their gasoline-powered counterpart models, the Note e-POWER and Serena e-POWER have achieved an 18% and 27% reduction in CO<sub>2</sub> emissions, respectively. Electrified e-POWER vehicles use a system in which a gasoline engine operates only under certain circumstances and is used to generate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

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

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

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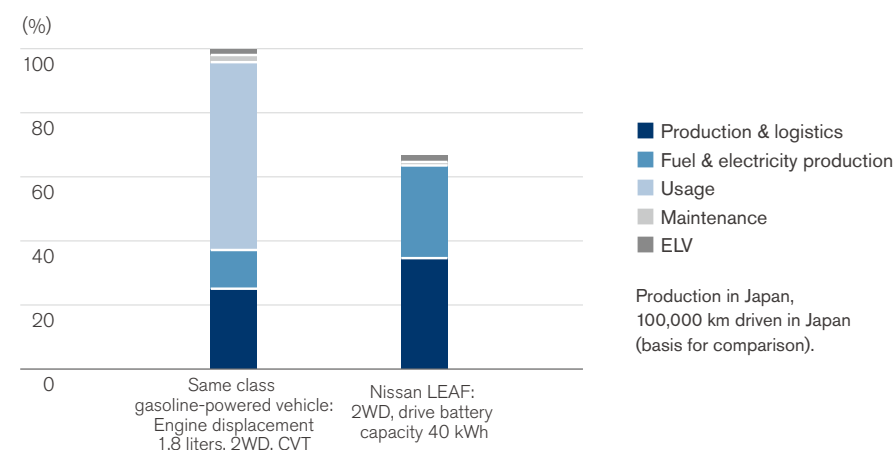
## Lifecycle CO<sub>2</sub> Equivalent Emissions (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, etc.)



## LCA Comparison for the Nissan LEAF

Compared to conventional vehicles of the same class in Japan, the Nissan LEAF results in approximately 32% lower CO<sub>2</sub> emissions during its lifecycle. We are making efforts to reduce CO<sub>2</sub> emissions during EV production by improving the yield ratio of materials, using more efficient manufacturing processes and increasing the use of recycled materials. We are also continuing to pursue technology development for electric powertrains, power savings on ancillary devices and the use of renewable energy to reduce CO<sub>2</sub> emissions over the entire lifecycle of EVs. Also, at the end-of-life stage, used batteries can be utilized for energy storage in various ways, contributing to reduced CO<sub>2</sub> emissions in society.

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



## Lifecycle Improvements Beyond Climate Change

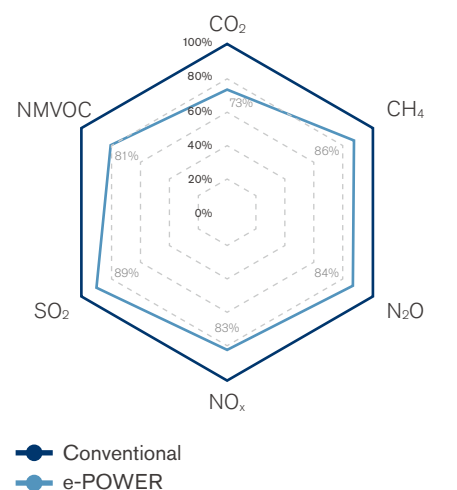
Nissan is expanding the scope of LCAs to include not just greenhouse gases but also a variety of chemicals amid growing societal concerns over air quality and ocean acidification and eutrophication. Our calculations show that, compared to conventional gasoline engines, the new Serena e-POWER is significantly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



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



Production in Japan, 100,000 km driven in Japan.

## Stakeholder Engagement

### Working with Suppliers

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

- We encourage all our global suppliers to manage parts and materials with a shared environmental philosophy in alignment with the Nissan Green Purchasing Guidelines. These guidelines are based on The Renault-Nissan Purchasing Way and the Renault-Nissan Supplier CSR Guidelines and provide detailed information regarding environmental matters. In August 2018, based on NGP2022, we revised the content of the guidelines, adding requests that suppliers undertake their own environmental activities. Additionally, in May 2019, in order to strengthen management of environment-impacting substances, we added requirements dealing with supplier self-diagnosis of environment-impacting substance management and related topics, and asked all suppliers to follow them.
- We also participate in the supply-chain program of CDP (previously known as the Carbon Disclosure Project), an international nonprofit, through which we request information on climate change and water from suppliers and conduct comprehensive performance reviews. During fiscal 2020, we asked our large contract suppliers to take part in the supply-chain program to provide responses on their environmental activities. 85% of them participated in the CDP program on climate change data and 81% in the CDP program on water security. Based on the results from these surveys, we engaged with a number of suppliers in order to incentivize work on the ongoing improvement of their environmental initiatives.
- We are promoting THANKS (Trusty and Harmonious Alliance Network

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

## Working with Consolidated Production Companies

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

## Working with Dealerships

Our dealerships in Japan have introduced an original approach to environmental management based on ISO 14001 certification called the "Nissan Green Shop" certification system. This program is managed through internal audits conducted by the dealerships every six months, in addition to annual reviews and certification renewal audits carried out every three years by Nissan Motor Co., Ltd. (NML). As of the end of March 2020, the system has certified approximately 2,700 dealerships of 153 dealers, including parts dealers, as Nissan Green Shops.

## Working with Future Generations

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

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

## Key Activities in NGP2022

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

- Share knowledge of global environmental issues
- Introduce our environmental initiatives, such as the Nissan LEAF electric vehicle and our other green technologies

Through environmental education, the program encourages participants to adopt eco-friendly activities in their daily lives.



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## Working with NGOs

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

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

## Key Activities in NGP2022

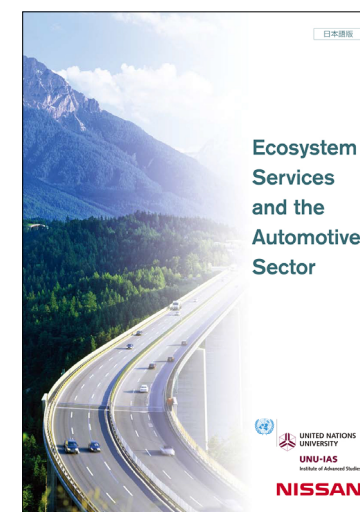
- Fostering employees environmental awareness through participation in World Wide Fund for Nature Japan (WWF Japan) campaigns
- Continue participation in WWF's worldwide Earth Hour environmental enlightenment campaign toward greenhouse gas emission reduction
- Collaboration with Conservation International on protection of a critical watershed area Support for a forest restoration project through a Ridge to Reef approach in Bali, Indonesia. Create jobs and build capacity\* by developing community-based environmental conservation projects.

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

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

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

Using methods identified in the Corporate Ecosystem Services Review\*<sup>1</sup>, we have evaluated the value chain from the extraction of material resources to vehicle production and operation. We have identified three response priority areas as an automobile manufacturer: energy sourcing, mineral material sourcing and water usage. We published a report titled "Ecosystem Services and the Automotive Sector"\*<sup>2</sup> in 2010 collating the outcome of this work. Our calculations in June 2013 showed that more than 20 times as much water was used upstream in the supply chain than by Nissan itself. We are following up by re-evaluating and further developing our existing environmental initiatives and



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ecosystem conservation efforts from the viewpoint of business risks and opportunities.

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

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

\* For more information on how we are strengthening our business foundation to address environmental issues.  
[>>> P246](#)

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# Social

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# SOCIAL POLICIES AND PHILOSOPHY

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

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

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

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

product reaches our customers.

With respect to Employees, we are expanding opportunities for our employees to learn so that they can each achieve their maximum potential. We aim to make continuous learning a part of our corporate culture to encourage talent development and achieve sound labor practices and thus create a dynamic work environment where the health and safety of our staff is a top priority.

Furthermore, Nissan recognizes local communities are an essential part of its business in every region, and is working to promote Community Engagement around the world in three strategic areas: environment, traffic safety, and diversity.

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



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## Report Themes and the Six Areas

Six Key Areas in Nissan Sustainability 2022 from a Social Perspective	Themes in the Sustainability Report
Common to Six Areas	Human Rights
Traffic Safety	Traffic Safety
Diversity and Inclusion	Diversity and Inclusion
Quality	Product Safety and Quality
Supply Chain	Supply Chain Management
Employees	Human Resource Development
	Labor Practices
	Employees' Health and Safety
Community Engagement	Community Engagement

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# HUMAN RIGHTS

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## Human Rights Policies and Philosophy

As the value chains of global corporations expand, social interest is growing with regard to respect for human rights and how business affects these rights. The automobile industry is also recognizing the issues of human rights as they relate not only to business processes such as the work environment for its own employees but also to the supply chain, such as the procurement of parts and materials.

Nissan considers the strict adherence to corporate rules and applicable laws and practices fundamental to its business activity in every country and area where it operates. The human rights of all stakeholders must be respected and all Nissan employees must act while upholding the highest ethical standards. We do not condone discrimination on the basis of race, nationality, gender, religion, disability, age, place of origin, gender identity, sexual orientation or any other characteristic nor infringement on human rights in the supply chain, such as forced labor and child labor.

## Human Rights Policy Statement

In addition to being a signatory of the UN Global Compact, Nissan is committed to respect all human rights as set out in the Universal Declaration of Human Rights (UDHR), as well as the International Covenant on Civil and Political Rights (ICCPR), the International Covenant on Economic, Social and Cultural Rights (ICESCR), and the International Labour Organization Declaration on Fundamental Principles and Rights at Work (ILO Core Labour Standards).

Based on the UN Guiding Principles on Business and Human Rights (UNGPs), we formulated and published the Nissan Human Rights Policy Statement\* (First Edition) in June 2017 to actively prevent adverse human rights impacts and updated it in July 2021.

Under this revised policy statement, we are fulfilling our corporate responsibilities, practicing our mission, conducting business activities, and promoting initiatives to respect human rights in order to realize our corporate purpose, "Driving innovation to enrich people's lives".

\* Click here to download the Nissan Human Rights Policy Statement (revised version).  
[https://www.nissan-global.com/COMMON/DOCS/CSR/LIBRARY/nissan\\_human\\_rights\\_policy\\_e.pdf](https://www.nissan-global.com/COMMON/DOCS/CSR/LIBRARY/nissan_human_rights_policy_e.pdf)

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## Milestones Related to Respect for Human Rights

After formulating the Global Code of Conduct in 2001, Nissan signed the UN Global Compact in 2004 and published such policies as the Renault-Nissan CSR Guidelines for Suppliers, Nissan Human Rights Policy Statement, Global Minerals Sourcing Policy Statement, Customer Privacy Policy and Nissan Global Guideline on Human Rights.

	Policies and Philosophy	Approaches
2001	Formulates Global Code of Conduct	
2004	Signs United Nations Global Compact	Establishes Diversity Development Office
2010	Publishes Renault-Nissan CSR Guidelines for Suppliers	
2013	Formulates Action Against Conflict Minerals	Starts the research for conflict minerals and publishes research results annually thereafter
2015	Publishes revision to Renault-Nissan CSR Guidelines for Suppliers	
2016		Starts third-party assessment of suppliers' sustainability activities
2017	Formulates and publishes Nissan Human Rights Policy Statement Updates Global Code of Conduct	Introduces SpeakUp system
2018	Announces Nissan Sustainability 2022	Implements Corporate Impact Assessment
2019		Conducts a human rights assessment at Nissan South Africa (Pty)

2020	Updates Global Minerals Sourcing Policy Statement Publishes Customer Privacy Policy	Conducts a human rights assessment at Nissan Motor Thailand (NMT) and group companies (Nissan Powertrain (Thailand) Co., Ltd. and SNN Tools & Dies Co., Ltd.)
2021	Publishes Nissan Global Guideline on Human Rights Publishes revision to Nissan Human Rights Policy Statement	

GRI102-17	GRI103-2	GRI103-3	GRI406-1	GRI407-1
GRI408-1	GRI409-1	GRI411-1	GRI412-1	

## Human Rights Management

### Governance Related to Human Rights

At Nissan governance related to human rights is directed by the Global Sustainability Steering Committee chaired by the Chief Sustainability Officer (CSO) in accordance with the Nissan Human Rights Policy Statement. Discussions at the Global Sustainability Steering Committee are reported and proposed to the Executive Committee (EC), the highest decision-making body at Nissan, to ensure that respect for human rights is instilled and established at all levels of Nissan's business activities. Nissan also aims to regularly review and continually update this statement to reflect all changes in internal policies and approaches, as well as to investigate and report progress on human rights initiatives in a timely manner.

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## Human Rights Management for Employees and in Collaboration with Suppliers

The Nissan Human Rights Policy Statement is applicable to all of Nissan's executives and employees. In 2021, we formulated and released the Nissan Global Guideline on Human Rights, which outlines specific initiatives for respecting human rights, with the aim of ensuring compliance with the policy statement. Based on this guideline, Nissan is further strengthening its initiatives to respect the human rights of its employees on a global level. Nissan's fundamental ethical expectations from society are also clarified in the Global Code of Conduct. All executives and employees recognize the importance of applying the aforementioned statement beyond Nissan's own operations. At every level of our global supply chain, we aim to conduct ethical, social and environmentally conscious business activities. We also work together with suppliers, contractors and other business partners to achieve this goal.

Since 2006, Nissan has shared a set of common values and processes around purchasing known as The Renault-Nissan Purchasing Way with its worldwide network of suppliers. Common values regarding human rights and labor are also shared via the Renault-Nissan CSR Guidelines for Suppliers. It details our expectations and request implementation regarding respect for human rights and prohibition of child labor and forced labor. We also evaluate our suppliers' sustainability activities including respect for human rights through third-party assessment. In addition, we require businesses we deal with to take the initiative and carry out due diligence on responsible minerals sourcing.

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

issues.

At the same time, Nissan has grievance mechanisms and processes in place and it allows collecting and remedying various types of complaints, including complaints related to allegations of potential human rights abuses. The whistleblowing system provides for anonymity where legally allowed. We are committed to investigating, addressing and responding to concerns raised, and employees who make inquiries are protected from retaliation as defined in whistleblowing processes.

\* For more information on the Nissan Global Guideline on Human Rights.

[>>> P171](#)

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

[>>> P157](#)

\* For more information on a globally integrated reporting system.

[>>> P221](#)

See below for more details about our policies and guidelines.

- Global Code of Conduct  
[https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/2017/NISSAN\\_GCC\\_E.pdf](https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/2017/NISSAN_GCC_E.pdf)
- Renault-Nissan Corporate Social Responsibility Guidelines for Suppliers  
[https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/CSR\\_Alliance\\_Guidelines.pdf](https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/CSR_Alliance_Guidelines.pdf)
- Global Minerals Sourcing Policy Statement  
[https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/Minerals\\_Sourcing\\_Policy\\_e.pdf](https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/Minerals_Sourcing_Policy_e.pdf)
- Customer Privacy Policy  
[https://www.nissan-global.com/EN/DOCUMENT/PDF/COMPANY/LIBRARY/Customer\\_Privacy\\_Policy\\_e.pdf](https://www.nissan-global.com/EN/DOCUMENT/PDF/COMPANY/LIBRARY/Customer_Privacy_Policy_e.pdf)
- Nissan Global Guideline on Human Rights  
[https://www.nissan-global.com/EN/SUSTAINABILITY/LIBRARY/HUMAN\\_RIGHTS\\_GUIDELINE/index.html](https://www.nissan-global.com/EN/SUSTAINABILITY/LIBRARY/HUMAN_RIGHTS_GUIDELINE/index.html)

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## Human Rights Achievements

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

In the 2001 Global Code of Conduct, we detailed our policies regarding equal opportunity and respect for diversity. In 2004 we were a frontrunner among our industry peers in signing the UN Global Compact, accepting reporting obligations that we continue to fulfill today. Regarding suppliers, in 2010 we published the Renault-Nissan CSR Guidelines for Suppliers (revised in 2015) clarifying our respect for human rights and commitment to eliminating forced and child labor and sharing our sustainability policies. In 2017, referencing the UN Guiding Principles on Business and Human Rights (UNGPs), we formulated and issued the Nissan Human Rights Policy Statement (revised in 2021). This policy makes it clear that, we respect the human rights of all our stakeholders and require our employees to act according to the highest ethical standards.

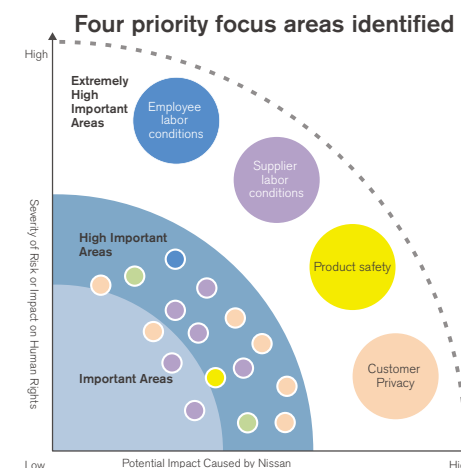
In June 2018, we launched our new sustainability strategy, Nissan Sustainability 2022, specifying the main goals through fiscal 2022 for the aspects of Environmental, Social and Governance. For the Social aspect, the strategy also reiterates the importance of respecting all stakeholders' rights. In 2018, we cooperated with Business for Social Responsibility (BSR), a US organization promoting sustainability to implement a human rights assessment, allowing us to identify four key areas of potential risk related to human rights, namely supplier labor conditions, employee labor

conditions, product safety and customer privacy. Furthermore, in 2019 we worked with BSR to conduct a human rights assessment at Nissan South Africa (Pty) and confirmed human rights risk was clearly low at that company. In 2020, we expanded our human rights assessment reviews of affiliated companies in the ASEAN area, conducting such reviews at Nissan Motor Thailand (NMT) and group companies

(Nissan Powertrain (Thailand) Co., Ltd. and SNN Tools & Dies Co., Ltd.).

We formulated action plans to remediate items requiring improvement identified in the assessments and are improving them on an ongoing basis by executing on those plans.

We also work to build awareness of human rights among employees and conduct several e-learning seminars, for example, "Global Code of Conduct" and "Unconscious Bias". "Unconscious Bias e-learning" is for all indirect employees and has been completed by 16,402 people cumulatively. In addition, approximately 550 people have taken part in our LGBT seminars, held annually since fiscal 2014. Since fiscal 2016, all senior managers have been required to take an e-learning program about LGBT issues. In fiscal 2020 the content of the e-learning program was updated and made mandatory training for managers and staff. We also have proactive initiatives to support LGBT staff.\*1



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As described in the Global Code of Conduct, employees can submit inquiries related to human rights issues via the SpeakUp global reporting system.\*<sup>2</sup>

We are committed to investigating, addressing and responding to any concerns reported, and employees who make inquiries are protected from any form of retaliation.

\*1 For more information on initiatives to support LGBT staff.

[>>> P128](#)

\*2 For more information on our global reporting system.

[>>> P221](#)

\* For more information on Responsible Minerals Sourcing

[>>> P163](#)

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

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# DIVERSITY AND INCLUSION

GRI103-1 GRI103-2 GRI406-1

## Diversity and Inclusion Policies and Philosophy

Nissan has a global diversity and inclusion mission and promotes diversity and inclusion as one of its corporate key strategies.

### Diversity & Inclusion

Foster a diverse and inclusive environment  
where we value and respect employees  
to drive innovation in automotive products and services  
that enrich people's lives

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

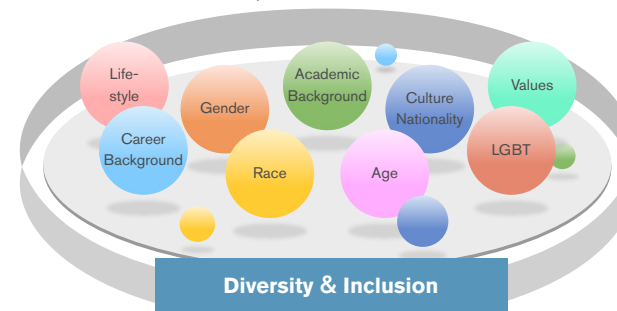
**Diversity** + **Inclusion** → ✓ Sustainable Growth  
✓ Creating Innovation

#### Diversity means to

Embrace having diverse talents with different backgrounds such as gender, nationality, culture, age, gender identity, sexual orientation, career background, education and lifestyle.

#### Inclusion means

An appreciative environment where employees respect each other and everyone demonstrates their potential to the fullest.

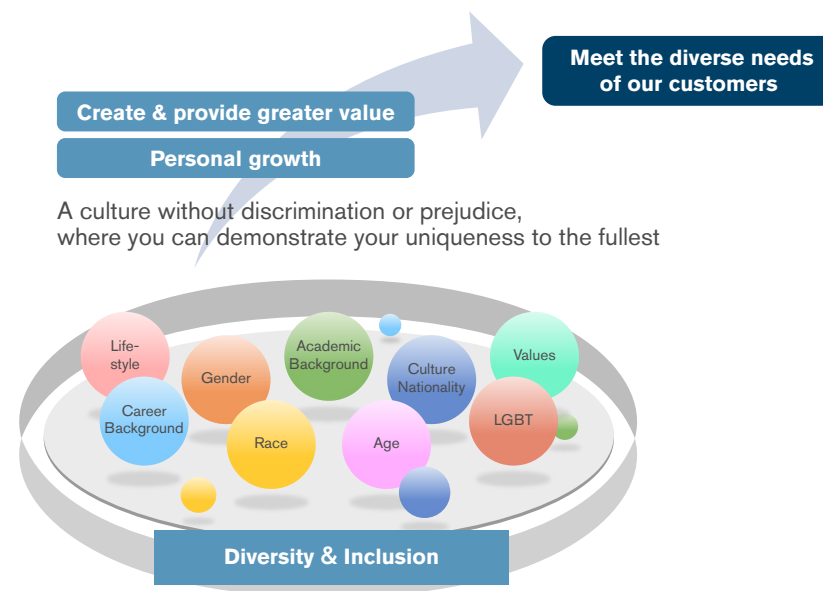


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## Diversity and Inclusion as Strategy

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

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



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GRI103-1 GRI103-2

## Respect for Human Rights and Equal Opportunity

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

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

[>>> P219](#)

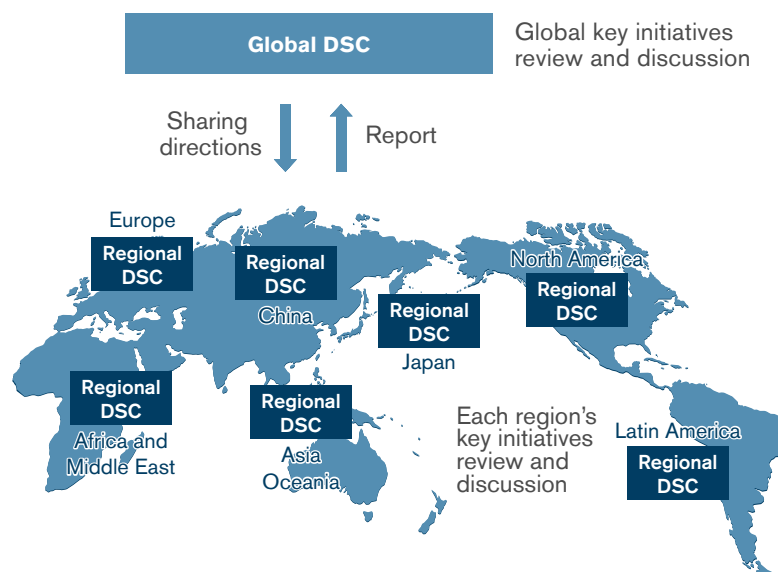
## Diversity and Inclusion Management

In order to promote diversity and inclusion across Nissan's global operations, policies are set by a committee of executives representing company divisions. Dedicated organizations then work on local initiatives needed for their implementation. We aim to be a truly inclusive company with a diverse workforce, in which individual employees can demonstrate their potential to the fullest. We promote diversity and inclusion by sharing the global common direction.

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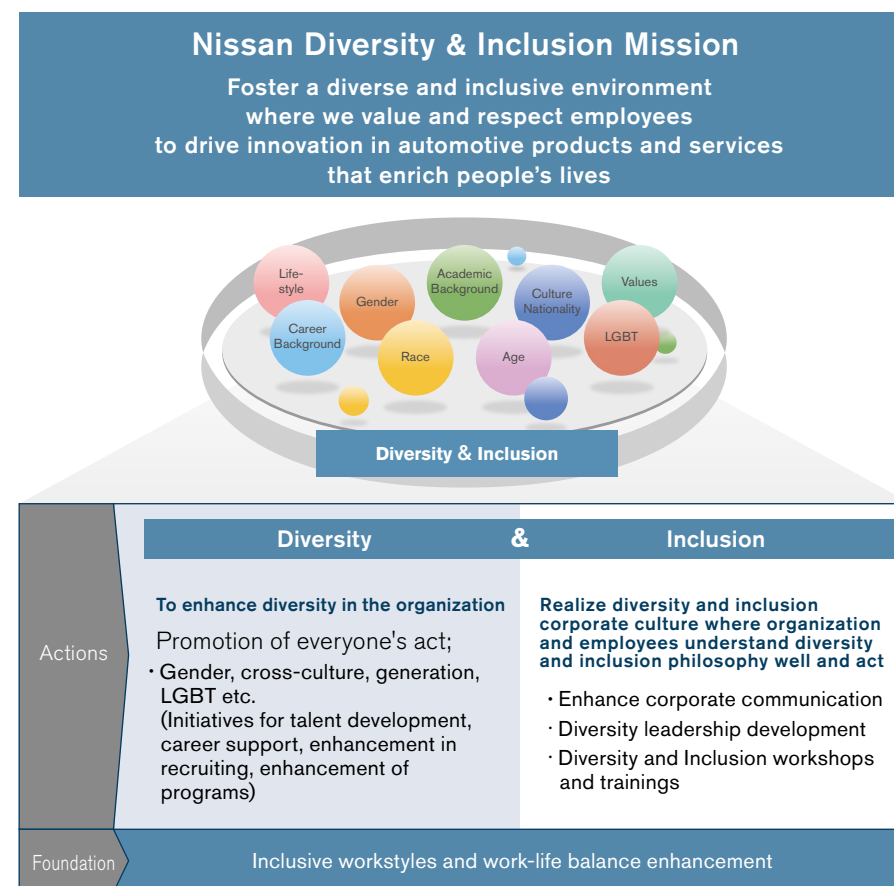
## Diversity and Inclusion: Decision-Making and Action-Driving Bodies

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



\* FY 2020 was operated under the prior regional structure. We will transition to a new regional structure in FY 2021.

## Diversity and Inclusion Promotion: Actions



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GRI103-3 GRI405-1

## Diversity and Inclusion Achievements

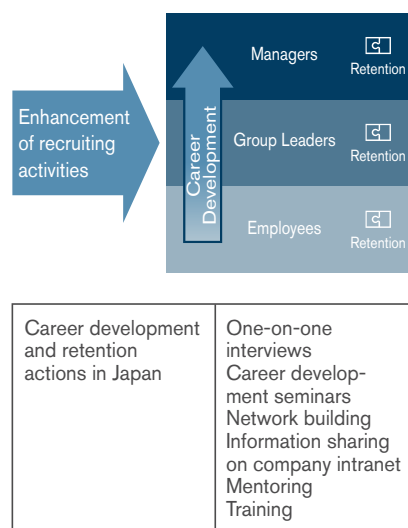
### Enabling Diverse Human Resources

#### Female Talent Development: Initiatives and Achievements

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

As a result of these initiatives, the percentage of women among Nissan managers globally has increased from 7% in 2008 to 14.7% in April 2021, and women are active at Nissan globally.

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



growth through two-way communication with highly knowledgeable and experienced senior employees, as well as help in dealing with the issues they encounter during their career development and in solving worries and issues in the workplace.

As a new initiative for 2020, we held a "Females in *Monozukuri*: Roundtable Career Discussion" for female employees in *monozukuri* functions. Female employees who are building their careers in their own ways were invited as panelists to share their career stories, the challenges of achieving a work-life balance in high male-to-female ratio workplaces and how to overcome them, and visions for the future. We also conducted a three-day "Career Seminar for females in *Monozukuri* " to think about their careers and leadership in each ways.

Furthermore, we hold "CEO Roundtable" for female leaders to engage in communication directly with top management about their thoughts and expectations, and "COO Café" as an opportunity for mid-level employees to exchange opinions with the COO in a casual style. Both events are held online and are a means for senior executives to also actively support female talent development.

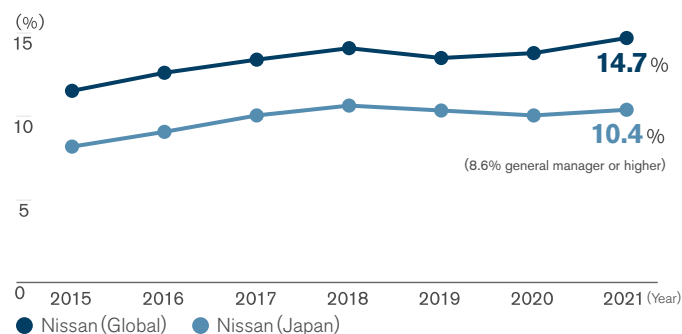
Thanks to these various initiatives, women now comprise 10.4% of managers in Japan (as of April 2021). This compares favorably to the average of 4.7% for Japanese manufacturers with 1,000 or more employees (according to the 2020 Basic Survey on Wage Structure from Japan's Ministry of Health, Labour and Welfare). As of April 2021, a total of 8.6% of general manager or higher positions are filled by women 4.3 times larger than the 2008 level of 2.0%. At the executive level, the international race driver Keiko Ihara became Nissan's first female outside director in June 2018; Jenifer Rogers followed her in June 2019. We are also planning to introduce a "Woman Leadership Program" to develop female leaders.

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In addition, as an activity in collaboration with the local community, Nissan is participating in "Woman act." for female active participation enhancement in Kanagawa since May 2015. To enlarge the movement of the activity from Kanagawa, together with top management of the major companies in Kanagawa, Nissan pledged its commitment to this project and CEO Uchida has been appointed as a member of the group.



### Transition in the Ratio of Women in Management Positions



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

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

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

Many female car-life advisors (CAs) are active at our sales companies as well where Nissan sales staff respond to the various needs of and questions from customers. As of end-February 2021, 1,214 female CAs are active across Japan, accounting for 9.8% of the national total, which has increased from 1,202 at the end of February 2020. Additionally, to enhance the satisfaction of female customers with after-sales service experiences, female technical advisors (TAs) have been appointed to bridge between customers and dealer technicians.

### Cross-cultural Cooperation

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



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## Establishing a Culture of Respect for Diversity and Inclusion

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

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

To enable members of the LGBT community and other employees with diverse sexual orientations and gender identities to perform their jobs without experiencing discrimination in the workplace, we are promoting such initiatives as annual LGBT seminars held since 2014. In fiscal 2020, the seventh time of the seminar, we invited an LGBT ally (a person supportive of LGBT) as guest speaker. In addition, we are working to encourage employee understanding and support through measures such as the rollout of an updated LGBT e-learning program to all employees. We have participated in the “Tokyo Rainbow Pride”, the largest LGBT event in Japan,

for three consecutive years since 2017. In fiscal 2020, we participated in this event, which was brought online due to COVID-19 pandemic. In fiscal 2016, members of the LGBT community and allies (those supportive of LGBT) within the company launched a self-initiated employee network. In recognition of these initiatives, the private organization, “work with Pride” awarded Nissan its most prestigious Gold in “PRIDE Index” to recognize corporate initiatives to support LGBT employees, a first for a Japanese automotive company in 2017. In 2020, we received a Gold award for the fourth year in a row.

We also provide a workplace where older employees and those with disabilities can fully participate. Necessary training programs are provided for those who have built up their career at other companies so that they can quickly perform to the best of their ability at Nissan.

In addition, we hold local diversity-themed events and run diversity training programs for employees all over the world. Employees can also learn about Nissan’s vision and initiatives relating to diversity and inclusion via articles on the company intranet and e-learning programs.

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## Promoting Inclusive Workstyles

We strive to create a work environment where every member of a diverse workforce can demonstrate his or her potential to the fullest. For example, a remote work program which allows employees to freely choose to work from outside the office was introduced so that employees can work flexibly according to their individual needs. We are continually improving the program, by expanding the locations to work remotely beyond their homes with superiors' permission, setting 10-minute as a minimum increment, and removing the upper limit of hours allowed for remote work. At the same time, we are working to create an environment to support productive workstyles by introducing tools that are convenient for remote work.

Also, in order to make it easier for staff in different regions to work together, in 2017 we established basic rules for the timing of meetings between sites in different regions. Although in the past global meetings have taken place during the middle of the night in some regions, guidelines have now been set in which all participants can join meetings between the local hours of 7 a.m. and 8 p.m. By combining this with remote work, we can provide an attractive work environment in all regions.

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

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

The number of employees balancing work with the nursing care to the elderly is expected to increase, and in Japan we have held seminars since fiscal 2015 where employees can learn the basics of nursing care and explore how company policies and local services can help them maintain the work-care balance. In fiscal 2017 we launched an external support service to support employees who face difficulties in nursing care. We will continue to evolve our programs in response to market conditions and employee feedback, thereby creating an environment in which each employee has options and can easily work while raising children or caring for family members. In fiscal 2020, for example, we have reviewed the Family-Support Leave to allow employees to take leave on an hourly basis.

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## Creating an Environment Conducive to Work-Life Balance

### Comprehensive Support for Employees

**Supporting employees:**  
Career development and work-life balance support

- "Seminar for expecting parents" before maternity and childcare leave
- "Reinstatement seminar"  
Gives employees opportunities to think about their career paths before and after maternity and childcare leave
- Nursing care seminars

**Supporting managers who have employees engaged in childcare and nursing care**

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

**Company infrastructure**

- Remote work program  
All employees except those in manufacturing processes are eligible.
- Super-flextime without core time
- Short-hour Work Program (for employees engaged in childcare or nursing care)
- Family-Support Leave (special paid holidays for marriage, childbirth by spouse, childcare, nursing care and fertility treatment)
- Childcare leave, nursing care leave, maternity protection leave
- Accompanying leave (three years maximum)
- Re-employment policy

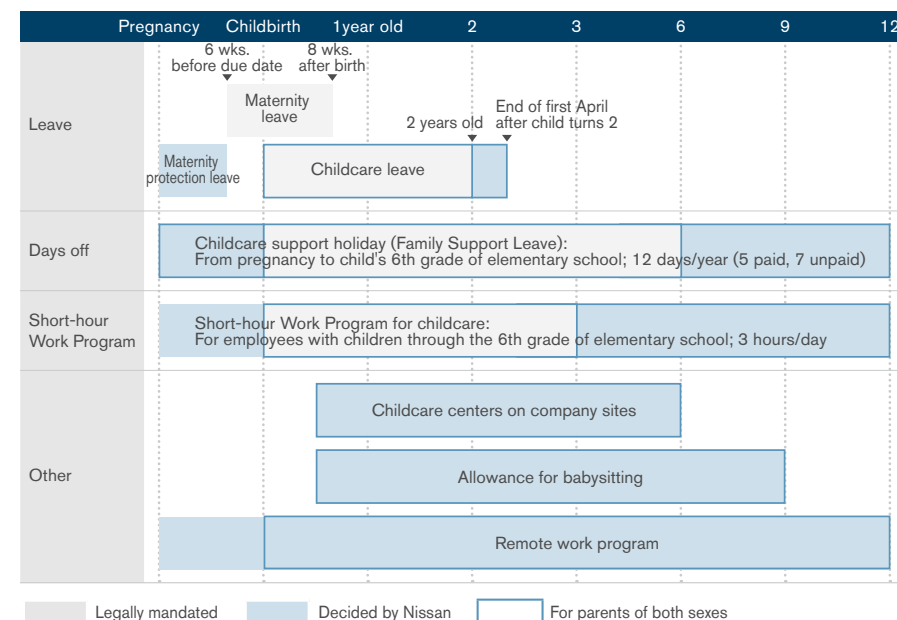
- In-house childcare center (four sites)
  1. Supports employees by helping them balance work and childcare and perform at their best
  2. Supports employees' return to work when they wish, rather than when care waiting lists in Japan allow it
- Lending of personal computers to employees on leave (for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

## In-house Childcare Centers for Nissan Employees

	March Land Atsugi	March Land Atsugi Axt	March Land Minatomirai	March Land Oppama
	Nissan Technical Center (Atsugi)	Nissan Global Information System Center (Atsugi)	Nissan Global Headquarters (Yokohama)	Nissan Oppama Plant (Yokosuka)
Capacity*	42	10	15	10
Hours	7:30 a.m.-10:00 p.m.	8:30 a.m.-6:30 p.m.	8:00 a.m.-8:00 p.m.	5:00 a.m.-7:30 p.m.
Established	April 2005	October 2012	January 2013	April 2017

\*Capacity determined based on facility area.

## Support Systems for Childbirth and Childcare (Japan)



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## Workstyle Reform “Happy 8”

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

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

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

Additionally, to give each employee the opportunity to reflect on their own workstyle from a new perspective, each fiscal year since 2014 we have held a “Workstyle Symposium” featuring invited guest speakers from outside the company. In fiscal 2020, we continued this symposium online.

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

## Achievements at Overseas Sites

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

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

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

### Business Synergy Teams (BST)

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

Nissan North America partners with many charitable and social causes that enhance the well-being of the local communities where we live and work. We invite our employees to serve as volunteers, mentors or advisors, offering

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their time, talent and expertise to help nonprofit organizations carry out their missions. We have a shared commitment to build a better, more sustainable world for all of us.

Business Synergy Team (BST)	Concept underlying activities
Black Business Synergy Team	To promote individual and collective growth, create networking opportunities and be a resource for open and inclusive dialogue with employees and all levels of leadership. Membership is targeted to Nissan employees who identify as Black, African American, descendants of or allies of.
eNable	Increase awareness of the definition and scope of disabilities; improve disability sensitivity with our employees, business partners and customers.
Gay Straight Alliance at Nissan (GSAN)	Serves to be a catalyst for a culture of equality at Nissan that provides a safe, respectful, inclusive and supportive environment for all LGBT employees, vendor partners and customers along with their allies.
Generations Business Synergy Team	Works to transfer the Nissan experience and technical expertise across all employee generations.
Green Team	Preserves transparency and communicates information on company and local community initiatives related to sustainability and the environment.
Interfaith Nissan (iN)	Conducts "Celebrate Humanity" activities that contribute to local communities and respects, recognizes, and accepts all beliefs.
Multicultural Business Synergy Team (MBST)	Supports diversity and inclusion activities within Nissan and the local communities that we work and live in. MBST is open to everyone who would like to share and learn from Nissan's vibrant culture.

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

## Achievements in Diversity and Inclusion in North America

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

In 2020, Nissan Canada (NCI) was selected as a Top 100 Ideal Employer for Interns for the fifth consecutive year. This is Canada's largest and longest-running student ranking of companies with participation of more than 20,000 students from 159 universities. NCI was also certified as a Great Place to Work® for the second consecutive year with a 10% increase in the overall score. The anonymous survey of employees by Great Places to Work bases its certification criteria on corporate culture, workplace experience, compensation, communication, and employee trust in leadership. NR Finance Mexico was recognized by HRC Equidad MX as Best LGBT Places to Work 2021. Their commitment to diversity is also shown through a partnership with PrideConnection Mexico.

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## Initiatives to Promote Diversity and Inclusion in Europe

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

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

We focus on strengthening the diversity of our pipeline through graduate hiring and support female career development through succession plans, with special attention in engineering or technical areas. The "Thrive female leadership development program" took place in fiscal 2019, and a number of e-learning modules were launched to raise awareness on the topic. We are currently planning for our fiscal 2021 activities. The Nissan Skills Foundation was established in 2014 at our plant in Sunderland, England, which provides a variety of educational programs for elementary, middle, and high school students. As of January 2021, 65,000 students had participated in career development and engineering or STEM events run by the foundation. Female students accounted for approximately 46% of the participants. We recently held a number of interactive sessions to celebrate International Women's Day, with a view to appreciate outstanding women and men who have contributed to the growth of Nissan as diversity and inclusion leader in automotive sector.

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

### South America:

A program called "Way of Working (WoW)" has been launched which allows indirect employees to work both from home and from the office. This increases flexibility for employees, promoting work life balance. This hybrid model - including Short Friday - will also help employee branding, attracting a more diverse workforce. Besides the communication planned rolled out, workshops were held to help leaders adapt to this new working style, training 301 leaders in the process.

Women's Talk is a new program launched on March 8th 2021, the International Women's Day, to create an open space to share experiences among the female employees in Nissan South America. Led by women executives from the region, two sessions were held, in Portuguese and in Spanish. They facilitated discussions about relevant topics like Impostor syndrome\*, Work-life balance, Career, Positioning, etc. The events gathered 250 female employees from all countries within the region, generating a rich exchange of ideas.

In Brazil, the Health teams brings in external experts to approach different topics related to pregnancy and motherhood to enhance support for expecting employees.

\* Impostor syndrome: Impostor syndrome is when you don't believe in your own abilities and achievements, and underestimate yourself. You might become overcautious and unmotivated due to fear of failure.



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### Africa, Middle East and India:

Africa, Middle East and India, rolled out a diversity and inclusion strategy with a focus on seven areas of actions to support the region achieve a much more inclusive work culture, with a focus on gender diversity. These seven areas cover recruitment, career planning, leadership pipeline, awareness and training, compensation and benefits, organizational culture and communications.

The diversity and inclusion strategy is led by the "Women at Nissan"(W@N) network, a cross functional taskforce of leaders of Africa, Middle East and India mandated with delivering on diversity and inclusion, aiming to deliver on Nissan's diversity and inclusion culture through the development of a truly inclusive ecosystem at Nissan Africa, Middle East and India, allowing women the opportunities to develop, grow and advance in their professional careers.

Each market has a committee tasked with delivering on the mission and execution of actions and entities under the Africa, Middle East and India diversity and inclusion strategy, which was approved by the management committee members.

W@N also launched several initiatives to help strengthen the culture of diversity across the region such as the "SheShares" initiative, a yearlong webinar series designed to encourage conversation and debate on issues related to diversity and inclusion. The initiative brings also internal and external expert speakers to discuss a variety of topics within diversity and inclusion.

Also in fiscal 2020, Nissan Africa, Middle East and India has started to implement Unconscious bias training for employees to learn the

influence of the unconscious bias that everyone has as well as techniques to mitigate their effects. Training of Trainers session for all head of HR across the region and training session in Saudi Arabia, Egypt and Middle East for managers and above was done in fiscal 2020 and to be expanded across the region.

For the International Women's Day, global panel on the role of women in automotive sector, region wide social media campaign and leadership voice were delivered.

As a result of the execution of several initiatives, the percentage of women among managers has been increasing from 4.8% in 2016 to 14.8% in 2020.

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

In November 2020, Alliance China Academy conducted "Diversity and Inclusion Leadership Learning Workshop" which aims to take the overall concept and understanding to improve awareness of diversity and inclusion after successfully conducting the workshop of "Women in Leadership" in 2018 and "Intergenerational leadership" in 2019. Through the interpretation of the influence of diversity and inclusion on leadership, organizational atmosphere and engagement, participants understood how diversity and inclusion will affect leadership behaviors and then impact the overall organizational productivity. 16 HR heads and professionals from NCIC and Nissan China JVs participated this 16 hours workshop in Beijing.

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

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

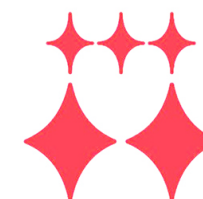
As noted above, NCI was selected as a Top 100 Ideal Employer for the fifth consecutive year and have also been certified as a Great Place to Work® for the second consecutive year. In Mexico, NR Finance Mexico was recognized by HRC Equidad MX as Best LGBT Places to Work 2021.

In 2015, we became the first company in Kanagawa Prefecture to earn "Platinum Kurumin" certification, which is granted to Kurumin accredited companies (certified as supporting childcare) that provide an even higher standard of childcare support. Then in 2017 we received the highest third level "Eruboshi" accreditation as a company that successfully promotes female participation in the workplace. Additionally, we were the first Japanese automotive company to receive Gold in PRIDE Index, the top award, a scheme which recognizes efforts to support LGBT employees; in 2020, we received the Gold award for the fourth year in a row.

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

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

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女性が輝く  
先進企業表彰

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# TRAFFIC SAFETY

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## Traffic Safety Policies and Philosophy

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

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

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## Traffic Safety Management

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

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

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

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

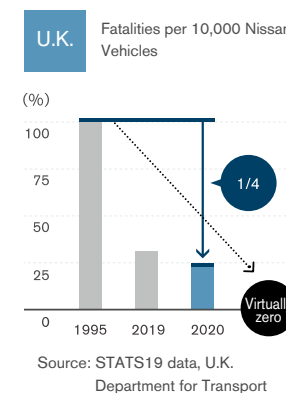
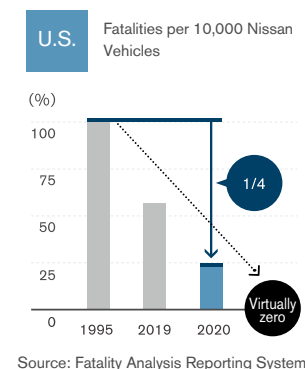
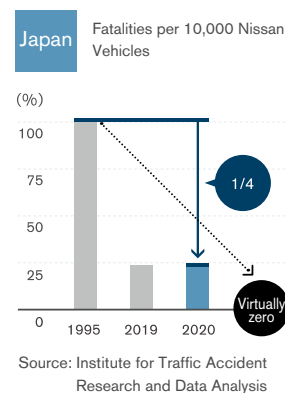
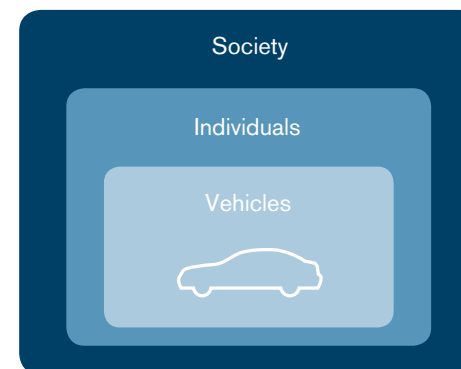
Nissan's approach to safety is focused on the real world and aims to help create a society with virtually zero avoidable traffic accidents. In 2020, there were 2,839 fatalities in Japan caused by traffic accidents. While this is 376 fewer than in 2019, there are still more than 2,000 deaths per year due to traffic accidents. According to the World Health Organization (WHO), approximately 1.35 million people die each year in traffic accidents globally. Unless significant steps are taken, traffic accidents could become the seventh leading cause of death worldwide by 2030.

We set the target of reducing the number of fatalities involving Nissan vehicles to half their 1995 level by 2015, and worked toward achieving the high target of halving this number once again in Japan, the U.S. and the U.K. by 2020. We reached this target in Japan, but additional activities are necessary in the U.S. and the U.K. Nissan's ultimate goal is a world with virtually no fatalities resulting from traffic accidents and we will continue implementing activities to help achieve this goal.

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

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

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



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## Traffic Safety Achievements

### Vehicles: Developing Safety Technologies

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

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

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

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

Our vehicles have earned high safety ratings on many public and governmental tests held in various regions. In particular in Japan, from fiscal 2020 JNCAP\*1 has introduced a comprehensive assessment in its "Car Safety Performance 2020" evaluations encompassing the three criteria of collision performance ratings, preventative safety performance ratings, and automatic accident emergency call devices. To receive the highest score of five stars, high scores must be achieved in each criteria (automatic accident emergency call devices is, fitment requirement). In the overall ratings, the Nissan DAYZ was the only “kei” minicar to receive five stars, a testament to its overall high safety. Furthermore, a certification system for advanced safety technology was launched by the Ministry of Land, Infrastructure, Transport and Tourism in fiscal 2018. In fiscal 2020, the scope of cars and devices subject to this system was expanded and 9 models and 25 types equipped with intelligent emergency braking and pedal misapplication prevention devices (Nissan DAYZ, Nissan ROOX, Note, Serena, Nissan LEAF, March, Clipper series) were approved.

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## Major External Safety Ratings (Based on 2020 Assessments)

Regions	External Assessments	Models	Rating
Japan	JNCAP*1 Car Safety Performance 2020	Nissan DAYZ	5★
		Nissan Kicks	4★
U.S.	NCAP*2	Nissan LEAF, Nissan LEAF Plus, Murano, Altima, Maxima, Sentra, Versa, Rogue Sport	5★ Overall Rating (2021 model year)
		INFINITI QX80, Frontier (Crew Cab), TITAN (Crew Cab), Rogue, Nissan Kicks	4★ Overall Rating (2021 model year)
	IIHS*3	Maxima, Altima, Rogue, Murano	2021 Top Safety Pick+
		Sentra	2021 Top Safety Pick
China	C-NCAP	Altima (Chinese name Teana)	5★

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

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

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

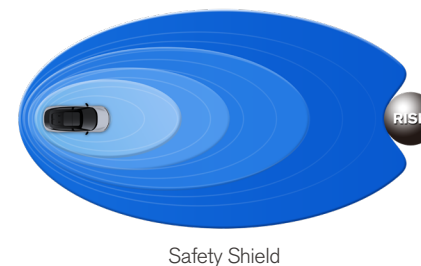
## Aiming for Virtually Collision-Free Cars

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

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

We have set ourselves the goal of providing optimal mobility worldwide.

We are committed as an automobile manufacturer to swift and widespread popularization of our safety technologies.





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

## Latest Safety Technologies\*

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

### Risk has not yet appeared

#### ProPILOT/ProPILOT Assist

ProPILOT/ProPILOT Assist is a driver assistance system that can help speed control, lane centering and brake assist functionalities. ProPILOT 2.0/ProPILOT Assist 2.0 offers a wide range of support for drivers traveling on a multi-lane highway by setting their destination in the navigation system to set a predefined travel route, such as hands-off driving while cruising in a given lane and lane changes for passing and branching off. The new ProPILOT2.0 also enables hands-off driving while cruising in a given lane. When the vehicle approaches a road divide, or when passing a slower vehicle is possible, the system judges the appropriate timing of branching off or passing based on information from the navigation system and 360-degree sensing. Intuitive audio and visual guidance is given to the driver, who is prompted to put both hands on the steering wheel and confirm the start of these operations with a switch.

#### ProPILOT Parking

Steering, acceleration, braking, shifting, and the parking brake can be controlled automatically by the system and assist the driver until parking is completed. Drivers are able to choose the parking style from among rear-facing, forward, and parallel parking depending on the scene.

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### **Intelligent Around View Monitor (with Moving Object Detection Function)**

The system displays a bird's-eye view of the vehicle which shows the vehicle and parking space orientation and aids the driver in smooth parking.

The system can also detect moving objects around the vehicle and warn the driver of detected objects to help support safe maneuvers when parking or departing from a parking space.

### **Intelligent Rearview Mirror**

When the switch is turned on, the Intelligent Rearview Mirror shows the view through a rear-mounted camera, helping provide clear rearward visibility.

Any cargo or vehicle occupants inside the vehicle do not impede the mirror's rearward view. Additionally, the sensitivity of the camera can be increased at night or in other low-light conditions, providing the driver with a clear rearward view in a variety of circumstances.

## **Risk has appeared**

### **Lane Departure Warning (LDW) /**

#### **Intelligent LI (Intelligent Lane Intervention)**

LDW can alert the driver with a warning display in the instrument panel and an audible alarm if the vehicle is likely to move out of the lane. In addition, the intelligent LI generates a force to help bring the vehicle back toward the center of the lane for a short period of time, helping the driver to move the vehicle back into the lane.

### **Blind Spot Warning (BSW)**

When the system detects a vehicle driving in an adjacent lane approaching

the rear of the driver's vehicle, it alerts the presence of this vehicle to the driver. When the driver has the turn signal indicator on, visual and audible warnings are provided.

### **Intelligent Blind Spot Intervention (I-BSI)**

When the system detects a vehicle driving in an adjacent lane approaching the rear of the driver's vehicle - a common blind spot area, it notifies the driver with an indicator light. If the driver then begins to change lanes, the system warns the driver while applying slight braking force to help avoid a collision with the vehicle in the adjacent lane.

### **Intelligent Driver Alertness (Erratic Steering Warning)**

While driving at a high speed (60kph/37mph or higher), a visual warning in the meter display and an audible signal urge the driver to take a break when this system detects via the driver's steering activity that driver alertness may be reduced.

### **Rear Cross Traffic Alert (RCTA)**

This system warns the driver with an audible alert when there is risk of collision with a detected vehicle crossing the rearward direction of the reversing vehicle.

## **Crash may occur**

### **Intelligent Emergency Braking**

When the front-mounted camera detects a vehicle or pedestrian ahead and the risk of collision increases, visual warnings appear in the meter display and an audible signal warns the driver to take appropriate action. If the driver

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does not reduce speed appropriately, braking is applied to help avoid or reduce the severity of a frontal collision.

### Emergency Assist for Pedal Misapplication

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

### Dissemination of Advanced Driver Assistance Technologies: ProPILOT/ ProPILOT Assist

ProPILOT/ProPILOT Assist was originally brought to market in 2016. In September 2019, ProPILOT2.0/ProPILOT Assist2.0 was equipped as standard in the all-new Nissan Skyline hybrid. The technology is highly acclaimed, winning Best Innovation Award in the 2019-2020 Japan Car of the Year awards and the RJC Technology of the Year at the RJC Car of the Year awards. Going forward, the technology will be introduced in a growing number of models, including the electric SUV ARIYA.

We are progressively deploying ProPILOT/ ProPILOT Assist globally in a wider range of vehicle types. So far, in Japan, has been available in the Serena, Nissan LEAF, X-Trail, Nissan Kicks, and Note. In the U.S. and

Canada, ProPILOT/ ProPILOT Assist is available in the INFINITI QX50, Rogue, Rogue Sports, Altima, and Nissan LEAF. In Europe, it is available in the Nissan LEAF, Qashqai, X-Trail and Nissan Juke. And in China, it is offered on the Altima, X-Trail, Qashqai and INFINITI QX50. The new Nissan DAYZ, was the first "kei" vehicle to offer this feature and its now also offered in the Nissan ROOX, and in total, more than 1,110,000 vehicles equipped with ProPILOT/ ProPILOT Assist have been sold as of the end of March 2021. We intend to deploy the technology in 20 models for sale in 20 markets by the end of fiscal 2023, when the number of ProPILOT/ ProPILOT Assist-equipped vehicles sold annually is expected to reach 1.5 million.

### From Preventive Safety to Autonomous Driving

We are enhancing our preventive safety technologies to support the four basic steps in avoiding accidents: sensing, cognition, judgment and action. Today we are developing autonomous driving technologies as the next step in our approach to driving safety. We believe that autonomous driving could help reduce traffic accident - more than 90% of which have human error as a contributing factor - and help realize a society with virtually no traffic accidents.

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

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

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

## Nissan's Traffic Safety Activities: Involving People

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

### Initiatives in Japan

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

Furthermore, we launched a traffic safety project\* in 2018 together with a research department in Niigata University. One of the outcomes from these efforts is the "Wheel Spinning (Guru-Guru) Exercise", developed in March 2020, which promotes and encourages safe driving among senior drivers. Furthermore, in March 2021, in collaboration with Niigata University, Kitasato University and Sagami Women's University, we established a virtual laboratory called the Traffic Safety Future Creation Lab.

We are engaged in a wide range of activities with the aim of realizing a mobile society with zero traffic fatalities, that embraces diversity and leaves no one behind. We stand by the members of society who are at a social disadvantage including in the area of transportation, such as small children,

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the elderly, foreign visitors and those cut off from public transportation because of depopulation.

\* Traffic Safety Project

ToLiTon (Town, Life and Transportation) Safety Initiative

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

## Omoiyari Light Promotion

On November 10, designated "Day of Good Lighting", we supported people in nine regions in taking the initiative to encourage drivers to turn on their headlights before dark. In addition, the TRY-LIGHT ONLINE forum was held on December, 2020 to promote safety in a fun way befitting the Omoiyari Light Promotion. Participants in the forum nationwide had discussions including journalists. This event was a great opportunity to promote horizontal connections and further enhance activities. This event was also streamed, and we received comments from viewers in support of the movement.

Throughout the year, the Global Headquarters Gallery hosts daily presentations at dusk about the Omoiyari Light Promotion during which Nissan's "Miss Fairlady" PR staff members hold up signboards



Nationwide voluntary participation in the campaign to turn on headlights

encouraging drivers to turn on their headlights.

By urging greater awareness of, and action on, safety among corporations, nonprofit organizations, car-lovers and other stakeholders, these activities have helped our Omoiyari Light Promotion steadily gain broad acceptance among the public.



TRY-LIGHT ONLINE forum

## Traffic Safety Future Creation Lab

The laboratory will prioritize reducing the number of traffic accidents caused by elderly drivers, which has become a major social problem. Previous research has shown that driving errors are related to a decline in cognitive ability and basic physical functions such as muscle strength and vision. The laboratory will take on the challenges of accurately understanding this relationship, tracing these declines back to lifestyle, culture, and community, and using the results of this research to create traffic safety solutions that will allow elderly drivers to drive safely and in good health for a long time. Therefore, the researchers who will participate in the laboratory will come from a wide range of fields such as biomedical engineering, medicine and hygiene, lifestyle and apparel design, and social design, and we will find a wide range of partners such as local governments, medical institutions, educational institutions, and community development organizations. This approach of integrating various fields of expertise, regions, and generations known as the "diversified innovational method" is one of the characteristics of this laboratory.

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Researchers are already working on research themes that are currently being planned. In addition, the laboratory will work to disseminate the "Wheel Spinning (Guru-Guru) Exercise" co-developed by Nissan and Niigata University nationwide.



Measuring driving characteristics with an actual car



Measuring visual functions with a driving simulator

## Society: Working Together with Society

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

### Installation of SOS Call (HELPNET) Advanced Automated Reporting System

SOS Call (HELPNET), an advanced automatic accident reporting system that enables data and voice communication to a dedicated operator in case of emergencies such as a traffic accident, sudden illness, risk of an accident, tailgating and other forms of road rage, is now installed in the Nissan DAYZ, the first in minicar segment in Japan. We will be gradually expanding the number of models where the system is available. There are two types of notifications: automated notification when the airbag is triggered in a traffic accident, etc., and manual notification using the SOS call switch. After the call is made, a dedicated operator uses the information obtained from the vehicle to quickly contact the fire command center or the police, and supports the driver for example by arranging for ambulances.



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## Applying NASA Technology to Develop AI for Autonomous Vehicles

To realize fully autonomous city driving, we are developing the Seamless Autonomous Mobility system (SAM). SAM will be able help cars safely navigate unforeseen situations like accidents, road construction and other obstacles. When autonomous decision-making is difficult, a remote operator draws up an ideal route to manage the situation and sends it to the vehicle for execution.

## Field Operation Test of Smart city

On February 2, 2021, three local governments and eight companies, including Nissan, signed an "Agreement on Collaboration for Community Development Using New Mobility in the Hamadori Region of Fukushima Prefecture".

The purpose of this agreement is to work together with local residents for community development of the future with dreams and hopes, utilizing the resources, advanced technologies and know-how of each company, for the reconstruction from the Great East Japan Earthquake and the future community development of Namie Town, Futaba Town and Minami-Soma City. Specifically, the companies will collaborate in the areas of community revitalization and resilience, as well as the creation of mobility services that will provide a new means of transportation and low-carbon initiatives through the use of renewable energy, with the aim of realizing sustainable community development.

The town of Namie conducted a field operation test, the "Namie Smart Mobility Challenge", using a shuttle service and other means of transportation using EVs, which are a completely new means of transportation, useful for business and tourism, and also friendly to the elderly and other "mobility disadvantaged" people. Shrinking access to public transportation due to depopulation and aging is a common issue in Japan's regional cities. By providing new mobility services that are safe, secure, and convenient, we will work to help solve these issues and become a model case for better community development.



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# PRODUCT SAFETY AND QUALITY

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## Product Safety and Quality Policies and Philosophy

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

As mobility needs rise worldwide, driven by increased urbanization and structural changes in the global economy, Nissan is fulfilling its mission of offering people everywhere the rich benefits of mobility. At the same time, we believe that automakers have an important responsibility to always offer customers the kind of quality they expect.

Nissan aims to earn its customers' trust by addressing quality as a companywide issue. This means providing top-level quality to customers at every stage, from the planning of new vehicles through development, manufacturing, logistics and sales to aftersales service.

## Quality Policies and Philosophy

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

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

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

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

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## Product Safety and Quality Management

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

### Management Systems for Product Safety and Quality

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

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

## Product Safety and Quality Achievements

### Reflecting Customer Feedback in Activities to Enhance Quality

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

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

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

Our customer call center in Japan, for example, receives around 200,000 comments and questions from customers annually. All catalogs, instruction manuals and similar materials published over the last 50 years have been digitized for easy searching, letting operators address customer concerns as quickly as possible. Operators also have access to a database of frequently asked questions and their answers, organized into three segments by vehicle models, keywords and categories.

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

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

## Incorporating Customer Feedback into Products and Services

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

Product quality is about more than just a lack of mechanical faults—it includes any factors that could lead customers to feel dissatisfied. We see these factors as issues requiring action and strive to improve quality across all areas.

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

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

## Adopting a Customer Perspective

We believe all employees must have a customer-centric perspective and are implementing a variety of activities, including companywide training to foster this mindset and efforts to provide opportunities to experience customer feedback on a daily basis.

Since 2003, we have also held Nissan Quality Forums for executives, employees and suppliers. These annual forums use information displays, video presentations and actual vehicles and parts to showcase our latest quality results, customer feedback and activities aimed at meeting targets. The forums are organized cross-functionally by all divisions from R&D to service. In recent years experiential events that lead to actions being taken have been organized in order to raise all employees’ focus on customers and the importance of quality and to help them think and act from the customer's perspective. They are held globally in Japan, North America, Europe, China, Southeast Asia and other regions.

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## Improving Product Quality

Product quality is a basic feature in allowing customers to use a product safely and comfortably over the long term. For Nissan, a leading automaker with a strong history of *monozukuri*, Japan's tradition of careful craftsmanship, product quality is the foundation for our sustainability as a company. We consider quality from the customer's perspective at all times and respond quickly if a defect occurs, striving to prevent recurrence so as not to inconvenience the customer. We ascertain customer dissatisfaction and address it through all possible means, improving quality to increase satisfaction.

We categorize product quality into areas like perceived quality, initial quality and durability. Quality improvement efforts target the entire lifecycle of a product, from planning and design to R&D, manufacturing, logistics, sales and aftersales service. We monitor the results of quality surveys, using them as internal indices and making improvements through the PDCA (plan, do, check, act) cycle.

## Approaches in Development and at Manufacturing Plants

### Improving Perceived Quality and Developing Vehicles with Valued Designs

Perceived quality is the quality that customers feel when seeing, touching and operating a vehicle. For example, when customers come to the showroom, they open vehicle doors, sit in seats and check things like the texture of interior fittings.

The perception of quality is a particularly subjective matter, and applying objective criteria requires thorough studies. We conduct consumer researches around the world targeting customers who have purchased or are considering purchasing a Nissan car in order to understand their perceptions better and incorporate those perceptions in new vehicles. Our perceived quality specialists communicates the voice of customers around the world and support us to develop attractive styling vehicle that are valued by our customers.

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## Producing Products of Consistent Quality Worldwide

We have adopted the 4G Strategies to produce high-quality products globally. These strategies let us quickly create optimum production structures for providing consistently high-quality products to customers around the world.

### Nissan's 4G Strategies

<b>Global Production Engineering Center (GPEC)</b>  The GPEC develops optimized production processes through focused trials and analysis of new vehicles. As well as dramatically improving quality in the vehicle production preparation stage, it strives to establish global quality consistency by spreading high standards to manufacturing plants in and outside Japan.	<b>Global Professional Development Center (GPDC)</b>  The GPDC trains logistics specialists to work at manufacturing bases. Training includes parts packaging design, packaging testing and evaluation methods, CAD and optimum logistics cost management to maintain high quality.
<b>Global Training Center (GTC)</b>  Manufacturing quality and productivity depend greatly on the skills of individual workers. To raise these skills to a competitive level in our plants worldwide, the GTC runs classroom lectures and skills training activities based on the Alliance Production Way (APW). Graduates of Master Trainer programs take part in training programs for local staff in regional training centers, efficiently passing their skills on to others.	<b>Global Launching Expert (GLE)</b>  The GLE aims to develop talent that can support resolving issues related to <i>monozukuri</i> during the new vehicle launch phase. Evaluations and advice from GLE core members and support from GLE registered members help us meet QCT (quality, cost, time) targets on every new vehicle launch.

## Implementing Quality Tests Envisioning a Myriad of Situations

Each of our production cars and development models is evaluated using a system called AVES\* to monitor quality on a daily basis. Feedback from customers is incorporated in standardized evaluation criteria, which are used to train quality assessment specialists. Only these company-certified experts, known as "AVES Masters," can perform our strict daily assessments. The assessment process evaluates the vehicle's interior and exterior and tests it while it is in operation, focusing on whether it meets quality standards defined in terms of customer requirements.

During the running tests, carried out on actual roads, assessors check the vehicle in areas including unexpected noise, vibration, stability of handling and the functionality of its various advanced systems.

Final responsibility for overall quality is the responsibility of the CQE, who envisages different use scenarios for Nissan vehicles and carries out stringent quality checks accordingly.

\* AVES stands for "Alliance Vehicle Evaluation Standard." AVES is a quality evaluation system used across the Renault-Nissan-Mitsubishi alliance, in which specially trained experts assess vehicles using more than 300 quality assessment criteria established from the customer's perspective.

## Activities to Improve Market Quality

### Swiftly Improving Quality in Local Markets

We are strengthening direct communication with sales companies and customers to promptly identify and respond to customer dissatisfaction and defects. Our TCSX (Total Customer Satisfaction Function Division) addresses customer dissatisfaction and quality issues based on information from sales companies and the customer call center. It shares information

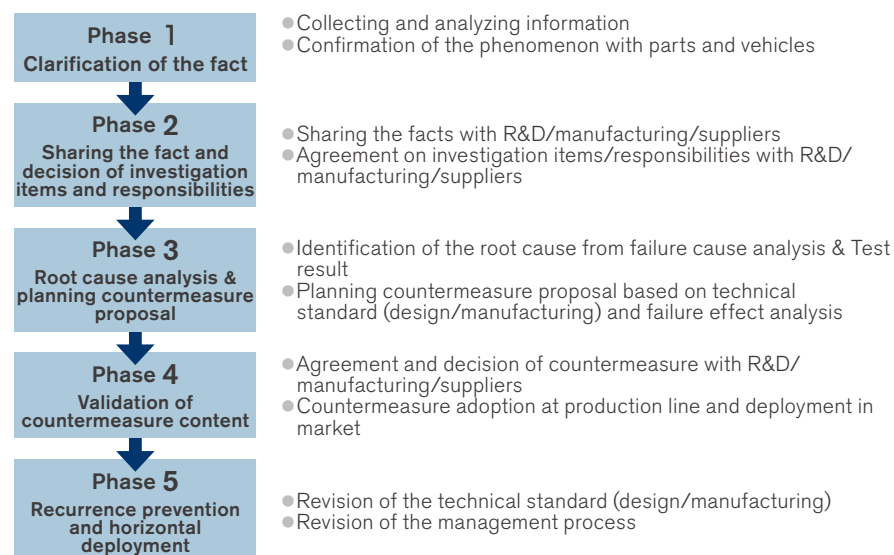


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with the R&D and manufacturing divisions to investigate the causes and come up with countermeasures. These countermeasures are incorporated in production models on the market. In this way, we seek permanent solutions to prevent outflow of quality issues.

The global expansion of our corporate activities has increased our potential exposure to customer dissatisfaction and quality issues in more regions around the world. In response, we have established Field Quality Centers (FQCs) with the goal of promptly gaining an understanding of regional quality issues and analyzing their causes locally. There are now 18 FQCs in Japan, the U.S., Europe, China, Mexico, Brazil, South Africa, India, Australia, Thailand, Malaysia and other locations.

Conceptual representation of the five phases of market quality research and analysis



Our FQCs conduct market quality research and analysis in five phases. First, they recall problem products from the market to clarify the facts and conduct detailed interviews to replicate the defects (Phase 1). Next, they bring suppliers together with our R&D and manufacturing divisions to share information, decide on areas for further investigation and assign responsibilities (Phase 2). Based on the findings of these detailed studies, staff members gather again to scientifically pinpoint the cause of the problem and decide on specific countermeasures (Phase 3). These measures are incorporated in future R&D and manufacturing activities and new management structures are put in place to prevent recurrence of reliability issues or incidents (Phases 4 and 5).

### Improving Initial Quality

Initial quality issues involve defects that occur within a year of a new car purchase. To ensure that customers are satisfied, we maintain a firm commitment to enhancing quality at the manufacturing stage for every single product that comes off the line. To this end, we have adopted the Alliance Production Way (APW) as our fundamental approach in this area. The Chief Vehicle Engineer (CVE), who is responsible for development, meets with the COE to share information from the market in order to promptly respond to customers' wishes and potential satisfaction concerns. We confirm quality improvements for each process and explore necessary risk-reduction measures by visualizing potential risks at the planning stage. Applying all of these processes with transparent criteria lets us ensure that new models offer high quality from the outset.

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### Enhancing Durability

Product life is affected by durability issues that can arise from long vehicle use: molded resin parts changing color or deforming, surface materials becoming abraded, chrome stripping away and material fatigue producing odd noises in the vehicle. We consistently obtain data of warranty after the initial sale and conduct quality checks on recovered vehicles and parts actually used by customers to identify defects earlier. Analyzing this data helps us develop technologies that are more resistant to durability issues.

### Fair and Prompt Response to Material Quality Issues

As an automobile manufacturer, Nissan's primary responsibility is to do its best to prevent product defects from occurring. At the same time, it is our responsibility to be prepared for worst-case scenarios in the manufacture of automobiles, which are extremely complex industrial products. Nissan's basic stance on recalls is to respond in a transparent, fair and prompt manner. It is our policy that decisions on recalls should be made from the perspective of compliance with laws and regulations, as well as from the perspective of how the issue affects customer safety. Our top priority is to ensure the safety of our customers and minimize inconvenience to them, and any recalls deemed necessary are promptly implemented.

### Recalls in FY 2020\*1

Country/Region	Number of Recalls	Recalled Vehicles (1,000 units)
Japan	14	277
North America	21	3,270
Europe	11	352
Other	21	93
Global	49*2	3,993

\*1 Since they are source from internal data, these figures may differ from data published by government authorities.

\*2 The total number of recalls is calculated by counting each recall measure as one case; therefore, the aggregate number of recalls by country/region does not sum to the global total.

### Approaches with Suppliers

As our production network expands worldwide, the risk of problems related to the quality and supply of parts increases. Our efforts to ensure product quality include working with suppliers to improve quality at all production sites from the design stage onward.

### Promoting Risk Evaluation and Reduction Management Among Suppliers

We promote stronger global management at the head offices of our suppliers with global operations even as we work to enhance our own global quality management. Nissan representatives visit each supplier's plants and check the quality control conditions on their production lines. We also

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offer support for suppliers' efforts to meet the quality control standards we require.

In addition to these activities, we have prepared checklists based on successful resolution of past issues and work not only with direct suppliers but also with tier-2 suppliers to implement quality improvement measures.

### Supplier Inspections and Training for Improving Product Safety and Quality

To ensure product safety, we work together with suppliers and conduct inspections for products as well as components.

Each component from our suppliers represents the end-product of a complex manufacturing process that includes planning and development validation, turning design blueprints into prototypes, performance testing and, finally, mass production. We have created a system called ANPQP\*<sup>1</sup> for regulating the necessary quality assurance across this entire series of activities. The ANPQP requires tests to be carried out on every component delivered by suppliers to confirm their high quality.

To determine whether new suppliers are able to carry out these tests, we developed the ASES system.\*<sup>2</sup> The ASES contains 240 evaluation criteria to determine if a component is defective and analyze the systems in place to prevent problems occurring. The ASES is applied on-site, at the supplier's factory. New suppliers undergo ANPQP training and are certified as trainers themselves after they reach a specified level. They then conduct training on the supplier's premises and build a system for supplying precision-built components.

For all Nissan suppliers, we are implementing a "Supplier Score Card" containing an assessment of diagnostic measurements like delivered

quality and market quality as well as the SHC\*<sup>3</sup> supplier audit to check their management system. This ensures that suppliers maintain their systems for consistently delivering high-quality components and conduct new initiatives to further improve quality. We are implementing initiatives to ensure quality in response to changes in the environment, such as remote checks from fiscal 2020.

\*<sup>1</sup> ANPQP stands for "Alliance New Product Quality Procedure." We created the ANPQP based on IATF16949, a standard for automotive sector quality management systems published by the International Automotive Task Force (IATF), in order to establish supplier quality assurance standards.

Click here for more information on ANPQP.

[https://www.nissan-global.com/EN/QUALITY/PRODUCTS/GLOBAL\\_SP/GUARANTEE/](https://www.nissan-global.com/EN/QUALITY/PRODUCTS/GLOBAL_SP/GUARANTEE/)

\*<sup>2</sup> ASES stands for "Alliance Supplier Evaluation Standard." The ASES is used to evaluate if a vendor qualifies to become a suitable supplier. Based on 240 criteria at five stages, potential vendors are ranked A, B, C or D. We then form business relationships with the top-ranked industry suppliers.

\*<sup>3</sup> SHC stands for "Supplier Health Check." The SHC is our unique system for checking our suppliers' quality management systems and how they are actually being implemented.

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## Sales and Service Quality Improvement

Nissan continues to improve not only vehicle quality but also quality of sales and aftersales service at Nissan dealership seeking to exceed customer expectations at all touch points. Through effective management of sales and service quality at dealerships in major markets around the world, we strive to improve CS (Customer Satisfaction) by adhering to the Nissan Sales and Service Way (NSSW).

### Nissan Sales and Service Way (NSSW)

NSSW is a set of global guidelines designed to improve customer perceptions of our brand and products. It aims to increase satisfaction with our sales and aftersales service in targeting to achieve top-level CS in key markets including Japan, the U.S., China, and major European markets and we conduct a range of activities based on the NSSW.

In particular, we set global standards in hardware and software aspects to provide customers with a consistent sales and service experience.

## Updating Global Dealership Standards

In response to the diversification of our customers' expectations and lifestyles, we introduced the Nissan Retail Concept (NRC) to dealerships around the world to promote standardization for providing consistent brand experience.

With the rapid spread of digitalization, consumers' purchasing behavior and ownership experiences are changing dramatically. To respond to these changes, we have introduced global standards for improving our dealership operations, from new standard shop designs to digital environments for dealerships. Adoption of the new standards has already begun in key countries, and more than 2,200 stores had completed the facility standard adoption by the end of fiscal 2020. We continue to deploy the new concept in our stores around the world.

The new dealership layout and design is intended to appeal to all customers, from those who come to purchase a new car to those who come for vehicle inspection or servicing, creating comfortable, welcoming spaces that offer needed services as efficiently as possible. With the adoption of digital tools, we are aiming to make dealership operations more efficient and assist customers considering the purchase of a new car.

NRC also incorporates key Nissan brand elements such as Nissan Intelligent Mobility\*, electric vehicles, the NISMO performance sub-brand, light commercial vehicles and Nissan Intelligent Choice (our premium certified pre-owned car program).

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

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

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## Shift to more individual customer-focus company

As our customers expect more personalized and frictionless experience, we are shifting our focus from mass-market generic initiatives to more personalized individual initiatives aimed at delighting our customers.

To ensure to implement these initiatives, Nissan Academy, a special team for educating dealers, develops and conducts training for dealership staff and management to go beyond customer expectations.

To focus on the voice of each individual customer and quick problem resolution, we implemented Quick Voice of Customer (Quick VOC). It is not a survey but a powerful tool to capture customer's feedback with 3 simple questions and free verbatim. In case customer shows any concerns, Quick VOC provides the Dealer/ Nissan a hot alert and allows the Dealer to quickly resolve the specific customer's concern and thereby increases customer promotion for Nissan.

To boost our activities at dealerships, we train area managers and continuously improve our practices. These area managers analyze dealer operations, develop improvement plans based on their individual situations and support their implementation, to let dealers continue autonomous improvements. We continue to improve the quality of our sales and service in order to improve satisfaction among customers who visit our dealerships.



New logo Nissan dealer outlet

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# SUPPLY CHAIN MANAGEMENT

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## Supply Chain Strategy

The challenges facing modern societies, such as climate change and energy issues, are increasingly global in their scope. To meet these challenges, it is essential for Nissan to identify relevant issues at each stage along the supply chain and make ongoing efforts to address them. As a business with worldwide operations, Nissan has a supply chain that extends across the globe. We promote consistency in purchasing activities throughout the global supply chain, sharing our vision and policy with business partners and strategically collaborating with them to ensure their adoption.

We aim to achieve sustainable growth built on a foundation of mutual trust with its business partners. We listen closely to and work with our suppliers as equal partners, developing and maintaining cooperative and competitive relations that enable us to implement best practices.

## Nissan's Approach to the Supply Chain

To optimize purchasing activities, the Alliance partners established a common purchasing company, the Renault-Nissan Purchasing Organization (RNPO), in 2001 and have steadily increased the scope of its activities in the years since then. The organization now covers all purchasing domains, incorporates all purchasing functions and builds mutually profitable business partnerships with all suppliers. Its name was changed to the Alliance Purchasing Organization (APO) in April 2018, after Mitsubishi Motors joined the Alliance. The new organization aims to help each company in the Alliance achieve sustainable performance through the steady development of the Alliance as well as through the advantage of economies of scale.

We use common, transparent processes and criteria worldwide to select suppliers and are open to doing business with new partners, regardless of nationality, size or transaction ties in the past. Suppliers are selected after the relevant Nissan divisions meet to examine submitted proposals from a range of perspectives. We explain our decisions to every supplier that takes part in the supplier selection process as part of a thoroughly fair, impartial and transparent system.

Transactions with suppliers are based on the three values that the Alliance regards as important: trust (work fairly, impartially and professionally), respect (honor commitments, liabilities and responsibilities) and transparency (be open, frank and clear).

Nissan and Renault have produced a booklet, The Renault-Nissan



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Purchasing Way,\* outlining the values and processes the Alliance sees as important when doing business. This booklet has been shared with tier-1 Renault and Nissan suppliers since 2006. In Japan, we also adhere to the “proper trading guidelines” issued by the Ministry of Economy, Trade and Industry for the automotive industry.

\* Click here to download The Renault-Nissan Purchasing Way.

[https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/Renault\\_Nissan\\_Purchasing\\_Way\\_English.pdf](https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/Renault_Nissan_Purchasing_Way_English.pdf)

## Supply Chain Company Organization

The Alliance Purchasing Organization (APO) created by Renault, Nissan, and Mitsubishi Motors

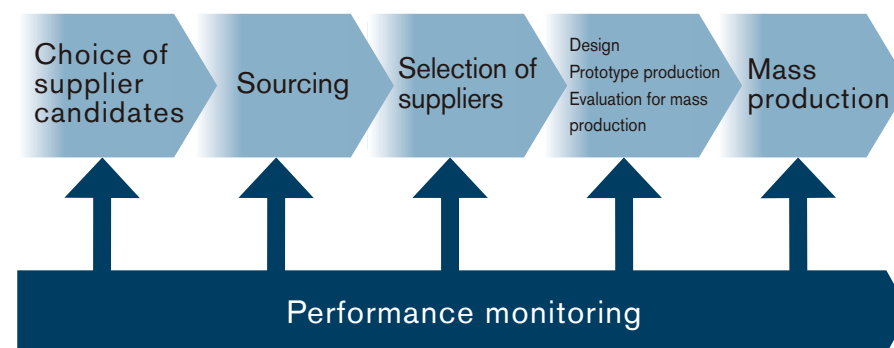
### APO Alliance Purchasing Organization

- Purchasing domains : All (components, materials, equipment, molds, service support)
- Purchasing functions : All (planning, procurement, projects [vehicles/units], management, supplier quality, etc.)



RENAULT NISSAN MITSUBISHI

## Processes from Supplier Selection to Mass Production



## Working with Suppliers

We aim to make our global supply chain sustainable by conducting ethically, socially and environmentally responsible business at every stage. We collate and manage a database of plant locations, total purchase values and other basic information for all suppliers. We are working together with all suppliers to promote the sustainability principles set out in the Renault-Nissan CSR Guidelines for Suppliers and the Nissan Green Purchasing Guidelines.

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## Supply Chain Management Policies and Philosophy

### Promoting Widespread Permeation through the Renault-Nissan CSR Guidelines for Suppliers

To effectively implement sustainability practices worldwide, Renault and Nissan revised the Renault-Nissan CSR Guidelines for Suppliers\* in December 2015. Renault and Nissan distributed the revised guidelines to all their suppliers and have also asked suppliers to share the revised guidelines with their own business partners to ensure they permeate throughout the supply chain. Renault and Nissan drew up the first edition of the guidelines for distribution in 2010 with reference to the CSR guidelines of the Japan Automobile Manufacturers Association, Inc.

Key revisions and clarifications in the 2015 edition included, as a response to new laws and ordinances: (1) updating the procurement policy to include responsible mineral procurement and the elimination of antisocial forces based on new Japanese governmental guidelines and regulations; (2) requiring a shared commitment to sustainability activities with suppliers at the time the guidelines are distributed and (3) beginning third-party assessment of supplier sustainability activities as an Alliance initiative from fiscal 2016. As part of efforts to promote sustainability practices among business partners in emerging countries, the revised guidelines were published in Chinese as well as English and Japanese.

To help suppliers review their corporate activities from a sustainability perspective and take sustainability actions, the guidelines explain expected initiatives in 26 categories across the following five areas:

1. Compliance: Complying with laws, preventing corruption, etc.

2. Safety and Quality: Ensuring the safety and quality of products and services, etc.
3. Human Rights and Labor: Prohibition of child labor and forced labor, complying with working hours and remuneration laws, etc.
4. Environment: Environmental management, reducing greenhouse gas emission and industrial waste volumes, and managing chemical substances, etc.
5. Information Disclosure: Open and impartial communication with stakeholders, etc.

In addition, suppliers are requested to undergo assessments by third parties. The guidelines mandate that suppliers comply with laws and regulations. If suppliers are found to be in a state of non-compliance, the guidelines prescribe required responses, such as filing a report immediately, conducting an investigation and formulating corrective measures. In the case of a non-compliance incident, we will take firm action based on our regulations and do everything necessary to prevent a recurrence. In fiscal 2020 no human rights violations, such as discrimination, occurred, and no supplier was found to be at serious risk of forced labor or child labor.

\* Click here to download the Renault-Nissan CSR Guidelines for Suppliers.

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

### Suppliers and Environmental Activities

Nissan has shared its environmental philosophy and environmental action plan with suppliers since the mid-1990s. To improve environmental performance throughout the supply chain jointly with suppliers, we first published the Nissan Green Purchasing Guidelines in 2001 and have actively promoted environmental activities at suppliers in line with these

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guidelines since then. After Nissan and Renault integrated their technical standards for management of chemical substances in fiscal 2016, a revised version of the guidelines were published in January 2017. Furthermore, in August 2018, based on the midterm environmental action plan, Nissan Green Program 2022 (NGP2022),\*1 we revised the content of the guidelines, adding requests that suppliers undertake their own environmental activities. Additionally, in May 2019, in order to strengthen management of environment-impacting substances, we added requirements dealing with supplier self-diagnosis of environment-impacting substance management and related topics, which all suppliers are asked to follow.\*2

The Nissan Green Purchasing Guidelines are part of the detailed explanation in the environment-related section of the Renault-Nissan CSR Guidelines for Suppliers.

Environmental activities undertaken with suppliers involve the core components of compliance with environmental regulations and Nissan's basic environmental principles, along with activities to reduce the burden on the environment.

As for the former, in response to global trends\*3 in such regulations as the European Union's Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) Regulation and the European Reusability/Recyclability/Recoverability (RRR) Directive, we have added new items to the list of banned substances and globally expanded component data management. When selecting suppliers for new models, we check their management of and activities regarding environmentally hazardous substances, informing them of specific actions needed to comply with the REACH Regulation and requesting their compliance.

Based on the NGP2022, we hold annual environmental briefing sessions and have since fiscal 2012 conducted surveys to ascertain CO<sub>2</sub> emissions,

water usage, waste production and other data related to our burden on the environment. To further enhance our activities in this area, in fiscal 2014 we adopted the supply chain program run by CDP, an international environmental NPO that manages a global system for disclosing corporations' environmental impact and strategies. In fiscal 2020, based on these surveys, we continued encouraging some suppliers to improve their environmental activities.

\*1 Click here for more information on NGP2022.

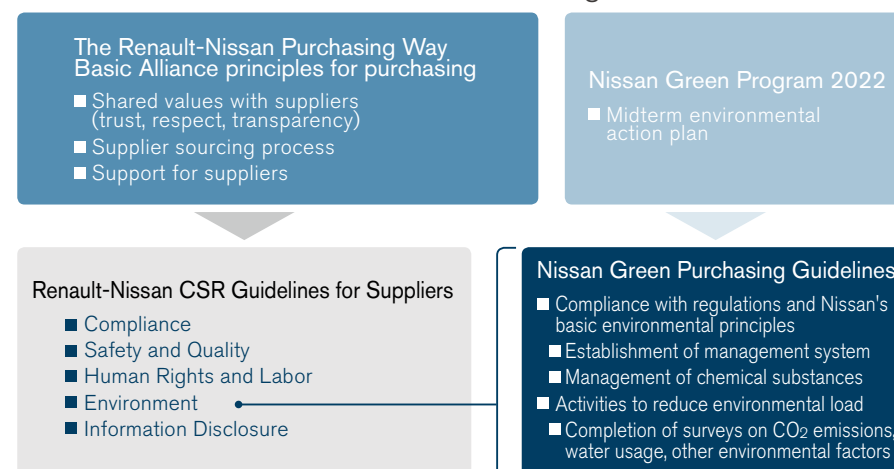
<https://www.nissan-global.com/EN/ENVIRONMENT/GREENPROGRAM/Framework/>

\*2 Click here to download the revised version of the Nissan Green Purchasing Guidelines.

[https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/Nissan\\_Green\\_Purchasing\\_Guideline\\_2021\\_e.pdf](https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/Nissan_Green_Purchasing_Guideline_2021_e.pdf)

\*3. The European Union (EU)'s Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) Regulation and European Reusability/Recyclability/Recoverability (RRR) Directive, etc.

## The Role of the Nissan Green Purchasing Guidelines



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## Supply Chain Management

Nissan has been always working to improve its supply chain through activities including third-party assessment of suppliers' sustainability activities and sustainability training for workers in its purchasing department. We have also instituted an awards system to recognize suppliers whose performance is outstanding. This awards system aims to encourage suppliers in the global supply chain to embrace Nissan's management approach, which balances the economic activities of quality, cost reduction and technological development with social responsibility and environmental concern.

Working with Suppliers in Strengthening Our Business Foundations to Address Environmental Issues

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Product Safety and Quality Achievements with Suppliers

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## Evaluation, Monitoring, and Auditing of Suppliers' Sustainability Practices

Nissan has been confirming suppliers' acceptance of the Renault-Nissan CSR Guidelines for Suppliers and check their environmental management systems and their willingness to advance environmental activities with us at the time of supplier selection. Among newly selected suppliers in fiscal 2020, 100% of them met both Nissan's social standards and basic environmental principles.

In 2016 the Renault-Nissan alliance began third-party assessment of suppliers' sustainability activities to raise standards through mutual

confirmation. When results do not meet Alliance standards, suppliers are asked to draw up plans for improvement. We then monitor their implementation. In fiscal 2020, we held a seminar for suppliers, where a rating organization spoke to them directly how to answer assessment questions and formulate improvement plans. By now, more than 90% of Nissan's purchase demands are covered by a third party assessment. We also conduct sustainability training in our purchasing department to ensure that employees conduct checks of suppliers' sustainability activities in their daily work.

If there are issues with the supply of parts and materials, they may lead to problems not only for Nissan's production but also supply chain as a whole. We therefore position the following measures as part of sustainability activities and implement: (1) confirming supply risks under normal circumstances; (2) following up annually on quality, cost, delivery, development, management, sustainability, and risk (QCDDMSR) performance and (3) working with suppliers to craft response plans for natural disasters to ensure production continuity or early restoration of capacity.

We monitor compliance from the perspective of supplier management, constantly assessing the situation at each supplier based on a range of factors. When high risk is identified, we work with the supplier to rapidly draft and implement countermeasures.

In fiscal 2020 there were no suppliers whose compliance was problematic, and no supplier contract was terminated for such a reason.

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## Promotion of *Monozukuri* Activities with Suppliers

We work to continually improve the competitiveness of our products through the *Monozukuri* Activities program, a collaboration between suppliers and Nissan that was launched in 2008. Since 2009 these activities have expanded through the joint THANKS Activities initiative, which emphasizes trust and cooperation between Nissan and its suppliers. With the goal of working with suppliers to become cost leaders under today's challenging market conditions, we strive to improve product quality, reduce costs and rationalize manufacturing through measures that include increasing production volume per part, promoting localization and improving logistics. In fiscal 2013 we introduced the Total Delivered Cost (TdC) Challenge, aiming to optimize all fluctuating costs, including for specifications, materials, exchange rates and logistics. Our various functional departments, together with suppliers, are continuously working to forcefully advance the TdC Challenge and improve both quality and supply.

### THANKS

Trusty and  
Harmonious  
Alliance  
Network  
Kaizen activity with  
Suppliers

## Engagement with Suppliers

Providing suppliers with timely and accurate information is a key task for Nissan. Suppliers' meetings are held in Japan and overseas to spread understanding of Nissan's purchasing policy for the fiscal year, midterm business plan and other matters. In Japan, we hold monthly meetings and directly inform suppliers of our production plans, activities and requirements. The meetings are also an opportunity for Nissan to respond to supplier questions and requests.

## Recognizing Supplier Contributions Worldwide

Each year we recognize the contributions of our suppliers to the development of our business and improvement of our performance with awards presented at the global level as well as in each of the regions where we operate. At the Nissan Global Supplier Awards, we present Global Quality Awards to suppliers showing exceptional performance in quality for the year, and Global Innovation Awards to suppliers whose innovative initiatives improved Nissan's brand and product power. Global Quality Award recipients are selected by Nissan's purchasing, quality and other divisions using standard criteria applied worldwide. Global Innovation Award recipients are selected from suppliers nominated by Nissan's production, development and other divisions in two categories: product technology and process management. In fiscal 2020, five companies received Global Quality Awards, while Global Innovation Awards went to eight companies.

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## Responsible Minerals Sourcing

### Minerals Sourcing Policy

In 2013, Nissan moved quickly to establish a policy against use of conflict minerals and published the policy on its website. Following this in July 2020, it formulated and published its new Global Minerals Sourcing Policy Statement and expanded the scope from the conflict minerals known as 3TGs (tin, tungsten, tantalum, and gold) to all minerals including cobalt from conflict-affected and high-risk areas.

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

Based on its Global Minerals Sourcing Policy Statement, Nissan references to OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas to implement due diligence related to minerals sourcing in its supply chain. From 2021, the Renault-Nissan-Mitsubishi alliance has also joined the RMI\* and will work with its suppliers to assess risks and will strengthen its efforts to take corrective actions furthermore whenever issues are identified.

\* Click here to download Global Minerals Sourcing Policy Statement.  
[https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/Minerals\\_Sourcing\\_Policy\\_e.pdf](https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/Minerals_Sourcing_Policy_e.pdf)

\* RMI stands for Responsible Minerals Initiative, an organization with member companies and associations from the information and communications technology and other industries that works to improve global social and environmental awareness.

## Responsible Minerals Sourcing Management

### Governance System for Supply Chain Due Diligence

The head of the Purchasing Department is responsible for conducting supply chain due diligence with the cooperation of the R&D Division, Sustainability Development Department, and other related divisions, and reports the results to the Global Sustainability Steering Committee. If necessary, the results are also reported to the Executive Committee (EC), Nissan's highest decision-making body, for use in determining future initiatives.

### Conflict Minerals Management

We began conducting conflict-mineral surveys in our major areas of operation (Japan, North America and Europe) in fiscal 2013. Starting in fiscal 2014, we gradually expanded the scope of these surveys to other areas. Surveys on a massive scale are required to grasp the status of minerals usage throughout the global supply chain. We therefore collaborate with organizations including the Japan Automobile Manufacturers Association, Inc., the Japan Auto Parts Industries Association, and the Japan Electronics and Information Technology Industries Association to hold regular working group sessions to consider methods for investigation and analyzing the results of those investigations.

The surveys track minerals back through the chain of suppliers using documents called CMRTs (Conflict Mineral Reporting Templates) provided by the RMI\*. This enables Nissan to identify smelting and refining companies that are not procuring minerals that are a source of funds for armed groups in their regions.



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We provide the suppliers we survey with manuals describing how to fill in required forms and what tools to use to collate results. In this way, we work to increase understanding of conflict-mineral issues throughout the supply chain.

In fiscal 2020 we conducted surveys in 10 markets, Japan, the United States, Mexico, Europe, China, Thailand, Taiwan, India, South Africa and Brazil. No suppliers were found to be using minerals from smelters/refineries believed to be connected to armed groups.

Going forward, we plan to make our surveys more effective by improving its methodology in conjunction with the member companies of the Japan Automobile Manufacturers Association, Inc., and the Japan Auto Parts Industries Association. We will also continue to seek responses from suppliers that did not reply to the survey.

\* Click here for more information on our actions for minerals sourcing.  
[https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/Minerals\\_e.pdf](https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/Minerals_e.pdf)

\* RMI stands for Responsible Minerals Initiative, an organization with member companies and associations from the information and communications technology and other industries that works to improve global social and environmental awareness.

## Management of Cobalt

Nissan is aware that not only geopolitical risk but also environmental impact and human rights issues related to cobalt mining have been pointed out. Together with suppliers, Nissan aims to carry out responsible cobalt sourcing.

Since 2018, Nissan has conducted interviews with its lithium-ion battery suppliers and follows up with them on a regular basis and is identifying its supply chain. We are enhancing our approach to identifying cobalt smelters/refineries by referencing the OECD Due Diligence Guidance. Any identified smelters/refineries will be disclosed on an ongoing basis.

\* Click here for more information on our actions for minerals sourcing.  
[https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/Minerals\\_e.pdf](https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/Minerals_e.pdf)

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# HUMAN RESOURCE DEVELOPMENT

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## Human Resource Development Policies and Philosophy

We value a self-directed stance toward learning by employees, and are working to foster a corporate culture in which they can demonstrate their abilities and potential and in which both the company and employees can continue to grow together, as well as to develop human resources.

We encourage employees to take ownership of their own careers and promote skill development. We also promote active collaboration and teamwork with others, in addition to the development of team members by their supervisors in their respective workplaces. Specifically, the five values of the Nissan Way, which evolved in fiscal 2020 as a symbol of the new Nissan, and the appraisal system, which emphasizes the development of human resources and promotion of collaboration, was revised in fiscal 2020 to ensure sustainable growth and development of the organization and human resources.

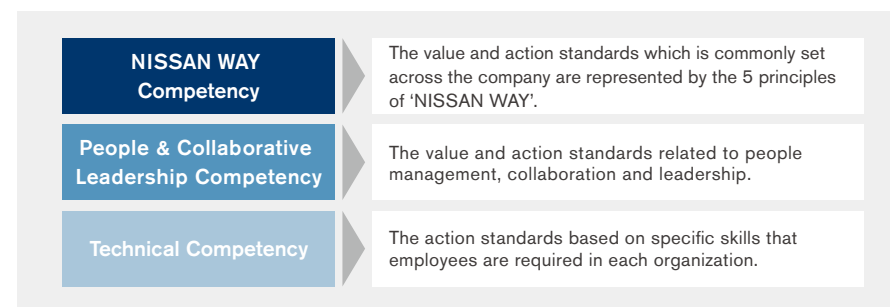
In addition, to provide employees with effective learning opportunities even in remote work environments, we provide over 20,000 types of e-learning content on a global basis and are also promoting the expansion of digital learning infrastructure by preparing an environment so that employees can take courses on their own mobile devices.

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## Human Resource Development Management

### Continually Improving Human Resource Systems

Nissan is working constantly to improve its human resource systems to achieve growth for its people and organization over the medium to long term. We updated these systems in fiscal 2020 and established three pillars of appraisal, namely appraisal metrics based on the evolved Nissan Way, People & Collaborative Leadership to support employee's motivation for growth, self-development, and to enhance teamwork, and the expertise.



Based on these, we have introduced "Competency Appraisal" measuring an employee's skills, knowledge, and attitude and "Performance Appraisal" measuring to what extent the employee achieved their goals. These are used to appropriately evaluate employee contributions to the company and determine compensation.

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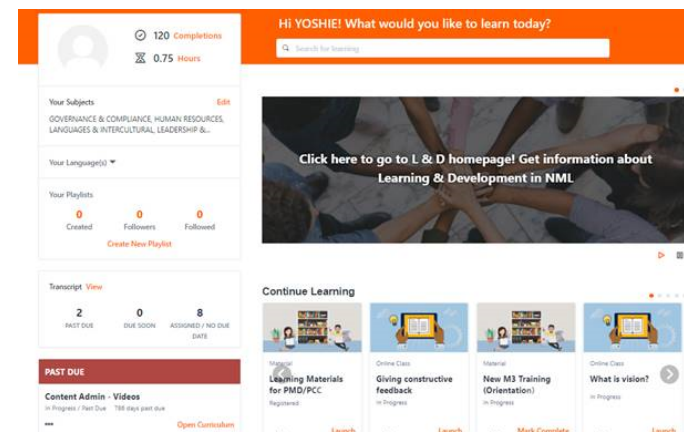
## Support for Self-Designed Careers

At Nissan, all employees have an opportunity twice a year to discuss their own careers with their supervisors to support their career designs. Together with “Performance Appraisal” and “Competency Appraisal,” employees and their supervisors reach a consensus through dialogue.

Aiming to enhance measures for career development as well as growth in their dialogues, training programs are provided to improve supervisors’ skills. In addition, guides and e-learning are available for employees to voluntarily consider their own career. We use dedicated tools for evaluation to keep track of evaluation records so that even a newly instated supervisor can immediately confirm employees’ growth progress, which makes it possible to maintain consistency within the human resource development. We conduct surveys to gain employee input regarding the evaluation dialogues and to learn their level of understanding and satisfaction with the system. Based on the results, we implement necessary measures and make improvements. We monitor employee satisfaction regarding the dialogues with their supervisors, and there has been an improvement in employee understanding and acceptance of the evaluation system.

Employees in Japan have a chance to take on the challenge of a new position through the Shift Career System (SCS) and the Open Entry System. The SCS enables employees to apply for positions in other departments or areas in which they are motivated to work in, regardless of whether there is a position immediately available. The OES allows them to apply for all openly publicized positions. During fiscal 2020, a total of 238 employees applied for approximately 450 open posts, and 113 of them succeeded in getting the positions they applied for.

## Offering Learning Opportunities



Based on our firm belief that employees are our most important asset and that nurturing them is critical, we support them by providing a large number of learning opportunities. We have developed various programs to help employees improve their management and business skills, and to develop leadership skills. In these ways, employees are encouraged to enhance their skills, their knowledge and their mindset in order to realize their career visions.

Specifically, in addition to mandatory trainings for each career stage, we implement elective trainings which allow employees to choose what they want to learn. We also expand global common e-learning contents to encourage self-learning. With these measures, we strive to foster a corporate culture of continuous learning and development. In response to changing times, we are actively shifting from face-to-face training conducted in groups to online training to build an effective learning environment that

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enables each individual to learn using their mobile devices under remote working conditions.

### Nissan Learning Center

In the automobile industry in which technological innovation is rapidly advancing, in order to maintain and develop Japanese manufacturing that leads global competition, talents are required who not only understand advanced vehicle manufacturing and technology but also have management skills and maturity. We founded Nissan Learning Center with the aim of continuously developing capable leaders to play a central role in *monozukuri* and pass down our technologies and skills to future generations. This is another example of how we offer learning opportunities and promote activities to develop human resources.

Nissan Learning Center consists of three organizations: Nissan Technical College, Genba Kanri (shop-floor management) School and Engineering School. It offers a variety of programs aimed at developing engineers and technicians who carry forward the "Nissan DNA" and achieve continuous success through the implementation of the evolved Nissan Way.

In addition, Nissan Learning Center is responding to remote working by offering online technology training including on AI and IoT for approximately 10,000 employees.

## Engineering and Technical Skill Training Around the World

To strengthen our efforts to expand our business globally, we must further improve the engineering skills of individual employees working across the globe. We offer opportunities for personal growth equally to all employees in both R&D and manufacturing, whether they work in Japan or elsewhere, to help them enhance their capabilities.

### Training for Engineers

We developed a Global Training Program (GTP) and have provided 19000 engineers with fundamental training at R&D sites worldwide since 2012. Furthermore, in recent years, we have moved forward with plans for more advanced and specialized training, including training in the areas of Electric Vehicles, Autonomous Driving Technology and Connected Car Services, in order to develop talent that can lead R&D related to autonomous vehicles and connected cars.

### Training for Technicians

In order to improve the day-to-day management skills of foremen and general foremen in all of the plants operated by Nissan, Renault and Mitsubishi around the world, a common production method known as the Alliance Production Way (APW) has been defined. We are also developing a shared Alliance framework for APW training, which we aim to implement worldwide.

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## Improving Management Quality

We are working to improve the quality of management at the global level. We have further emphasized strengthening human resource management within the organization by introducing values of the evolved Nissan Way and People and Collaborative Leadership into the appraisal system. In the introduction of the new system, corporate officers and general managers themselves acted with strong leadership, holding dialogues and workshops to promote understanding in their respective departments and to communicate the will to change. In fiscal 2021 and afterwards, we include the contents related to expected roles in companywide trainings by job level (for new employees, for newly promoted managers, etc.), and continue to promote understanding of the new appraisal system and encourage employees to take expected actions. In addition, we have revised the existing training program structure in line with the new Nissan Way and People and Collaborative Leadership, creating an environment where employees can take training that strengthens relevant skills and leadership.

## Training Future Leaders

To continually foster future leaders and specialists who will lead the company, we take a strategic and systematic approach to training, job rotations and recruitment. Specifically, we identify future business leader candidates at an early stage and implement various training programs by clarifying their strengths and development areas according to their growth stage, including young employees, middle managers, and corporate officers. Staff rotations beyond divisions and regions are strategically and systematically implemented to give candidates for future leaders

opportunities to work in management posts or in global functions so that they can acquire experience needed to become a management member or a leader. Furthermore, we are in the midst of a period of transformation from the era of owning a car to the era of creating new mobility services, such as electrification, autonomous driving, car sharing, and connectivity with the Internet. We are therefore working to develop leaders who can lead new businesses beyond the boundaries of the conventional automobile business. We are reinforcing our human resources not only through the recruitment of new graduates but also by actively hiring mid-career talent and mid-level management candidates from outside the company. In order to effectively operate these talent management schemes, meetings dedicated to human resources are regularly held with corporate officers. There, outstanding talents are identified, then development plans and succession plans are created.

In addition, corporate officers have opportunities for direct dialogue with future leader candidates and actively participate in discussions on human resource development measures across divisions and regions. These strategic human resources management systems are also being actively discussed at the regional and departmental levels, with human resources and systems coordinated across regions under a common global framework.

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## The Nissan Expert Leader System: Passing Down Nissan's Technologies and Expertise

Helping employees develop specialized skills over the medium to long term is vital for a company to achieve sustainable growth. The Nissan Expert Leader System is a means of strengthening and fostering further development of specialized skills in a wide range of technical and nontechnical areas like purchasing and accounting. In fiscal 2021, the system's 16th year, 45 Expert Leaders and one Fellow are playing an active role in a total of 85 fields of specialization. The Expert Leaders and Fellows make use of their specialized knowledge to contribute to Nissan's business endeavors overall. In addition to sharing their knowledge with others via the corporate intranet and other communication tools, they contribute to the fostering of the next generation of experts by passing on their expertise in seminars and training courses.

## Human Resource Development Achievements

### Training Program Achievements at Nissan Motor Co., Ltd.

Performance Indicators for Training Programs	FY2018	FY2019	FY2020
Number of learners	241,674	263,240	330,784
Total hours of training	482,103	590,696	549,490
Hours per learner	21.5	26.0	24.3
Learner satisfaction (out of 5)	over 4.2	over 4.2	over 4.2
Investment per employee (¥)	86,000	90,000	83,000



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# LABOR PRACTICES Respecting the Rights of Workers

GRI102-12 GRI102-13 GRI103-1

## Policies and Philosophy on Respecting the Rights of Workers

Nissan has been a member of the United Nations Global Compact since 2004, observing its universal principles on human rights, labor, the environment and anti-corruption. Nissan promotes the management of sustainability strategies pursuant to the compact's 10 principles. We have expanded and enhanced our wide-ranging activities to ensure that employees' basic rights are respected.

\* For more information on the Nissan Human Rights Policy Statement.  
[https://www.nissan-global.com/COMMON/DOCS/CSR/LIBRARY/nissan\\_human\\_rights\\_policy\\_e.pdf](https://www.nissan-global.com/COMMON/DOCS/CSR/LIBRARY/nissan_human_rights_policy_e.pdf)  
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GRI103-2 GRI406-1

## Management That Respects the Rights of Workers

Under the "Value Diversity and Provide Equal Opportunity" code within the Global Code of Conduct, Nissan requires its employees to respect and value the diversity found among the company's employees, business partners, customers and communities, while rejecting discrimination and harassment in all forms, regardless of magnitude. Nissan executives and employees must respect the human rights of others and may not discriminate against or harass others based on race, nationality, gender, religion, disability, age, place of origin, gender identity, sexual orientation or any other reason; nor may they allow such a situation to go unchecked if discovered. We also work to ensure that all employees, both male and female, can work in an environment free from sexual and other forms of harassment. In addition, we have implemented a system called SpeakUp\*1, which enables internal reporting of any suspected breaches of all internal policies, including the Global Code of Conduct.

\*1 For more information on a globally integrated reporting system.

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\* For more information on our human rights initiatives.

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\* For more information on Business Ethics: Management

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## Building a Workplace Environment Where Employees Can Work with Peace of Mind

Based on the idea of fostering a people-centered corporate culture, Nissan is cultivating a workplace environment where employees can work with peace of mind. To that end, it is essential that employees' human rights are respected throughout the organization, and Nissan is building a framework to address this issue in a systematic way.

In 2021, we released the "Nissan Global Guideline on Human Rights" on our corporate website which is a compilation of specific action points on how to respect employees' human rights. The document covers seven themes in light of Nissan's business activities. Based on these guidelines, we are working to further strengthen our initiatives for respecting the human rights of employees throughout our business.

\* For more information on the Nissan Global Guideline on Human Rights.

[https://www.nissan-global.com/EN/SUSTAINABILITY/LIBRARY/HUMAN\\_RIGHTS\\_GUIDELINE/index.html](https://www.nissan-global.com/EN/SUSTAINABILITY/LIBRARY/HUMAN_RIGHTS_GUIDELINE/index.html)

## Achievements in Respecting the Rights of Workers

### Diversifying Work Styles with "Happy 8"

Nissan has striven to create workplaces that let individual employees choose from a wide range of work styles to suit their values and life needs through its "Happy 8" work style reform.

\* Click here for more information on "Happy 8."

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# LABOR PRACTICES Dialogue with Employees

GRI103-1

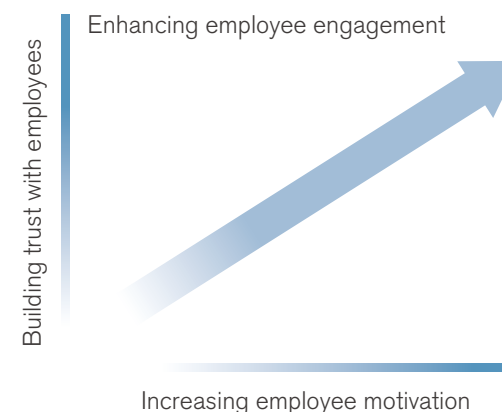
## Policies and Philosophy on Dialogue with Employees

For a company to continue offering new value in the face of rapid changes in the social and business climate, it is essential for its employees to embrace the company's corporate purpose as well as its mission and consciously work toward realizing them.

Nissan conducts its internal and external communication activities with the aim of enhancing and maintaining the company corporate and brand values while at the same time enabling the company to achieve its short- and long-term business goals. In terms of internal communication, we are delivering a variety of information to our employees globally to foster a genuine interest and fondness for the company, which will encourage them to engage in tackling challenges as well as proactively enhance the value of the company as "ambassadors" of Nissan.

## Guidelines for Dialogue with Employees

We established two guiding principles for communication that aim to encourage higher employee engagement: "building trust" and "increasing employee motivation." We utilize various communication tools to deepen employees' understanding of our business, products and brand, as well as to explain the direction in which we are heading in order to generate employee confidence in their day-to-day activities and in the future of the company. By organizing events and offering opportunities for employees to increase their motivation and realize that they are an integral part of the company, we nurture a sense of pride in our employees, which in turn will encourage them to contribute to Nissan's sustainable growth.



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## Management of Dialogue with Employees

It is paramount for Nissan, a company with more than 100,000 employees working globally at production sites and offices, to offer enriching internal communication that instills our corporate mission and management strategies in our employees, make each employee more motivated and engaged, and strengthen corporate governance.

The Global Internal Communications Department is playing a key role in deploying messages in a thoughtful manner, such as through the corporate intranet system that delivers information to all employees globally, materials cascaded from senior managers or information shared in each region.

Employee-executive exchange is also held on a regular basis with the aim of building trust. Furthermore, we offer opportunities for employees to voice their views and share them with company executives in an effort to promote continuous improvement.

An annual action plan for internal communication activities is created with the aim of improving communication both quantitatively and qualitatively. Surveys are conducted on these communication initiatives on an annual basis, as well as on individual communication activities. Survey results are reflected in future communication activities and action plans for the following fiscal year.

By creating a shared awareness of sustainable growth through communication with employees, the entire organization is united.

## Achievements in Dialogue with Employees

For Nissan and its employees to continue to grow together in the face of globally expanding business activities, employees need to understand the direction in which the company is heading and implement their own actions toward the achievement of the company's objectives. Overcoming challenges to achieve those goals can lead to personal growth for the employee and contribute to the realization of our corporate purpose. Nissan is strengthening its communication with employees in order to enhance their engagement.

### Strengthening Communication to Build Trust and Increase Motivation

We are currently working to achieve the objectives of NISSAN NEXT business transformation plan\* calling on all employees to embrace our corporate purpose and understand the significance of the plan. Employees' confidence in the company's activities and performance is essential for the plan's success. At the same time, we also need to motivate employees, encouraging them to take self-initiated action. Therefore, internal communication activities focus on building trust among employees and increasing their motivation.

Click here for more information on NISSAN NEXT.

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

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## Enhancing Communication Channels

To build trust with employees, companies must disclose information in a fair and open manner, so we punctually provide our employees with information on business results including financial announcements.

In order to get employees engaged and motivated, swift communication on information regarding Nissan Intelligent Mobility initiatives as well as the company's other products, services and technologies is provided, which enables employees to deepen their understanding on these important initiatives. We proactively update our employees on setting a new goal to achieve carbon neutrality in 2050, development of autonomous driving technologies, new services using connected technology and other long-term projects.

In 2020, we held a "Family Day" for employees and their families at the Nissan Pavilion, which opened in the Minato Mirai district of Yokohama for a limited time. About 270 employees and their family members were selected by lottery to participate in the special program, which was held with the aim of helping them regain confidence and pride in Nissan.



Nissan Pavilion in Yokohama; CEO Uchida interacts with employees and their families in October 2020

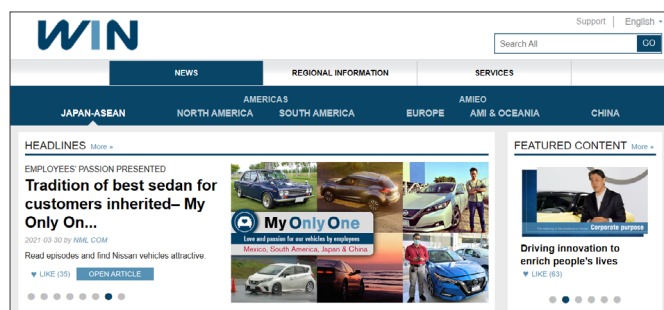
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We are enhancing coordination among our various departments and with executives and actively sharing information that contributes to relationships of mutual trust and higher employee motivation.

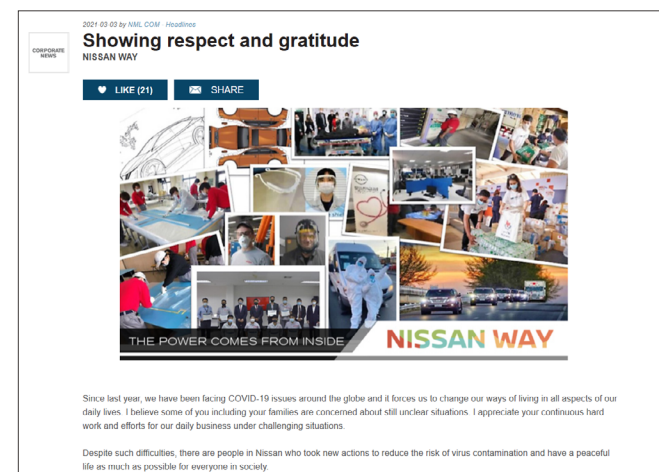
Every new fiscal year starts with the CEO delivering the presidential address, reflecting on the past year's performance and highlighting the direction for the new year. Topics based on employee interest are also broadcasted through live web conferences called Management Information Exchanges (MIEs), which encourage engagement between Executive Committee (EC) members and senior managers.

Employee motivation is also raised through participation in new model announcements and seminars, where employees gain a deeper understanding of Nissan's products and learn to convey product features and attractiveness to their friends and families more effectively. These have been well received, with participants stating that their enhanced knowledge of Nissan products has boosted their pride in the company and their work motivation, and they have been highly effective in developing "ambassadors" for Nissan.

Since we introduced a corporate intranet system accessible by all employees globally called WIN (Workforce Integration @ Nissan), it has been actively



used to promote communication, information sharing and collaboration among employees. WIN has expanded beyond the Nissan Group, and the audience has now begun to include Nissan's major affiliates as well. In fiscal 2014 Nissan began issuing Engagement Kits summarizing its global operations, business performance and major achievements, and corporate direction. These kits are distributed to general managers every month and are used as communication tools for information sharing. The general managers receiving this information are responsible for sharing it in their respective departments. This is intended to promote workplace communication, deepen employee understanding and raise motivation. In addition, in Japan employees are provided with the necessary information in a timely manner through such means as a printed in-house monthly newsletter called Nissan News for employees at Nissan production sites and an in-house broadcast program on TV monitors in employee cafeterias and in offices.



WIN introduces readers to the activities of a range of employees.



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## Strengthening Communication Between Executives and Employees

In order to achieve a solid recovery and steady growth through the concepts of "RATIONALIZE" and "PRIORITIZE & FOCUS", which are the pillars of NISSAN NEXT, and to regain Nissan's identity in the new era, it is important to increase dialogue with employees and have them understand why Nissan is undertaking structural reform of the business.

In fiscal 2020, in addition to the presidential address and MIEs, we held a Roundtable, where the CEO directly interacted with employees, and a Town Hall Meeting, where the CEO delivered a message to global employees. More than 1,200 employees from around the world participated online in the first roundtable held for global employees in June. In addition, more than 7,700 employees worldwide participated in the Town Hall Meeting held in January at start of the new year.



CEO Roundtable

Employees who participated in such communication events offered comments such as "I was able to obtain necessary information," "top management made an effort to communicate the facts" and "I could feel the sincere enthusiasm of top management."



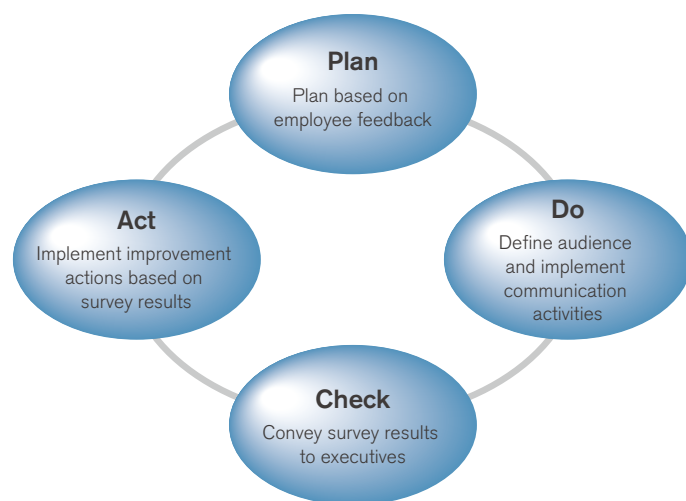
CEO Town Hall Meeting

We also received a number of requests for more opportunities such as these, and we plan to conduct more roundtables in each region, focusing on specific audiences to further enhance the dialogue with employees.

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## Employee-Executive Exchange Meetings

In order to build trust, it is important for Nissan to stay aware of its employees' thoughts and opinions and ensure that they are shared with top management. We are making efforts to communicate information that will lead to greater employee trust toward the achievement of NISSAN NEXT business transformation plan objectives. These efforts are monitored on an ongoing basis through key performance indicators (KPIs) and reflected in internal communication activities. For these activities, we conduct regular surveys of employees, and the results are conveyed to company executives. The survey results are also used to run a PDCA (Plan-Do-Check-Act) cycle cycle, leading to future planning that clarifies the scope of the audience and content of communications.



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# EMPLOYEES' HEALTH AND SAFETY

GRI103-1 GRI103-2 GRI403-4

## Employees' Health and Safety Policies and Philosophy

Nissan places great importance on occupational health and safety in the collective agreement between the company and its labor unions. Nissan has formulated a Basic Policy of Health and Safety and is promoting various health and safety practices in the workplace. In the Basic Policy, as a shared core value, we tout "Safety and Health is our core value and top priority." Our Basic Policy states that "From top management to each individual employee, Nissan recognizes that the health and safety of everyone is our top priority. The company continuously and aggressively strives toward realizing zero-accidents, zero-illness, and vigorous workplace safety by optimizing the working environment and promoting individual physical and mental health." In accordance with the Basic Policy, we promote practices that reduce the burden on workers and make it easier to carry out their work, as well as ensuring that employees' health is a top priority. They have been established as key tenets in Nissan's companywide Basic Policy of Health and Safety.

### Nissan Motor Co., Ltd. Basic Policy of Safety and Health

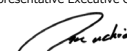
(Shared core value)

Safety and Health is our core value and top priority.

(Basic Policy)

From top management to each individual employee, Nissan recognizes that the health and safety of everyone is our top priority. The company continuously and aggressively strives toward realizing zero-accidents, zero-illness, and vigorous workplace safety by optimizing the working environment and promoting individual physical and mental health.

Nissan Motor Co., LTD. Representative Executive Officer,  
President and CEO



Makoto Uchida

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## Employees' Health and Safety Management

The work environment relating to employee safety and health is managed uniformly according to a Basic Policy of Safety and Health at all Nissan sites, both in Japan and globally.

In Japan, we hold a Central Safety and Health Committee meeting each year chaired by the executive in charge of human resources and attended by management and labor union representatives from Nissan facilities.

Activities over the past year are reviewed in such areas as workplace safety, fire prevention, mental health, health management and traffic safety, and then plans are laid out for the following year. The Safety and Health Committee at each facility meets each month, and these meetings are attended by labor union representatives. A safety and health officer and a traffic safety officer are assigned at each workplace to ensure the effectiveness of day-to-day safety activities.

Globally, each facility applies the PDCA (plan, do, check, act) cycle. A teleconference is held twice a year linking all Nissan facilities worldwide to share information and discuss key issues. Regional managers for employee safety and health also meet every other year for a Global Safety Meeting.\*1

In the event of an accident, its details and responses are swiftly shared with facilities around the globe in an effort to prevent the recurrence of similar accidents.

Nissan has set global medium-term goals for health and safety and is managing their progress. We are aiming for zero fatalities and are currently

adjusting our fiscal 2022 target for the accident frequency rate based on a new calculation method. In the near term, we have set a goal for this fiscal year to achieve lower frequency than in the previous year.

Many facilities both in Japan and globally have introduced the OHSAS 18001\*2 occupational health and safety management system while at the same time, compliance with the new standard ISO 45001\*3 is also progressing at these facilities. These efforts create a strong structure for ensuring the implementation of employee safety and health activities.

\*1 In FY 2020, the group meeting was suspended to prevent the spread of COVID-19 infection.

\*2 OHSAS 18001: An internationally recognized standard for occupational safety and health management systems. Certification can be obtained from a third-party accrediting body.

\*3 ISO 45001: Another internationally recognized standard for occupational safety and health management systems that replaces OHSAS 18001.

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## Employees' Health and Safety Achievements

### Employee Safety Initiatives

#### Global Standardization of Occupational Safety Standards

It is essential to create a workplace that takes into consideration the health and safety of each individual in order for employees to reach their full potential.

Nissan has introduced its own safety and fire risk management diagnostic method to proactively identify potential occupational accident risks in the workplace environment and take measures to address them to improve the work environment for employees. Since 2010, we have been globally standardizing metrics related to occupational safety, which used to vary among our global sites, and are monitoring the status of workplaces around the world every quarter.

#### Creating Safe Workplaces

Nissan employs its own safety management diagnostic methods, as well as a risk-assessment approach to workplace management, to help reduce hazards in the work environment and prevent accidents. Two tools developed internally by Nissan to identify the risks of work accidents are the Safety Evaluation System (SES) and to identify the risks of fire accidents the Fire-Prevention Evaluation System (F-PES). They call for workplace patrols in accordance with established evaluation standards to identify potential dangers and fire risks to help reduce incidents. The use of these tools has been effective in achieving these aims.

Global initiatives to avoid accidents and create a safe workplace include

inviting employees from Nissan facilities around the world to undergo training on workplace safety.\*<sup>1</sup> Responsible managers and leaders also received training in SES and F-PES in preparation for the implementation of these programs at all Nissan facilities worldwide, a process that began in fiscal 2014 and was completed in fiscal 2015.

Since 2011 we have been systematically carrying out Kiken Yochi Training (KYT)—literally “risk-prediction training”—at plants in Japan to raise awareness among individual workers of the risk of accidents and thereby help prevent their occurrence. This training instills an awareness of danger among workers, thus reducing the risk of their becoming involved in work accidents. Worker sensitivity is enhanced through repeated training on an ongoing basis.

We have established standards for reporting on work accidents or outbreaks of fire that occur in any of the production sites, and these standards are applied globally. If any serious work accidents such as fatalities, or outbreaks of fire that may have an impact globally occur, the person in charge where the accident or fire occurred must report without delay to Nissan Motor Co., Ltd. (NML). NML will dispatch information and measures as well as instructions to each company site, compiled based on the report. This helps prevent similar disasters or accidents.

There were no fatal accidents involving Nissan employees globally in fiscal 2020, as was the case in fiscal 2019. However, in fiscal 2011, 2012 and 2013 there was one fatality each year in South Africa, Spain and North America, respectively. In fiscal 2016, two fatal accidents occurred—one in North America and the other in India. We investigated these fatal accidents and have implemented strict countermeasures to prevent such accidents from happening again at any of our plants. We monitor accident frequency

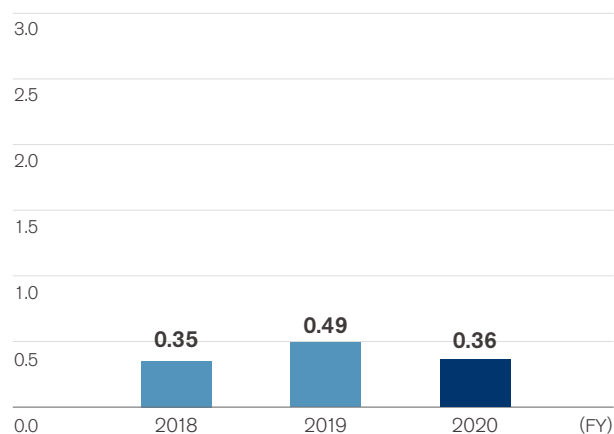
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rates,<sup>\*2</sup> and have confirmed rates are generally in line with the automobile industry average. As we are currently transitioning to a more comprehensive approach to frequency rate aggregation, this report contains only Japan's domestic rather than global rates.

\*1 In FY 2020, the practical training was suspended to prevent the spread of COVID-19 infection.

\*2 Accident frequency rate: Total injury cases ÷ total working hours × 1 million

#### Accident Frequency Rate (Japan)



## Improved Production-Line Environment

Nissan seeks to fulfill its mission of engaging in “human-friendly production” by continuously improving the workplace environment at its manufacturing facilities worldwide. At workplaces with high summer temperatures, for example, the physical burden on employees is heavy and there is the risk of suffering from heat stroke. We have installed internal cold-air ducts and ensured there are set breaks to drink water, particularly in locations with considerable workloads. Constant improvements are being made to allow employees to work in a comfortable environment.

## Countermeasures against COVID-19

We have set global guidelines for COVID-19 countermeasures and all global sites are taking consistent countermeasures and promoting such countermeasures by sharing information about the situation of implementation at each site. Our COVID-19 countermeasures are designed and implemented under the basic idea of protecting employees and their families from infection, as well as implementing measures to prevent infection and its spread not only within the company but also in society.

First of all, we are promoting healthy diet, good sleep, and enough exercise for enhancing immunity to prevent infection. As for specific measures, we are promoting work from home, staggered work hours, providing masks, and undertaking other initiatives. As part of strict implementation of rules for commuting to work, employees check their health before leaving home to work, and if they are not feeling well, they must stay at home. When entering Nissan premises, a body temperature check, hand disinfection, and mask-wearing are required. Masks are provided to employees at each site in Japan



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and other regions such as North America, Latin America, Europe, Africa, the Middle East, India, and Asia. In Africa, the Middle East, India, and Mexico, we distribute "COVID-19 family kits" containing masks, disinfectant, and other items to support both employees and their families.

As a countermeasure for areas within the company, social distance is maintained in all areas such as office seats and meeting rooms. And if distance cannot be maintained, partitions are installed to prevent droplet infection. In addition, we disinfect shared furniture and meeting rooms before and after meetings to thoroughly prevent contact infections. In particular, company cafeterias are considered to have the highest risk of both droplet and contact infections, so we are especially focusing on countermeasures at these facilities in all of our sites.

Furthermore, in Japan, as soon as an employee is found to have undergone PCR testing, the workplace is disinfected and those who have come into close contact with the employee are identified and suggested to stay home to prevent the spread of infection within the company and throughout the community.

When the so-called third wave of the pandemic came, we installed CO<sub>2</sub> monitors and circulators at the production lines and employee break time area to strengthen ventilation measures. In this way, we are constantly working to strengthen our countermeasures by monitoring the situation of the local trend.

We will continue to strengthen our COVID-19 measures for protecting employees, their families, and society.

## Employee Health Promotion and Management

Mental and physical health are essential for creating workplaces where employees can work with vitality and lead healthy lives with their families also after retiring from Nissan.

Nissan considers the safety and health of employees to be not only an issue for individuals, but also an important issue for Nissan to survive as a company that continues to contribute to society. In the Basic Policy on Health and Safety, we make the Health Declaration: "Health and Safety is a core value and the highest priority at Nissan." We are thus working on Health and Productivity Management, in which we consider the health of our employees from a management perspective and implement measures strategically and honestly.

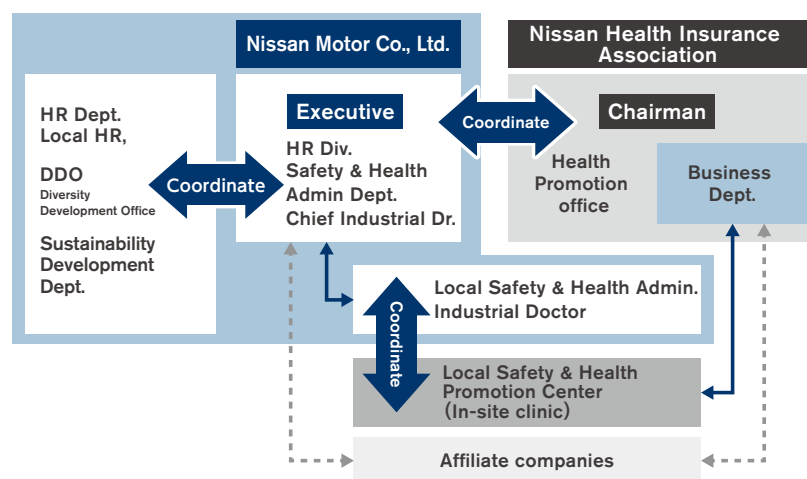
NML's 'Health and Productivity Management'



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## Organizational Structure for Health Promotion

Nissan's health promotion activities are carried out to promote physical and mental health of employees, in cooperation with the Nissan Motor Health Insurance Association (Workplace Health Promotion Center) which has medical professionals, and Safety and Health Department of both head quarter and each site, and related departments at each site.



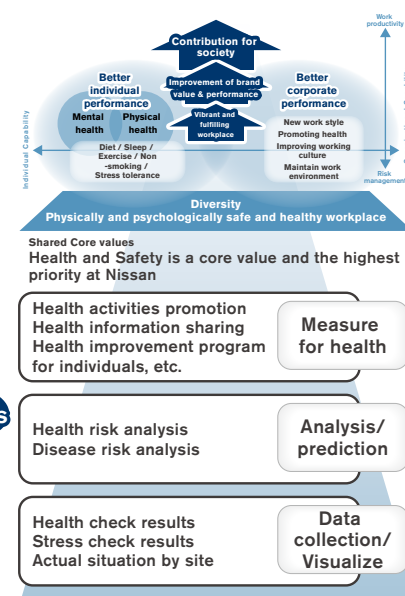
## Approaches to Health Issues

Under the aforementioned health promotion organization in Japan, we visualize the health status of employees through data, and based on the data we analyze and predict the risk of disease, then implement health promotion activities and individual improvement programs. In order to set measures

for health issues for more effective efforts, we believe that single-year and medium-term plans are both necessary, and we are setting issues by integrating issues from annual reviews and medium-term issues based on a Strategy Map.

To promote health activities, the company, industrial doctors, the health insurance association, and partner companies hold health management meetings to implement a PDCA cycle of issues, measures, implementation, and progress. In fiscal 2021, the entire company is working together on health promotion activities to address health issues that have become apparent during the COVID-19 pandemic.

From top management to each individual employee aim to realize vibrant organization and workplace



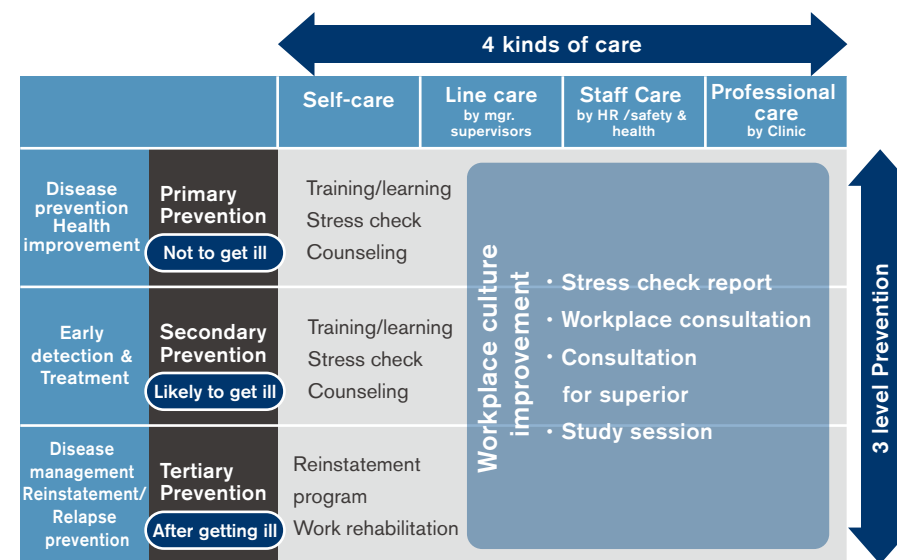
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## Comprehensive Mental Healthcare

As for mental health initiatives in Japan, in 2005, in cooperation with an external mental healthcare provider, Nissan introduced the Employee Assistance Program (EAP), which is a mental healthcare program providing employees with consistent care covering from prevention and early detection to treatment and recovery. The program is designed to achieve the "Four Types of Care" and "Primary, Secondary, and Tertiary Prevention" recommended by the Ministry of Health, Labour and Welfare. The program is open to all employees and their family members, including temporary employees, and provides access to consultation and counseling.

Furthermore, Nissan conducts stress checks and internal questionnaires in parallel. In the area of self-care, we are promoting individual follow-up interviews with company doctors for high-stress employees and counseling by outside counselors. On the other hand, as line care, we conduct organizational analysis using in-house questionnaires and send the analysis result sheets to all managers and supervisors.

In addition, debriefing sessions are held in all sites to raise awareness of the stress situation in the workplace and to raise recognition of necessity for improvement. To improve workplace culture, we also provide support for improvement activities by external experts to the high-stress workplaces and to the workplace requested by managers and supervisors.



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## Initiatives to Facilitate Returning to Work

One of the distinctive features of support for employees on mental health leave is the implementation of return-to-work programs and an in-house rework facility. Appropriate support is required to facilitate an employee's return to work in case of long-term leave or repetitive leave due to a mental or physical ailment. Nissan's return-to-work programs are designed to provide the necessary support to all relative employees by close communication with the concerned employee, supervisor, industrial doctor, and human resources to manage the progress of the return-to-work plan and its implementation. Also our rework facilities (a rehabilitation center to facilitate the smooth return of employees on long-term or repetitive mental health leave) incorporates cognitive-behavioral therapy by specialists and other programs suitable for Nissan employees. By facilitating return to work through such efforts, we have been able to suppress the recurrence of mental health leave.

## Management System for Health Promotion

Increasingly in today's society, employee's health is being viewed not only as an individual issue but also as a key element to the survival of corporations. This has put the strategic management of employee's health and productivity from business perspective in the spotlight.

In Japan, Nissan positioned the excellent health management corporation certification system of the Ministry of Economy, Trade and Industry as our health management system, and we have been promoting health improvement activity according to the actual health issues and activities recommended by Nippon Kenko Kaigi (literally, "Japan health conference"). Nissan has been certified as the excellent health management corporation for three consecutive years since first application. Nissan will continue to pursue health and productivity management to create a work place where employees can work safely, comfortably and in good health, both physically and mentally, because we believe everyone, from the top to each employee, working with vitality will realize activation of the organization and lead to Nissan's growth and contributions to society.



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# COMMUNITY ENGAGEMENT

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## Community Engagement Policies and Philosophy

In addition to delivering innovative, exciting vehicles and outstanding services to customers worldwide, Nissan believes it is important to play an active role as a community member, applying its special characteristics to contribute further to society.

When a company provides a range of resources to communities, supporting their development and proactively tackling issues, it is, in part, fulfilling its social responsibility as a good corporate citizen. Such actions also benefit the company's own operations, fostering a better business environment and creating new markets that can grow sustainably.

We work with a variety of stakeholders, both governmental and nongovernmental, pooling our respective strengths to address increasingly complex social issues. In line with Nissan's corporate social contribution policies, regional offices and affiliates work on initiatives that address issues relevant to their operations and the communities in which they operate.

## Nissan's Approach to Community Engagement

We reviewed our policies for social contribution activities in 2017, deciding to push forward with activities focused on the three areas of zero emissions, zero fatalities and zero inequality. In addition to zero emissions and zero fatalities, areas where any automotive manufacturer should make sincere efforts, we are promoting zero inequality (in other words, diversity and inclusion) as an important corporate value with the aim of realizing a cleaner, safer and more inclusive society where everyone is given equal opportunities. We will not only provide financial assistance for activities in these areas but also ensure that those activities are "distinctly Nissan," making full use of our automotive heritage, expertise, products and facilities.

We emphasize communicating and working with specialized nonprofit and nongovernmental organizations that have great expertise in their fields to ensure that its social contributions are effective. We actively support the involvement of our employees in social contribution activities.

**For a Cleaner, Safer and  
More Inclusive Society.**



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## Community Engagement Management

Nissan's production sites have expanded globally, increasing the company's engagement with various communities through its businesses. Nissan is active in promoting social contribution activities and recognizes that contributing to the development of communities by sharing its own management resources also enhances the business environment and promotes market growth. In such activities, policies are decided at the global level and implemented in each region.

We developed a wide range of activities to meet the needs of regions centered on the three focus areas of zero emissions, zero fatalities and zero inequality set forth in the policy revision of 2017.

## Company Organization for Community Engagement

Nissan's corporate social contribution policies are discussed and approved by the Global Sustainability Steering Committee\* and shared globally. These corporate policies provide the basis on which initiatives are implemented across each country and region.

\* Click here for more information on the Global Sustainability Steering Committee.

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## Three Focus Areas for Nissan's Social Contributions Program

### Zero Emissions

Nissan's environmental philosophy is a "Symbiosis of People, Vehicles and Nature." We actively engage in efforts to reduce the environmental burden on the planet and prioritize the environment in our social contribution activities. Central to our approach are educational programs that cultivate a deeper understanding of environmental issues toward achieving a decarbonized society.

Since 2017, we have expanded our partnerships with international environmental protection organizations. We continued a forest conservation program in Indonesia in collaboration with Conservation International, an environmental NGO, and supported climate change education and awareness with the environmental conservation organization WWF Japan through sponsorship of its environmental awareness campaign called Earth Hour 2021.

### Zero Fatalities

In addition to making vehicles safer through autonomous driving technology, we also promote traffic safety through activities to raise the safety awareness of drivers and pedestrians and to protect the socially vulnerable, including children and senior citizens.



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### Zero Inequality

We embrace diversity as a management strategy in recognition of its crucial role in boosting corporate competitiveness. Nissan's social contribution activities share this awareness and are aimed at mitigating poverty, providing assistance to the financially and socially disadvantaged and sending emergency relief to disaster-stricken communities. In 2020 we continued our partnership with the NGO Care International Japan and have worked closely to expand our educational program in Thailand, in addition to existing humanitarian efforts in collaboration with Habitat for Humanity.

### Nissan as a Community Member

We aspire to be a good corporate citizen that people are glad to have in their community. As such, we strive to be a valuable member of and active contributor to local communities wherever we operate. We support communities in a variety of ways, such as by assisting with local events, sponsoring neighborhood cleanups and other environment-improvement activities near Nissan facilities and opening those facilities to public tours. Many employees actively participate as volunteers. We engage in activities during ordinary times and also contribute to resolving social issues by supporting local communities during the natural disasters and pandemics that occur with frequency around the world.

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## Contributing to Local Communities : Achievements

### Social Contribution Achievements in FY2020

Global social contributions (FY2020): ¥1.99 billion

Social contributions include:

- Expenses for implementing philanthropic activities (excluding labor costs)
- Monetary donations and NPO membership fees for philanthropic purposes
- Cash equivalents of in-kind donations
- Sponsorship fees for philanthropic initiatives

### Breakdown of FY2020 Global Social Contributions

	Philanthropic activities	Monetary donations	In-kind donations (cash equivalent)	Sponsorships, etc.	Total
Amount (¥ million)	821	726	213	232	1,992
% of total	41.2	36.5	10.7	11.6	100

	Disaster	Contribution in FY2020
Donations for disaster relief	Torrential rains in July 2020 (Japan)	<ul style="list-style-type: none"> <li>▪ ¥5 million donation from Nissan Motor Co., Ltd. to Japan Platform</li> <li>▪ ¥3 million donation from Nissan Motor Kyushu to Japan Platform</li> <li>· Donation from Nissan Motor Kyushu to Council for Kurume-shi Social Welfare of the equivalent of 4,000 masks, 240 bottles of oral rehydration solution, and 20kg of salt candies</li> </ul>
	Typhoon relief for the Bicol and Cagayan states (Philippines)	<ul style="list-style-type: none"> <li>▪ Nissan Philippines (NPI) donated relief goods worth PHP500,000 for 800 families delivered by the Armed Forces</li> </ul>

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## Zero Emissions

### School-Visit Programs (Japan, U.K., and China )

Since 2007, Nissan has put its automobile manufacturing know-how and technologies to work by conducting school-visit programs. The programs target older elementary school students and are conducted by Nissan employees.

One educational program is the Nissan Waku-Waku Eco School,\* designed to deepen schoolchildren's understanding of global environmental issues and the initiatives undertaken by Nissan to solve them. Through experiments with model cars, test rides in the Nissan LEAF and other demonstrations, participants experience the latest environmental technology. As well as teaching participants about environmental issues, the program encourages them to reexamine how environmentally friendly their own daily activities can be.

This program has been well received, so that the number of Eco School classes in Japan has increased. As of the end of March 2021, more than 100,000 children in all have participated in Nissan Waku-Waku Eco School since its launch. The program is conducted not only by visiting elementary schools but also by inviting schoolchildren to our Tochigi, Iwaki, Yokohama, Oppama and Kyushu Plants. In fiscal 2020, the scale of the program was reduced from the original plan due to the impact of the COVID-19 pandemic. We reviewed our past ways of running the events in light of infection prevention measures and supported the children's learning in various ways, such as virtually experiencing the latest Nissan technology using web cams, providing classes on DVD, and conducting online classes via a web conference system.

Outside Japan, under the banner of the Nissan Skills Foundation, Nissan Motor Manufacturing (U.K.) in Sunderland runs a wide-ranging series of educational programs from primary and secondary schools, including Eco School, a six-hour course in which students learn about environmental issues and NMUK's wind power program.

In China, Nissan (China) Investment (NCIC) and three joint venture companies offer educational opportunities; the Nissan Dream Classroom, an online education program developed with the assistance of UNESCO China. One of the six modules, Eco Classroom, includes environmental learning, understanding how electric motors work and an experiment involving a model car.

\* Click here for more information on the Nissan Waku-Waku Eco School.

<https://www.nissan-global.com/EN/CITIZENSHIP/PROGRAMS/EDUCATION/index.html>

### Sponsorship for an Environmental Awareness Campaign of World Wide Fund for Nature Japan (WWF Japan)

Nissan supported the environmental awareness campaign Earth Hour 2021 organized by WWF Japan by sponsoring the event and calling for employees worldwide to take action to turn off lights, while Nissan's operating companies in Japan and overseas participated in the lights-off movement.

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### Partnership with Conservation International (CI) (Indonesia)

In 2017, we began working with the environmental NGO, Conservation International (CI), to restore degraded forests around Indonesia's Mount Agung, so that they may continue to provide fresh water to the urban areas of Bali. This initiative takes a comprehensive approach to improve the environment around rivers and coastal areas by restoring forests in mountainous upstream regions, in conjunction with government bodies and local communities.

In addition, we are working to find supplemental sources of income for local citizens, such as helping them to create, market and sell sustainable products derived from locally grown plants.



A bee farm at forest being restored to generate income for local citizens

### Urban Green Lab (UGL): A Unique Environmental Education Program (U.S.)

Nissan North America (NNA) supports a nonprofit organization in Nashville, Tennessee called Urban Green Lab (UGL). UGL gives children the opportunity to think and learn about environmentally friendly, sustainable lifestyles, connecting these with their own experiences. With Nissan's support, and in partnership with Vanderbilt University's Peabody College of Education and the Dept. of Environment & Conservation, UGL created Tennessee's first-ever statewide curriculum on sustainable living and waste prevention and launched it at public schools in both Nashville and Memphis.

These classes were previously delivered face-to-face, but in fiscal 2020 due to COVID-19 pandemic, classes were offered online, significantly increasing the reach to as many as 200,000 students.

## Zero Fatalities

### Hello Safety Campaign to Protect Children (Japan)

Since 1987 we have collected donations from employees for the Hello Safety Campaign, which we launched in Japan in 1972 to contribute to the promotion of traffic safety awareness campaigns near our business sites. In addition, donations to help prevent traffic accidents were sent to children in the neighborhoods of Nissan



Measuring driving characteristics with an actual car

business sites through local traffic safety associations, municipalities and other organizations.

In fiscal 2019 we created the "Wheel Spinning (Guru-Guru) Exercise" with Niigata University to promote and encourage awareness of safe driving among elderly drivers. This exercise is designed to support mainly elderly drivers in raising their muscle strength and cognitive abilities by making daily exercise a part of their lifestyles so they can continue to drive safely. Nissan and Niigata University worked together on the concept, while Niigata University choreographed the exercise. Furthermore, in March 2021, in collaboration with Niigata University, Kitasato University, and Sagami Women's University, we established a virtual laboratory called the Traffic Safety Future Creation Lab. We are engaged in a wide range of activities

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with the aim of realizing a mobile society with zero traffic fatalities, that embraces diversity and leaves no one behind. We stand by the members of society who are at a social disadvantage including in the area of transportation, such as small children, the elderly, foreign visitors and those cut off from public transportation because of depopulation.

## Zero Inequality

### Educational Program in Cooperation with CARE International (Thailand)

Since 2017, we have run the Youth Leadership Development Program (YLD) for students in middle and high schools in Ayutthaya and Rayong provinces in Thailand. In these classes, held in cooperation with local schools, students learn leadership, teamwork and other qualities necessary in community development, along with science, technology, engineering and mathematics (STEM) content. The program also includes occupational skills training in a micro-business activity, with a focus on supporting female students in particular.

Since fiscal 2018, the program was expanded to schools in Samut Prakan province, near Nissan Motor Thailand (NMT). Nissan employees play an important role in the initiative, volunteering to be part of activities and workshops.

Since its launch in 2017, the YLD program has reached more than 1,400 students across 10 schools in Ayutthaya, Rayong and Samut Prakarn provinces and inspired more than 60 student projects.

The second phase of collaboration runs from April 2020 to March 2023. In this time the YLD program has set a mission to train 1,600 Thai students from 16 opportunity expansion schools. With this phase, the program will

also focus more on innovation topics, such as renewable energy. Due to the second wave of COVID-19 in Thailand in 2021, to keep the momentum, Nissan Thailand initiated online classes to help the students maintain their motivation. These classes provide a DIY video guide to help them present their product via Live Commerce, presented by SoftPomz, a successful YouTuber. The students also have a chance to learn by doing through the workshop after the class.



A bottle terrarium project as part of the YLD program

### Partnership with Habitat for Humanity (North America)

NNA has been collaborating with the NGO Habitat for Humanity (Habitat) annually since 2005. Habitat, an international aid organization that fosters hope by helping people build or improve their homes, has a vision of "a world where everyone has a decent place to live." The nonprofit works to construct homes, revitalize neighborhoods and support families' self-reliance in more than 70 countries across the world.

In fiscal 2020, employees did not participate in volunteer activities due to the COVID-19 pandemic, but will resume this in the future as it is an important element of the region's social impact.

Since the inception of the Nissan Canada Foundation's partnership with Habitat in Canada in 2008, more than 1,400 Nissan Canada dealership and head office employees have spent over 9,000 hours volunteering,

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contributing to 50 home builds from Halifax to Vancouver. In fiscal 2020, employee volunteer participation was suspended due to the COVID-19 pandemic, but in total, the Nissan Canada Foundation's contribution of donations and volunteer hours toward Habitat has exceeded 1 million CAD, an important milestone for Nissan Canada.

### Support for Disability Sports at Workplaces (Japan)

Since 2000, we have sponsored the Nissan Cup Oppama Championship (National Wheelchair Marathon in Yokosuka, Kanagawa Prefecture), co-hosting this wheelchair sports competition with local organizations. We have supported this event with the aim of increasing the profile of disability sports, improving the level of competitors, engaging people in the area and building caring communities. Although the 2020 event was postponed due to COVID-19 pandemic, we will continue to support disability sports.

### Conducting Wheelchair Maintenance at Workplaces (Japan)

Since 2008, the Nissan Technical Center, where our development divisions are based, has been encouraging social contribution activities by all employees under banner, NICE WAVE Activity. In previous years, employees have visited a local retirement home to perform wheelchair maintenance as a volunteer activity. However, in fiscal 2020, we decided to forgo visiting the facility and bring the wheelchairs to the Technical Center in view of the need to prevent infections. In addition to ordinary maintenance, we were able to perform detailed maintenance using tools such as welding equipment that could not be taken outside the company.

### Outreach to Convey the Magic of *Monozukuri* (Japan and U.K.)

Through activities that are engaging and fun, we deepen young people's understanding of *monozukuri*, Japan's tradition of craftsmanship and manufacturing.

In Japan, the magic of *monozukuri* is shared by Nissan employees through elementary school-visit programs: the Nissan *Monozukuri* Caravan and the Nissan Design Waku-Waku Studio\*. Some 22,000 children participate in the programs every year. Although we were not able to visit schools in fiscal 2020 due to COVID-19, we are preparing to offer the program via video, and in fiscal 2021 we will conduct both onsite and video classes in tandem. The Nissan *Monozukuri* Caravan also operates in the United Kingdom at the Sunderland Plant. The program runs five days per week during school terms, welcoming more than 4,500 primary pupils per year.

The Nissan Skills Foundation was established in 2014 in the United Kingdom. As of December 2020, it has engaged more than 64,000 students from schools across the region through various activities to inspire the engineers and manufacturers of the future. The Skills Foundation now supports three International STEM challenges for school children, VEX IQ Robotics, FIRST LEGO League and F1 in schools.



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For all of these activities Nissan supports local teams with equipment, resources and knowledge. In 2020, under COVID-19 restrictions, we launched two large virtual STEM projects: FIRST LEGO League as a virtual event with over 80 primary/secondary schools taking part and VEX IQ Robotics with 50 schools taking part. We also set a design challenge for children working at home (aged 11-18) where we asked them to design the car of the future in which children from 25 different schools took part. In the future, we will expand the number of target schools and continue this activity.

\* Click here for more information on the Nissan *Monozukuri* Caravan and the Nissan Design Waku-Waku Studio.

<https://www.nissan-global.com/EN/CITIZENSHIP/PROGRAMS/EDUCATION/>

## Education Support for Children and Youth (China)

Since 2013, NCIC has operated the Nissan Dream Classroom educational program, which helps elementary pupils. The program has gradually expanded its area of operation and the scope of its classes to include such topics as the environment, *monozukuri*, design, painting, intelligent driving and the basics of automotive culture and engineering. A total of four companies in China began holding these classes in 2015, expanding in scale each year and actively engaging in educational programs.



A scene from an intelligent driving class

NCIC has expanded Nissan Dream Classroom activities toward society. Through cooperation with Nissan dealerships, Beijing Auto Museum and local auto shows, the program was offered in various platforms and benefited over 1,000,000 students by the end of 2020.

In November 2020, we held an intelligent driving classroom. This class is very popular because it provides children with an easy-to-understand introduction to the ProPILOT driver assistance technology by operating a model car that has been programmed. The Nissan Dream Classroom is also held online and has been implemented in over 700 schools in 15 provinces in China. This program is highly regarded in China and in November 2020, it received the "Golden Sail Award for CSR for Automotive Companies in China", an award set up by China Business Journal, a major economic newspaper in China, to honor outstanding companies in the automotive industry that fulfill their corporate social responsibility.

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### Developing the Next Generation of Scientists and Engineers (U.S.)

In the United States, NNA is investing in the workforce of tomorrow through support of STEM initiatives and technical education training programs. We provide financial support to develop STEM programs for students in elementary, middle and high schools and to support university STEM programs.

In Tennessee, where Nissan has two major assembly plants, Nissan and its employees support the Music City BEST (Boosting Engineering Science and Technology) Robotics Competition in Nashville. Music City BEST was held as a virtual event in fiscal 2020. This was a very unusual year in the history of BEST to which the organization responded by changing course in April and developing a different game than the one already planned for the year. The resultant game was created to help students consider how micro-robots could be utilized to assist in stopping the spread of diseases by isolating infected cells. The game day was held with each team competing in their classroom environment and referees overseeing the activities at Lipscomb University.

\* BEST: Boosting Engineering Science and Technology

### “Onigiri Action” helps provide school lunches to children in developing countries in partnership with Nissan Serena

Through its branding of the Nissan Serena, Nissan has participated as a flagship top sponsor in “Onigiri Action”, a program run by the nonprofit organization TABLE FOR TWO International (TABLE FOR TWO). The organization aims to right the global food imbalance by providing healthy school lunches to children in developing countries. “Onigiri Action” is a program in which five school lunches are donated to children in Africa and Asia each time a picture related to onigiri (rice balls) is posted on social media through the program. Nissan has supported this program since 2018, believing TABLE FOR TWO’s philosophy was aligned with Nissan Serena’s concept of “continuing to be a minivan for families that broadens the potential of children”. As an Nissan initiative as a top sponsor of Onigiri-Action related to the Nissan Serena, Nissan donated 10 school lunches for every social media post– double the ordinary amount–and encouraged customers visiting Nissan showrooms nationwide to upload photos of themselves enjoying onigiri.

Through these activities, Nissan provided approximately 160,000 school lunches in three years (3.55 million meals were provided overall through Onigiri Action). In 2019, Onigiri Action received the SDGs Deputy-chief’s Award (by the Minister of Foreign Affairs) at the “Japan SDGs Award” in recognition for its activities.



School lunches provided through Onigiri Action

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## Nissan as a Community Member

### Support for regions affected by Great East Japan Earthquake (Japan)

#### Online Lecture for Employees to Learn about the Current Situation in Affected Regions

We provided various forms of support in the immediate wake of the Great East Japan Earthquake of March 11, 2011, and we have continued to help affected regions rebuild through strong employee participation.

Until fiscal 2019, we have visited the district of Futaba, Fukushima Prefecture and other areas, cooperating with NPOs engaged in reconstruction activities, conducting volunteer activities in a disaster-prevention green belt, and touring the town.

In fiscal 2020, the COVID-19 pandemic forced us cancel our visit to the affected areas. However, in order to understand the current situation and issues in those areas, we held an online lecture for employees, inviting people from outside the company who are engaged in reconstruction in Namie Town, and more than 200 employees participated.

### Bringing Smiles to Children in Disaster-Stricken Areas

Nissan established the Nissan Smile Support Fund in 2011 with the goal of helping children in disaster-stricken areas smile again. The Nissan Smile Support Fund offers assistance that meets the changing needs of such regions, operating free schools and places to go after school and providing learning venues for deepening regional understanding as well as recreational and nature experience programs. In 2020, we supported programs conducted by 10 NPOs that are independently active in Iwate, Miyagi and Fukushima Prefectures. From January 2021, we have focused our activities on Fukushima Prefecture and started to provide support to six NPOs operating in the prefecture with the aim of supporting children who have been forced to evacuate for a prolonged period due to the nuclear power plant accident and are facing complicated issues.



Nissan Smile Support Fund

### Response to the COVID-19 Pandemic\*

We would like to offer our heartfelt condolences to the bereaved families of those who have lost their lives to the COVID-19 pandemic. In addition to providing vehicles, supplies, and road services to medical institutions and local governments, Nissan is providing a variety of support in response to COVID-19 pandemic.

\* Click here for more information on the COVID-19 pandemic

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### Activities to Send Medical Aprons with Children's Drawings Attached (U.K.)

In the spring of 2020, when the COVID-19 pandemic was spreading around the world, medical supplies were in short supply in many areas, and people were not receiving the supplies they needed. At its *monozukuri* sites around the world, Nissan supported the manufacture of medical gowns, face shields and other medical supplies that were in short supply.

The Sunderland Plant in the United Kingdom also supported the manufacture of medical aprons. At that time, we engaged with local primary children to create rainbow pictures which became the symbol of the NHS (National Health Service of the U.K.), to be included together the medical aprons as a gesture of gratitude and support for medical professionals. Over 250 drawings were received and delivered to hospitals and other medical facilities along with more than 500,000 aprons manufactured at the Sunderland Plant.



Drawings of rainbows submitted by local children

### Online Plant Tours (Japan)

We have been conducting plant tours for people to actually experience the front lines of *monozukuri*, but due to COVID-19 pandemic, it has become difficult to conduct these tours in the conventional way. In July 2020, we started an online plant tour trial using a video conferencing system in order to somehow convey *monozukuri* onsite to children. By moving the tours to an online program, areas that were not open to the public during regular plant tours can now be viewed through cameras, and elementary schools in distant areas that previously found it difficult to visit our factories can now participate.

### Expanding Contributions to Food Banks (U.S.)

Due to unemployment and job insecurity caused by the COVID-19 pandemic, it is said that one in six people in the U.S. do not have enough to eat. Nissan North America is extending its fight to curb hunger by doubling its annual contributions to local food banks under its Nissan Neighbors Program. These donations will help purchase more than one million meals for residents in need.



Distributing food through food banks

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### Foundation Support Activities (U.S., Australia and Brazil)

In the United States, we support many communities through the Nissan Foundation, which funds educational programs encouraging people to value the cultural diversity that exists within American society. Established in 1992, the Nissan Foundation has contributed over \$12.0 million to more than 150 nonprofit organizations across the country as of the end of March 2021. In fiscal 2020 the foundation donated \$680,000 to 27 U.S. organizations. Nissan Motor Australia (NMA) supports philanthropic activities through the Nissan Australia Foundation. Since fiscal 2017 it has supported small and medium-sized Australian charitable organizations, helping to expand or continue their activities. Activity was paused during fiscal 2020, due to the COVID-19 pandemic. NMA has an employee policy, allowing staff to take volunteer leave each year to contribute to the communities in which they work and live. These activities were suspended in fiscal 2020 due to the impact of the COVID-19 pandemic.

Additionally, Nissan Do Brasil Automoveis (NBA) reexamined the activities of the Instituto Nissan, established in 2013 for philanthropic purposes, revitalizing and strengthening its programs for encouraging employee volunteer activity. Instituto Nissan developed a series of programs in fiscal 2019, from environmental education to social engagement and open innovation, interacting with a variety of stakeholders that support the organization on its social contribution to a very important region in Rio de Janeiro, Brazil. As one example, "Inova-san" is an innovation program for university students to promote the social impact on the local community. As of January 2021, 1,495 students from 19 universities in Rio de Janeiro State participated in this program.

In 2020, the entire program had to be conducted online, but some 21 projects were launched under three themes: Environment, Intelligent Mobility, and Health, and the best projects in each category were selected as winners in January 2021.

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### Nissan Global Foundation (Japan)

The Nissan Global Foundation\* pursues the vision of realizing a prosperous future society through human resource development by conducting various training programs.

One main focus of the foundation is enhancing science education. The foundation grants ¥700,000 per project for teaching material over two years to at elementary and middle schools and science research meetings and seeking to enhance teachers' teaching skills through workshops and to foster logical and scientific thinking skills among schoolchildren. In addition, the foundation grants "Science Education Awards" to recipients who have achieved outstanding results during the grant period so as to encourage competition and promote dynamism.

Additionally, since fiscal 2018, the foundation has awarded the Nissan Global Foundation "Rikajo" Prize to elementary and middle schools in Japan to recognized measures that have increased interest and developed skills in science.

Furthermore, from fiscal 2019, we started a program to develop the talent of the future and launched a project to create a class designed for future leaders based on joint research with Waseda University. In fiscal 2020, the project was postponed due to the COVID-19 pandemic, but, the project will be restarted in fiscal 2021 with infection control measures in place.

\* Click here for more information on the Nissan Global Foundation.  
<https://www.nissan-global.com/EN/CITIZENSHIP/FOUNDATION/>

\* Click here for more information on the Nissan Global Foundation official website in Japanese.  
<https://www.nissan-zaidan.or.jp/>

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

Founded at the University of Oxford in 1981, the Nissan Institute of Japanese Studies\* is a well-known European center for research on modern Japan that contributes to the promotion of mutual understanding between Japan and Europe.

\* Click here for more information on the Nissan Institute of Japanese Studies.  
<https://www.nissan.ox.ac.uk/>



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# Governance

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# Governance Policies and Philosophy

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Rapid technological advances are transforming every industry, including the automotive industry, and the global economy is undergoing a period of great change. The risks that companies face are becoming ever more complex and require finely tuned responses.

In order to create unique and innovative automotive products and services, and deliver superior measurable value to all stakeholders, Nissan will enrich people's lives as a company that is trusted by society, and address improvement of corporate governance\*1 as one of its most prioritized managerial tasks. In addition to addressing risks and opportunities associated with climate change, we will conduct our business while considering society's expectations and our social responsibilities and devote ourselves to the development of a sustainable society by aiming for sustainable growth of our business.

To be a sustainable company, Nissan must display a high level of ethics and transparency, as well as a strong foundation for the organization. It is also expected that we will actively disclose our initiatives to this end. We have extensive global operations with numerous stakeholders around the world. It is essential that we continue to earn their trust while ensuring the high ethical standards and compliance of all employees. In 2001, we established the Global Code of Conduct\*2, which is rigorously followed by Group companies around the world.

\*1 Click here for more information on the Corporate Governance Guidelines.

[https://www.nissan-global.com/PDF/190625-02\\_01\\_EN.pdf](https://www.nissan-global.com/PDF/190625-02_01_EN.pdf)

\*2 Click here for more information on the Global Code of Conduct.

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

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# CORPORATE GOVERNANCE

GRI102-18	GRI102-19	GRI102-22	GRI102-23	GRI102-24
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## Corporate Governance System in Detail

Nissan strives to improve corporate governance as one of its most prioritized managerial tasks, and will continue to develop business activities while maintaining a constant awareness of society's expectations and our social responsibilities in order to contribute to the development of a sustainable society.

In line with the June 2019 transition to a company with three statutory committees, we separated management functions and supervisory, oversight and auditing functions, making executive officers responsible for the execution of business operations, while members of the Board of Directors focus on supervision of their assigned duties. This has improved the transparency of the decision-making process and also made business execution speedier and more flexible. Furthermore, by increasing the number of outside directors to a majority of the board, we are working to reflect a diversity of viewpoints in our management and further strengthen the supervision function. The Board of Directors has established three committees: the Nomination Committee, which decides on candidates for director positions; the Compensation Committee, which sets compensation for directors and executive officers; and the Audit Committee, which audits the business execution of directors, executive officers, and those with similar responsibilities. Outside directors make up more than half of each committee, and play a leading role in the Nomination and Compensation

Committees. This ensures healthy governance, oversight and auditing by the Board of Directors and other corporate bodies heightening the effectiveness of our structures in terms of internal controls, compliance and risk management. Officers and employees, including executive officers, will sincerely respond to this supervision, oversight and auditing.

In addition, we announce clear management targets and policies to all stakeholders and disclose our performance promptly with a high degree of transparency.

We have also established a corporate governance system that maintains business transparency. The system allows us to implement various monitoring systems, as well as assess and manage risks that have the potential of preventing us from achieving our business goals. In addition to carrying out cooperation among sites in the regions in which we operate, we have set up global management systems and provide relevant training programs to our employees and business partners. We aim to disclose governance information with even greater transparency in future.

\* Click here for more information on the Nissan Corporate Governance Overview

[https://www.nissan-global.com/EN/COMPANY/PROFILE/CORPORATEGOVERNANCE/pdf/Overview\\_EN.pdf](https://www.nissan-global.com/EN/COMPANY/PROFILE/CORPORATEGOVERNANCE/pdf/Overview_EN.pdf)

\* Click here for more information on the Corporate Governance Guidelines

[https://www.nissan-global.com/PDF/190625-02\\_01\\_EN.pdf](https://www.nissan-global.com/PDF/190625-02_01_EN.pdf)

\* Click here for more information on Governance Data

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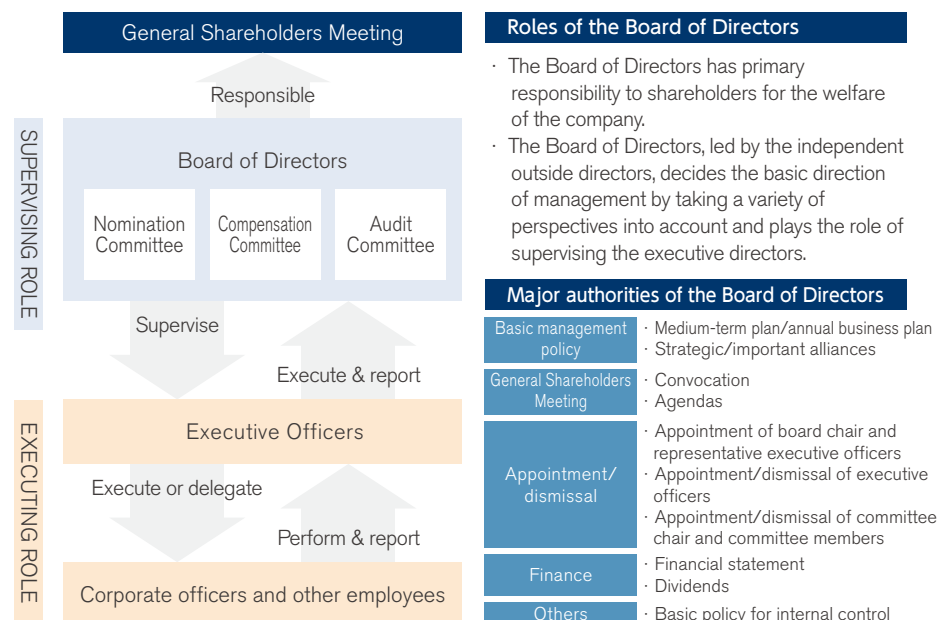
## Strengthening Corporate Governance System

Nissan transitioned to a three statutory-committee format, establishing nomination, compensation and audit committees, and is working to strengthen governance under the following points.

### New System Key Points

- (1) Separation of management and supervisory functions
- (2) Independence of Board of Directors
- (3) Transparency of decision-making process
- (4) Speedy and flexible business execution

## Role of The Board of Directors



## Board of Directors System

Our Board of Directors, led by independent outside directors, decides the basic direction of management by taking a variety of perspectives into account and plays the role of supervising the executive directors. The number of directors on the board is sufficient to facilitate lively discussions and swift decision-making. In order to create an environment where discussions in board meetings are led by independent outside directors, these directors constitute a majority of the board, with one of them serving as board chair.

The Board of Directors decides on basic management policies and important matters set forth under the law, articles of incorporation and regulations of the Board of Directors itself. As of March 31, 2021, the Board of Directors consists of 12 directors, seven of whom are independent outside directors (of whom two are women). In order to carry out effective and flexible management, as a general rule, the Board of Directors delegates much of its power to decide on business activities to executive officers.

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## Status of Board of Directors Activities

The Board of Directors resolves important matters related to Group management based on laws and regulations of the Board of Directors itself, including drafting proposals for the General Meeting of Shareholders, selecting members for each committee and formulating business plans and product strategies. In addition to quarterly financial results, the Board regularly receives reports on the status of business execution, activities related to internal controls and the activities of each committee, while also discussing medium- to long-term management strategies. In the fiscal year under review, executive officers and directors held repeated discussions on the formulation of the NISSAN NEXT transformation plan, with directors offering recommendations from a supervisory perspective.

To enhance Board of Director discussions, regular meetings with outside directors that are chaired by the lead independent outside director are held to discuss a wide range of matters related to Nissan corporate governance and business. Opinions provided at these meetings are reflected in management and subsequent Board of Director discussions.

Further, to promote an understanding of our business and deepen our knowledge of governance, various training programs are held for directors throughout the year, such as executive business briefings, site inspections and governance lectures.

To facilitate discussions on the effectiveness of Board of Director activities, the board conducted an evaluation of its effectiveness in fiscal 2020, with the results of this evaluation reflected in activity plans for the upcoming fiscal year.

\* Click here for more information on each member of the Board of Directors.

<https://www.nissan-global.com/EN/COMPANY/PROFILE/EXECUTIVE/>

\* Click here for more information on the Board of Director's activities in fiscal 2020

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## Nomination Committee System and Authority

### AUTHORITY / ROLE

- To determine the content of the General Shareholders Meeting agenda concerning the appointment and dismissal of directors as provided for in the Corporate Law
- To determine the content of the Board of Directors meeting agenda concerning the appointment and dismissal of the representative executive officer
- To formulate an appropriate succession plan regarding the president and CEO and review it at least once a year

### RESOLUTION ITEMS

- Proposal of election/dismissal of director candidates
- Proposal of election/dismissal of representative executive officer
- Succession plan for CEO
- Proposal of appointment/dismissal BOD chair and vice chair
- Proposal of appointment/dismissal committee chair and members

As of March 31, 2021, the Nomination Committee chaired by independent outside directors consists of six directors, five of whom are independent outside directors (of whom one is a woman). The committee has the authority to determine the content of the general shareholder's meeting agenda concerning the appointment and dismissal of directors. In addition, the committee has the authority to decide on the content of the Board of Directors meeting agenda concerning the appointment and dismissal of the representative executive officer and the authority to formulate an appropriate succession plan regarding the President and Chief Executive Officer.

## Nomination Committee Activities in Fiscal 2020

- The Nomination Committee met 9 times in fiscal 2020\*
- Average participation per meeting was 100%

\* From April 1, 2020 to March 31, 2021

## Main Activities in fiscal 2020

- Deliberated proposals for representative executive officer appointments
- Deliberated proposals for director appointments / dismissals at the 122nd Ordinary General Meeting of Shareholders
- Deliberated President and Chief Executive Officer succession plan

## Members

### Chair



**Masakazu Toyoda**  
(June 2019—)



**Yasushi Kimura**  
(June 2019—)



**Jean-Dominique Senard**  
(June 2019—)



**Motoo Nagai**  
(June 2019—)



**Keiko Ihara**  
(June 2019—)



**Andrew House**  
(June 2019—)

Blue text:  
Independent  
outside director  
Red text:  
Non-independent  
outside director

\* Dates in parentheses below the photos indicate the start of committee membership (which is different from the date of appointment as a director).



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## Compensation Committee System and Authority

AUTHORITY / ROLE	RESOLUTION ITEMS
<ul style="list-style-type: none"> <li>· To determine the policy of individual compensation of the Company's directors and executive officers and the contents of individual compensation for directors and executive officers</li> <li>· To determine the aggregate and individual amounts of director and representative executive officer compensation</li> </ul>	<ul style="list-style-type: none"> <li>· Policies and systems regarding compensation for directors and executive officers</li> <li>· Specific amount or (in the case of non-cash compensation) specific content of compensation for each individual director and representative executive officer</li> <li>· Specific amount or content of compensation for each individual executive officer</li> </ul>

As of March 31, 2021, all four members of the Compensation Committee are independent outside directors (of whom two are women), including the chair. The Compensation Committee has the statutory authority to determine the policy of individual compensation of the Company's directors and executive officers and the contents of individual compensation for directors and executive officers.

## Compensation Committee Activities in Fiscal 2020

- The Compensation Committee met 14 times in fiscal 2020\*
- Average participation per meeting was 100%

\* From April 1, 2020 to March 31, 2021

## Main Activities in Fiscal 2020

- Confirming a policy for compensating directors and executive officers
- Selecting benchmark companies and discussing the level of compensation based on the benchmark results of these companies and the results of surveys conducted by external compensation consultants
- Determining the aggregate and individual amounts of director and executive officer compensation for fiscal 2020
- Selecting and implementing a new long-term incentive compensation program

## Members

### Chair



**Keiko Ihara**

(June 2019—)



**Motoo Nagai**

(June 2019—)



**Bernard Delmas**

(June 2019—)



**Jenifer Rogers**

(June 2019—)

Blue text:  
Independent  
outside director  
Red text:  
Non-independent  
outside director

\* Dates in parentheses below the photos indicate the start of committee membership (which is different from the date of appointment as a director).

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## Audit Committee System and Authority

AUTHORITY / ROLE	RESOLUTION ITEMS
<ul style="list-style-type: none"> <li>· To audit (monitor and supervise) executive officers' business execution and directors' performance of their duties.</li> <li>· To make executive officers and employees/ subsidiaries report on business execution and investigate the status of operation and financial conditions</li> <li>· To seek injunctions against illegal acts of directors, executive officers and employees</li> <li>· To produce annual audit reports</li> <li>· To select /dismiss external auditors</li> <li>· (Appointed Audit Committee member) to represent the company in any litigation brought against directors / executive officers</li> </ul>	<ul style="list-style-type: none"> <li>· Annual audit reports to be submitted to shareholders meeting</li> <li>· Audit policy / rules and annual audit plan / budget of the Audit Committee</li> <li>· Proposal for shareholders meeting concerning the appointment / dismissal of external auditors</li> <li>· Assignment of staff employees of Audit Committee secretariat</li> <li>· Annual audit plan, budget and HC of Global Internal Audit Office, assignment and evaluation to the head of Global Internal Audit Office</li> <li>· Filing of litigation against directors / executive officers</li> </ul>

As of March 31, 2021, the Audit Committee chaired by independent outside directors consists of five directors, four of whom are independent outside directors (of whom one is a woman). As part of audits on business execution including the organization and operation of Nissan's internal control systems, the Audit Committee receives reports from executive officers, corporate officers and employees on their business execution for Nissan and its group companies, in accordance with the Audit Committee's annual audit plan and on an ad-hoc basis as necessary. In addition, the Chair has meetings with executive officers including the President and Chief Executive Officer periodically and exchanges opinions in various areas.

Further, the Chair attends important meetings etc. to state his opinions, reviews internal approval documents and other important documents, and, when necessary, requests explanations or reports from executive officers and employees. The Chair shares his collected information with other members of the Audit Committee in a timely manner.

The Audit Committee, in conducting its audits, cooperates with the internal audit department and the independent auditors in an appropriate manner, making efforts to enhance the effectiveness of "tri-parties" audit. Under the leadership of the Audit Committee, collaboration among three parties is contributing to the enhancement of the effectiveness of internal control systems by sharing information on the issues pointed out by their respective audits and the status of their remediation in a timely manner. Further, the Audit Committee supervises the internal audit department, periodically receives reports from them on the progress and results of their internal audit activities conducted in accordance with their internal audit plan and, as necessary, gives them instructions regarding internal audit.

The Audit Committee is the contact point for whistleblowing with doubts regarding the involvement of management such as executive officers, and deals with whistleblowing by establishing a system where relevant executive officers cannot know the whistleblower and the content of whistleblowing.

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## Audit Committee Activities in Fiscal 2020

- The Audit Committee met 13 times in fiscal 2020\*
- Average participation per meeting was 100%

\* From April 1, 2020 to March 31, 2021

## Main Activities in Fiscal 2020

- Responded to a lawsuit for damages filed by the former chairman as the defendant, sought liability for other serious misconduct by the former chairman and implemented appropriate measures to recover from the damage
- Created an internal controls system for risk management, cyber security and other areas, held hearing for individual reports on management conditions
- Held hearing on quarterly review results for the current fiscal year reported by the accounting auditor
- Exchanged opinions with the Accounting Auditor on key audit considerations (KAM)
- Audited by the Board of Directors to confirm auditing function effectiveness
- Visited Nissan manufacturing bases as well as major domestic and overseas subsidiaries (1 base and 16 companies: including virtual visits online)
- Held liaison meetings with corporate auditors of Group companies for the purpose of improving the audit quality at each Group company (including virtual visits online)

## Members

### Chair



**Motoo Nagai**  
(June 2019—)



**Yasushi Kimura**  
(June 2019—)



**Masakazu Toyoda**  
(June 2019—)



**Jenifer Rogers**  
(June 2019—)



**Pierre Fleuriot**  
(February 2020—)

Blue text:  
Independent  
outside director  
Red text:  
Non-independent  
outside director

\* Dates in parentheses below the photos indicate the start of committee membership (which is different from the date of appointment as a director).

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## Board Features

### High independent representation in board and committee composition

- Majority of Board of Directors are independent outside directors.
- Majority of Nomination Committee and Audit Committee, and all members of Compensation Committee, are independent outside directors.
- All chairs of the Board of Directors and three committees are independent outside directors.

Board of Directors 7 out of 12 are independent directors

Committee	Nomination	5 out of 6 are independent directors
	Compensation	All are independent directors
	Audit	4 out of 5 are independent directors

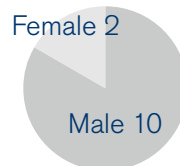
### Diversity of nationality and gender

#### Nationality

5 Nationalities

#### Gender

17%  
Female



## Director independence standards

To ensure high independent representation on the Board of Directors, Nissan strictly defines the qualification of independent directors. They must not fall into any of the following categories:

Prohibited categories	
1	Executive or employee of Nissan (within last 10 years)
2	Major shareholder of Nissan (within last 5 years)
3	Director, statutory auditor, statutory accounting advisor or executive of a company of which Nissan is a major shareholder
4	Major business partner of Nissan
5	Executive of an organization that received a significant amount of donations and contributions from Nissan
6	Director, statutory auditor, statutory accounting advisor or executive of a company that has a director who was seconded from Nissan
7	Major creditor of Nissan
8	Certified public accountant or tax attorney appointed as statutory accounting auditor/advisor of Nissan
9	Attorney, certified public accountant, tax attorney or any other type of consultant who has received significant business from Nissan
10	Member, partner or any other executive of an accounting firm, tax firm, or consulting firm that has received significant business from Nissan
11	Family member of any of the above categories
12	Person who has served as director of Nissan (for more than 8 years)
13	Person who may otherwise consistently have substantial conflicts of interest with the shareholders of Nissan

Important: All items stated above are summaries of the full qualifications as defined in Nissan Director Independent Standards. For more details for each category, please visit the Nissan website for Nissan Motor Company Director Independence Standards

[https://www.nissan-global.com/PDF/190625-02\\_02\\_EN.pdf](https://www.nissan-global.com/PDF/190625-02_02_EN.pdf)

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## Executive Officer System

Executive officers decide on business activities which are delegated in accordance with the resolutions of the Board of Directors and execute the business of the Nissan Group.

Several conference bodies have been established to deliberate on and discuss important corporate matters and the execution of daily business affairs. Furthermore, in the pursuit of more efficient and flexible management, the authority for business execution is clearly delegated as much as possible to corporate officers and employees.

As of March 31, 2021, eight executive officers, two of whom are representative executive officers, are appointed.

\* Click here for more information on each executive officer  
<https://www.nissan-global.com/EN/COMPANY/PROFILE/EXECUTIVE/>

## Basic Principles of the Internal Control System

We aim to provide superior value to all stakeholders, consider healthy governance the foundation for this, and are engaged in a range of activities to achieve it. In line with this principle, and in accordance with Japan's Companies Act and its related regulations, the Board of Directors has decided on internal control systems to pursue these goals and its own basic policy. The board continually monitors the status of implementation regarding these systems and the policy, making adjustments and improvements if necessary. The internal control system that was established in 2007 is chaired by CEO under the monitoring and supervision of the Board of Directors. All executive officers, corporate officers and departments, as well as group companies, cooperate closely under the CEO to improve the internal control system.

\* Please refer to the Nissan Corporate Governance Overview for details on the internal control system (P53)  
[https://www.nissan-global.com/EN/COMPANY/PROFILE/CORPORATEGOVERNANCE/pdf/Overview\\_EN.pdf](https://www.nissan-global.com/EN/COMPANY/PROFILE/CORPORATEGOVERNANCE/pdf/Overview_EN.pdf)

## Audit System

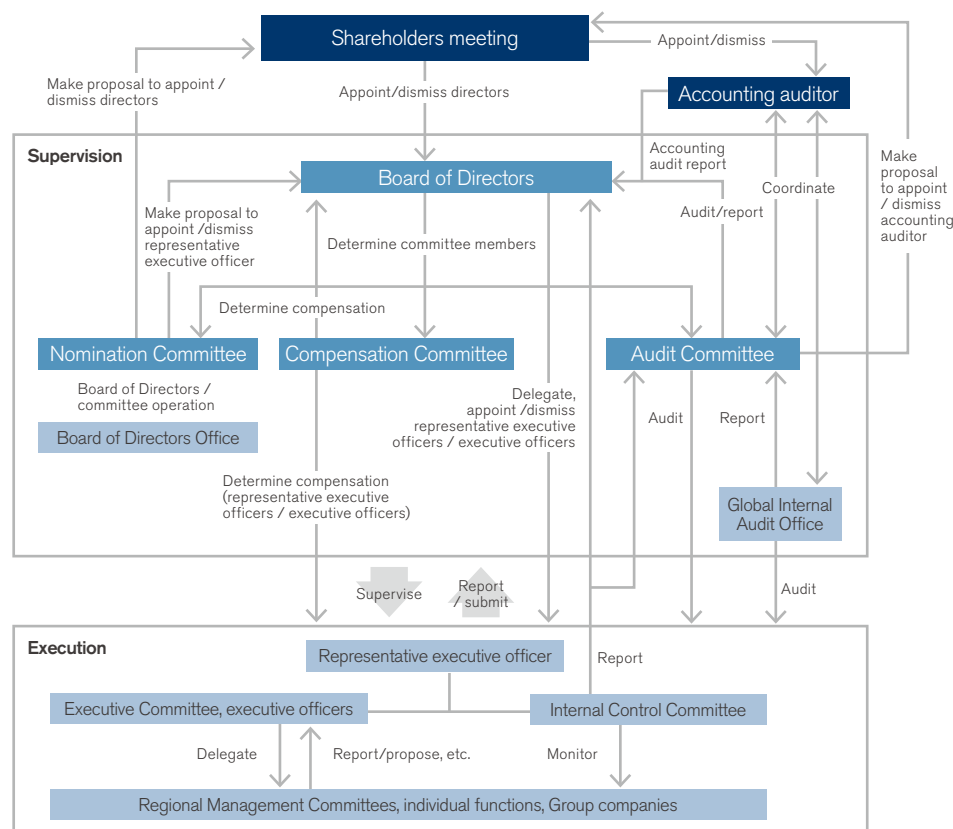
We have adopted a system under which the outside directors, Auditing Committee, department for internal audit and outside accounting auditors coordinate to improve the effectiveness of our internal control systems. Independent outside directors lead our Board of Directors, deciding the basic direction of management and supervising the execution of duties by directors, executive directors, and others with similar responsibilities. The Audit Committee takes charge of the department for internal audit and instructs it with regard to auditing, and the department for internal audit shall report to the Audit Committee the status of the performance of duties and any findings therefrom on an ongoing basis. The Audit Committee also receives similar reports from the accounting auditors, as well as detailed explanations on the status of the quality control of internal audits, to confirm whether their oversight is at a suitable level.

## Independent Internal Audits

An independent, global internal audit function department has been established under the control of the Audit Committee. In each region, internal audit departments located at supervisory companies handle auditing tasks, while global specialized teams conduct audits across each region in the areas of sales finance, IT and *monozukuri*. Under the control of the Chief Internal Audit Officer, all internal audits are carried out efficiently and uniformly across the globe.

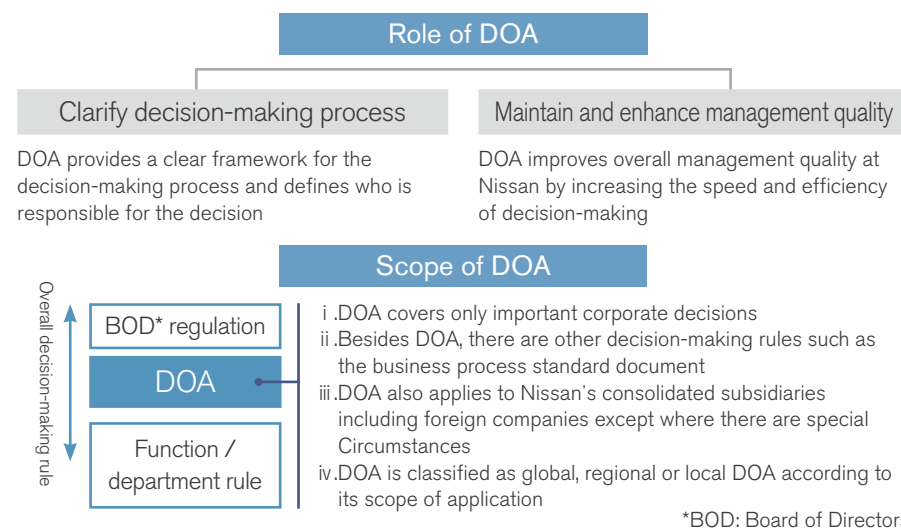
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## Nissan's Corporate Governance System



## Delegation of authority outline

Delegation of authority (DOA) is a part of Nissan's decision-making rules that defines who must be involved in important corporate decisions



\*BOD: Board of Directors

## Delegation of authority governance

For the purpose of enhancing management quality as well as clarifying the process of decision making, fair and transparent delegation of authority (DOA) is appropriately implemented and strictly controlled

- |   |  |
|---|--|
| <p><b>01 Robustness</b><br/>Any revisions, creation and deletion are strictly controlled by the DOA Committee, which is chaired by corporate officers</p>                   | <p><b>02 Transparency</b><br/>DOA defines the appropriate individuals who must propose, validate and decide, are disclosed in the Nissan group employee's intranet</p>       |
| <p><b>03 Fairness</b><br/>Aside from Proposer and Decider, the Validator, who provides expertise to a Decider in the Validator's relevant area, is set in the DOA items</p> | <p><b>04 Effectiveness</b><br/>DOA representatives and coordinators are assigned in each function and region for efficient operation and for enhancing global management</p> |



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## Avoidance of Conflict of Interest

In case of any transaction that involves any conflict of interest between the company and a director or executive officer, the Board Regulations provide that board approval, as well as a post-facto report to the board of important facts associated with the transaction, are required. Given the possibility of conflict of interest, the representative executive officer of the company must not concurrently serve as a director, executive officer, or any other officer or employee of a major shareholder; Mitsubishi Motors Corporation, which is one of the other parties of the Alliance; or any subsidiaries or affiliates of the above. If an executive officer serves in such position at the time of assuming the office of representative executive officer of Nissan, that officer and Nissan shall promptly take the necessary measures for the officer to leave the other company.

Regarding the designation of Audit Committee members, the company's Corporate Governance Guidelines provide that, given the potential conflict of interest with minority shareholders, it is not desirable that the Audit Committee should include any person who has experience serving as a director, executive officer or other officer or employee at a major Nissan shareholder or a subsidiaries or affiliate of same (except for a person seconded from Nissan).

In addition, in 2019, the company established a Director Conflict of Interest Resolution Policy which defines conflicts of interest between a director and the company, conducts annual conflict of interest questionnaires, requires directors to report any actual, potential or perceived conflicts and also establishes procedures to resolve such conflicts.

## Three key pillars of Director Conflicts of Interest Resolution Policy

### Three key pillars of Director Conflicts of Interest Resolution Policy

Duty to report 	Resolution group 	Resolution procedure 
<p>Mandates two affirmative duties for directors;</p> <ul style="list-style-type: none"> <li>i. Timely reporting of actual and potential conflicts;</li> <li>ii. Advance disclosure of interested transactions</li> </ul>	<p>Establishes the Director Conflict Resolution Group, comprising (of at least) three independent directors, led by the chair of the Audit Committee. The chair can prevent a director from:</p> <ul style="list-style-type: none"> <li>i. Receiving materials,</li> <li>ii. Presenting at any discussion, and,</li> <li>iii. Participating in any vote, related to any specific conflict of interest reported.</li> </ul>	<p>Establishes procedures to resolve director conflicts before and during board / committee meetings including:</p> <ul style="list-style-type: none"> <li>i. Maintaining a database of all specific conflicts of interest identified,</li> <li>ii. Suspending or postponing the matter in question, and,</li> <li>iii. Excluding the conflicted member from the meeting</li> </ul>

\* Click here for more information on Corporate Governance Report.

[https://www.nissan-global.com/EN/DOCUMENT/PDF/GOVERNANCE/g\\_report.pdf](https://www.nissan-global.com/EN/DOCUMENT/PDF/GOVERNANCE/g_report.pdf)

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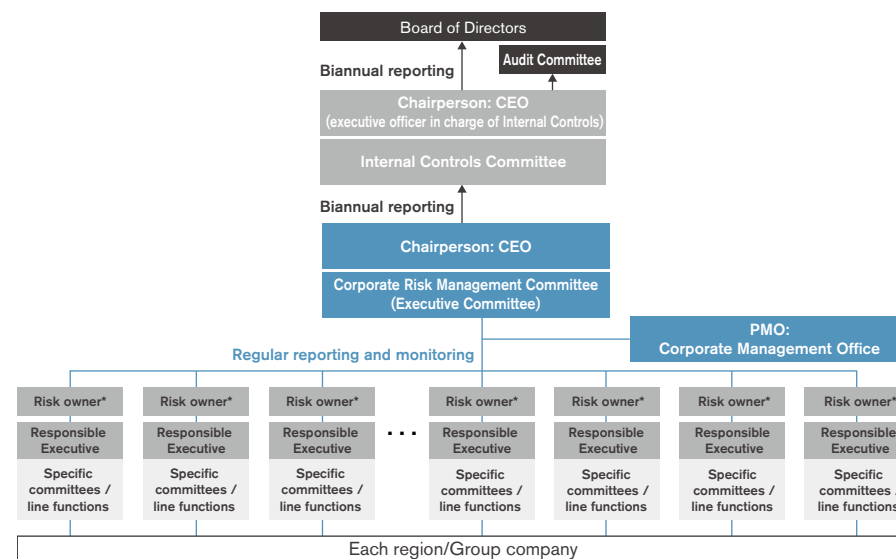
# RISK MANAGEMENT

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## Risk Management Systems

Our Global Risk Management Policy defines risk as “events or situations that hinder the Nissan Group Corporate Purpose, strategies and the achievement of business objectives.” Accordingly, Nissan promotes groupwide risk management activities. Detecting risks as early as possible, evaluating the magnitude of impact and probability of occurrence, and examining and implementing the requisite measures reduces the probability and likelihood risk events will occur. In the unlikely event a risk event does occur, we strive to minimize losses and ensure the risk is managed commensurately with its magnitude. To respond to changes in our business environment within and outside the Company, we have reviewed the risk management process and carried out annual interviews of corporate officers and conducts hearings in each corporate function by department in charge of risk management, carefully investigating various potential risks and revising the “corporate risk map” by evaluating impact, likelihood and control level quantitatively and qualitatively. The Corporate Risk Management Committee, chaired by the CEO, makes decisions on risk issues that must be handled at the corporate level and designates “risk owners” to manage these risks. Under the leadership of these owners, we design appropriate countermeasures. At the end of each fiscal year, the head of risk management assesses the control level of each risk and determines the effectiveness of each risk management activity. The progress of

these activities is regularly reported to the Corporate Risk Management Committee and the Internal Control Committee, and also to the Audit Committee and the Board of Directors, when appropriate.



(As of March 31, 2021)

\* In principle, risk owners are Executive Committee members.

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

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

In line with the reorganization of management committees in each region where the Nissan Group operates starting in fiscal 2020, we are reassessing and restructuring risk management implementation and cooperation methods between regional management divisions and Global Headquarters.

The business environment in which we operate has been increasingly volatile in recent years, including such aspects as the widespread adoption of new technologies and growing geopolitical risks. We will continue to bolster our activities in this area so we can appropriately address these changes.

## Risk Management Enhancement Efforts

Nissan is refocusing basic Company policies from increasing quantity to improving quality with the aim of realizing steady and profitable growth in order to achieve a solid turnaround and survive the turbulent times ahead. In light of reflections on past scandals, we have made efforts to strengthen governance and internal controls in order to ensure the prevention of recurrence, and with regard to risk management, which is one critical component of internal controls, we are also revising and enhancing relevant frameworks and processes. Based on the principle “three lines of defense” as a systematic enhancement, the PMO of Risk Management was precisely positioned to function as the second line and the personnel system was enhanced.

To support this new basic Company policy, we have positioned the objective of risk management as activities supporting the realization of our Corporate Purpose from a longer-term perspective rather than limiting it to short-term objectives such as achieving business targets. Accordingly, we have taken a wider view of targeted risks from the perspectives of enhancing corporate value and contributing to the environment, human rights and sustainability. Regarding the evaluation of risks, in addition to transitioning away from conventional subjective and qualitative evaluations to more objective and quantitative evaluations, we referenced the international framework and engaged in more concrete risk assessments and ascertaining activities to control and manage risks.

These improvements have been reflected in our Global Risk Management Policy and published in revised editions.

## Protecting Personal Data and Reinforcing Information Security

We share our Information Security Policy with Group companies worldwide as a basis for reinforced information security, implementing via the Information Security Committee measures enhanced through the PDCA cycle. We reliably address issues by identifying internal and external information leaks as they occur worldwide and reinforce information security on a timely basis. To thoroughly educate and motivate employees to adhere to relevant policy, we institute regular in-house educational programs. Moreover, we recognize our social responsibility to properly handle customers’ personal information in full compliance with the respective personal information protection law in each region. We have set up internal

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systems, rules and procedures for handling personal data. All Nissan Group companies are fully enforcing these processes.

We are aware that, more than ever, transparency, privacy and integrity of information are essential values in building and maintaining customer trust in the Nissan brand. We formulated the "Basic Policy on Customer Privacy" to ensure a unified global approach to the use of customer data and privacy information. This policy ensures that the handling of information is consistent and treated as an important duty at all Nissan sites. This new policy sets out Nissan's commitment to privacy and its basic privacy policy. There were no major instances of loss or leaking of personal information at any Nissan Group company during fiscal 2020.

\* Click here for more information on Financial Information "Business and other risks"  
<https://www.nissan-global.com/EN/DOCUMENT/PDF/FR/2020/fr2020.pdf>

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# COMPLIANCE

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Nissan understands that acting with integrity and high standards is of paramount importance, not only because it is the right thing to do, but also because it allows all employees to perform at the highest levels. Nissan expects all employees to maintain the highest ethical standards as they carry out their duties. To raise compliance awareness throughout the company, Nissan has established a Global Compliance Office, as well as specialized departments, and appointed officers to promote compliance in each region where it operates.

In fiscal 2020, new global policies, including Global Environmental Policy and Global Customer Privacy Policy, were released. The first Nissan Ethics Day was held globally on December 9 to enhance culture of ethics and compliance in the company.

## Enhancing Compliance

### Preventing a Reoccurrence of Nonconforming Final Vehicle Inspections at Nissan's Plants in Japan

After the discovery in September 2017 of nonconformities in the final vehicle inspection process at its plants in Japan, Nissan began a full and comprehensive investigation of the facts, including the causes and

background. We have since implemented appropriate countermeasures based on the results. Strict compliance is a top priority for our management, and we have taken it upon ourselves to examine the current situation with regard to compliance in every area of our business. When issues do arise, we take appropriate measures, and we are committed to promoting and enforcing compliance and awareness thereof in all operational areas.

\*Click here for more information on nonconforming final vehicle inspections.  
[https://www.nissan-global.com/EN/SUSTAINABILITY/VEHICLE\\_INSPECTIONS/](https://www.nissan-global.com/EN/SUSTAINABILITY/VEHICLE_INSPECTIONS/)

### Executing an Overhaul of Compliance Checks

At Nissan, following the discovery of nonconformities in the final vehicle inspection process at vehicle assembly plants in Japan, we were determined to ensure that such a thing could never happen again. Accordingly, in fiscal 2018, an overhaul of compliance checks were carried out, and since fiscal 2019, Global Compliance Office and relevant functions monitor those items periodically twice a year.

In fiscal 2019, comprehensive compliance checks for major subsidiaries in Japan was undertaken, and they have continued to carry out on a regular basis since then. In fiscal 2020, we have started preparation to expand the scope of compliance monitoring to overseas entities. It will be implemented across the regions from fiscal 2021.

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## Working with Dealerships

Nissan undertakes various measures to ensure that its approach to compliance is shared with dealerships and to enhance its internal controls. While strengthening lines of communication with dealerships we are carrying out activities to enhance their compliance at dealerships in Japan. Specifically, Nissan arranges Control Self-assessment for dealerships to enhance understanding of compliance matters and improve their compliance management status. We supplies check items which is reflected our internal audit results to all dealerships. They check their current compliance status and issues through the check item and use the PDCA cycle to make voluntary improvements. When major compliance issues occur, the legal, communications, external and government affairs and other applicable Nissan departments work together with dealers to take prompt and appropriate action.

## Anti-Bribery

### Anti-Bribery: Policies and Philosophy

Nissan does not tolerate corruption of any kind, whether individual or systemic, committed by a company or a government. The Nissan Global Anti-Bribery Policy\* establishes a global framework for preventing and responding to corruption. Different cultural contexts may result in what seem to be gray areas, and Nissan respects local customs and traditions, but corrupt practices are never acceptable.

\*Click here for more information on the Nissan Global Anti-Bribery Policy.

[https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/2013/NIS\\_SUS2013E\\_POLICY.pdf](https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/2013/NIS_SUS2013E_POLICY.pdf)

Click here for more information on the Avoidance of Conflict of Interest.

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## Anti-Bribery: Management

Nissan has established a Global Code of Conduct\* and Global Compliance Office as well as departments and officers at each of its operations worldwide with responsibility for promoting compliance measures.

Moreover, all Group-affiliated companies have introduced their own codes based on the Global Code of Conduct. The Code of Conduct is supported by training courses to ensure full understanding of its content.

Nissan's overall policy management strategy was redesigned in fiscal 2016 in order to support the promotion of compliance knowledge, including the creation of a Policy on Policies and related standardized procedures.

With this enhanced process, Nissan seeks to ensure across-the-board understanding, making sure all employees are fully aware of Nissan's policies and able to act appropriately when faced with compliance issues.

Nissan has created a series of internal regulations that are applied globally, covering areas such as decision-making, insider trading, personal information management, information security, bribery and corruption, use of social media, and customer privacy. With these policies in place, Nissan is working to heighten awareness and reduce infractions.

Employee education programs to promote compliance are held regularly in all regions in which Nissan operates. For example, training sessions base on the Global Anti-Bribery Policy have been conducted in all regions.

In fiscal 2020, Nissan initiated a series of global projects such as third party risk management and compliance risk assessment including anti-corruption with renewed methodology.

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

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

## Business Ethics

### Business Ethics: Policies and Philosophy

#### Employees and Compliance

Nissan's sustainability efforts are based on each employee's ability to do his or her job with a high level of integrity. In 2001, we established a Global Code of Conduct containing practical guidance for employees. Today this Code of Conduct is applied at all Nissan Group companies worldwide.

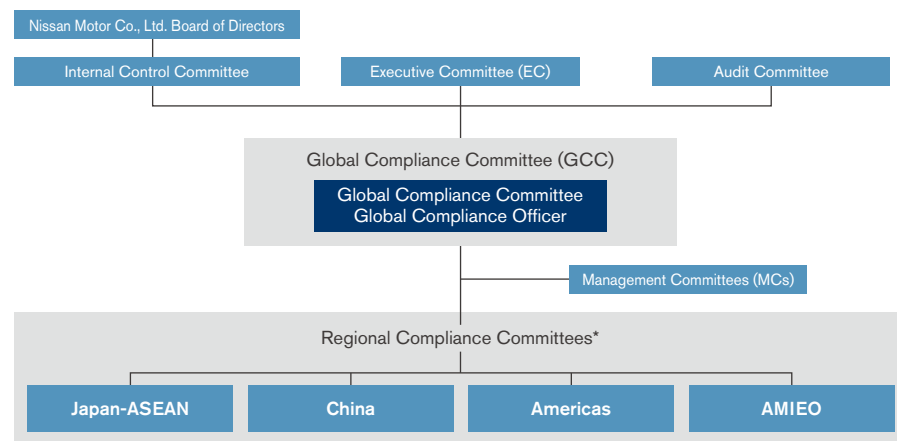
We also provide guidance on compliance for directors and corporate officers, holding regular seminars and educational activities to ensure strict adherence to the rules.

Global Compliance Committee (GCC), co-chaired by CEO and Global Compliance Officer, is held twice a year, where global compliance strategies are deliberated, annual programs are validated, and compliance issues are discussed. The results of GCC is reported to Executive Committee (EC) and Audit Committee.

Under the oversight of our Global Compliance Committee, we have established a Regional Compliance Committee in each region of operation, forming a worldwide system for detecting and deterring illegal and unethical behavior. Global Headquarters works with all regions and bases of operation to ensure full awareness of compliance issues and prevent illegal activity, and has processes in place to take appropriate disciplinary action against those who violate or infringe the Global Code of Conduct or the law. Our Global Compliance Office further increases the rigor of our compliance management. In addition, to enhance compliance at the regional level, standalone, independent, regional compliance officers are appointed in Japan-ASEAN, China, Americas, and AMIEO (Africa/Middle East/India/Europe/Oceania) regions.

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## Global Compliance Committee Organization (As of April 1, 2021)



\*Each Regional Compliance Committee oversees various local compliance committees as appropriate.

## Global Code of Conduct

Global Code of Conduct contains our core principles for doing business with honesty and integrity, in full compliance with established laws and regulations in all locations in which we operate. The Code of Conduct's standards apply to all employees within Nissan Group companies, and every employee is responsible for upholding and adhering to the Code. The Code of Conduct is reviewed for revision at least once every three years to ensure that it evolves along with the company and society. The Code is also updated promptly, outside the regular review cycle, in response to significant changes to laws or other major factors affecting it. The Code of Conduct was most recently updated in 2017, when employee and customer safety were proactively added as a new key pillar of the Code.

In fiscal 2020, updated Global Code of Conduct training material was delivered to all regions. The e-learning material for indirect employees was available in approximately 20 languages and accessible in number of formats including via portable devices like smartphones and tablets. The global completion ratio of indirect employees was 99.0%. Factory-focused training material was prepared for factory workers, who received the training via regular shift-start messaging or in a seminar setting. The global completion ratio of factory workers was 96.7%. This global Code of Conduct training is mandatory for all Nissan employees every year as well as Board members and Corporate Officers.

### ① Comply with All Laws and Rules

Nissan employees are expected to follow all laws and regulations of the country in which they work as well as all Company policies and rules.

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## ② Promote Safety

Nissan is committed to employee safety and wellness. Nissan employees are expected to engage in safe work practices to promote a healthy work environment. Nissan is also committed to the safety of our customers and their passengers and Nissan employees are expected to continually promote safety of Nissan products.

## ③ Avoid Conflicts of Interest

Employees are expected to act in the best interest of Nissan. It is not permitted for employees to behave, act, or use information in a way that conflicts with Company interests. Furthermore, employees must attempt to avoid even the appearance of a conflict of interest.

## ④ Preserve Company Assets

Nissan employees are accountable for preserving and safeguarding Company assets. The unauthorized or improper use of Company assets, including funds, confidential business information, physical property and intellectual property, is prohibited.

## ⑤ Be Impartial and Fair

Nissan employees must maintain impartial and fair relationships with business partners, including dealers, suppliers and other third parties.

## ⑥ Be Transparent and Accountable

Accounts and records shall be maintained with integrity. Nissan employees shall make accurate, transparent, timely and appropriate disclosures of the Company's business activities to our stakeholders, including shareholders, management, customers, other employees and local communities.

## ⑦ Value Diversity and Provide Equal Opportunity

We value and respect the diversity of our employees, suppliers, customers and communities. Discrimination, retaliation or harassment, in any form or degree, will not be tolerated.

## ⑧ Be Environmentally Responsible

Nissan employees shall strive to consider the environment and environmental protection when developing products and services, promote recycling and conserve materials and energy.

## ⑨ Be Active; Report Violations

Nissan employees are expected to carry out their work in accordance with the Code of Conduct. Employees who suspect that a violation of the Code of Conduct has occurred are obligated to report it as soon as possible. Employees are encouraged to use the SpeakUp system to report their suspicions. Employees who act in good faith and report suspected violations will be protected from retaliation.

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## Business Ethics: Management

### Internal Reporting System for Corporate Soundness

Nissan has established a globally integrated reporting system to promote thorough understanding of compliance among employees worldwide and facilitate sound business practices. The system, known as SpeakUp, can be used by employees to ask questions or voice concerns to the company, thereby improving workplaces and operations. Where allowed by law, SpeakUp permits anonymous reporting by and two-way confidential communication with employees and other stakeholders such as dealers and suppliers. It is available 24 hours a day, 365 days a year, in more than 20 languages. Employees are encouraged to report violations of the Code of Conduct or other company rules, and are protected from retaliation by our non-retaliation policy, a cornerstone of our compliance program.

In fiscal 2020, 1,166 concerns were reported globally. Among those, 314 compliance-related matters were identified while 739 were human resource related. The most recurrent types of reports are 'Human Resource Concern', 'Health & Safety/Sanitation/Environmental Protection' and 'Offensive or Inappropriate Communication'.

## Security-Related Export Controls

To help maintain both national and international peace and security, we rigorously comply with export control laws and regulations in Japan and other countries and regions where we operate to keep sensitive goods, software and technologies from reaching sponsors of terrorism, espionage or human rights violators. Our export compliance program is implemented under a system headed by the representative executive responsible for export control. Specifically, our Export Control Global Secretariat, consisting of a Global Director and Regional Managers, works with each of our businesses to set control and monitoring mechanisms ensuring compliance with security-related export controls, and these mechanisms are strictly applied to all operations.

We recognize our responsibility for compliance with all regulations related to export controls on goods, software and technologies in our areas of operation. We are in the process of reviewing and updating our Global Export Regulatory Compliance Policy to ensure proper compliance with such regulations across the Nissan Group. Based on the global policy, we continue to develop and enhance regional policies for each of the regions where we operate, such as export regulatory compliance policies issued in fiscal 2020 for China, A&O (Asia & Oceania) and AMI (Africa, Middle East, India). We are currently reviewing impact of new regional structure under NISSAN NEXT, and will make applicable adjustments as necessary. We also respond in a timely manner to export control regulation changes and related developments around the world, including the enforcement of the Export Control Reform Act (ECRA) in the U.S., amendments to the EU dual use export control list and moves to deploy export control regulations in China, Thailand, and India.

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With the overall aim of improving our level of internal control, we strive to conduct regular risk-assessment activities in connection with export controls in each region, create monitoring mechanisms aligned with regulatory requirements and business demands, and continually improve our operations. To make employees more familiar with compliance risks, we are reviewing our training system and materials, including information about complying with relevant customs and trade laws. From fiscal 2018, we began annual training in Japan based on the new system. In addition, we deployed mandatory training globally starting in fiscal 2019 with North America, Latin America, AML, and China completing this training. In fiscal 2020, A&O completed mandatory training and Europe remains under development for deployment in fiscal 2021.

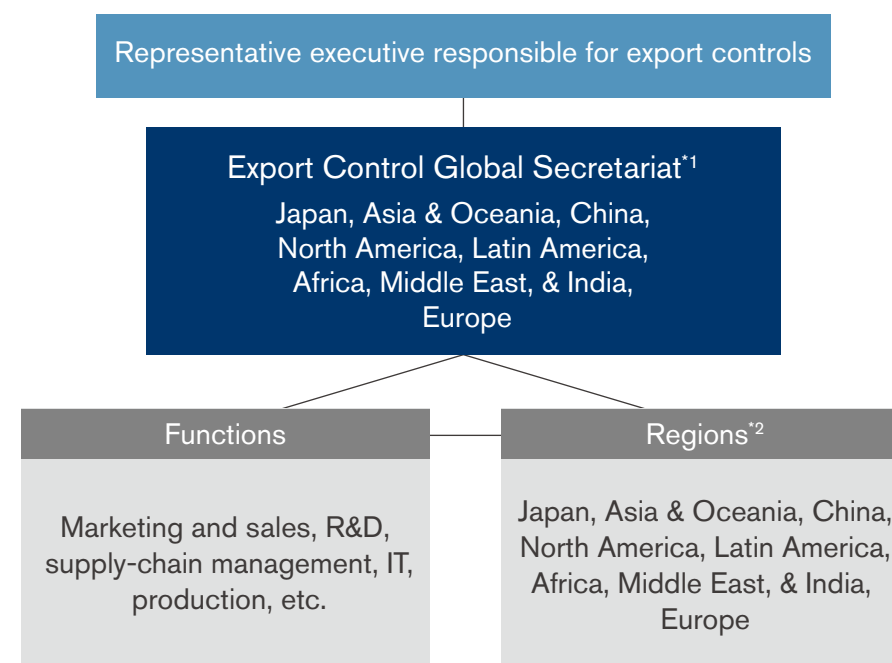
We have been addressing export control of advanced technology on a global level to prepare for the future of our company. To hasten the implementation of our Global Export Regulatory Compliance Policy, we continue to promote export control for advanced technologies, such as autonomous driving and connected-car technologies at Nissan sites in Japan, the U.S., and Europe as well as other locations around the world, where warranted.

At our development sites in Japan, we completed an enhancement of our classification process for sensitive goods, software and technologies using IT systems. At our research sites in the U.S. we completed development of Technology Control Plans for our Battery lab and Alliance Innovation Lab - Silicon Valley.

By making export control procedures an integral part of our development and design operations, we aim to strengthen our compliance. In addition, we are renewing and collecting information on controlled goods, software and technologies in each region and are implementing comprehensive and sound

export controls for each business operation through the systematic global sharing of this information.

## Global Export Control Policy Framework



\*1, \*2 New regional structure under NISSAN NEXT will be adjusted.

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# Nissan's Commitment to Tax Transparency

## Nissan's Approach to Tax

In line with its Global Code of Conduct, Nissan is committed to complying with the laws and regulations of all countries in which Nissan operates, as well as with international tax treaties and tax-related financial reporting rules. In order to conduct business properly and efficiently in many markets across the globe, Nissan established a documented tax policy from 2015. The Policy is continuously revised in order to keep up with the legislative and regulatory changes. The Policy includes details of Nissan's governance arrangements, tax risk management strategy and its approach to dealing with tax authorities. Nissan is consistently fulfilling all tax disclosure requirements under domestic and international rules (such as OECD Country-by-Country Reporting) and other country-specific transparency requirements like those in Australia or the United Kingdom\*.

Nissan effectively manages its tax risks by involving the Tax Department into key business decisions. Nissan's Tax Department collaborates with and supports other functions to ensure tax implications are properly evaluated and addressed in operational and strategic decision-making on a timely basis. Input from the Tax Department is particularly critical in relation to transactions, restructurings, legal entity modifications, and other business changes, as necessary to support Nissan's business strategy.

Through a formal delegation of authority process, the Tax Department validates key business decisions from a tax perspective, thereby ensuring the tax strategy is aligned with the wider business objectives, in a consistent and timely manner.

Nissan applies established international standards (such as those championed by the OECD) to its dealings between the companies within the group. Intercompany transactions are priced on an arm's-length basis, which means that Nissan entities trade with each other as if they were independent entities.

Nissan is transparent about its approach to tax. Nissan aims to pay the appropriate amount of taxes in the jurisdictions in which it operates, and to avoid tax-related interest payments and penalties for failure to comply with local and international tax rules.

The CFO reviews and approves the tax strategy. The Global Head of Tax and the CFO update annually the Board of Directors on Nissan's tax risks and adherence to its tax strategy.

\*Click here for information on Nissan's U.K. tax strategy.  
<https://www.nissan.co.uk/legal/nissan-uk-tax-strategy.html>

## Nissan's Tax Management

Nissan effectively manages tax risks within the Group by participating in and through the delegation of authority process at a global, regional and local level validating key business decisions from a tax perspective in a consistent manner.

Nissan's global brand reputation and the continuing success of its manufacturing and distribution operations are of paramount importance. Consequently only a low level of tax risk is considered acceptable as also demonstrated by proactive discussions with tax authorities.

Where Nissan has tax audits, the company seeks to reach an agreement with the tax authorities on the treatment that will apply. In case Nissan is unable to reach an agreement with the tax auditors, Nissan will uphold its



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tax positions in court and defend its application of the law through litigation. Nissan has several methods for identifying and managing tax risks. The Global Tax Controversy Report is Nissan's Tax Department's tool for central documentation and quantification of tax risk. It includes all tax exposure: both direct and indirect taxes. Key findings are discussed quarterly with top management.

Specifically for income tax, Nissan has a process in place at local, regional and global level to recognize uncertain tax positions as required by the Interpretation no. 23 of the International Financial Reporting Interpretations Committee (IFRIC 23). Nissan adopted IFRIC 23 from the beginning of fiscal 2019.

Regarding transfer pricing topics, Nissan's Tax Department has internal procedures and controls in place to identify transfer pricing risks, assess, monitor and mitigate such risks, and report material risks to all stakeholders. Profitability by product basis and by company basis is monitored regularly to identify potential risks. Once identified, the risks are reported to Nissan's finance leadership team. The executive-level position within the organization accountable for compliance with the tax strategy is the Global Head of Tax, reporting to the CFO.

Compliance with the tax governance and control framework is evaluated regularly by the following departments, at regional, local and global level: Tax, Compliance, and Internal Audit. Global policies on tax governance and control are published on Nissan's internal website and available to all employees globally. Compliance Department checks with the Tax Department regularly to assess how the policies are enforced and whether they reflect the latest business operations in Nissan.

Nissan has a hotline which is called SpeakUp where employees have a way to report unethical or illegal activities they have witnessed or that they suspect. SpeakUp is a means to bring tax-related incidences to the attention of management.

## Nissan's stakeholder engagement and management of concerns related to tax

Nissan seeks to maintain a long-term, open and constructive relationship with national tax authorities by proactively engaging with them, as well as other governmental and relevant industry bodies, directly and indirectly. First, Nissan strives to develop cooperative relationships with tax authorities through regular meetings and partnership programs. Nissan has ongoing communication with tax authorities including, where applicable, use of advance rulings and Advanced Pricing Agreements (APAs). Nissan engages in APAs with tax authorities to obtain certainty regarding transfer pricing for intercompany transactions.

Nissan regularly engages with policy makers to support the development of tax rules and regulations based on sound tax policy principles. Nissan also provides input to industry groups and international economic organizations, such as the Tax Executives Institute (TEI) and the Business and Industry Advisory Committee to the OECD. As a Japanese automaker, Nissan is a member of Keidanren, one of Japan's major private sector business associations and also part of the Japan Automobile Manufacturers Association (JAMA).

Finally, Nissan's Investors Relations Department engages with the Global Tax Department each time there is a question from stakeholders related to tax topics. The Tax Department will ensure that such questions are answered in a satisfactory way.

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# Corporate Overview

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## Corporate Profile

Date of Establishment	December 26, 1933
Location of Organization's Headquarters	1-1, Takashima 1-chome, Nishi-ku, Yokohama, Kanagawa 220-8686, Japan
Group Structure and Business Outline	The Nissan Group consists of Nissan Motor Co., Ltd., subsidiaries, affiliates and other associated companies. Its main business includes sales and production of vehicles and related parts. The Nissan Group also provides various services accompanying its main business, such as logistics and sales finance.
Brands	Nissan, Infiniti, Datsun
Consolidated Number of Employees (as of March 31, 2021)	131,461
Global Network (as of March 31, 2021)	<p><b>R&amp;D: 16 markets</b> (Japan, U.S., Mexico, U.K., Spain, Belgium, Germany, Russia, China, Taiwan, Thailand, Vietnam, India, South Africa, Brazil, Argentina; total of 45 sites)</p> <p><b>Design: 5 markets</b> (Japan, U.S., U.K., China, Brazil; total of 7 sites)</p> <p><b>Automobile Production: 32 bases in 17 markets</b> (excludes plants providing OEM vehicles to Nissan [Renault, Mitsubishi Motors, Fuso, Suzuki, etc.] )</p>

## Financial Data

	(¥ billion)		
	FY2018	FY2019	FY2020
Net sales	11,574.2	9,878.9	7,862.6
Operating income (loss)	318.2	(40.5)	(150.7)
Ordinary income	546.5	44.0	(221.2)
Profit (loss) before tax	477.7	(573.0)	(339.3)
Net income (loss) attributable to owners of the parent	319.1	(671.2)	(448.7)
Capital expenditure	509.9	509.2	405.4
Depreciation	377.8	372.9	270.3
Research and development costs	523.1	544.8	503.5

Click here for more information on Financial Data.

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

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## Global Sales Volume and Production Volume

(Thousand units)

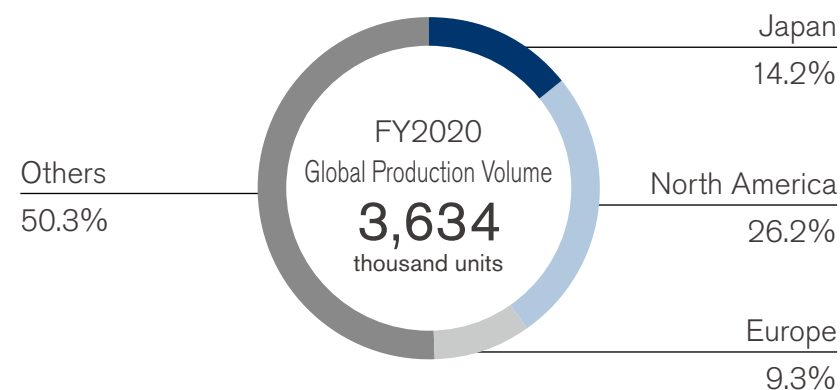
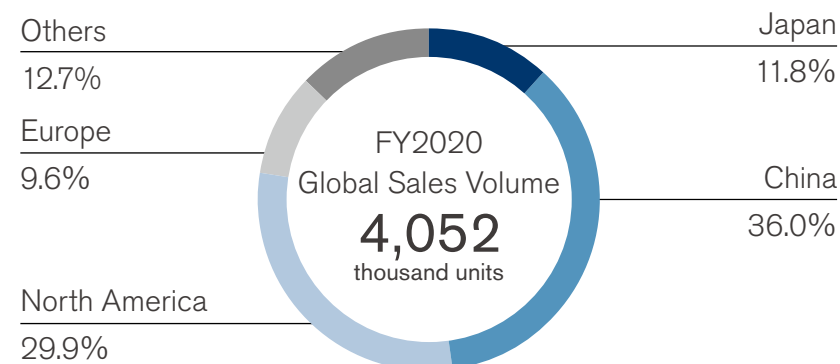
	FY2018	FY2019	FY2020
Global sales volume	5,516	4,930	4,052
Japan	596	534	478
China	1,564	1,547	1,457
North America	1,897	1,620	1,213
Europe	643	521	391
Others	816	708	513

(Thousand units)

	FY2018	FY2019	FY2020
Global production volume	5,362	4,757	3,634
Japan	901	758	517
North America	1,587	1,340	953
Europe	661	508	336
Others	2,213	2,151	1,828

Click here for more information on Financial Data.

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



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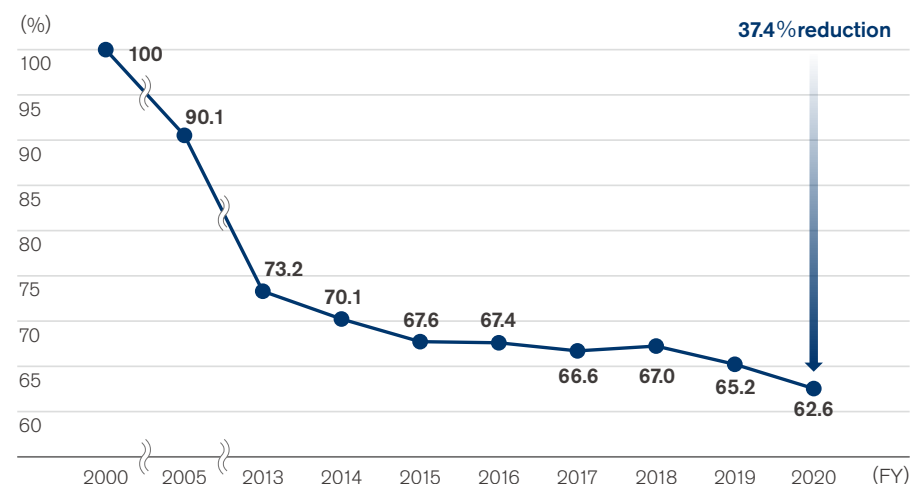
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Estimates (as of July 2020) have been used for the FY2019 actuals for CO<sub>2</sub>, VOC, industrial waste, and water at European facilities.

## Climate Change (Products)

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



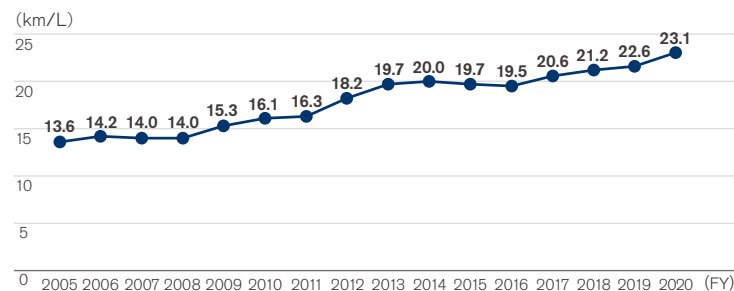
In fiscal 2020, CO<sub>2</sub> emissions in Nissan's main markets of Japan, the U.S., Europe, and China were 37.4% lower than fiscal 2000 levels, as measured by Corporate Average Fuel Economy (CAFE).

In particular, fuel efficiency has improved compared to fiscal 2019 due to the introduction of new models in the United States and Europe.

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

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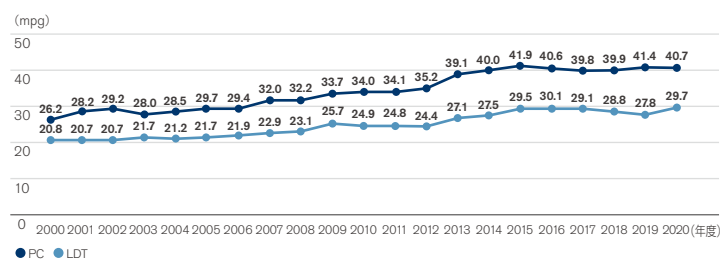
## Corporate Average Fuel Economy (CAFE, JC08 Mode) in Japan



In fiscal 2020, the corporate average fuel economy in Japan was 23.1 km/L. Higher sales of Nissan Kicks and other e-POWER vehicles contributed to the 2% improvement over fiscal 2019.

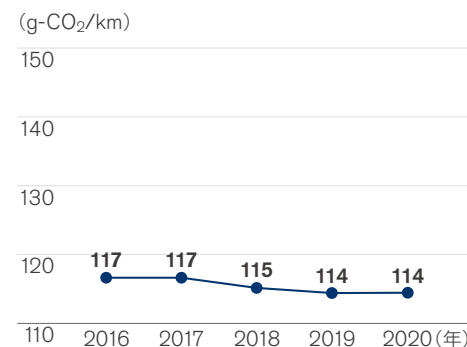
\* Provisional values calculated in-house; some models include WLTC mode fuel consumption values.

## Corporate Average Fuel Economy (CAFE) in the United States



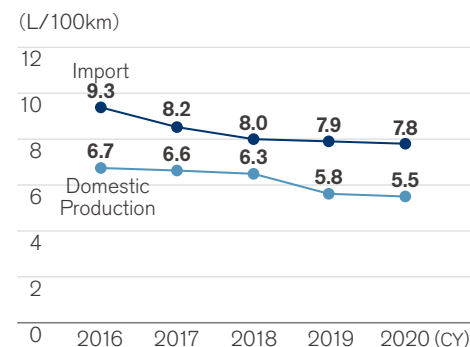
In fiscal 2020, US sales resulted in a CAFE of 40.7 mpg for passenger cars, a 2% decrease compared to fiscal 2019. In the light-duty truck segment, the release of new models increased the CAFE 7%, from 27.8 mpg to 29.7 mpg.

## CO<sub>2</sub> Emission Index from Nissan Vehicles in Europe



In 2020, average CO<sub>2</sub> emissions in Europe were the same as 2019.

## Corporate Average Fuel Consumption in China



In 2020, fuel economy for domestically produced and imported vehicles improved approximately 4% and 1%, respectively. Increasing number of EVs improved the fuel economy of domestically produced vehicles.



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## Revenue, Global Sales Volume and Production Volume Data

(¥ billion)			(k unit)			(k unit)		
	FY2019	FY2020		FY2019	FY2020		FY2019	FY2020
Revenue* <sup>1</sup>	11,217.6	9,108.7	Global Sales Volume* <sup>2</sup>	4,930	4,052	Global Production Volume* <sup>2</sup>	4,757	3,634
			Japan	534	478	Japan	758	517
			North America	1,620	1,213	North America* <sup>3</sup>	1,340	953
			Europe	521	391	Europe* <sup>4</sup>	508	336
			Asia	1,821	1,649	Asia* <sup>5</sup>	1,991	1,737
			Other	434	320	Other* <sup>6</sup>	160	91

\*<sup>1</sup> Management pro-forma basis (includes Chinese joint ventures in proportionate consolidation).

\*<sup>2</sup> Global sales volume and global production volume for China and Taiwan consider values from January to December.

\*<sup>3</sup> Production in the U.S. and Mexico.

\*<sup>4</sup> Production in the U.K., Spain, Russia and France.

\*<sup>5</sup> Production in Taiwan, Thailand, Philippines, Indonesia, China, India and South Korea.

\*<sup>6</sup> Production in South Africa, Brazil, Egypt and Argentina.

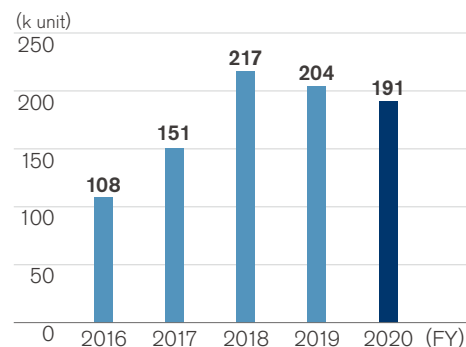
## Powertrain Type Ratios (Shipment-Based)

	Unit	Gasoline-powered vehicles	Diesel-powered vehicles	e-POWER vehicles	Electric vehicles	Hybrid drive vehicles	Natural-gas drive vehicles
Japan	%	34.5	2.3	26.2	1.9	35.1	0.1
North America	%	98.9	0.2	0.0	0.9	0.0	0.0
Europe	%	72.2	18.2	0.0	9.6	0.0	0.0
Other	%	93.3	5.5	0.1	0.7	0.4	0.0
Global	%	85.3	4.7	3.4	1.8	4.7	0.0

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## EVs

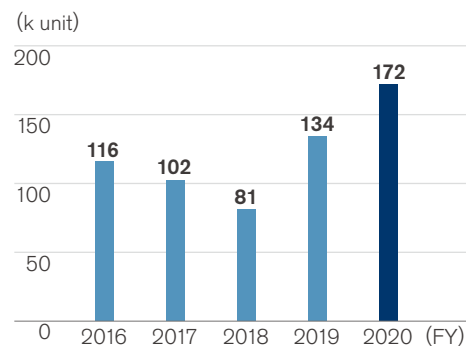
### 100% EV and e-POWER Vehicle Sales



\* Includes the sale of EVs by joint ventures in China.

## Hybrid Electric Vehicles

### Hybrid Units Shipped



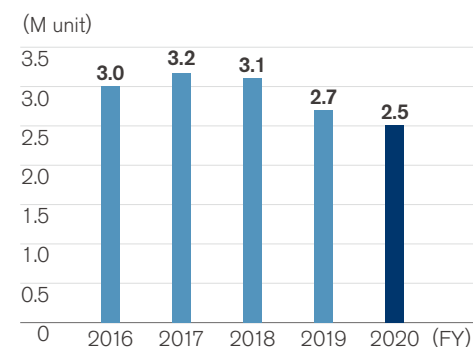
In 2020, vehicle numbers increased due to the expansion of hybrids to “kei” vehicles in Japan.

\* Manufacturing base and office closures due to COVID-19 prevented the finalizing of fiscal 2019 data in Sustainability Report 2020. Fiscal 2019 data has been updated for Sustainability Report 2021.

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## Xtronic CVT

### Xtronic CVT Sales Volume



\* CVT: Continuously Variable Transmission

In fiscal 2020, we sold 2.47 million additional Xtronic CVT vehicles, bringing the cumulative total to 32.4 million.

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## Climate Change (Corporate Activities)

### Energy Input

(FY)

	Unit	2016	2017	2018	2019*3	2020
Total	MWh	10,189,082	9,532,840	9,252,737	8,313,893	7,655,514
By region						
Japan	MWh	4,497,562	4,084,912	3,700,532	3,438,939	3,015,419
North America	MWh	2,643,303	2,452,299	2,570,438	2,180,450	1,909,902
Europe	MWh	1,093,103	1,126,186	1,048,201	913,521	888,089
Other	MWh	1,955,115	1,869,443	1,933,566	1,780,983	1,842,105
By energy source						
Primary						
Natural gas	MWh	3,537,674	3,701,640	3,579,998	3,079,723	3,089,803
LPG	MWh	249,426	179,945	191,405	175,559	144,478
Coke	MWh	217,431	218,618	200,527	154,961	100,144
Heating oil	MWh	209,232	147,522	113,200	90,078	69,618
Gasoline	MWh	303,040	299,000	259,045	243,166	184,021
Diesel	MWh	57,488	48,259	53,074	23,246	25,315
Heavy oil	MWh	43,853	27,652	15,995	16,303	22,816

(FY)

	Unit	2016	2017	2018	2019*3	2020
External						
Electricity (purchased)	MWh	5,247,663	4,755,897	4,711,467	4,384,282	3,851,011
Renewable energy*1	MWh	157,226	133,212	135,574	123,225	181,815
Chilled water	MWh	12,919	6,661	7,487	5,086	3,530
Heated water	MWh	4,690	5,000	5,000	2,706	2,635
Steam	MWh	136,593	128,038	102,324	125,662	96,960
Internal						
Electricity (in-house generation)	MWh	11,847	14,609	13,214	43,668	65,183
Renewable energy*2	MWh	11,847	14,609	13,214	43,668	65,183
Total renewable energy	MWh	169,073	147,821	148,788	166,893	246,998

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

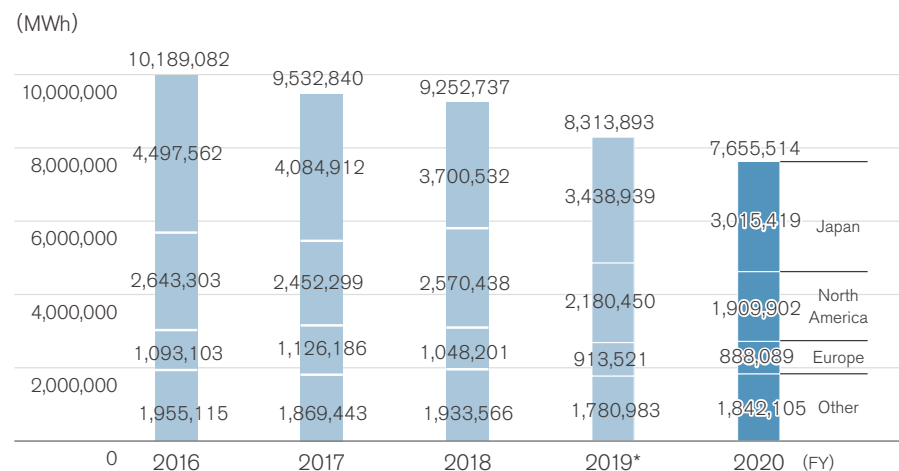
\*2 Volume of renewable energy generated by Nissan at its facilities and consumed for its own purposes.

\*3 Manufacturing base and office closures due to COVID-19 prevented the finalizing of FY2019 data in Sustainability Report 2020. FY2019 data has been updated for Sustainability Report 2021.

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## Global Energy Consumption



The total energy consumption of our global corporate activities during fiscal 2020 was 7.656 million MWh, a 8% decrease from fiscal 2019. This reduction was primarily due to the promotion of energy-saving activities at facilities and a decline in total production volume. Production sites globally accounted for 6.513million MWh★ of total energy consumption.

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

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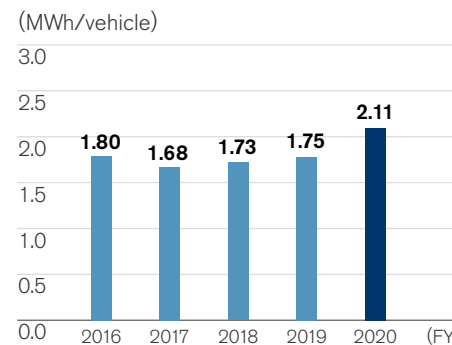
\* Manufacturing base and office closures due to COVID-19 prevented the finalizing of FY2019 data in Sustainability Report 2020. FY 2019 data has been updated for Sustainability Report 2021.

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## Energy per Vehicle Produced



In fiscal 2020, energy per vehicle produced was 2.11MWh increased by 20.5% compared to fiscal 2019.

Data for the Japan region includes the manufacture of powertrains and other components for overseas assembly. Since the denominator is vehicles produced in the region, this tends to result in higher values for Japan.

By region	Unit	2020
Japan	MWh/vehicle	5.83
North America	MWh/vehicle	2.00
Europe	MWh/vehicle	2.64
Other	MWh/vehicle	1.01

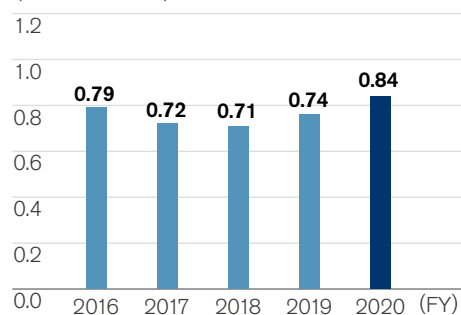
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## Energy per Revenue

(MWh/million ¥)



In fiscal 2020, global Nissan facilities saw energy per revenue result of 0.84MWh, increased by 13% from 2019. We are taking ongoing steps toward decoupling financial capital generation from energy use.

## Carbon Footprint

(FY)

	Unit	2016	2017	2018	2019*	2020
Scope 1	t-CO <sub>2</sub>	963,661	912,476	889,444	774,163	737,683
Scope 2	t-CO <sub>2</sub>	2,614,028	2,394,109	2,339,883	2,105,700	1,804,759
Scope 1+2	t-CO <sub>2</sub>	3,577,689	3,306,584	3,229,327	2,879,864	2,542,442
Japan	t-CO <sub>2</sub>	1,579,089	1,333,335	1,208,303	1,147,686	923,892
North America	t-CO <sub>2</sub>	823,340	683,332	738,234	648,754	647,465
Europe	t-CO <sub>2</sub>	176,285	228,998	221,692	163,553	156,441
Other	t-CO <sub>2</sub>	998,976	1,060,920	1,061,098	919,871	814,644
Scope 3	t-CO <sub>2</sub>	150,462,000	213,715,000	203,106,900	173,138,601	135,068,055

In fiscal 2020, the total of Scope 1 and 2 emissions was 2.542 million tons. Total CO<sub>2</sub> emissions from manufacturing processes were 1.951million tons★ (Scope 1 emissions: 0.599million tons★; Scope 2 emissions: 1.353million tons★).

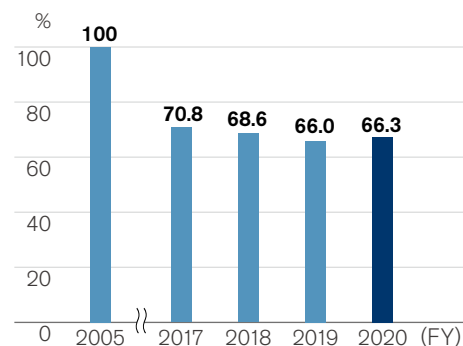
★ This figure is subject to assurance by KPMG AZSA Sustainability Co., Ltd. For details, please see here.

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\* Manufacturing base and office closures due to COVID-19 prevented the finalizing of FY2019 data in Sustainability Report 2020. FY2019 data has been updated for Sustainability Report 2021.

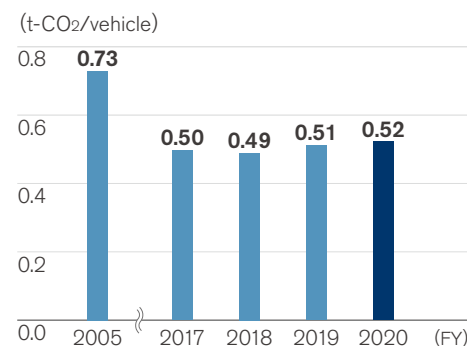
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## Corporate Carbon Footprint per Vehicle Sold



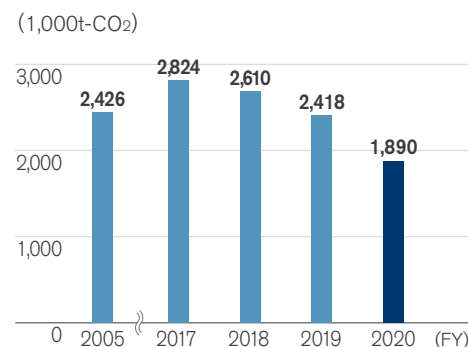
In fiscal 2020, overall corporate emissions were reduced by 33.7% compared to fiscal 2005, representing steady progress toward our fiscal 2022 goal.

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

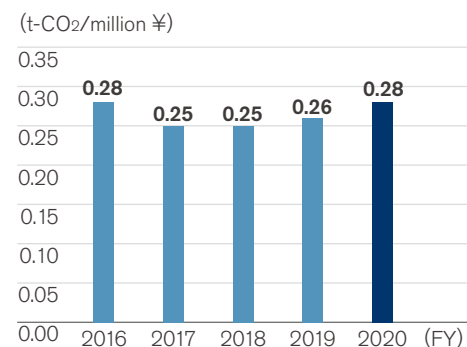


In fiscal 2020, our manufacturing CO<sub>2</sub> emissions per vehicle produced were 0.52 tons, 29.7% less than fiscal 2005.

## Carbon Footprint of Manufacturing Activities



## Scope 1 and 2 Emissions per Revenue



In fiscal 2020, CO<sub>2</sub> emissions from our global operations were 0.28 ton per ¥1 million of revenue.



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## Logistics Volume

(FY)

	Unit	2016	2017	2018	2019	2020
Total	mil ton-km	39,930	35,635	34,903	28,288	21,168
Inbound*	mil ton-km	10,634	9,699	10,164	8,083	5,518
Outbound*	mil ton-km	29,296	25,935	24,739	20,205	15,651

Sea	%	60.9	57.6	60.9	63.8	60.2
Road	%	24.8	25.9	23.3	23.0	25.0
Rail	%	14.0	16.1	14.9	12.7	14.3
Air	%	0.4	0.4	0.9	0.6	0.5

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

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

In fiscal 2020, global shipping decreased by around 25% compared to the previous fiscal year, to 21,168 million ton-km. This was mainly due to a decline in shipments of finished vehicles caused by lower levels of productions as a result of COVID-19.

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

(FY)

	Unit	2016	2017	2018	2019	2020
Total	t-CO <sub>2</sub>	1,926,477	1,567,248	1,482,982	1,144,338	891,817
Inbound*	t-CO <sub>2</sub>	809,088	739,610	762,314	582,957	392,014
Outbound*	t-CO <sub>2</sub>	1,117,389	827,638	720,667	561,381	499,803

Sea	%	17.8	20.0	19.9	21.1	20.1
Road	%	62.1	64.6	60.3	64.1	65.9
Rail	%	5.6	7.0	6.7	5.9	6.7
Air	%	14.5	8.4	13.1	8.9	7.4

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

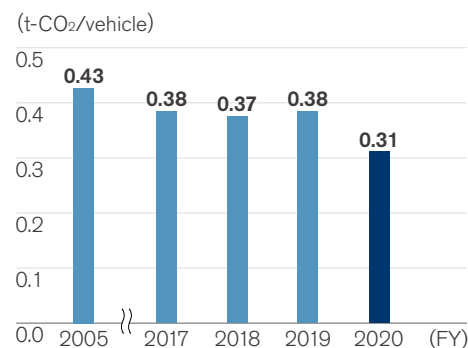
\* "Outbound" includes transportation of complete vehicles and service parts.

\* Value in 2016 were corrected after recalculation.

In fiscal 2020, CO<sub>2</sub> emissions from logistics were 891,817 tons, down approximately 22% from the previous fiscal year. A substantial contribution to the reduction of overall CO<sub>2</sub> emissions was made by production volume decrease and reduction of air shipping.

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



In fiscal 2020, CO<sub>2</sub> emissions per vehicle transported were 0.31 tons.

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## Scope 3 Emissions by Category

We conducted a study based on the Corporate Value Chain (Scope 3) Accounting and Reporting Standard from the GHG Protocol and found that about 90% of Scope 3 emissions were from the use of sold products.

(FY)

Category	Unit	2020
1.Purchased goods & services	kt-CO <sub>2</sub>	12,726★
2.Capital goods	kt-CO <sub>2</sub>	791
3.Fuel- and energy-related activities	kt-CO <sub>2</sub>	264
4.Upstream transportation & distribution	kt-CO <sub>2</sub>	392
5.Waste generated in operations	kt-CO <sub>2</sub>	126
6.Business travel	kt-CO <sub>2</sub>	27
7.Employee commuting	kt-CO <sub>2</sub>	162
8.Upstream leased assets	kt-CO <sub>2</sub>	0
9.Downstream transportation & distribution	kt-CO <sub>2</sub>	560
10.Processing of sold products	kt-CO <sub>2</sub>	7
11.Use of sold products	kt-CO <sub>2</sub>	119,431★
12.End-of-life treatment of sold products	kt-CO <sub>2</sub>	272
13.Downstream leased assets	kt-CO <sub>2</sub>	309
14.Franchises	kt-CO <sub>2</sub>	0
15.Investments	kt-CO <sub>2</sub>	0
Total	kt-CO <sub>2</sub>	135,067

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

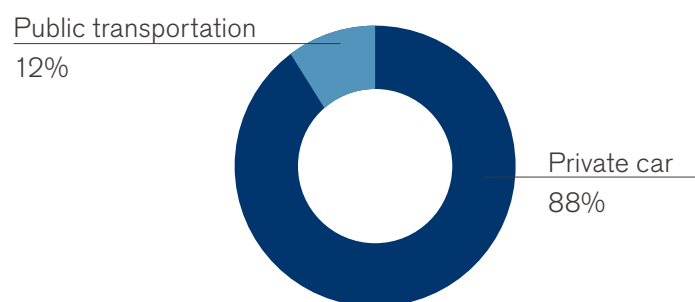
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## Carbon Credit

Nissan Motor Iberica, S.A. in Barcelona and Cantabria, Spain, entered EUETS, and the verified allowance earned for fiscal 2020 was 26,153 tons.

## Employee Commuting CO<sub>2</sub> Emissions



In fiscal 2013, Nissan introduced a companywide CO<sub>2</sub> reduction plan for car commuting employees in Japan. This plan encourages car commuters to shift from internal combustion engine vehicles to electric vehicles. For fiscal 2020, CO<sub>2</sub> emissions from car commuting in Japan were approximately 23.8 kton\*, or 2.8ton-CO<sub>2</sub>/vehicle annually.

\* Calculated by using the parameters below together with vehicle homologation data:

- Average car commuting range (Japan): 9,358 km/vehicle-year
- CO<sub>2</sub> emission factor for gasoline-powered vehicles (National Greenhouse Gas Inventory Report of Japan [2009]): 0.33 kg-CO<sub>2</sub>e/km
- CO<sub>2</sub> emission factor for electricity (Tokyo Electric Power Company [FY2019]): 0.000441 t-CO<sub>2</sub>/kWh
- Employees of Nissan offices and manufacturing plants in Japan, fiscal 2020

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## Air Quality

### Emissions

In fiscal 2020, NOx and SOx emissions from Nissan facilities in Japan were 364 tons and 10 tons respectively, both NOx and SOx reduced due to production volume decrease in 2020.

(FY)

	Unit	2016	2017	2018	2019	2020
NOx	ton	430	619	418	380	364
SOx	ton	31	36	34	14	10

### Volatile Organic Compounds (VOCs)

In fiscal 2020, VOCs from manufacturing plants were 4,742 tons globally, a reduction from fiscal 2019. We actively continue to promote activities to reduce VOCs, such as switching to materials including water-based paints.

(FY)

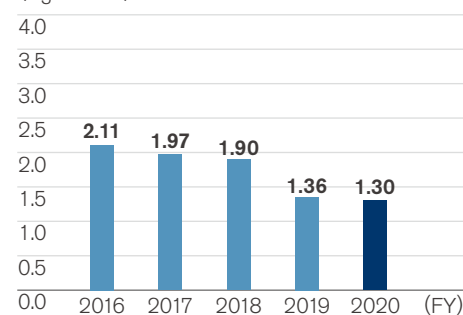
	Unit	2016	2017	2018	2019	2020
Total	ton	11,933	10,564	8,433	6,465	4,742

Japan	ton	3,580	3,232	2,188	2,016	1,420
North America	ton	4,851	4,284	3,847	3,135	2,294
Europe	ton	3,502	3,048	2,397	1,315	1,028

\* Value in 2017 and in 2018 were corrected after recalculation.

### VOCs per Vehicle Produced

(Kg/vehicle)



In fiscal 2020, VOCs per vehicle produced were 1.3kg

(FY)

By region	Unit	2020
Japan	kg/vehicle	2.74
North America	kg/vehicle	2.40
Europe	kg/vehicle	3.05

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## Released Substances Designated by PRTR Law\* (Japan)

In fiscal 2019, released substances designated by the PRTR (Pollutant Release and Transfer Register) Law in Japan were 3,313 tons, decrease from fiscal 2018.

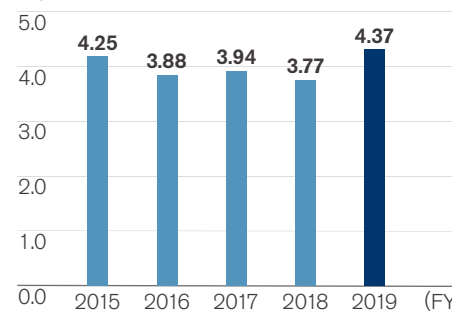
	Unit	2015	2016	2017	2018	2019
Japan site total* <sup>1</sup>	ton	3,610	3,943	3,883	3,398	3,313
Oppama	ton	488	872	796	715	1,022
Tochigi	ton	1,435	1,179	920	655	467
Kyushu	ton	1,173	1,406	1,697	1,573	1,391
Yokohama	ton	12	17	20	25	21
Iwaki	ton	132	144	62	54	62
NTC	ton	370	325	388	378	351

\* The table shows chemical substance emissions calculated based on the Japanese government PRTR guidelines. PRTR emissions show total volume excluding substances adherent to the product.

\*<sup>1</sup> Past figures have been changed since the compilation method used for other plants has been made consistent with that of the Yokohama Plant.

## PRTR Emissions per Vehicle Produced (Japan)

(kg/vehicle)



In fiscal 2019, PRTR emissions per vehicle produced in Japan were 4.37 kg, a decrease from fiscal 2018.

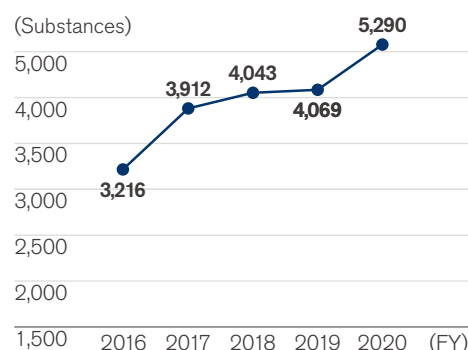
\* Past figures have been changed since the compilation method used for other plants has been made consistent with that of the Yokohama Plant.

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## Resource Dependency: Achievements in Reuse

### Proper Use of Regulated Chemical Substances



Nissan revised its standard for the assessment of hazards and risks in the Renault-Nissan Alliance, actively applying restrictions to substances not yet covered by regulations but increasingly subject to consideration around the world. As a result, the number of substances covered by the

Nissan Engineering Standard in fiscal 2020 rose to 5,290. These steps are thought to be necessary for future efforts in the repair, reuse, remanufacture and recycle loop for resources.

For more information on chemical substances governance.

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### Recycled Plastic Usage in Vehicle

We are making efforts to expand the use of recycled plastic in our vehicles, as well as developing technologies for this. Recycled plastic use in fiscal 2020 was 5%, based on the rate achieved by our best-selling model in Europe.

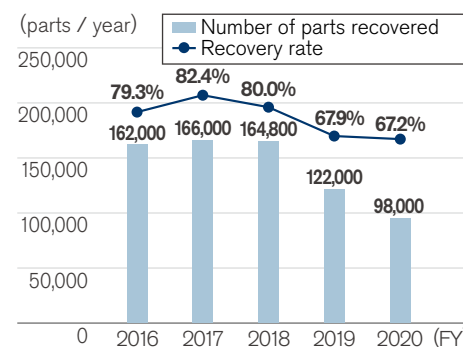
## Automotive Shredder Residue to Landfill Ratio

After removing ferrous and nonferrous metals from ELVs, in accordance with the End-of-Life Vehicle Recycling Law in Japan, the ratio of ASR taken to landfills for final disposal was zero in fiscal 2020 as same as 2019's result. This was achieved by enhancing recycling capability through the acquisition of additional facilities that comply with the law.

### Material Ratio

In 2020, ferrous metals accounted for 61% of the materials used in our automobiles by weight. Nonferrous metals made up another 13% and resins 15%, with miscellaneous materials making up the final 12%. To further reduce our use of natural resources, we are advancing initiatives to expand the use of recycled materials in each of these categories.

### Recovered Bumpers





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## Resource Dependency (Facility Waste)

### Waste

Waste generated globally in fiscal 2020 amounted to 153,160 tons, a slight decrease from 199,470 tons in fiscal 2019. Waste generated globally from production sites in fiscal 2020 was 145,529 tons★.

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

[>>> P102](#)

	Unit	2016	2017	2018	2019	2020
Total	ton	158,939	152,674	206,645	199,470	153,160

By region

Japan	ton	61,115	61,327	69,829	63,294	48,921
North America	ton	45,459	35,177	64,514	58,970	48,043
Europe	ton	41,110	45,268	49,662	50,205	31,868
Other	ton	11,255	10,903	22,639	27,001	24,328

By treatment method

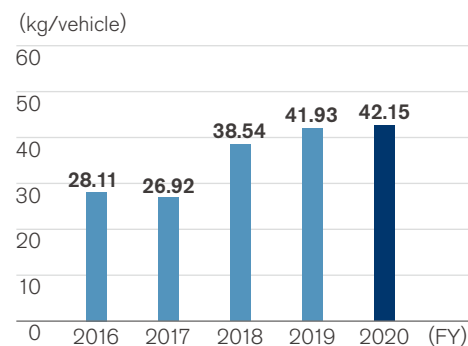
Waste for disposal	ton	8,707	8,041	7,231	6,365	6,539
Recycled	ton	150,231	144,633	199,414	193,105	146,621

\* Manufacturing base and office closures due to COVID-19 prevented the finalizing of FY2019 data in Sustainability Report 2020. FY2019 data has been updated for Sustainability Report 2021.

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## Waste per Vehicle Produced



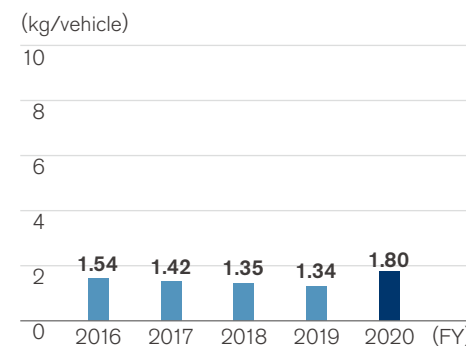
In fiscal 2020, waste per vehicle produced slightly increased to 42.15 kg

(FY)

By region	Unit	2020
Japan	kg/vehicle	94.62
North America	kg/vehicle	50.41
Europe	kg/vehicle	94.85
Other	kg/vehicle	13.31

\* Manufacturing base and office closures due to COVID-19 prevented the finalizing of FY2019 data in Sustainability Report 2020. FY2019 data has been updated for Sustainability Report 2021.

## Waste for Disposal per Vehicle Produced



In fiscal 2020, the volume of waste for disposal was increased to 1.80 kg per vehicle produced.

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## Water Resource Management

### Water Input for Corporate Activities

In fiscal 2020, water input for corporate activities was 21,159 thousand m<sup>3</sup>, a 11% decrease compared with the fiscal 2019 level. Water input from production sites was 20,542,337m<sup>3</sup>★.

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

[>>> P102](#)

	Unit	2016	2017	2018	2019	2020
Total	1,000m <sup>3</sup>	29,118	26,197	26,420	23,656	21,159
Japan	1,000m <sup>3</sup>	15,563	13,115	13,022	11,918	10,797
North America	1,000m <sup>3</sup>	5,483	4,905	4,930	4,768	3,888
Europe	1,000m <sup>3</sup>	2,299	2,155	2,093	1,792	1,373
Other	1,000m <sup>3</sup>	5,774	6,023	6,376	5,178	5,101

### Cleaner Effluent Through Wastewater Treatment

Nissan thoroughly processes and is promoting activities to reduce wastewater at its various plants.

	Unit	2016	2017	2018	2019	2020
Total	1,000m <sup>3</sup>	20,516	17,410	17,345	15,391	13,624
Japan	1,000m <sup>3</sup>	12,681	10,376	10,472	9,496	8,474
North America	1,000m <sup>3</sup>	4,028	3,382	3,190	2,746	2,351
Europe	1,000m <sup>3</sup>	1,767	1,564	1,539	1,389	1,094
Other	1,000m <sup>3</sup>	2,040	2,088	2,143	1,760	1,705

#### Quality

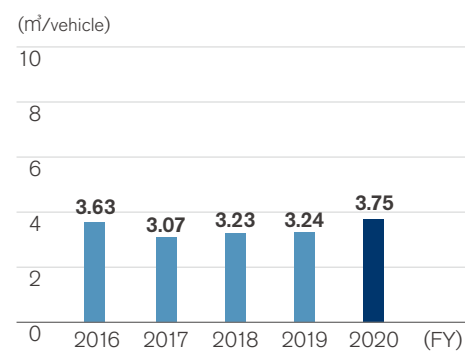
Chemical oxygen demand (COD) Japan only	kg	29,730	26,451	21,149	18,795	14,865
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\* Manufacturing base and office closures due to COVID-19 prevented the finalizing of FY2019 data in Sustainability Report 2020. FY2019 data has been updated for Sustainability Report 2021.

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## Water Discharge from Corporate Activities (Per Vehicle Produced)



In fiscal 2020, water discharge per vehicle produced was 3.75m<sup>3</sup>, which was a 16% increase compared to fiscal 2019.

(FY)

By region	Unit	2019	2020
Japan	m <sup>3</sup> /vehicle	12.53	16.39
North America	m <sup>3</sup> /vehicle	2.05	2.47
Europe	m <sup>3</sup> /vehicle	2.73	3.26
Other	m <sup>3</sup> /vehicle	0.82	0.93

\* Manufacturing base and office closures due to COVID-19 prevented the finalizing of FY2019 data in Sustainability Report 2020. FY2019 data has been updated for Sustainability Report 2021.

Data for the Japan region includes the manufacture of powertrains and other components for overseas assembly. Since the denominator is vehicles produced in the region, this tends to result in higher values for Japan.

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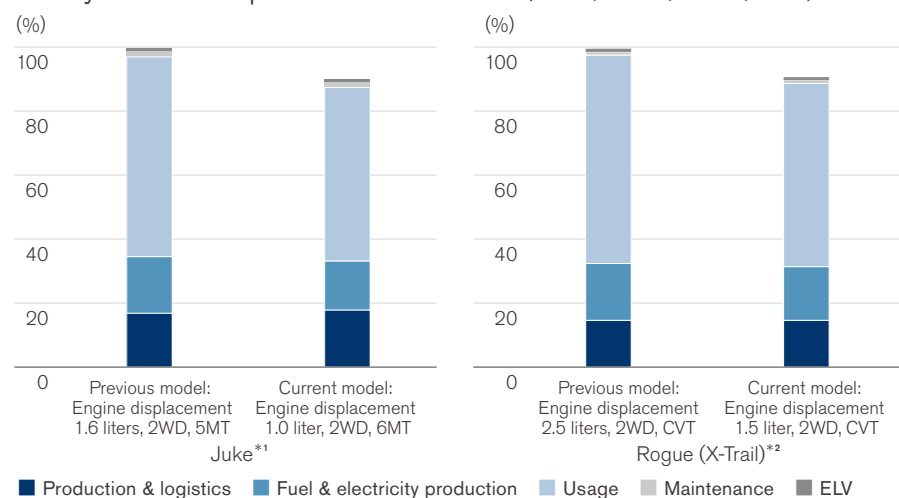
## Strengthening Our Business Foundations to Address Environmental Issues

### Global Top Selling Model's Lifecycle Improvements

We are advancing LCA method applications and expanding the scope of our understanding of the environmental impact of our products in quantitative terms to our best-selling models worldwide. On a per-vehicle basis, coverage includes approximately 80% of vehicles globally and about 90% in Europe.

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

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



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

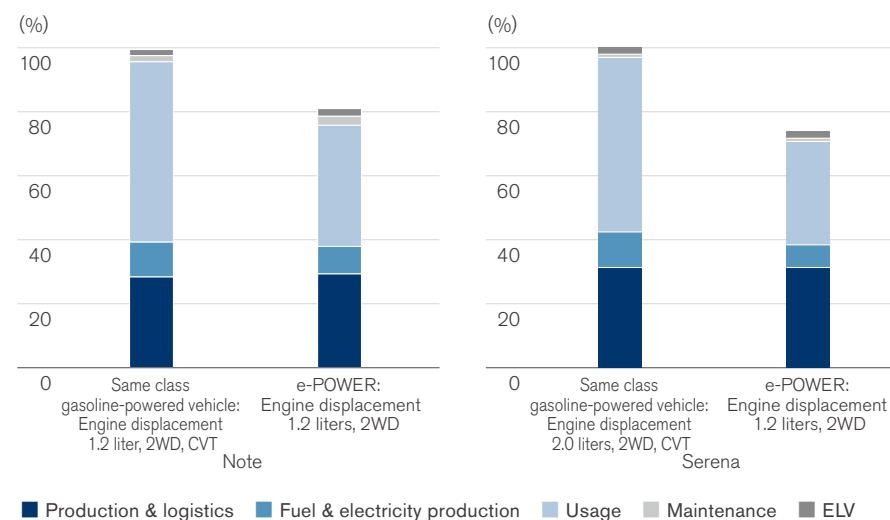
\*2 Production in United States, 120,000 miles driven in United States (basis for comparison).

### LCA Comparison for e-POWER Models

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

Compared to their gasoline-powered counterpart models, the Note e-POWER and Serena e-POWER have achieved 18% and 27% reductions in CO<sub>2</sub> emissions.

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



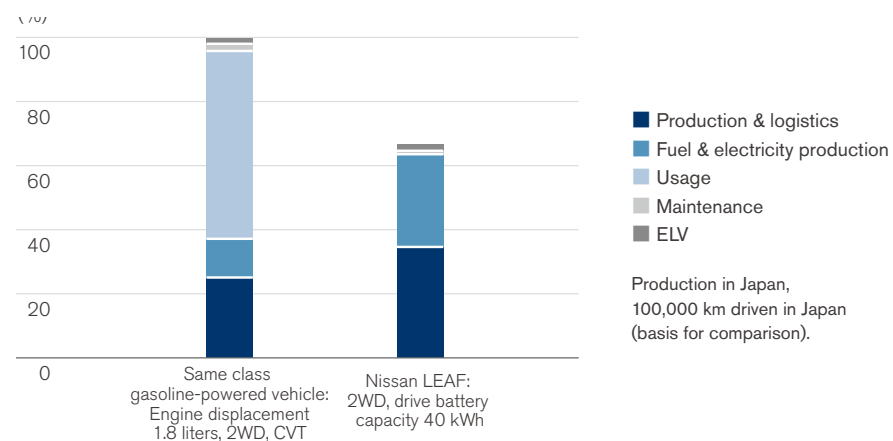
Production in Japan, 100,000 km driven in Japan (basis for comparison).

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## LCA Comparison for the New Nissan LEAF

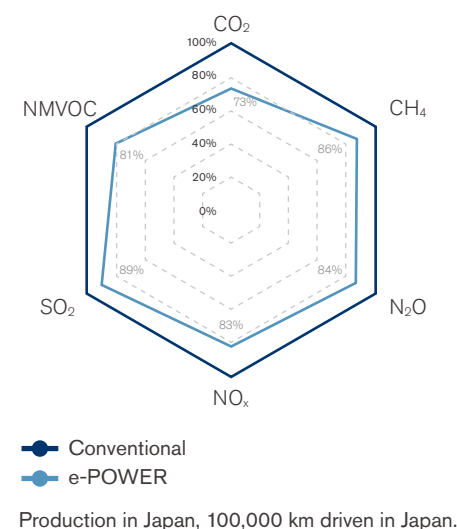
Compared to conventional vehicles of the same class in Japan, the Nissan LEAF results in approximately 32% lower CO<sub>2</sub> emissions during its lifecycle. We are making efforts to reduce CO<sub>2</sub> emissions during EV production by improving the yield ratio of materials, using more efficient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

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



## Lifecycle Improvements Beyond Climate Change

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



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



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	GRI305-2	GRI305-7	GRI306-1	GRI306-2

## Material Balance

### Input

	Unit	2019	2020
Raw materials	ton	5,818,699	4,665,300
Energy	MWh	8,313,893*	7,655,514
Renewable energy	MWh	166,893*	246,998
Water withdrawal	1,000m <sup>3</sup>	23,656*	21,159

\* Manufacturing base and office closures due to COVID-19 prevented the finalizing of FY2019 data in Sustainability Report 2020. FY 2019 data has been updated for Sustainability Report 2021.

### Output

	Unit	2019	2020
Vehicles produced			
Global production volume	k unit	4,757	3,634
CO <sub>2</sub> emissions	t-CO <sub>2</sub>	2,879,864*	2,542,442
Water discharge	1,000m <sup>3</sup>	15,391*	13,624
Emissions			
NO <sub>x</sub>	ton	380	364
SO <sub>x</sub>	ton	14	10
VOC	ton	6,465	4,742
Waste			
For recycling	ton	193,105*	146,621
For final disposal	ton	6,365*	6,539

\* Manufacturing base and office closures due to COVID-19 prevented the finalizing of FY2019 data in Sustainability Report 2020. FY2019 data has been updated for Sustainability Report 2021.

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## Environmental Conservation Cost

(FY)

		2019		2020	
	Unit	Investment	Cost	Investment	Cost
Total	mil ¥	2,538	183,578	1,822	151,675
Business area	mil ¥	15	1,790	15	1,601
Upstream/ downstream	mil ¥	0	639	0	517
Management	mil ¥	0	8,973	0	12,131
R&D	mil ¥	2,523	172,011	1,807	137,296
Social activities	mil ¥	0	146	0	92
Damage repairs	mil ¥	0	19	0	39

(FY)

	Unit	2019	2020
Total	mil ¥	6,207	5,466
Cost reduction	mil ¥	540	408
Profit	mil ¥	5,667	5,058

\* All environmental costs are based on the guidelines provided by Japan's Ministry of the Environment, and calculated for activities in Japan only.

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# Social Data

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							GRI405-2

## Employee Data

(FY)

		2018	2019	2020
Nissan Motor Co., Ltd.				
Number of employees		22,791	22,717	22,827
	Male	20,269	20,100	20,199
	Female	2,522	2,617	2,628
Average age (years)		41.8	41.4	41.6
	Male	42.0	41.8	42.0
	Female	38.2	38.3	38.5
Average length of service (years)		18.4	17.7	16.9
	Male	18.9	18.1	17.4
	Female	14.3	13.9	13.4
Employee turnover rate (%) <sup>*1</sup>		6.2	6.6	4.6
	Voluntary leave	2.0	3.1	2.4
Average annual salary (yen) <sup>*2</sup>		8,154,953	8,102,672	7,965,467
Disabled employment ratio (%)		2.30	2.22	2.33
Number of employees taking parental leave		380	386	421
	Male	38	44	96
	Female	340	335	317
Male employee parental leave acquisition rate (%) <sup>*3</sup>		6	7	24
Ratio of returnees from parental leave (%)		97.3	95.6	98.3
	Male	100	97.2	100
	Female	96.7	95.2	96.6
Number of employees taking nursing care leave		6	7	17
	Male	4	3	13
	Female	2	4	4
Days of paid holiday taken		19.0	19.5	17.5

Taken paid holiday ratio (%)		97	99	89
Average overtime hours/month		23.9	24.16	18.75
Number of unionized employees <sup>*4</sup>		25,789	26,316	26,503
Number of female managers		320	325	334
* Manufacturing base and office closures due to COVID-19 prevented the finalizing of FY2019 data in Sustainability Report 2020. FY 2019 data has been updated for Sustainability Report 2021.				
Ratio (%)		10.4	10.1	10.4
- Female general and higher-level managers		79	80	92
	Ratio (%)	7.6	7.4	8.6
Number of female corporate officers		2	2	2
	Ratio (%)	4.1	4.1	3.9
Number of female board members		1	2	2
	Ratio (%)	12.5	16.7	16.7
- Female board members (internal)		0	0	0
	Ratio (%)	-	-	-
- Female board members (external)		1	2	2
	Ratio (%)	33.3	28.6	28.6
Number of female auditors		0	1	1
	Ratio (%)	-	20	20
Number of new hires		1,758	1,479	828
	Male	1,479	1,296	715
	Female	279	183	113

<sup>\*1</sup> Employee turnover rate includes retirement.

<sup>\*2</sup> Average annual salary for employees includes bonuses and overtime pay.

<sup>\*3</sup> Ratio of male employees taking parental leave:

(Numerator) Number of male employees who take parental leave at least 1 day in the year.

(Denominator) Number of male employees whose spouses give birth in the year.

<sup>\*4</sup> Number of unionized employees includes full-time employees, Senior Partners (reemployment after retiring) and contract employees. Number of unionized employees includes those of Nissan Motor Kyushu.

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## Consolidated Basis

(FY)

	2018	2019	2020
Consolidated			
Consolidated number of employees*	138,893 (19,240)	136,134 (22,761)	131,461 (16,092)
Japan	58,966	58,134	58,577
North America	36,594	36,148	35,120
Europe	16,119	14,824	13,891
Asia	20,872	21,023	18,745
Other countries	6,342	6,005	5,128

\* Numbers in brackets represent part-time employees not included in the consolidated number of employees.

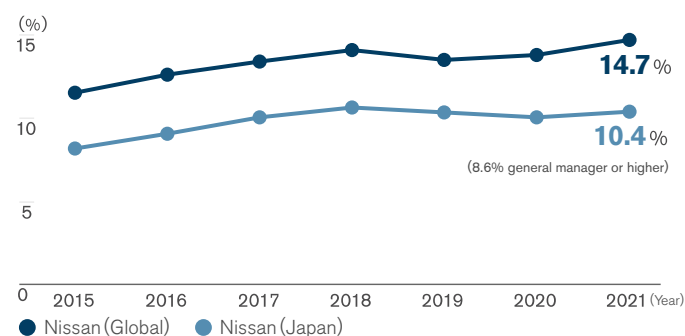
## Trade union

Most of the company's employees are affiliated with the Nissan Motor Workers' Union, for which the governing body is the All Nissan and General Workers Unions, and the Japanese Trade Union Confederation (RENGO) through the Confederation of Japan Automobile Workers' Unions. The labor management relations of the company are stable, and the number of union members was 26,503 including those of Nissan Motor Kyushu as of March 31, 2021. At most domestic Group companies, employees are affiliated with their respective trade unions on a company basis, and the governing body is the All Nissan and General Workers Unions. At foreign Group companies, employees' rights to select their own trade unions are respected according to the relevant labor laws and labor environment in each country.

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## Diversity and Inclusion

### Ratio of Women in Management Positions



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## Nissan's Awards for Diversity \*

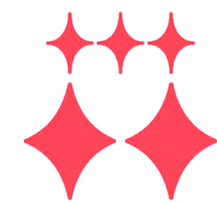
Year	Award	Sponsor
2020	PRIDE Index: Gold Award (4th consecutive year)	work with Pride
2020	Great Place to Work® (2nd consecutive year)*1	Great Place to Work® Institute (Canada)
2020	Best LGBT Places to Work 2021*2	Human Rights Campaign (Mexico)
2017	Perfect Score (100) in Corporate Equality Index (5th consecutive year)*3	Human Rights Campaign (U.S.)
2017	Level-three Eruboshi accreditation	Kanagawa Labor Bureau, Ministry of Health, Labour and Welfare (MHLW)
2017	Nadeshiko Brand (5th consecutive year)	Ministry of Economy, Trade and Industry (METI) and Tokyo Stock Exchange (TSE)
2015	Incentive prize, Empowerment Award	Japan Productivity Center
2015	Platinum Kurumin Mark	Kanagawa Labor Bureau, MHLW
2015	Prize for excellence, 15th Telework Promotion Awards	Japan Telework Association
2015	Japan's Minister of State for Special Missions Prize, Advanced Corporation Awards for the Promotion of Women	Gender Equality Bureau, Cabinet Office
2014	DiversityInc Top 25 Noteworthy Companies for Diversity & Inclusion*2	DiversityInc (U.S.)
2013	Diversity Management Selection 100	METI
2013	Grand Prize, J-Win Diversity Awards	J-Win
2008	Catalyst Award	Catalyst Inc. (U.S.)

\* In the United States, Nissan has also received awards other than those listed above.

\*1 Awarded to NCI.

\*2 Awarded to NR Finance Mexico.

\*3, \*4 Awarded to NNA.

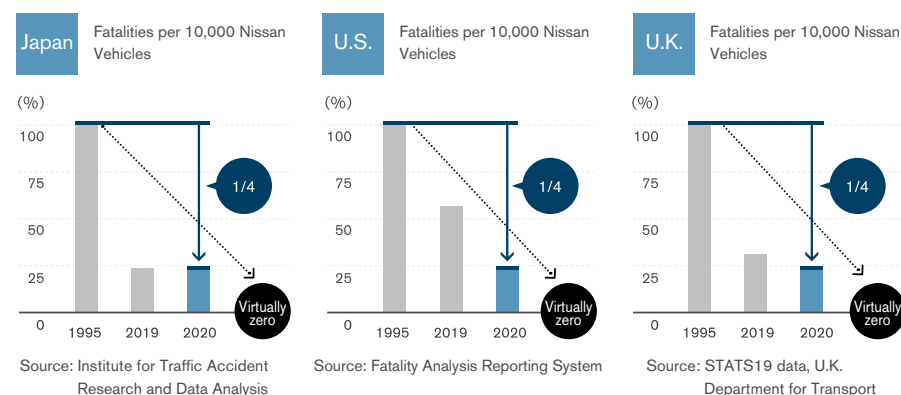


女性が輝く  
先進企業表彰

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## Traffic Safety

### Fatalities per 10,000 Nissan Vehicles



### Key Achievements for Nissan Safety Technology

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

Our vehicles have earned high safety ratings on many public and governmental tests held in various regions. In particular in Japan, from fiscal 2020 JNCAP\*1 has introduced a comprehensive assessment in its "Car Safety Performance 2020" evaluations encompassing the three criteria of collision performance ratings, preventative safety performance ratings, and

automatic accident emergency call devices. To receive the highest score of five stars, high scores must be achieved in each criteria (automatic accident emergency call devices is, fitment requirement). In the overall ratings, the Nissan DAYZ was the only "kei" minicar to receive five stars, a testament to its overall high safety. Furthermore, a certification system for advanced safety technology was launched by the Ministry of Land, Infrastructure, Transport and Tourism in fiscal 2018. In fiscal 2020, the scope of cars and devices subject to this system was expanded and 9 models and 25 types equipped with intelligent emergency braking and pedal misapplication prevention devices (Nissan DAYZ, Nissan ROOX, Note, Serena, Nissan LEAF, March, Clipper series) were approved.

### Major External Safety Ratings (Based on 2020 Assessments)

Regions	External Assessments	Models	Rating
Japan	JNCAP*1 Car Safety Performance 2020	Nissan DAYZ	5★
		Nissan Kicks	4★
U.S.	NCAP*2	Nissan LEAF, Nissan LEAF Plus, Murano, Altima, Maxima, Sentra, Versa, Rogue Sport	5★ Overall Rating (2021 model year)
		INFINITI QX80, Frontier (Crew Cab), TITAN (Crew Cab), Rogue, Nissan Kicks	4★ Overall Rating (2021 model year)
	IIHS*3	Maxima, Altima, Rogue, Murano	2021 Top Safety Pick+
		Sentra	2021 Top Safety Pick
China	C-NCAP	Altima (Chinese name Teana)	5★

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

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

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



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## Product Safety and Quality

### Recalls

Recalls in FY 2020\*1

Country/Region	Number of Recalls	Recalled Vehicles (1,000 units)
Japan	14	277
North America	21	3,270
Europe	11	352
Other	21	93
Global	49*2	3,993

\*1 Since they are source from internal data, these figures may differ from data published by government authorities.

\*2 The total number of recalls is calculated by counting each recall measure as one case; therefore, the aggregate number of recalls by country/region does not sum to the global total.

## Human Resource Development

Training Program Achievements at Nissan Motor Co., Ltd. (FY)

Performance Indicators for Training Programs	2018	2019	2020
Number of learners	241,674	263,240	330,784
Total hours of training	482,103	590,696	549,490
Hours per learner	21.5	26.0	24.3
Learner satisfaction (out of 5)	over 4.2	over 4.2	Over 4.2
Investment per employee (¥)	86,000	90,000	83,000

GRI201-1 GRI203-2

## Contributing to Local Communities

### Social Contribution Achievements in FY2020

Global social contributions (FY2020): ¥1.99 billion

Social contributions include:

- Expenses for implementing philanthropic activities (excluding labor costs)
- Monetary donations and NPO membership fees for philanthropic purposes
- Cash equivalents of in-kind donations
- Sponsorship fees for philanthropic initiatives

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## Breakdown of FY2020 Global Social Contributions

	Philanthropic activities	Monetary donations	In-kind donations (cash equivalent)	Sponsorships, etc.	Total
Amount (¥ million)	821	726	213	232	1,992
% of total	41.2	36.5	10.7	11.6	100

Donations for disaster relief	Disaster	Contribution in FY2020
	Torrential rains in July 2020 (Japan)	<ul style="list-style-type: none"> <li>¥5 million donation from Nissan Motor Co., Ltd. to Japan Platform</li> <li>¥3 million donation from Nissan Motor Kyushu to Japan Platform</li> <li>Donation from Nissan Motor Kyushu to Council for Kurume-shi Social Welfare of the equivalent of 4,000 masks, 240 bottles of oral rehydration solution, and 20kg of salt candies</li> </ul>
	Typhoon relief for the Bicol and Cagayan states (Philippines)	<ul style="list-style-type: none"> <li>Nissan Philippines (NPI) donated relief goods worth PHP500,000 for 800 families delivered by the Armed Forces</li> </ul>

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GRI102-22 GRI405-1

## Governance Data

Overview of Corporate Governance (as of March 31, 2021)

Organization form	Company with three statutory committees
Chairperson of the Board of Directors	Independent outside director
Number of directors	12
Number of independent outside directors	7
Number of female directors	2
Chairperson of the Nomination Committee	Independent outside director
Number of directors	6
Number of independent outside directors	5
Number of female directors	1
Chairperson of the Compensation Committee	Independent outside director
Number of directors	4
Number of independent outside directors	4
Number of female directors	2
Chairperson of the Audit Committee	Independent outside director
Number of directors	5
Number of independent outside directors	4
Number of female directors	1

\*Click here for more information on Corporate Governance.

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

## Status of Attendance at Meetings of the Board of Directors and Committees in FY 2020 (April 2020 through March 2021)

Board of Directors		Number of times Board of Directors meetings were convened	13
		Average attendance ratio per meeting	100%
Committee	Nomination Committee	Number of times Nomination Committee meetings were convened	9
		Average attendance ratio per meeting	100%
	Compensation Committee	Number of times Compensation Committee meetings were convened	14
		Average attendance ratio per meeting	100%
	Audit Committee	Number of times Audit Committee meetings were convened	13
		Average attendance ratio per meeting	100%

## Skill Matrix of Directors

GRI102-27

### Composition of Directors

The role of Nissan's Board of Directors is to decide the fundamental policies for corporate management from a wide range of perspectives and supervise business execution by executive officers and others.

The Directors that comprise the Board of Directors are diverse in terms of nationality and gender. In addition, each individual offers differing expertise and aims as a whole to achieve active discussion and swift decision-making. Additionally, the majority of Board members are independent outside directors, as is the Chairman of the Board, creating an environment driven by outside directors. Since February 2020, the Board of Directors has consisted of 12 directors, seven of whom are outside directors.

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		Global Management	Automobile Industry	Government	Legal / Risk Management	Governance	Finance / Accounting	CSR	Product / Technology	Sales / Marketing
1	Yasushi Kimura	○				○	○		○	○
2	Jean-Dominique Senard	○	○			○	○	○		
3	Masakazu Toyoda	○		○	○	○		○		
4	Keiko Ihara	○	○			○			○	○
5	Motoo Nagai	○			○	○	○	○		
6	Bernard Delmas	○	○			○			○	○
7	Andrew House	○				○	○		○	○
8	Jenifer Rogers	○			○	○	○	○		
9	Pierre Fleuriot	○		○	○	○	○			
10	Makoto Uchida	○	○		○		○		○	
11	Ashwani Gupta	○	○				○		○	○
12	Hideyuki Sakamoto	○	○		○	○			○	

\*Click here for more information on Corporate Governance.

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

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# EDITORIAL POLICY

GRI102-46

## Sustainability Report 2021 Editorial Policy

Nissan publishes an annual Sustainability Report as a way of sharing information on its sustainability-related activities with stakeholders. This year's report introduces Nissan's sustainability strategy and management based on Nissan Sustainability 2022, the sustainability strategy adopted in June 2018, and reviews the results achieved in fiscal 2020 in terms of three aspects (important sustainability topics): Environmental, Social and Governance, or "E," "S" and "G" for short.

Report themes (important sustainability topics) are selected on the basis of potential impact on our business activities and level of interest from stakeholders. Potential impact on our business activities is evaluated with reference to previously recognized issues as well as CSR guidelines and trends and global current events inside and outside the automobile industry. Stakeholder interest is evaluated based on interviews conducted as necessary with both internal and external stakeholders and analyses provided by external consultants.

## Scope of the Report

GRI102-45 GRI102-50

Period Covered: The report covers fiscal 2020 (April 2020 to March 2021); content that describes efforts outside this period is indicated in the respective sections.

Organization: Nissan Motor Co., Ltd., subsidiaries and affiliated companies in the Nissan Group.

## Referenced Reporting Guidelines

GRI102-54

This report has been prepared in accordance with the GRI Standards: Core option. We provide specific GRI indicators within the report as well as a GRI content index.

## Date of Previous Report

GRI102-51

Sustainability Report 2020, issued September 30, 2020.

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## Reporting Cycle

GRI102-52

Annually since 2004

## Third-Party Assurance

GRI102-56

For more information on the third-party assurance.

[>>> P102](#)

## Forward-Looking Statements

GRI102-48

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. If any errors are discovered after publication, Nissan will post corrected information on its corporate website.

## For Further Information

GRI102-53

Nissan Motor Co., Ltd.  
Sustainability Development Department  
Fax: +81(0)45-523-5740  
Email: [NISSAN\\_SR@mail.nissan.co.jp](mailto:NISSAN_SR@mail.nissan.co.jp)

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Publication Date: July 30, 2021



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## Our Related Websites

### CORPORATE INFORMATION

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

### SUSTAINABILITY

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

### ENVIRONMENT

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

### SAFETY

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

### QUALITY

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

### CORPORATE CITIZENSHIP

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

### TECHNOLOGY

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

### IR

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

### INFO LIBRARY

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

### PRODUCTS (GLOBAL)

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

### PRODUCTS (JAPAN)

<https://www.nissan.co.jp/>

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# TCFD CONTENT INDEX

## Governance

Details of Four Thematic Areas	Recommended Disclosures	Disclosures in Sustainability report
Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	<a href="#">P051</a> Building a Resilient Climate Change Strategy <a href="#">P052</a> Global Environmental Management Framework and Governance System
	b) Describe management's role in assessing and managing climate-related risks and opportunities	<a href="#">P051</a> Building a Resilient Climate Change Strategy <a href="#">P052</a> Global Environmental Management Framework and Governance System

## Strategy

Details of Four Thematic Areas	Recommended Disclosures	Disclosures in Sustainability report
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	<a href="#">P014</a> Toward the Realization of Carbon-Neutrality in 2050 <a href="#">P047</a> Nissan's Understanding of Environmental Issues <a href="#">P047</a> Nissan's Strategic Approach to Environmental Issues <a href="#">P049</a> Scenario Analysis to Strategies for 2050 Society <a href="#">P051</a> Building a Resilient Climate Change Strategy <a href="#">P057</a> Strategy For Addressing Climate Change
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	<a href="#">P049</a> Scenario Analysis to Strategies for 2050 Society <a href="#">P051</a> Building a Resilient Climate Change Strategy <a href="#">P059</a> Product Initiatives <a href="#">P072</a> Corporate Activity Initiative
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2 °C or lower scenario.	<a href="#">P049</a> Scenario Analysis to Strategies for 2050 Society <a href="#">P051</a> Building a Resilient Climate Change Strategy

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## Strategy

Details of Four Thematic Areas	Recommended Disclosures	Disclosures in Sustainability report
Disclose how the organization identifies, assesses, and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risk	<a href="#">P047</a> Nissan's Strategic Approach to Environmental Issues <a href="#">P049</a> Scenario Analysis to Strategies for 2050 Society <a href="#">P052</a> Global Environmental Management Framework and Governance System <a href="#">P054</a> NGP2022 Key Issues and Challenges
	b) Describe the organization's processes for managing climate-related risks	<a href="#">P047</a> Nissan's Strategic Approach to Environmental Issues <a href="#">P054</a> NGP2022 Key Issues and Challenges
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	<a href="#">P052</a> Global Environmental Management Framework and Governance System

## Metrics and Targets

Details of Four Thematic Areas	Recommended Disclosures	Disclosures in Sustainability report
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities, where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	<a href="#">P014</a> Toward the Realization of Carbon-Neutrality in 2050 <a href="#">P034</a> Long-Term Vision And Goals For 2022 <a href="#">P047</a> Nissan's Strategic Approach to Environmental Issues <a href="#">P054</a> NGP2022 Key Issues and Challenges
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<a href="#">P078</a> Carbon Footprint of Corporate Activities <a href="#">P232</a> Climate Change (Corporate Activities)
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<a href="#">P034</a> Long-Term Vision And Goals For 2022 <a href="#">P054</a> NGP2022 Key Issues and Challenges <a href="#">P059</a> Product Initiatives <a href="#">P072</a> Corporate Activity Initiative

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# GRI CONTENT INDEX

GRI102-55

## General Disclosures

GRI Standard	Disclosure	Reference	Reason for Omission / Explanation
Organizational profile			
102-1	Name of the organization	<a href="#">Outline of Company</a>	
102-2	Activities, brands, products, and services	<a href="#">P226</a>	
102-3	Location of headquarters	<a href="#">P226</a>	
102-4	Location of operations	<a href="#">Facilities in Japan</a> <a href="#">Facilities Overseas</a>	
102-5	Ownership and legal form	<a href="#">Outline of Company</a>	
102-6	Markets served	<a href="#">P227</a>	
102-7	Scale of the organization	<a href="#">P226</a> , <a href="#">P227</a> , <a href="#">P250</a>	
102-8	Information on employees and other workers	<a href="#">P250</a>	
102-9	Supply chain	<a href="#">P157</a> , <a href="#">P163</a>	
102-10	Significant changes to the organization and its supply chain	Not applicable	

102-11	Precautionary Principle or approach	<a href="#">P014</a> , <a href="#">P026</a> , <a href="#">P033</a> , <a href="#">P049</a> , <a href="#">P186</a>	
102-12	External initiatives	<a href="#">P014</a> , <a href="#">P026</a> , <a href="#">P038</a> , <a href="#">P047</a> , <a href="#">P120</a> , <a href="#">P170</a>	
102-13	Membership of associations	<a href="#">P170</a>	
Strategy			
102-14	Statement from senior decision-maker	<a href="#">P002</a> , <a href="#">P009</a> , <a href="#">P025</a>	
102-15	Key impacts, risks, and opportunities	<a href="#">P014</a> , <a href="#">P025</a> , <a href="#">P026</a> , <a href="#">P047</a> , <a href="#">P049</a> , <a href="#">P051</a> , <a href="#">P115</a> , <a href="#">P163</a> , <a href="#">P201</a>	
Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	<a href="#">P026</a> , <a href="#">P046</a> , <a href="#">P117</a> , <a href="#">P201</a> , <a href="#">P218</a>	
102-17	Mechanisms for advice and concerns about ethics	<a href="#">P118</a> , <a href="#">P218</a>	
Governance			
102-18	Governance structure	<a href="#">P202</a>	
102-19	Delegating authority	<a href="#">P202</a>	
102-20	Executive-level responsibility for economic, environmental, and social topics	<a href="#">P009</a> , <a href="#">P052</a>	

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GRI Standard	Disclosure	Reference	Reason for Omission / Explanation
102-21	Consulting stakeholders on economic, environmental, and social topics	<a href="#">P030</a>	
102-22	Composition of the highest governance body and its committees	<a href="#">P201</a> , <a href="#">P250</a> , <a href="#">P256</a>	
102-23	Chair of the highest governance body	<a href="#">P025</a> , <a href="#">P202</a>	
102-24	Nominating and selecting the highest governance body	<a href="#">P202</a>	
102-25	Conflicts of interest	<a href="#">P212</a>	
102-26	Role of highest governance body in setting purpose, values, and strategy	<a href="#">P033</a> , <a href="#">P201</a>	
102-27	Collective knowledge of highest governance body	<a href="#">P033</a> , <a href="#">P256</a>	
102-28	Evaluating the highest governance body's performance	<a href="#">P025</a> , <a href="#">P033</a> , <a href="#">P202</a>	
102-29	Identifying and managing economic, environmental, and social impacts	<a href="#">P014</a> , <a href="#">P036</a> , <a href="#">P047</a> , <a href="#">P054</a> , <a href="#">P120</a> , <a href="#">P202</a> , <a href="#">P213</a>	
102-30	Effectiveness of risk management processes	<a href="#">P213</a>	
102-31	Review of economic, environmental, and social topics	<a href="#">P033</a> , <a href="#">P052</a> , <a href="#">P054</a>	
102-32	Highest governance body's role in sustainability reporting	<a href="#">P033</a>	

102-33	Communicating critical concerns	<a href="#">P202</a> , <a href="#">P213</a>	
102-35	Remuneration policies	<a href="#">P202</a>	
102-36	Process for determining remuneration	<a href="#">Corporate Governance Report:P2</a> , <a href="#">P033</a>	
102-37	Stakeholders' involvement in remuneration	<a href="#">Corporate Governance Report:P2</a> ,	
Stakeholder engagement			
102-40	List of stakeholder groups	<a href="#">P030</a>	
102-41	Collective bargaining agreements	<a href="#">P250</a>	
102-42	Identifying and selecting stakeholders	<a href="#">P030</a>	
102-43	Approach to stakeholder engagement	<a href="#">P030</a>	
102-44	Key topics and concerns raised	<a href="#">P030</a>	
Reporting practice			
102-45	Entities included in the consolidated financial statements	<a href="#">P258</a>	
102-46	Defining report content and topic Boundaries	<a href="#">P258</a>	
102-47	List of material topics	<a href="#">P026</a> , <a href="#">P034</a> , <a href="#">P120</a>	
102-48	Restatements of information	<a href="#">P259</a>	

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GRI Standard	Disclosure	Reference	Reason for Omission / Explanation
102-49	Changes in reporting	<a href="#">P074</a> , <a href="#">P097</a> , <a href="#">P100</a> , <a href="#">P231</a> , <a href="#">P232</a> , <a href="#">P233</a> , <a href="#">P234</a> , <a href="#">P240</a> , <a href="#">P242</a> , <a href="#">P243</a> , <a href="#">P244</a> , <a href="#">P245</a> , <a href="#">P248</a> , <a href="#">P250</a>	
102-50	Reporting period	<a href="#">P258</a>	
102-51	Date of most recent report	<a href="#">P258</a>	
102-52	Reporting cycle	<a href="#">P259</a>	
102-53	Contact point for questions regarding the report	<a href="#">P259</a>	
102-54	Claims of reporting in accordance with the GRI Standards	<a href="#">P258</a>	
102-55	GRI content index	<a href="#">P263</a>	
102-56	External assurance	<a href="#">P102</a> , <a href="#">P259</a>	

## Economic

GRI Standard	Disclosure	Reference	Reason for Omission / Explanation
GRI 103 : Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	<a href="#">P014</a> , <a href="#">P026</a> , <a href="#">P047</a> , <a href="#">P157</a> , <a href="#">P159</a> , <a href="#">P161</a> , <a href="#">P163</a> , <a href="#">P186</a> , <a href="#">P201</a> , <a href="#">P216</a>	
103-2	The management approach and its components	<a href="#">P026</a> , <a href="#">P033</a> , <a href="#">P034</a> , <a href="#">P047</a> , <a href="#">P062</a> , <a href="#">P157</a> , <a href="#">P159</a> , <a href="#">P161</a> , <a href="#">P163</a> , <a href="#">P186</a> , <a href="#">P201</a>	
103-3	Evaluation of the management approach	<a href="#">P026</a> , <a href="#">P033</a> , <a href="#">P034</a> , <a href="#">P047</a> , <a href="#">P063</a> , <a href="#">P159</a> , <a href="#">P161</a> , <a href="#">P163</a> , <a href="#">P189</a>	

GRI 201 : Economic Performance 2016			
201-1	Direct economic value generated and distributed	<a href="#">P189</a> , <a href="#">P254</a>	
201-2	Financial implications and other risks and opportunities due to climate change	<a href="#">P014</a> , <a href="#">P049</a> , <a href="#">P051</a>	
201-3	Defined benefit plan obligations and other retirement plans	<a href="#">Financial Information as of March 31, 2021 (P100)</a>	
GRI 203 : Indirect Economic Impacts 2016			
203-1	Infrastructure investments and services supported	<a href="#">P014</a> , <a href="#">P063</a> , <a href="#">P186</a>	
203-2	Significant indirect economic impacts	<a href="#">P014</a> , <a href="#">P063</a> , <a href="#">P189</a> , <a href="#">P254</a>	
GRI 205 : Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	<a href="#">P217</a>	
205-2	Communication and training about anti-corruption policies and procedures	<a href="#">P218</a>	
GRI 207 : Tax 2019			
207-1	Approach to tax	<a href="#">P223</a>	
207-2	Tax governance, control, and risk management	<a href="#">P223</a>	
207-3	Stakeholder engagement and management of concerns related to tax	<a href="#">P223</a>	



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## Environmental

GRI Standard	Disclosure	Reference	Reason for Omission / Explanation
GRI 103 : Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	<a href="#">P014</a> , <a href="#">P047</a> , <a href="#">P057</a> , <a href="#">P059</a> , <a href="#">P069</a> , <a href="#">P072</a> , <a href="#">P084</a> , <a href="#">P088</a> , <a href="#">P098</a>	
103-2	The management approach and its components	<a href="#">P057</a> , <a href="#">P059</a> , <a href="#">P069</a> , <a href="#">P072</a> , <a href="#">P073</a> , <a href="#">P074</a> , <a href="#">P084</a> , <a href="#">P088</a> , <a href="#">P089</a> , <a href="#">P099</a> , <a href="#">P100</a> , <a href="#">P104</a>	
103-3	Evaluation of the management approach	<a href="#">P063</a> , <a href="#">P074</a> , <a href="#">P086</a> , <a href="#">P090</a> , <a href="#">P097</a> , <a href="#">P100</a> , <a href="#">P104</a>	
GRI 301 : Materials 2016			
301-1	Materials used by weight or volume	<a href="#">P248</a>	
301-2	Recycled input materials used	<a href="#">P090</a> , <a href="#">P241</a>	
301-3	Reclaimed products and their packaging materials	<a href="#">P090</a> , <a href="#">P241</a>	
GRI 302 : Energy 2016			
302-1	Energy consumption within the organization	<a href="#">P074</a> , <a href="#">P233</a> , <a href="#">P234</a> , <a href="#">P248</a>	
302-2	Energy consumption outside of the organization	<a href="#">P074</a>	
302-3	Energy intensity	<a href="#">P233</a> , <a href="#">P234</a>	
302-4	Reduction of energy consumption	<a href="#">P074</a> , <a href="#">P233</a> , <a href="#">P234</a>	

302-5	Reductions in energy requirements of products and services	<a href="#">P063</a> , <a href="#">P064</a> , <a href="#">P072</a> , <a href="#">P228</a>	
GRI 303 : Water 2018			
303-1	Interactions with water as a shared resource	<a href="#">P100</a> , <a href="#">P244</a> , <a href="#">P248</a>	
303-2	Management of water discharge-related impacts	<a href="#">P099</a>	Information unavailable: We have not collected the data requested.
303-3	Water withdrawal	<a href="#">P244</a>	
303-4	Water discharge	<a href="#">P244</a> , <a href="#">P245</a>	
GRI 304 : Biodiversity 2016			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<a href="#">P112</a>	
304-2	Significant impacts of activities, products, and services on biodiversity	<a href="#">P112</a>	
304-3	Habitats protected or restored	<a href="#">P112</a>	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	<a href="#">P112</a>	
GRI 305 : Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	<a href="#">P074</a> , <a href="#">P232</a> , <a href="#">P248</a>	

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GRI Standard	Disclosure	Reference	Reason for Omission / Explanation
305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">P074</a> , <a href="#">P232</a> , <a href="#">P248</a>	
305-3	Other indirect (Scope 3) GHG emissions	<a href="#">P237</a>	
305-4	GHG emissions intensity	<a href="#">P074</a> , <a href="#">P232</a>	
305-5	Reduction of GHG emissions	<a href="#">P074</a> , <a href="#">P086</a> , <a href="#">P232</a>	
305-6	Emissions of ozone-depleting substances (ODS)		Information unavailable: We have not collected the data requested.
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	<a href="#">P086</a> , <a href="#">P090</a> , <a href="#">P239</a> , <a href="#">P248</a>	
GRI 306 : Effluents and Waste 2016			
306-1	Water discharge by quality and destination	<a href="#">P100</a> , <a href="#">P245</a> , <a href="#">P248</a>	
306-2	Waste by type and disposal method	<a href="#">P097</a> , <a href="#">P242</a> , <a href="#">P248</a>	
306-3	Significant spills	<a href="#">P105</a>	
306-4	Transport of hazardous waste	<a href="#">P239</a>	
306-5	Water bodies affected by water discharges and/or runoff		Information unavailable: We have not collected the data requested.

GRI 307 : Environmental Compliance 2016			
307-1	Non-compliance with environmental laws and regulations	<a href="#">P105</a>	
GRI 308 : Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	<a href="#">P110</a> , <a href="#">P157</a> , <a href="#">P161</a>	
308-2	Negative environmental impacts in the supply chain and actions taken	<a href="#">P110</a>	

## Social

GRI Standard	Disclosure	Reference	Reason for Omission / Explanation
GRI 103 : Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	<a href="#">P115</a> , <a href="#">P117</a> , <a href="#">P122</a> , <a href="#">P124</a> , <a href="#">P136</a> , <a href="#">P147</a> , <a href="#">P148</a> , <a href="#">P165</a> , <a href="#">P170</a> , <a href="#">P172</a> , <a href="#">P178</a> , <a href="#">P186</a>	
103-2	The management approach and its components	<a href="#">P115</a> , <a href="#">P118</a> , <a href="#">P120</a> , <a href="#">P124</a> , <a href="#">P136</a> , <a href="#">P147</a> , <a href="#">P148</a> , <a href="#">P165</a> , <a href="#">P170</a> , <a href="#">P173</a> , <a href="#">P179</a> , <a href="#">P186</a> , <a href="#">P187</a>	
103-3	Evaluation of the management approach	<a href="#">P118</a> , <a href="#">P120</a> , <a href="#">P126</a> , <a href="#">P138</a> , <a href="#">P143</a> , <a href="#">P145</a> , <a href="#">P148</a> , <a href="#">P165</a> , <a href="#">P169</a> , <a href="#">P173</a> , <a href="#">P179</a> , <a href="#">P189</a>	
GRI 401 : Employment 2016			
401-1	New employee hires and employee turnover	<a href="#">P250</a>	

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GRI Standard	Disclosure	Reference	Reason for Omission / Explanation
GRI 402 : Labor/Management Relations 2016			
402-1	Minimum notice periods regarding operational changes	<a href="#">P250</a>	
GRI 403 : Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	<a href="#">P179</a>	
403-2	Hazard identification, risk assessment, and incident investigation	<a href="#">P179</a> , <a href="#">P180</a>	As we are currently transitioning to a more comprehensive approach to frequency rate aggregation, this report contains only Japan's domestic rates.
403-3	Occupational health services	<a href="#">P179</a> , <a href="#">P180</a>	
403-4	Worker participation, consultation, and communication on occupational health and safety	<a href="#">P178</a> , <a href="#">P179</a>	
403-5	Worker training on occupational health and safety	<a href="#">P180</a>	
403-6	Promotion of worker health	<a href="#">P179</a> , <a href="#">P180</a>	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<a href="#">P180</a>	
403-9	Work-related injuries	<a href="#">P180</a>	

GRI 404 : Training and Education 2016			
404-1	Average hours of training per year per employee	<a href="#">P169</a> , <a href="#">P254</a>	
404-2	Programs for upgrading employee skills and transition assistance programs	<a href="#">P165</a>	
404-3	Percentage of employees receiving regular performance and career development reviews	<a href="#">P165</a>	
GRI 405 : Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	<a href="#">P126</a> , <a href="#">P201</a> , <a href="#">P250</a> , <a href="#">P251</a> , <a href="#">P256</a>	
405-2	Ratio of basic salary and remuneration of women to men	<a href="#">P250</a>	
GRI 406 : Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	<a href="#">P118</a> , <a href="#">P120</a> , <a href="#">P122</a> , <a href="#">P159</a> , <a href="#">P170</a>	No report applicable to 2020
GRI 407 : Freedom of Association and Collective Bargaining 2016			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<a href="#">P118</a> , <a href="#">P120</a> , <a href="#">P159</a>	No report applicable to 2020
GRI 408 : Child Labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	<a href="#">P118</a> , <a href="#">P120</a> , <a href="#">P159</a>	No report applicable to 2020

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GRI Standard	Disclosure	Reference	Reason for Omission / Explanation
GRI 409 : Forced or Compulsory Labor 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<a href="#">P118</a> , <a href="#">P120</a> , <a href="#">P159</a>	No report applicable to 2020
GRI 411 : Rights of Indigenous Peoples 2016			
411-1	Incidents of violations involving rights of indigenous peoples	<a href="#">P118</a> , <a href="#">P120</a> , <a href="#">P159</a>	No report applicable to 2020
GRI 412 : Human Rights Assessment 2016			
412-1	Operations that have been subject to human rights reviews or impact assessments	<a href="#">P118</a> , <a href="#">P120</a>	
412-2	Employee training on human rights policies or procedures	<a href="#">P120</a>	
GRI 413 : Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs		Information unavailable: We have not collected the data requested.
413-2	Operations with significant actual and potential negative impacts on local communities		Information unavailable: We have not collected the data requested.
GRI 414 : Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	<a href="#">P157</a> , <a href="#">P161</a> , <a href="#">P163</a>	

GRI 416 : Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	<a href="#">P138</a> , <a href="#">P143</a> , <a href="#">P145</a> , <a href="#">P148</a>	
GRI 417 : Marketing and Labeling 2016			
417-1	Requirements for product and service information and labeling	<a href="#">P138</a>	
GRI 418 : Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<a href="#">P213</a>	
GRI 419 : Socioeconomic Compliance 2016			
419-1	Non-compliance with laws and regulations in the social and economic area	<a href="#">P216</a> , <a href="#">P218</a> , <a href="#">P221</a> , <a href="#">P223</a>	

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# QUICK GUIDE FOR INVESTORS

Key Areas	Topics	Policies and Philosophy	Management	Initiative
Environmental	Environmental Policy & Management Systems	•Policies and Philosophy for Environmental Issues <a href="#">P046</a>	•Policies and Philosophy for Environmental Issues <a href="#">P046</a>	—
	Carbon-Neutrality	Toward the Realization of Carbon-Neutrality in 2050 <a href="#">P014</a>		
		•Scenario Analysis to Strategies for 2050 Society <a href="#">P049</a>	•Building a Resilient Climate Change Strategy <a href="#">P051</a>	—
	GHG / Products	•Climate Change (Product Initiatives): Policies and Philosophy for Product Initiatives <a href="#">P059</a>	•Climate Change (Product Initiatives): Managing actions through Products <a href="#">P062</a>	•Climate Change (Product Initiatives): Achievements <a href="#">P063</a> •Climate Change (Product Initiatives): Nissan's technologies of electrification realizing Carbon Neutrality <a href="#">P064</a> •ESG Data (Environmental Data): Climate Change (Products) <a href="#">P228</a>
	GHG / Corporate Activities	•Climate Change (Corporate Activity Initiatives): Policies and Philosophy for Corporate Activity Initiatives <a href="#">P072</a>	•Climate Change (Corporate Activity Initiatives): Management of Corporate Activity Initiatives <a href="#">P073</a>	•Climate Change (Corporate Activity Initiatives): Achievements <a href="#">P074</a> •ESG Data (Environmental Data): Climate Change (Corporate Activities) <a href="#">P232</a>
	Energy Consumption	•Climate Change (Corporate Activity Initiatives): Policies and Philosophy for Corporate Activity Initiatives <a href="#">P072</a>	•Climate Change (Corporate Activity Initiatives): Management of Corporate Activity Initiatives <a href="#">P073</a>	•Climate Change (Corporate Activity Initiatives): Achievements <a href="#">P074</a> •ESG Data (Environmental Data): Climate Change (Corporate Activities) <a href="#">P232</a>

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Key Areas	Topics	Policies and Philosophy	Management	Initiative
Environmental	Environmental Responsibility in Product	<ul style="list-style-type: none"> <li>Climate Change (Product Initiatives): Policies and Philosophy for Product Initiatives <a href="#">P059</a></li> <li>Strengthening Our Business Foundations to Address Environmental Issues: Lifecycle Assessment to Reduce Environmental Impact <a href="#">P107</a></li> </ul>	<ul style="list-style-type: none"> <li>Climate Change (Product Initiatives): Managing actions through Products <a href="#">P062</a></li> <li>Strengthening Our Business Foundations to Address Environmental Issues: Lifecycle Assessment to Reduce Environmental Impact <a href="#">P107</a></li> </ul>	<ul style="list-style-type: none"> <li>Climate Change (Product Initiatives): Achievements <a href="#">P063</a></li> <li>Climate Change (Product Initiatives): Nissan's technologies of electrification realizing Carbon Neutrality <a href="#">P064</a></li> <li>Climate Change (Product Initiatives): Initiatives for Partnerships with Society <a href="#">P069</a></li> <li>Strengthening Our Business Foundations to Address Environmental Issues: Lifecycle Assessment to Reduce Environmental Impact <a href="#">P107</a></li> <li>ESG Data (Environmental Data): Climate Change (Products) <a href="#">P228</a></li> <li>ESG Data (Environmental Data): Strengthening Our Business Foundations to Address Environmental Issues <a href="#">P246</a></li> </ul>
	Clean Tech	<ul style="list-style-type: none"> <li>Climate Change (Product Initiatives): Policies and Philosophy for Product Initiatives <a href="#">P059</a></li> </ul>	<ul style="list-style-type: none"> <li>Climate Change (Product Initiatives): Managing actions through Products <a href="#">P062</a></li> </ul>	<ul style="list-style-type: none"> <li>Climate Change (Product Initiatives): Achievements <a href="#">P063</a></li> <li>Climate Change (Product Initiatives): Nissan's technologies of electrification realizing Carbon Neutrality <a href="#">P064</a></li> <li>ESG Data (Environmental Data): Climate Change (Products) <a href="#">P228</a></li> </ul>
	Effective Utilization of Resources	<ul style="list-style-type: none"> <li>Resource Dependency: Resource Dependency Policies and Philosophy <a href="#">P088</a></li> <li>Strengthening Our Business Foundations to Address Environmental Issues: Stakeholder Engagement <a href="#">P110</a></li> </ul>	<ul style="list-style-type: none"> <li>Resource Dependency: Resource Dependency Management <a href="#">P089</a></li> <li>Strengthening Our Business Foundations to Address Environmental Issues: Stakeholder Engagement <a href="#">P110</a></li> </ul>	<ul style="list-style-type: none"> <li>Resource Dependency: Achievements <a href="#">P090</a></li> <li>Strengthening Our Business Foundations to Address Environmental Issues: Stakeholder Engagement <a href="#">P110</a></li> <li>ESG Data (Environmental Data): Resource Dependency (Reuse) <a href="#">P241</a></li> </ul>
	Pollution	<ul style="list-style-type: none"> <li>Air Quality: Air Quality Policies and Philosophy <a href="#">P084</a></li> </ul>	—	<ul style="list-style-type: none"> <li>Air Quality: Achievements <a href="#">P086</a></li> <li>ESG Data (Environmental Data): Air Quality <a href="#">P239</a></li> </ul>
	Waste Materials	<ul style="list-style-type: none"> <li>Resource Dependency: Resource Dependency Policies and Philosophy <a href="#">P088</a></li> </ul>	<ul style="list-style-type: none"> <li>Resource Dependency: Resource Dependency Management <a href="#">P089</a></li> </ul>	<ul style="list-style-type: none"> <li>Resource Dependency: Achievements in Waste Reduction <a href="#">P097</a></li> <li>ESG Data (Environmental Data): Resource Dependency (Facility Waste) <a href="#">P242</a></li> </ul>
	Use of Water Resources	<ul style="list-style-type: none"> <li>Water Scarcity: Policies and Philosophy for Water Resource Management <a href="#">P098</a></li> </ul>	<ul style="list-style-type: none"> <li>Water Scarcity: Water Resource Management <a href="#">P099</a></li> </ul>	<ul style="list-style-type: none"> <li>Water Scarcity: Water Resource Achievements <a href="#">P100</a></li> <li>ESG Data (Environmental Data): Resource Dependency (Water Resource Management) <a href="#">P244</a></li> </ul>
	Biodiversity	<ul style="list-style-type: none"> <li>Strengthening Our Business Foundations to Address Environmental Issues: Stakeholder Engagement (Priority Issues for Automobile Manufacturers Regarding the Protection of Air, Water, Soil and Biodiversity) <a href="#">P112</a></li> </ul>		

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Key Areas	Topics	Policies and Philosophy	Management	Initiative
Social	Human Rights	•Human Rights: Human Rights Policies and Philosophy <a href="#">P117</a>	•Human Rights: Human Rights Management <a href="#">P118</a>	•Human Rights: Human Rights Achievements <a href="#">P120</a>
	Diversity	•Diversity and Inclusion: Diversity and Inclusion Policies and Philosophy <a href="#">P122</a>	•Diversity and Inclusion: Diversity and Inclusion Management <a href="#">P124</a>	•Diversity and Inclusion: Diversity and Inclusion Achievements <a href="#">P126</a> •ESG Data (Social Data): Diversity and Inclusion <a href="#">P251</a>
	Traffic Safety	•Traffic Safety: Policies and Philosophy <a href="#">P136</a>	•Traffic Safety Management <a href="#">P136</a>	•Traffic Safety: Achievements Vehicles: Developing Safety Technologies <a href="#">P138</a> •Traffic Safety: Key Achievements for Nissan Safety Technology <a href="#">P253</a>
	Product Safety and Quality	•Product Safety and Quality: Product Safety and Quality Policies and Philosophy <a href="#">P147</a>	•Product Safety and Quality: Product Safety and Quality Management <a href="#">P148</a>	•Product Safety and Quality: Achievements Reflecting Customer Feedback in Activities to Enhance Quality <a href="#">P148</a> •Product Safety and Quality: Achievements Improving Product Quality <a href="#">P150</a> •Sales and Service Quality Improvement <a href="#">P155</a>
	Supply Chain Management	•Supply Chain Management: Supply Chain Strategy <a href="#">P157</a> •Supply Chain Management: Supply Chain Management Policies and Philosophy <a href="#">P159</a>	•Supply Chain Management: Supply Chain Management <a href="#">P161</a>	•Supply Chain Management: Supply Chain Management <a href="#">P161</a>
	Responsible Minerals Sourcing	•Supply Chain Management : Minerals Sourcing Policy <a href="#">P163</a>	•Supply Chain Management : Responsible Minerals Sourcing Management <a href="#">P163</a>	•Supply Chain Management : Responsible Minerals Sourcing Management <a href="#">P163</a>
	Employment	•Labor Practices (Respecting the Rights of Workers): Policies and Philosophy on Respecting the Rights of Workers <a href="#">P170</a>	•Labor Practices (Respecting the Rights of Workers): Management That Respects the Rights of Workers <a href="#">P170</a>	•Labor Practices (Respecting the Rights of Workers): Achievements in Respecting the Rights of Workers <a href="#">P171</a> •ESG Data (Social Data): Employee Data <a href="#">P250</a>
	Human Resources	•Human Resource Development: Human Resource Development Policies and Philosophy <a href="#">P165</a>	•Human Resource Development: Human Resource Development Management <a href="#">P165</a>	•Human Resource Development: Human Resource Development Achievements <a href="#">P169</a> •ESG Data (Social Data): Human Resource Development <a href="#">P254</a>

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Key Areas	Topics	Policies and Philosophy	Management	Initiative
Social	Non-discrimination and Equal Opportunity	<ul style="list-style-type: none"> <li>Human Rights: Human Rights Policies and Philosophy <a href="#">P117</a></li> <li>Diversity and Inclusion: Diversity and Inclusion Policies and Philosophy <a href="#">P122</a></li> <li>Labor Practices (Respecting the Rights of Workers): Policies and Philosophy on Respecting the Rights of Workers <a href="#">P170</a></li> </ul>	<ul style="list-style-type: none"> <li>Human Rights: Human Rights Management <a href="#">P118</a></li> <li>Diversity and Inclusion: Diversity and Inclusion Management <a href="#">P124</a></li> <li>Labor Practices (Respecting the Rights of Workers): Management That Respects the Rights of Workers <a href="#">P170</a></li> </ul>	<ul style="list-style-type: none"> <li>Human Rights: Human Rights Achievements <a href="#">P120</a></li> <li>Diversity and Inclusion: Diversity and Inclusion Achievements <a href="#">P126</a></li> <li>Labor Practices (Respecting the Rights of Workers): Achievements in Respecting the Rights of Workers <a href="#">P171</a></li> <li>ESG Data (Social Data): Employee Data <a href="#">P250</a></li> <li>ESG Data (Social Data): Diversity and Inclusion <a href="#">P251</a></li> </ul>
	Dialogue with Employees	<ul style="list-style-type: none"> <li>Labor Practices (Dialogue with Employees): Policies and Philosophy on Dialogue with Employees <a href="#">P172</a></li> </ul>	<ul style="list-style-type: none"> <li>Labor Practices (Dialogue with Employees): Management of Dialogue with Employees <a href="#">P173</a></li> </ul>	<ul style="list-style-type: none"> <li>Labor Practices (Dialogue with Employees): Achievements in Dialogue with Employees <a href="#">P173</a></li> </ul>
	Employees' Health and Safety	<ul style="list-style-type: none"> <li>Employees' Health and Safety: Employees' Health and Safety Policies and Philosophy <a href="#">P178</a></li> </ul>	<ul style="list-style-type: none"> <li>Employees' Health and Safety: Employees' Health and Safety Management <a href="#">P179</a></li> </ul>	<ul style="list-style-type: none"> <li>Employees' Health and Safety: Employees' Health and Safety Achievements <a href="#">P180</a></li> </ul>
	Community Engagement	<ul style="list-style-type: none"> <li>Our response to COVID-19 outbreak <a href="#">P023</a></li> <li>Community Engagement: Community Engagement Policies and Philosophy <a href="#">P186</a></li> </ul>	<ul style="list-style-type: none"> <li>Community Engagement: Community Engagement Management <a href="#">P187</a></li> </ul>	<ul style="list-style-type: none"> <li>Our response to COVID-19 outbreak <a href="#">P023</a></li> <li>Contributing to Local Communities: Achievements <a href="#">P189</a></li> <li>ESG Data (Social Data): Contributing to Local Communities <a href="#">P254</a></li> </ul>
Governance	Corporate Governance	<ul style="list-style-type: none"> <li>Governance Policies and Philosophy <a href="#">P201</a></li> </ul>	<ul style="list-style-type: none"> <li>Corporate Governance: Corporate Governance System in Detail <a href="#">P202</a></li> </ul>	<ul style="list-style-type: none"> <li>ESG Data (Governance Data) <a href="#">P256</a></li> </ul>
	Risk Management	<ul style="list-style-type: none"> <li>Risk Management <a href="#">P213</a></li> </ul>		
	Anti-Corruption	<ul style="list-style-type: none"> <li>Compliance: Anti-Bribery <a href="#">P217</a></li> </ul>		
	Observance of Business Ethics	<ul style="list-style-type: none"> <li>Compliance: Business Ethics <a href="#">P218</a></li> </ul>		
	Nissan's Commitment to Tax Transparency	<ul style="list-style-type: none"> <li>Compliance : Nissan's Commitment to Tax Transparency <a href="#">P223</a></li> </ul>		