

Environmental Management

For continually improving our activities



Regular confirmation is made to ensure that activities are based on ISO14001, the recognized international standard for environmental management systems, and that these are implemented and sustained in a professional way. Concerted efforts are made to ensure disclosure of information and full transparency of all related programs and activities.

Environmental Management System Operation and Auditing

Nissan, in its mission to promote activities that reduce environmental impact, has steadily advanced efforts to obtain certification under ISO14001 (the recognized international standard for environmental management activities). All of our domestic production plants and business sites excluding the Head Office, and major overseas plants and product development processes have obtained this certification as well. Nissan has established effective environmental management systems at all production bases worldwide, as well as in product development processes. (See "Site Environment Reports" for information on each plant and business site.)

Based on the ISO14001 requirements, approaches are devised and implemented by each organization to comply with our environmental policies and targets. To ensure compliance, it is important to confirm improvements on a regular basis. For this, we conduct internal environmental audits and independent third-party audits. For the internal audits, independent environmental auditors perform "system audits" to confirm environmental management system operation status from an objective standpoint, together with "environmental performance audits" to confirm individual system effectiveness. External audits, meanwhile, are also conducted on an annual basis. In addition to this, upper-level managers at each plant and business site conduct annual reviews to verify that their respective environmental management systems are functioning properly.

Risk Management

At Nissan, every division and workplace has devised systems that are in full compliance with all environmental laws and regulations as well as regional government ordinances and industry group guidelines. Detailed schemes have also been put into place so that we stay abreast of emerging and future trends and all recent and relevant information available. This facilitates swift and precise responses to any new developments in environmental laws and regulations. Nissan obtains this information as early as possible through its global network of local specialists in order to take prompt and appropriate action.

►Local communication

Nissan places special emphasis on open and regular communication with the local residents of the communities where it has plants or business sites. This helps them to more fully understand the details of our business activities and the risk management systems we have in place. This commitment includes the scheduling of public discussions such as plant tours and "Open House" days to elaborate on the various environmental preservation activities and other specific steps that we undertake at individual business sites.

►Emergency responses

We have taken proactive measures to be prepared for environmental accidents and other emergencies. These measures include steps to prevent the occurrence of such accidents as well as employee training based on emergency response manuals issued by Nissan. Parallel to this training, we keep all employees up-to-date on the processes and procedures used to report such occurrences to the proper authorities. In fiscal year 2004, based on the success of a program carried out the previous year, we conducted environmental accident response drills, simulating an oil or chemical spill at a

water treatment facility, a leak at a fueling station, and other potential emergency situations.

►Environmental accidents and litigation

During fiscal year 2004, Nissan Motor Co., Ltd. experienced only one single environmental accident, an incident that occurred at our Sagami-hara Parts Center. Fuel that had inadvertently leaked from the fuel tank of a delivery vehicle passed through a rain-water drainage, and was eventually released from a discharge port at the plant. Following the mishap, we immediately engaged in close teamwork with Sagami-hara City and all pertinent in-house divisions were mobilized to take swift and precise measures. This prevented any direct damage anywhere outside the plant. Subsequent countermeasures that were undertaken included thorough education on environmental and on-site rules for subcontractors and all Nissan employees operating on the Center grounds. In the interest of preventing any such future recurrence, a decision was also made to regularly audit this newly revised system.

In connection with environmental litigation in 2004, at present we have a case that is being heard in the courts regarding automotive exhaust emissions.

►Recalls

Nissan is determined to drastically minimize any customer inconvenience or concern of any kind. With this commitment in mind, we have launched an initiative that will enable us to promptly recall products any time the need may arise. In Japan, during the fiscal year 2004, Nissan carried out a total of four environment-related recalls. Two of these concerned exhaust emissions, one case was related to noise, while another case targeted both exhaust emissions and noise. Proper notifications of these recalls were made to the Ministry of Land, Infrastructure and Transport. We also

collaborated closely with all sales companies throughout Japan and asked them to recover and if necessary repair the equipment in question.

Green Procurement

Nissan implements technical standards to exercise effective global control over the "environmental impact substances" contained in our products. Additionally, in Japan, we have specified "Nissan Green Procurement Standards", and issued the following three directives to all parts supplier companies.

►Environmental impact substance data reports

Nissan requires that all suppliers submit data on substances found to impact the environment. For parts and materials (oils, paints, chemicals, etc.), this data is used to confirm that no substances banned under Nissan standards are being used. This also enables us to identify already at the development stage itself any materials that require caution, and develop the appropriate alternative technologies at an early stage in the manufacturing process.

►Environmental management system establishment

Nissan had requested its suppliers to establish environmental management systems by March 2003, and work voluntarily to obtain ISO14001 certification by March 2005. We can report today that all suppliers have complied with the first request and that 95% of our suppliers have gained certification either under ISO14001 or the Japanese Eco Action 21 as of March 2005. Nissan will continue to encourage concerted efforts by its suppliers to further improve their environmental management systems.



Communication with stakeholders at Readers' Meeting for the Sustainability and Environmental Reports

► Environmental representative identification

We have asked our suppliers to specify who their environmental representatives are in order to ensure smooth and reliable information about our environmental conservation measures, the impact of our products, and any other relevant environmental data.

Environmental Education

Nissan conducts environmental education programs for all our employees, including lectures for employees who are new to the company. In addition to these lectures, a series of training courses based on ISO14001 is held for all employees at each facility. This is based on our conviction that a good understanding on their part, combined with our own comprehensive approach to employee training, is one of the most effective means of ensuring environmental awareness and safety. To support each employee's individual learning needs, we offer the courses on an ongoing basis and tailor the content as much as possible.

In fiscal year 2004, all our nearly 540 new workers received environmental education training as part of their orientation program. New section managers receive further training in order to take the lead in the conservation activities already under way.

Nissan also conducts awareness-raising programs that target middle level management in which they hold in-depth discussions with environmental experts such as university professors, critics and business people from other companies. Environmental seminars for top management personnel from our technical development division are also to be found among other unique Nissan curriculum offerings.

[Environmental Activities](#) > [Environmental Management](#) > [Environmental Education](#)

[Environmental Activities](#) > [Environmental Management](#) > [Environmental Communication](#)

We have included "Environmental Series" pages in our internal bulletin, which we use to provide environmental information on a regular basis to all employees and family members of Nissan and its affiliates, including retired employees.

Building on Nissan's environmental education activities in Japan and other countries where we operate, we are currently planning an environmental education system under the name "Global Nissan".

Environmental Communication

Nissan actively promotes open and regular communication with all our stakeholders. These efforts include environmental reports, pamphlets, websites, vehicle exhibitions and test-drive events, and direct communication via our Customer Support Center. We also have an exclusive e-mail address for environmental matters, where our specialists respond to questions and comments regarding environmental matters.

► Environmental information disclosure and communication tools

Since 1998, Nissan has published the annual "Environmental Report" as a summary of its environmental vision and achievements. A summarized "Digest Edition" communicates the report's key points for easier reading. The Nissan "Environmental Report 2004" was honored with the "Excellent Environmental Report Award" at the Eighth Environmental Communication Awards, sponsored by the Global Environmental Forum. At the same awards ceremony, our Sustainability Report 2004 received the "Excellent Sustainability Report Award".

For general users, we offer model-specific environmental information in our complete vehicle model catalogue, and we have "Technical Notes" for those interested in learning the details of Nissan's environmental technologies. Site reports with environmental data for each plant and business site are supplied to the local residents. The "Green Cycle Newsletter" is an additional environmental information magazine designed for our sales companies. With these and other publications, Nissan has developed an impressive range of communication tools tailored to the needs of all concerned.

The environmental facility tour, established as one of the Oppama Plant's tour routes, and eco-related photo panel displays in the guest halls of our production plants help to deepen the public's understanding of Nissan's environmental commitment.

► Environmental report workshop

In February 2005, Nissan held the "Readers' Meeting for the Sustainability and Environmental Reports". Some 40 citizens, representatives of suppliers, sales companies and consumer advisors were joined by 22 Nissan personnel for an exchange of views. Using a group discussion format, the participants made constructive suggestions that improved the report and led to concrete changes such as our decision to increase our environmental communication via the Internet. Some of the other issues probed included the most appropriate formats for disclosing information about corporate sustainability and the environment.

Regarding the Environmental Report, positive comments received included, "There is a narrative quality that makes the text easy to read", and, "The themes are clearly stated, providing a ready understanding of Nissan's thinking in this area". Among the more critical

remarks were, "It is difficult to perceive the linkage between the Sustainability Report and Environmental Report", "The length of the text and contents made it difficult to get through", and "There is too little data". We have made a sincere effort to consider this valuable and constructive feedback in preparing this report.

Nissan will continue to host such workshop-format meetings in the future as well. Our goal is to attract an even greater number of stakeholders in the discussions to improve the quality of our reports and our broader environmental information disclosure.

► Law and regulation explanatory session

In February 2005, a meeting was held at the Nissan Technical Center in Atsugi and at our Head Office in Tokyo. To share information on employee motivation, social trends and the latest environmental and safety regulations in markets of key importance to the Nissan including Japan, the EU, the US, Canada, Southeast Asia, the Middle East and Latin America.

Environmental Accounting

Nissan introduced the practice of environmental accounting in 1998, and continues to promote environment-related research and development. The calculation is based mainly on the guidelines of the Ministry of the Environment's "Environmental Accounting Guidebook". The total cost of Nissan's environmental conservation during fiscal year 2004 was 142.8 billion yen (8.4 billion yen over FY2003). The bulk of the cost, 134.8 billion yen (up 13.9 billion yen from FY2003), was accounted for research and development spending. One reason for this increase was the rising development cost of fuel cell vehicle (FCV) fuel stacks and other technical innovations.