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CEO Statement

# CEO Statement

For Nissan, the essence of sustainability is consistent, lasting progress. Simply stated, sustainability means that our actions today are designed to help assure the vitality of our company tomorrow.

How can we make sure that the cars of today will be followed by vehicles better suited for the customers of tomorrow? That the environment in which we live will be at least as good as today, if not better, tomorrow? That quality will improve? That Nissan will remain profitable? Answers to these questions about sustainability are vital to our progress in all these areas.

Our midterm business plans serve as key milestones on the road of progress. Over the years we have crafted plans to address issues Nissan faced in each phase of its development as a company. A common thread among all our business plans is profitability. If a company cannot achieve profitability, it will have no resources to assure its future. A socially conscious but bankrupt company can offer no lasting value. Even so, the concept of sustainability cannot be reduced solely to profits. In addition to the value created by Nissan jobs, products and innovations, our future is also linked to our corporate image, our corporate governance, our care for the environment and many other facets in the life of our company.

Our current business plan, Nissan GT 2012, makes this larger picture clear. With "G" for growth and "T" for trust, our new plan defines Nissan's road to growth and continued success as healthy sustainability in all aspects of our business.

Putting trust at the core of our business plan is intentional. We believe there is a positive link between social and financial performance. The companies that perform the best over the long term are those that are able to establish a high level of trust among all their stakeholders. Trust encompasses sustainability, loyalty, shareholder returns, and quality of products, services and management—many positive attributes are captured in that single, important word.

This sensitivity is shared among our employees, suppliers, dealers and business partners.

With our Alliance partner, Renault, we may express our commitments to sustainability in different ways because the cultures and histories of our companies differ, but the substance is the same. Pursuit of sustainability is easier in the Alliance. Because our two companies are working together on such projects as the electric car, we are able to bring them to the market in a much faster, more effective way. Exchanges between the Alliance partners promote sustainable business for us both.

Sustainability is very much a part of the operations of all our partners. There is no way to develop a project like the electric car without our suppliers, of course, and our dealers will showcase to



picture by mattphoto.co.uk

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

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consumers what Nissan is doing for the environment. Because our partners are aware of what is going on in our company, we are able to influence each other and contribute to mutual progress.

All our stakeholder relationships are built on transparency, which is essential for building trust. Every company has its own issues. We have a responsibility to inform our stakeholders about challenges we face and to explain what we are going to do about them. Transparency has to be consistent and active.

The challenges Nissan faces are in three main areas: safety, quality and the environment.

Safety, first of all, is a shared responsibility. Human behavior is obviously a large part of the safety equation, and we are helping to educate drivers about improving their performance. Our responsibility is to develop and apply technologies that will help make tomorrow's car even safer than today's. Supported by considerable investments, our engineering and research teams are developing passive and active safety technologies as key priorities.

A second area of challenge is quality. For Nissan, this means paying absolute attention to our customers, making sure that we help them get exactly what they want by meeting their expectations at a very high level. In fact, the first commitment of Nissan GT 2012 is quality leadership—certainly for our products, but also quality of our services, our brand, our management and our company overall. Quality is essential to the integrity of our brands and to maintaining our customers' trust.

The third area of challenge relates to the environment. We recognize the changes that are taking place in our world and the demands for a cleaner planet. We aim to bring solutions. Through Nissan GT 2012, we are committed, along with Renault, to become a global leader in zero-emission vehicles. We will also carry out our environmental action plan, Nissan Green Program 2010, as we continue to work on clean diesel vehicles, our original hybrid technology, fuel-cell vehicles and downsized gasoline engines. Our attention extends to the ecological impact of our plants and corporate offices; both our Nissan Americas headquarters in Tennessee and our future global headquarters in Yokohama have adhered to ambitious environmental guidelines. Our commitment to sustainability is comprehensive.

As influential as Nissan is as one of the world's largest automakers, there is only so much we can do on our own. The automobile industry as a whole has to contribute to sustainable growth, both with actions and words.

Generally, the automotive industry enjoys a positive image when it focuses on product design, safety or value. But occasionally the public perceives that automakers are not doing enough to protect the planet or that the industry is creating products that are incompatible with a cleaner environment. Through concrete actions, the industry has to demonstrate that it is doing the right things through its products, services, technologies and investments.

In this connection, Nissan is doing its part by taking initiatives that attract positive attention to our industry. One example is our commitment to bring a zero-emission car to the mass market. This is no prototype that will not be on the road for 10 years; we will introduce an all-electric car in the United States and Japan in 2010 and mass-market it globally in 2012. We are building it at the level of the Alliance, so the technology will be shared between our two companies, making it even more viable. This is a real-world initiative. We intend to satisfy people's expectations and bring a solution that is much better for the environment.

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Action is important, and so are words. We can build consumer understanding and trust by talking about the benefits we have already delivered to society. All too often we automakers avoid talking about how much we are investing, the technologies we are developing, the jobs we are creating and the contributions we are making around the world. Countries like Russia, India and China all want their own auto industries for a reason: Ours is not an average industry. The global automotive industry has a tremendous influence on society, and we need to talk about what we are doing, not just for the environment, but also for economic prosperity and development all over the world.

These two objectives—environmental benefit and economic development—can be closely related. We believe in the concept of “mobility for all” as a way to create value for society. The ultra-low-cost car we are bringing to the Indian market is extremely important because it offers mobility to people who have not enjoyed this form of freedom in the past. And we are doing so in a way that complements our environmental goals.

The *value* we offer to stakeholders is an evolving term. A decade or two ago, value signified such things as a company’s brand or product quality, prices and resale value. Recently, these classical definitions have been expanded to include concepts relating to corporate image or the environment. These new dimensions are being developed in the minds of consumers, who want to buy from companies that are recognized as good citizens.

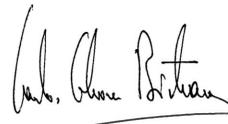
At Nissan, we work hard to make a difference in society, living up to our vision of Enriching People’s Lives. Our activity is seen in programs to support education, to nurture diversity, to extend philanthropic donations in times of natural disasters. We build stakeholder awareness by following our actions with words—with reports on what we are doing.

Different stakeholders focus on different topics. Some may care most about diversity, while others may want to know about our activities to curb CO<sub>2</sub> emissions. They want to know, in concrete terms, what we have done and how we have made a difference. It is no coincidence that we publish this Sustainability Report annually at the time of our shareholders meeting. The timing is also right to communicate to all our stakeholders—our employees, our partners and the general public—about all the areas where Nissan is actively engaged in enriching people’s lives. Our actions today are assuring Nissan’s future vitality.

Some 20 years ago, most people found sustainability to be a boring topic of discussion. Those days are over. Stakeholders are paying serious attention to sustainability matters, and there is more enthusiasm and encouragement for companies to engage in sustainable business practices.

Sustainability is no longer the realm of specialists. It has become an aspect of business to which everyone is sensitive and to which everyone can contribute.

Nissan is proud to be a participant in this ongoing dialogue. In the following pages of this report, we invite you to learn more about the ways we are meeting the challenges of sustainability.



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