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THIRD-PARTY COMMENT



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Enriching People's Lives, Nissan's corporate vision, is a splendid ideal for which to strive. As we move toward an era when 9 billion people will walk on the Earth, though, it appears that this vision will run up against challenges like limited supplies of natural resources. To survive in such a milieu, I believe that corporations will need to craft closed-loop systems and provide services that contribute to spiritual richness that goes beyond simple material goods. CEO Carlos Ghosn has stressed this perspective in his message in this report, which is heartening; nonetheless, I hope to see Nissan redouble its efforts over the medium to long term to address the issues humanity will face.

The steps Nissan is taking together with its Alliance partner Renault are bearing fruit, a factor that is likely to increase the possibility that the company can realize its corporate vision and mission, even given the massive expenditure that will be required for future technological development. Nissan also deserves praise for publishing its scorecard and Nissan Green Program 2016 progress chart in this report: the company's targets are clearly defined and its progress toward these goals is visually easy to grasp.

On the environmental front, the measures Nissan is undertaking as a group can only be described as marvelous. However, this report would have benefited from more detailed information on the overall direction and goals of environmental efforts throughout the supply chain and at dealerships, rather than just anecdotal presentations and coverage of Nissan's purchasing standards.

With respect to safety, Nissan has published figures on the numbers of deaths and serious injuries from accidents involving its vehicles. The company deserves commendation for sharing this data—which may be common knowledge in the industry, but is not broadly known—in an easy-to-understand format. While the various safety technologies Nissan develops are wonderful, some concerns remain: will these end up as unusual implementations without broad industry uptake, or will they prove too difficult to master for an increasingly aged vehicle-using population? Japan is a forerunner in the aging of its population, but the rest of the world is following in its tracks; fully automating

these safety features should enhance the company's competitive standing. Proper explanation of these safety features—which I am certain Nissan is already pursuing—is also a key element in improving "sales and service quality."

Issues in the area of the value chain are among the hottest industry topics today. As international nongovernmental organizations work to achieve social justice, they are increasingly targeting the corporations at the top of the value chain in their efforts. These companies at the apex are increasingly expected to manage supplier actions throughout the value chain—not just for primary, secondary, and tertiary suppliers, but all the way upstream to the resource extraction stage.

The realm of the ISO 26000 standard for social responsibility is, in its essence, the pursuit of more robust management of the value chain and of human rights and ethics issues. In this connection, the processes of stakeholder engagement and due diligence with respect to the supply chain have taken on extraordinary importance.

A company cannot fulfill its due diligence duties simply by distributing explanations of its purchasing standards to suppliers. Such an approach is also insufficient from the perspective of risk management. A reading of this report shows that Nissan has made progress from the previous year, but the world is a swift-moving place, and I feel that the company will need to accelerate its efforts to improve its management in this area, adjusting its approach as required for individual suppliers.

The term "human rights" does not appear so frequently in the pages of this report, and with the exception of the section on philanthropy, it is hard to fully grasp Nissan's approach to stakeholder engagement. This engagement is a factor connected with all eight of the company's CSR strategies, so it is advisable for Nissan to find some way to touch on it in each part of the report. I must stress here that what I hope to see the company pursue is not CSR as a defensive mechanism, but CSR as a form of offense—a tactic that can produce business opportunities for Nissan.

In the area of diversity, Nissan is to be commended as a leading company that has received numerous awards for its achievements. Diversity efforts take considerable time to implement, and Nissan must be praised for promoting them in a strategic fashion. I hope the company will continue to be a leading player in this field.

As for the mechanics of the report, the section at the beginning explaining how to navigate the content and use the category tabs is easily understood and an excellent addition.

Finally, I would note that Nissan's website for Japanese customers places the CSR-related information four levels deep. While it may not need to be located in a top-level menu, as it is on the company's global website, I recommend elevating this content by at least one level to improve its accessibility.