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# **EMPLOYEES**

The needs of customers are becoming increasingly diverse. To meet these needs Nissan employees from different backgrounds must work together. Employees are the driving force for the sustainable growth of Nissan, and the company places great importance on establishing a workplace that maximizes the performance of all.

The global expansion of Nissan's corporate activities has meant the 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. Nissan believes 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 to choose from among various work styles to suit their particular stage of life. Skill development programs are another essential part of making the workplace attractive to employees.

The workplace environment is being strengthened around four pillars: "respecting diversity as a core component of management strategy," "offering career development and learning opportunities," "ensuring employee safety and health" and "strengthening internal communication."

**NISSAN'S ACTIONS** 

Ratio of managerial posts filled by women (fiscal 2016, Japan):

10.1%

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# **EMPLOYEES**

# SCORECARD

# FY2016 TARGET ACHIEVEMENT RATE: 🗸 ACHIEVED 🗸 MOSTLY ACHIEVED × NOT ACHIEVED

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

| Nissan Priorities                             | Nissan Objectives and Long-Term Vision   | Indicators of Progress   | FY2016 Results  | Assessment |
|---|--|--|---|------------|
| Respect for diversity                         | Raise the ratio of women in managerial positions to 14% or higher globally (10% or higher in Japan).                     | Ratio of women in managerial positions   | Global: 14%<br>Japan (Nissan Motor Co., Ltd.):10%   | <b>11</b>  |
| Career development and learning opportunities | Build a learning-oriented corporate culture.   | The lowest of the average scores for each course in annual trainee satisfaction surveys (on a scale of 1 to 5) | 4.2 or higher   | 11         |
|   | Strengthen support for self-initiated career development.  | Open Entry System (program under which employees can apply for advertised position openings) fill rate         | 55.6% Posts open for entry: 126 Successful applicants: 70   | <b>44</b>  |
| Building safe workplaces                      | Strengthen efforts to create a safe work environment.  | Lost-time injuries frequency rate (global)<br>(Total lost-time injury cases + total working hours × 1 million) | 0.68  | 11         |
| Dialogue with employees                       | Aim for high implementation and participation rates of employee satisfaction surveys to better capture employees' views. | Number and participation rate of global and regional employee satisfaction surveys                             | Implemented FY2016 global employee satisfaction surveys in October–November 2016; global participation rate of 93% achieved | <b>44</b>  |

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#### **NISSAN'S APPROACH TO EMPLOYEES**

Nissan strives to create a meritocratic workplace where employees are motivated to rise to challenges and are able to work safely and comfortably. Nissan ensures employee rights by requiring that all employees respect the human rights of others and forbids discrimination against or harassment of others based on race, nationality, gender, religion, physical capability, sexual orientation, age, place of origin or other reason. Nissan employees are empowered to report the discovery of discrimination in the workplace. By respecting employee diversity, Nissan promotes the establishment of a work environment that maximizes the performance of every employee and encourages teamwork to achieve ambitious goals.

The company has established the Nissan Global Code of Conduct, which applies to all Group employees worldwide. It describes how employees should act, and the standards apply globally to all Nissan Group companies.

The Nissan Way is a guiding principle that aims to ensure sustainable growth by motivating each employee. Based on the company's belief that "the power comes from inside," the Nissan Way outlines five mindsets and five actions. The Nissan Way is implemented throughout the Group to ensure that the activities of all employees lead to value creation for the customer.

The Nissan Way has been made available to employees worldwide in eight languages (Japanese, English, French, Chinese, German, Spanish, Dutch and Russian). It places importance on approaching all issues with clarity and shared understanding as well as nurturing a mindset to achieve maximum results with minimum resources. It also encourages employees to pursue ambitious goals. Welcoming diversity by being inclusive of a variety of views can establish a work environment that maximizes the performance of every employee—regardless of gender or nationality—and engender new thinking that can contribute to the company's business performance.

Nissan employees are educated regarding the Nissan Way and are evaluated based on its principles. Best examples of implementing the Nissan Way are shared globally, and top executives communicate its importance throughout the company in an effort to promote its value.

# "The power comes from inside"

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

#### **Mindsets**

#### Cross-functional, Cross-cultural

Be open and show empathy toward different views; welcome diversity.

#### 2 Transparent

Be clear, be simple, no vagueness and no hiding.

#### 6 Learner

Be passionate. Learn from every opportunity; create a learning company.

#### 4 Frugal

Achieve maximum results with minimum resources.

#### 6 Competitive

No complacency, focus on competition and continuous benchmarking.

#### **Actions**

#### Motivate

How are you energizing yourself and others?

# 2 Commit and Target

Are you accountable and are you stretching enough toward your potential?

#### Perform

Are you fully focused on delivering results?

#### Measure

How do you assess performance?

#### 6 Challenge

How are you driving continuous and competitive progress across the company?

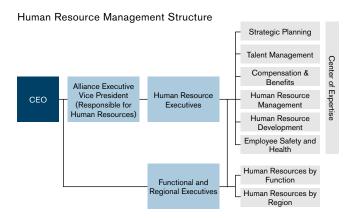


➤ Click here for more information on the Nissan Global Code of Conduct.

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#### **HR ORGANIZATION**

Nissan maintains three human resource management initiatives centered on (1) a specialized Center of Expertise, (2) human resources by function and (3) human resources by region. These three approaches, respectively, support Nissan's global operations, the Renault-Nissan Alliance and management by function and region. Regarding human resource management by region and function, reports are submitted not only to executives in charge of human resource matters but also to those responsible for each region and function. Also, an organization independent of the human resource function exists for diversity promotion.



As of March 2017.

## **RESPECT FOR DIVERSITY**

Fostering diversity is an important management strategy at Nissan. The company undertakes a number of initiatives to realize the goal of achieving sustainable corporate growth while respecting diversity.

## **Promoting Diversity Around the Globe**

Nissan's diversity policy is determined by the Diversity Steering Committee (DSC), comprising executives representing each business division. The DSC plays a leadership role in promoting diversity in Japan and Europe, while in North America, this role is performed by the Americas Diversity Council (ADC). The Diversity Development Office is a department dedicated to diversity issues in Japan, and the Americas Diversity Office is charged with promoting diversity in North America. In other markets, diversity is promoted by the human resource and other departments.

#### Global Structure for Diversity Promotion

| Region                                | Promoting Body                        | Office in Charge                                     |
|---------------------------------------|---------------------------------------|--|
| Japan (Global<br>Headquarters)        | Diversity Steering Committee          | Diversity Development Office                         |
| North America                         | Americas Diversity Council            | Americas Diversity Office                            |
| Europe                                | Diversity Steering Committee (Europe) | Human Resources and General Affairs (Europe)         |
| Latin America<br>and the<br>Caribbean | -                                     | Governmental Affairs and Social<br>Responsibility    |
| Africa and the<br>Middle East         | -                                     | Human Resource Division (Africa and the Middle East) |
| Asia and<br>Oceania                   | -                                     | Human Resource Division (Asia and Oceania)           |

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#### Diversity as a Source of Strength

For Nissan, diversity is a source of strength. Ideas and perspectives contributed by employees from diverse backgrounds—in terms of gender, nationality, culture, age, academic background and lifestyle—can produce creative solutions with higher value, leading to enhanced corporate performance. Diversity rests at the foundation of Nissan's business strategy to meet the diverse needs of global customers by offering better products and services. All Nissan facilities are engaged in efforts to harness workplace diversity in the areas of gender and culture. Nissan strives to increase female employees' participation, while also actively exploring ways to create higher value through cultural diversity, in particular by utilizing the cross-cultural nature of the Alliance formed with Renault in 1999.

Work-life management is a key component of Nissan's efforts in Japan, where all employees, regardless of their gender or age, may flexibly choose a suitable lifestyle for their particular stage in life. To ensure a workforce in which female employees boast a diverse range of skills, Nissan Motor Co., Ltd. has guidelines calling for 50% of newly hired office workers, 15% of engineers and 25% of technicians to be women. In North America, employees with diverse backgrounds in terms of race, sexual orientation and military service contribute to enhancing Nissan's corporate value. In Europe, Nissan is advancing cross-cultural corporate initiatives with many Alliance partners.

The company also undertakes a full set of initiatives to nurture a diversity-oriented mindset among all employees to reinforce a corporate culture that respects diversity.

## Nissan's Diversity Initiatives

Creating products and services to meet diverse customer needs

Making a stronger, more innovative organization with diverse opinions

Creating Higher Value



## Global Initiatives to Support Women's Participation

Since fiscal 2004, ongoing support has been provided for the participation of female employees in two main areas: career development and the business process.

# ▶ website

Click here for more information on Nissan's diversity.

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#### Supporting Women's Career Development Around the Globe

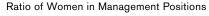
The participation of women, particularly in management positions, is essential to providing diverse value to customers. Nissan focuses on increasing female representation in all levels of management and providing training to ensure that top candidates will be ready to take on greater responsibility. Support is provided for women's career development in every region where the company operates.

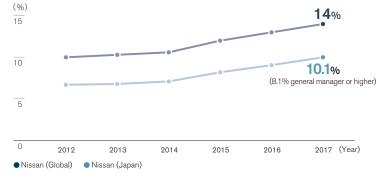
Specifically, activities are organized that are geared toward female employees, including skill-development training courses and networking events. Examples of career development initiatives include mentoring programs and roundtables led by Nissan executives. Activities focusing on young female engineers are conducted as well.

In Japan, Nissan provides personalized support for female employees through individual counseling sessions with career advisors. Career development meetings are organized for young female employees so they may network with other professional women outside of the company and with women who have risen into management roles in Nissan. Interviews with senior female employees contributing in a variety of fields within the company are posted on the corporate intranet to encourage more women to develop their careers. Additionally, to help employees who take childcare leave continue their careers smoothly, counseling from supervisors and other support is provided during the leave period.

As a result of a broad range of efforts, women comprise 8.1% of general and higher-level managers in Japan (as of April 2017), 4 times the 2008 level of 2.0%, and a total of 10.1% of managerial positions are filled by women. This compares favorably to the average of 4.2% for Japanese manufacturers with 1,000 or more employees (according to 2016 statistics from Japan's Ministry of Health, Labor and Welfare).

As of April 2017, women fill 14% of the managerial positions at Nissan globally, up from 7% in 2008, with many being appointed to overseas assignments.





#### Women's Forum

The Renault-Nissan Alliance sponsors the Women's Forum for the Economy and Society, which is an international platform to promote the advancement of women in the workplace. The annual global meeting in France gives women an opportunity to build networks and expand horizons through dialogue with their counterparts in diverse industries and by participating in workshops. Employees from Nissan Group companies around the globe are selected to participate in the meeting each year, and 10 took part in 2016.

## Inviting Women's Input in the Business Process

In Japan, women have a significant influence on car-buying decisions, as 30% of all cars are purchased by women and roughly another 30% of purchases are by men with input from women, meaning that women participate in nearly two-thirds of vehicle purchase decisions. A similar trend can be seen globally as well. Adopting female employees' views is essential for meeting diverse customer needs worldwide.

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Nissan facilitates input from female employees—including those working at affiliated and sales companies—in all stages of its business, from the development of new vehicles through their manufacture and sales. Models like the Nissan Serena minivan released in Japan in August 2016 have benefited from consideration of women's viewpoints. 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. In the assembly stage as well, Nissan promotes ergonomic design of equipment and work processes at its manufacturing plants to benefit female workers. This benefits women while at the same time effectively increasing efficiency and reducing errors for all employees. The company has been recognized for its efforts in these areas, receiving the Incentive Prize in the Japan Productivity Center's 2016 Empowerment Awards.

Nissan sales staff must also respond to the needs and questions of men and women customers alike. The Nissan Ladies First Project was launched in fiscal 2013 to introduce shop designs and services with female customers in mind. A pivotal role in the project is played by female sales staff known as CAs, or car-life advisors. Both male and female customers report high satisfaction with Nissan's female CAs, and the company offers ongoing training, such as workshops for young female CAs, in addition to improving the work environment, to give female employees more room to succeed. As of March 2017, 1,172 female CAs were active across Japan, accounting for 9.6% of the national total, compared to 8.5% in March 2016. A Ladies First Shop certification program was also launched in 2013 to enhance the satisfaction of female customers with both showroom and after-sales service experiences. Some 277 shops nationwide (as of March 2017) offer special services for female customers.

Nissan also employs women as technical advisors (TAs) to help facilitate the vehicle maintenance process for customers. Nissan has received a positive response for the polite and responsible service provided by the female TAs, thereby contributing to the enhancement of customer satisfaction of sales companies. Training courses and informal gatherings for female TAs are held to promote networking and skills development.

# A Firm Grounding for Cultural Diversity

Nissan recognizes the need to make full use of the strengths and abilities of its multinational, multicultural family of employees in order to develop its business globally. The company is working to leverage the synergy created through the cross-cultural Alliance with Renault, which not only recognizes and accepts cultural differences but also seeks to make cultural diversity a source of strength. Overseas job transfers have increased in recent years, and many transferees, both men and women, are no longer necessarily from Japan, the United States or other major markets. This is seldom seen at other global businesses and demonstrates Nissan's commitment to this area.

Nissan makes cultural diversity an integral part of its corporate culture. A vital part of the company'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 background or training is. Nissan's top decision makers, for example, often have different citizenship from the place where the company is headquartered, as can be seen from the company's Executive Committee, which is 40% Japanese and 60% non-Japanese. To more efficiently promote Nissan's partnership with Daimler AG and AVTOVAZ, efforts are being made to expand the share of managerial staff in Europe who speak German or Russian.

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

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#### **Nissan's Diversity Mindset**

Nissan carries out regional diversity events and diversity training for employees around the world. All employees can learn about the company's diversity vision through the articles and other materials posted on the intranet site.

In Japan, where Nissan expects the number of employees balancing work with caring for elderly relatives to increase going forward, the company has held seminars since fiscal 2015 where employees can learn the basics of care and explore how company policies and local services can help them maintain the work-care balance. As a new approach in fiscal 2016, Nissan also hosted discussions led by people with care experience. The company also provides e-learning programs that offer opportunities for employees to learn about diversity at any time, including a course on gender diversity to understand and draw on male/female differences, as well as seminars and an e-learning program on the inclusion of sexual minorities (lesbian, gay, bisexual and transgender individuals).

Nissan believes that embracing diversity is essential to growing as a trusted company. To instill this awareness among all managers and employees, a program called Championing Diversity was held in the United States. The program is designed to enhance workplace communication among colleagues with diverse backgrounds and viewpoints and to produce results through cooperation among multiple teams.

In Europe, a multicultural effectiveness training program was conducted to raise awareness of cultural differences and to support all employees working in a multicultural environment.

#### Accelerating the Happy8 Revolution for Welcoming Workplaces (Japan)

Nissan has initiated a series of work-style reforms that provide a crucial foundation for supporting diversity, allowing employees with a range of values and life needs to perform at their best.

One example was the 2006 introduction in Japan of a system allowing employees to work from home when necessary to maintain the balance between work and caring for children or elderly relatives. This policy was revised in 2010 to allow all employees (except those involved in production processes) to work from home for any reason, and in 2014, a system was introduced allowing partial working from home in units of 30 minutes, with no limits on the number of days partially worked from home as long as the monthly total time is 40 hours or less. Roughly 5,500 employees made use of this system in fiscal 2016.

In 2015, Nissan introduced the Happy8 program, a work reform emphasizing the ideal of an eight-hour work day. By communicating this ideal to employees, Happy8 aims to increase their personal and organizational productivity while also improving their work experience, private life and health. As part of creating a more welcoming workplace, in February 2017 Nissan also began promotion of the Happy Friday program, allowing employees to leave at 3:00 p.m. on the last Friday of each month.

With the slogan "Eight productive hours! Richer lives, better health, Happy8," Nissan will continue striving for more flexible and appealing work styles.



A symposium for Nissan employees on the theme of diverse work styles.

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#### Creating an Environment Conducive to Work-Life Balance

# Comprehensive Support for Employees



Supporting employee performance: Career development and work-life balance

- "Pre-parenthood seminar"
- "Reinstatement seminar"
   Employees receive opportunities to think about their career paths and work prior to maternity leave and reinstatement.
- Internal social networking site "Work-Life Balance Park"



Supporting managers who have employees in the nurturing stage

- Guidance on offering promotion exams before childcare leave
- Management seminar for managers with employees in the nurturing stage
- Diversity training for new managers
- Diversity events



## Company infrastructure (systems)

- Work-at-home program Employees caring for young children or elderly parents can spend up to 50% of the month working at home, and others are allowed up to 40 hours per month. All employees except those in manufacturing processes are eligible.
- Super-Flextime without core time
- Shorter working hours (for employees engaged in childcare or nursing care)
- Family support program (special paid holidays for marriage, childbirth by a spouse, childcare, nursing care and fertility treatment)
- Childcare leave, nursing care leave, maternal protection leave
- Accompanying-leave program (three years maximum)
- Reemployment policy

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Company infrastructure (facilities and equipment)

- In-house childcare center (four sites)
   Supporting employees who actively work at balancing both work and childcare to help them perform at their best
- Supporting employees' return to work when they wish, without being affected by the issue of daycare waiting lists in Japan
- Lending personal computers to employees on leave (allowing them to access the company intranet and email)
- MM care room (lactation room)

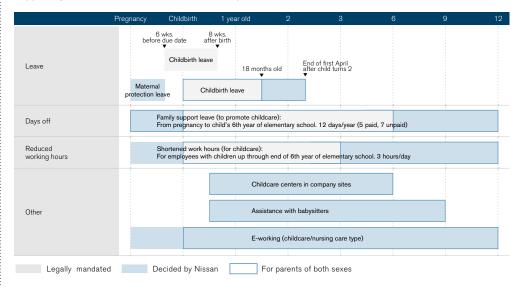
#### In-house Childcare Centers for Nissan Employees

Expansion to plants

|             | March Land Atsugi                   | March Land Atsugi Axt                                  | March Land Minatomirai                      | March Land Oppama                 |
|-------------|-------------------------------------|--|---|-----------------------------------|
|             | Nissan Technical Center<br>(Atsugi) | Nissan Global<br>Information System<br>Center (Atsugi) | Nissan Global<br>Headquarters<br>(Yokohama) | Nissan Oppama Plant<br>(Yokosuka) |
| Capacity *  | 42                                  | 10   | 15  | 10                                |
| Hours       | 7:30 a.m10:00 p.m.                  | 8:30 a.m6:30 p.m.                                      | 8:00 a.m8:00 p.m.                           | 5:00 a.m7:30 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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#### Top-Down and Bottom-Up Approaches to Promoting Diversity

Nissan believes that both top-down and bottom-up approaches are needed to promote diversity. Diversity becomes a pervasive concept when activities spearheaded under the strong leadership of executives are combined with initiatives from the floor.

Regarding the bottom-up approach, Nissan emphasizes self-initiated opportunities for learning. Female engineers at the Nissan Technical Center and Nissan Advanced Technology Center in Atsugi, Kanagawa Prefecture, have launched a team effort to consider ways to balance work with life. Trials began in fiscal 2012, and full-scale activities kicked off in fiscal 2013. Participants acquire knowledge on ways to sustain their careers by sharing tips, seeking each other's advice and conducting interviews with female role models.

In the United States, employee-driven Business Synergy Teams (BSTs) have been launched with management support to leverage diversity to achieve business objectives, expand cross-functional interaction and assist with community outreach. These BSTs are operated from Nissan's North American headquarters in Franklin, Tennessee, R&D facility in Farmington Hills, Michigan, and the Dallas-based Nissan Motor Acceptance Corp., as well as at production facilities in Smyrna and Decherd, Tennessee, and Canton, Mississippi.

#### **Employee-Driven BSTs Enhance Work Environments**

BSTs link Nissan's diverse workforce under a common theme, and members have highly specialized knowledge. There are currently 24 BSTs across the United States, including the Women's BST (WBST), the first such group, established in 2007. This was followed by the creation of the Multicultural BST (MBST), which aims to encourage cross-cultural communications and awareness, the Gay-Straight Alliance at Nissan (GSAN), the Veterans Team and other teams.

In 2013, the WBST began a program to encourage young women to consider careers in technical fields by partnering with Microsoft Corp. It organizes "Digigirlz," a one-day event in which female high-school students participate in activities that expose them to the specific ways Nissan uses technology to create and market its innovative products. Also featured are presentations by Nissan executives who share their professional experiences and insights.

In 2014, the health-focused BST Wellness at Work (W@W) was established. This team is engaged in promoting not just physical and mental health but all dimensions of well-being.

By voluntarily participating in BSTs, employees actively work to create a more highly motivated and dynamic work environment while contributing to Nissan's promotion of diversity and inclusion.

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#### **Enhancing Workplace Diversity in the Americas**

#### Mentoring Program for Female and Minority Employees

Mentoring is an important tool for raising the motivation and performance of Nissan's staff, particularly women and minorities. Nissan North America (NNA) offers mentoring in a variety of formats—closed and open, private and in small groups, and theme-based activities. The company evaluates the achievements of the program and makes improvements on an ongoing basis.

#### Supplier Diversity

NNA is committed to encouraging relationships with diverse suppliers. This commitment is grounded in the definitions of minority-owned and womanowned businesses developed by the National Minority Supplier Development Council and Women's Business Enterprise National Council.

#### Diversity in the Community

NNA also fosters future leaders by investing in student programs and offering students opportunities to pursue careers in science, technology, engineering and math (STEM) fields. Together with major scholarship programs for students from disadvantaged areas, NNA's diversity recruitment group works to improve internship and employment opportunities for these students.

# **Enhancing Workplace Diversity in Europe**

In Europe, as part of Nissan's efforts to promote gender diversity, the company holds career fairs and provides support for female employees as they continue their careers. To encourage increased hiring of women with engineering or other technical degrees, in 2014 the Nissan Skills Foundation was established at the company's plant in Sunderland, England, and in 2015 career development events were held for around 7,200 female students between 14 and 19. Additionally, in September 2015, Nissan Europe worked with an external group to start a daycare service within 10 kilometers of the company's French headquarters and employees' homes.

# **Future Issues in Promoting Diversity**

More than 10 years have passed since Nissan announced its proactive commitment to diversity. The company has placed great importance on understanding and respecting other cultures, as some 90% of vehicle sales are now in markets other than Japan and as opportunities to work with partners around the globe have expanded. Women are actively working in a variety of fields at Nissan Group companies worldwide, and the share of women in managerial positions is steadily rising.

A key theme henceforth will be to enable all employees, regardless of gender or nationality, to perform at their best in a global business environment under flexible and efficient work arrangements.

Nissan will continue to vigorously pursue diversity as a corporate strategy by promoting the efforts of diverse human resources, thereby reinforcing organizational strength and maximizing business results.

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## History of and Recognition for Diversity at Nissan

Nissan established the Diversity Development Office in Japan in 2004 to play a principal role in supporting the advancement of female employees and promoting multicultural understanding. These efforts to enhance Nissan's diversity and the value it places on a diverse workforce have not gone unnoticed.

In 2015, Nissan 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. In 2017, moreover, Nissan earned a spot as a Nadeshiko (active utilization of women) brand for the fifth consecutive year since 2013.

These awards are a clear sign that Nissan's commitment to diversity is producing results and that the company is on the right track in making cross-cultural and gender diversity key elements of its competitive strategy.

## Nissan's Awards for Diversity

| Year | Award  | Sponsor                                |
|------|--|--|
| 2017 | Nadeshiko Brand (5th straight year)  | METI and TSE                           |
| 2015 | Incentive prize, Empowerment Award   | Japan Productivity Center              |
| 2015 | Platinum Kurumin Mark  | Kanagawa Labor Bureau, MHLW            |
| 2015 | Perfect Score (100) in Corporate Equality Index (2nd straight year)  | Human Rights Campaign (U.S.)           |
| 2015 | Prize for excellence, 15th Tele-work 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   | 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.)                   |





Platinum Kurumin Mark.



Advanced Corporation Awards for the Promotion of Women.

Nissan was the recipient of other awards in the United States.

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#### **CAREER DEVELOPMENT AND LEARNING OPPORTUNITIES**

Nissan believes that employees should "design their own careers" and that the company should actively assist their efforts to do so. Learning is an essential preliminary step for value creation, and a corporate culture of learning cannot exist without the desire to create value. As an organization that grows through constant learning, Nissan supports employees' personal growth through proactive human resource development.

#### Continually Improving Human Resource Systems

Nissan values the skills and potentials of all employees, working constantly to improve its human resource systems to achieve an organization empowering employees to reach their full potential. The evaluation-based remuneration system used to accurately gauge employee contributions is structured in a way that motivates them to set and achieve high goals. An employee's salary is determined through a combination of performance evaluations, which measure how well the employee achieved certain goals (commitments), and competency evaluations, which measure their skills, knowledge and attitude.

#### Support for Self-Designed Careers

Under a human resource management policy of offering employees opportunities for personal growth and satisfaction as long as they create value, Nissan invites employees to meet with their supervisors at least twice a year to discuss their performance and competency evaluations, as well as their career aspirations and goals.

Training programs to raise the evaluation skills of supervisors also contribute to the enhancement of career designing capabilities of employees. Specialized tools keep track of evaluation records so that even a newly instated supervisor can ascertain employee progress at a glance, maintaining consistency in human resource development. Nissan conducts surveys to gain employee input regarding the evaluation meetings and to learn their level of understanding and comfort with the system. Based on the results, the company implements measures and makes improvements if necessary. Nissan also monitors employee satisfaction regarding the meetings with their supervisors, and there has been an improvement in employee understanding and acceptance of the evaluation system.

Employees in Japan also have the chance to take on the challenge of a new position through the Shift Career System (SCS) and the Open Entry System (OES). The SCS enables employees to apply for positions in other departments and work in areas that interest them regardless of whether there is a position immediately available. The OES allows them to apply for all openly advertised positions. During fiscal 2016, a total of 205 employees applied for 126 open posts, and 70 of them succeeded in getting the positions they applied for.

#### Offering Learning Opportunities

Within the company, Nissan implements training programs allowing employees to gain the task- and position-specific skills they need and giving them opportunities to extend their knowledge in fields of their choosing. These measures create a culture of constant learning at the global level within Nissan.

#### Training Programs at Global Headquarters in Japan

|                                 | FY2014   | FY2015   | FY2016   |
|---------------------------------|----------|----------|----------|
| Number of trainees              | 14,007   | 13,597   | 14,194   |
| Total hours in training         | 452,631  | 495,779  | 452,174  |
| Hours per trainee               | 19.4     | 21.9     | 20.1     |
| Trainee satisfaction (out of 5) | over 4.2 | over 4.2 | over 4.2 |
| Investment per trainee (¥)      | 71,700   | 74,000   | 69,000   |

#### Nissan Learning Center

Employees are the most important resource for Nissan, and cultivating their skills is a vital task for the company. The Nissan Learning Center is a specialized training institute established to offer employees high-quality and timely skill-development opportunities to support their growth. The center provides training for all employees based on the Nissan Way and structured around the four pillars of "enhancing familiarity with the Nissan Way," "improving management skills," "improving business skills" and "improving technical skills." The center also operates Monozukuri University to enhance the skills of Nissan's core manufacturing-related human resources.

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#### Monozukuri University

The auto industry today is marked by the rapid pace of innovation and increasing technological sophistication. To maintain and develop its *monozukuri* tradition of careful craftsmanship that underpins the company's internationally competitive product manufacturing, Nissan needs individuals who have an understanding of the latest technologies that go into building an automobile and well-rounded personalities with outstanding management skills. Monozukuri University was set up within the Nissan Learning Center to develop capable leaders who can pass down Nissan's technologies and skills to future generations. It offers a variety of programs aimed at developing engineers and technicians who carry forward the "Nissan DNA" and achieve continued success through the implementation of the Nissan Way. The "university" comprises Nissan Technical College, Genba Kanri (shop-floor management) School and Engineering School.

#### Engineering and Technical Skill Education Around the World

To support Nissan's efforts to expand its business globally, the company must improve the engineering skills of individual employees working across the globe. The company offers 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.

#### **Education for Engineers**

Nissan developed a global training program (GTP) to be administered to its 19,000 engineers at development centers worldwide and completed basic training of all engineers from 2012 through 2015. Since 2016, Nissan has been working on advanced training covering more specialized content.

#### **Education for Technicians**

To clearly spell out the production methods shared by Nissan and Renault as the APW (Alliance Production Way) and improve the day-to-day management skills of shop-floor supervisors in the 106 plants operated by the two companies around the world, a shared Nissan-Renault group framework for stratified APW training is being developed, with the goal of making the training available simultaneously worldwide by the end of fiscal 2017.

#### Improving Management Quality

Nissan has worked to improve the quality of its management at the global level in order to fulfill the goals of Nissan Power 88, ■ its midterm business plan through fiscal 2016, and achieve sustainable growth. In Japan, the company has established a training framework for midlevel managers. This gives them opportunities to promote activities that put the Nissan Way into practice and to extend their skills in managing people and business operations.

Specifically, Nissan engages in (1) cultural diversity training to promote understanding of the actions and mindsets described in the Nissan Way; (2) business skills and leadership training to nurture professionals; and (3) training in on-site management to teach the importance of operational excellence and people motivation and to achieve maximum results through collaboration. These three core components of the training framework are supplemented with additional programs.

In North America and Europe, meanwhile, the Nissan Way Leadership Academy program for managers examines how the Nissan Way has been put to use most effectively and shares those actions as part of training tools to elevate management quality overall.

#### **Training Future Leaders**

To continually foster future managers and specialists who will lead the company, Nissan implements a strategic and systematic approach to training, job rotations and recruitment.

Specifically, Nissan engages in leadership training aimed at passing down the knowledge and experience to the next generations of workers. These programs are offered at various development stages, including those for young employees, regional middle managers and Group senior managers. Training consists of group sessions for intensive training in business skills, action-based sessions where participants tackle issues actually facing Nissan and cultural diversity classes to promote understanding of the issues.

A number of rotational programs are strategically and systematically implemented to give promising employees the experience needed to serve in management posts and direct global functions as capable managers and leaders.

Nissan is reinforcing its human resources not only through the recruitment of new graduates but also by actively hiring outstanding mid-

**▶** website

Click here for more information on the Nissan Power 88 midterm business plan.

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level management candidates.

These talent management schemes are effectively operated through regular human resource meetings among senior managers. In these meetings, outstanding human resources are identified, then development plans and succession plans are made. Nissan's strategic talent management system is globally coordinated and active at the global, regional and functional levels.

#### Fostering Specialized Skills

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 2016, the system's 11th year, there were 43 employees active as Expert Leaders and 2 management-level employees as Nissan Fellows in a total of 99 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 specialized skills in seminars and training courses.

#### **BUILDING SAFE WORKPLACES**

Nissan promotes practices aimed at reducing worker burdens and improving productivity. Promotion of employee health is a top priority and has been established as a key tenet in Nissan's companywide declaration on workplace safety.

#### **Employee Safety and Health Management**

Nissan has adopted a Basic Policy on Safety and Health so that all employees can focus on their work in a safe environment. It gives top priority to worker safety as well as their well-being as a matter of company policy. The work environment relating to employee safety and health is managed uniformly according to the Basic Policy at all Nissan sites, both in Japan and globally.

In Japan, Nissan holds a Central Safety and Health Committee meeting each year chaired by the executive in charge 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. Each facility holds a Safety and Health Committee meeting each month, attended by labor union representatives. A safety and health officer is assigned at each workplace to ensure that all employees receive relevant information.

Globally, each facility applies the PDCA 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. In the event of an accident, details and responses are shared globally in an effort to fully prevent their recurrence.

Many facilities both in Japan and globally have introduced the OHSAS 18001 ■ occupational safety and health standard, creating a structure for the steady implementation of employee safety and health activities.

#### A Uniform Set of Global Safety Standards

To allow all employees to maximize their performance, Nissan designs workplaces with employee safety and health in mind.

The company works proactively at all levels to identify potential issues or concerns in the workplace environment, develops measures to address them and makes it easier for employees to get their jobs done. In 2010, Nissan standardized the safety indices that previously differed among its global sites. Safety performance is monitored quarterly for each production site.

#### Improved Production-Line Environments

Nissan seeks to fulfill the company's mission of engaging in "human-friendly production" by continuously improving the workplace environments of its manufacturing facilities worldwide. In workplaces where summer temperatures can be high, for example, Nissan has installed internal cold-air ducts and ensured there are set breaks to drink water, particularly in locations with considerable workloads. This is part of constant improvements to allow employees to work in a comfortable environment.

 An internationally recognized standard for occupational safety and health management systems.
 Certification may be issued by a thirdparty accrediting body.

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#### 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 potential for a work accident are the Safety Evaluation System (SES) and the Fire-Prevention Evaluation System (F-PES). Applied in Japan, 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. 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 Nissan has been systematically carrying out risk-prediction training at plants in Japan to ensure that individual workers are aware of the risk of accidents and to help prevent accidents. This training, which was continued in fiscal 2016, cultivates appreciation of danger among workers, thus reducing their risk of work accidents. Nissan is endeavoring to increase this method's effectiveness through repeated application.

# **Global Occupational Accident Trends**

■ Total lost-time injury

working hours × 1

injury cases + total

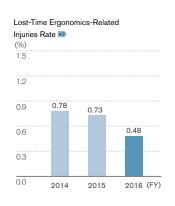
working hours × 1

cases + total

Total lost-time ergonomics-related

million





# Specialized Mental Healthcare

Nissan has put together a specialized team led by a mental health professional to care for the mental well-being of employees. In 2005, in cooperation with external mental healthcare specialists, the company introduced the Employee Assistance Program (EAP), a mental healthcare program providing employees with consistent care covering everything from prevention and early diagnosis to treatment and recovery. Since fiscal 2007 the program has expanded to include production-line workers, giving employees and their family members access to mental-health professionals for consultations, diagnosis and counseling. Nissan also offers specialized care programs that respect employee privacy, such as the yearly "Stress Check," through which employees receive advice from a doctor via email or letter. In fiscal 2011 the company's mental health training was extended to cover items bolstering the mental health of individual employees. Nissan promotes mental healthcare through a wide range of approaches.

#### Rehabilitation Center to Facilitate Return to Work

Appropriate support mechanisms are required to facilitate an employee's return to work in case of long-term or recurrent absence due to a mental or physical ailment. Nissan's support in this area includes rules established in 2008 for the use of external rehabilitation centers to ease employees' return to the workforce following long-term or recurrent absence. An in-house rehabilitation facility opened in 2012. By offering various programs suited to the needs of the respective workplaces, Nissan is seeing improvements in the return-to-work ratio.

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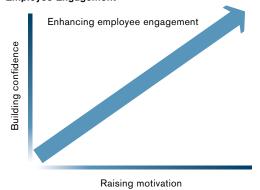
#### **DIALOGUE WITH EMPLOYEES**

For both Nissan and its employees to continue to grow in the face of globally expanding corporate activities, employees need to understand the direction in which the company is moving and implement their own actions toward the achievement of business objectives. Overcoming challenges to achieve those goals can lead to personal growth for the employee and contribute to the realization of the company's vision. Nissan is strengthening its communication with employees so they will feel united with the company and be more engaged in tackling the challenges before them.

# Strengthening Communication to Raise Motivation and Build Confidence

Nissan worked as a company to promote the Nissan Power 88 midterm business plan during its implementation period through fiscal 2016. To achieve the plan's objectives, though, all employees were called on to embrace Nissan's corporate vision and understand the significance of Nissan Power 88. Employees' pride in the company's achievements and trust in the sustainability of its corporate activities were essential for the plan's success. At the same time, the company needed to motivate employees, encouraging them to take self-initiated action. Internal communication activities thus focused on building confidence among employees and increasing their motivation.

#### **Employee Engagement**



# **Enhancing Communication Channels**

Building confidence between a company and its employees is based on the trust established through transparency of communication. Nissan discloses its statement of accounts and other business results to employees in a timely manner. Joint Renault-Nissan Alliance teams are organized in R&D, production engineering, supply-chain management, purchasing and human resources to deliver additional synergies. Information about the Alliance is shared with employees, enabling them to understand the goals and benefits derived from the Alliance.

A deeper understanding of Nissan's Intelligent Mobility concept and the company's products, services and technologies is gained through timely communications that engage employee interest and boost their motivation. Nissan proactively updates its employees on its leadership in achieving a zero-emission society, development of Autonomous Drive vehicles and other long-term projects, as well as providing test drive opportunities and other occasions for employees to participate in company activities. In order to improve understanding of its sponsorship activities, Nissan also held a competition in which "challenge stories" were submitted by employees worldwide and selected employees from each region were invited to the Rio de Janeiro 2016 Olympic Games. In addition to improving understanding, this activity raised the motivation not only of the chosen employees but also of the employees who read the stories.

Nissan is enhancing coordination among its various departments and with senior management 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 state of the company address, reflecting on the past year's performance and highlighting the direction for the new year. These are specific communication events that help build relationships of trust between the employee and the company. Leadership Exchange meetings, where the CEO and other Executive Committee members examine important issues with middle and senior managers, are held twice a year. The issues discussed are then shared and cascaded within each department. On a monthly basis, topics based on employee interest are also broadcasted through live web conferences called Management Information Exchanges (MIE), which encourage engagement between Executive Committee members and managers.

Employee motivation is also raised through new model announcements and test drive events, where employees gain a deeper understanding of

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Nissan's products and learn to convey product features and attractiveness to their friends and families more effectively. These have been well received, with some participants stating that their enhanced knowledge of Nissan products has boosted their pride in the company and their work motivation, and have been highly effective in creating "brand ambassadors" for Nissan.

Nissan's internal communication tools also help build relationships of confidence and boost employee motivation. Since Nissan introduced a corporate intranet system called WIN (Workforce Integration @ Nissan), it has been actively used to promote communication, information sharing and collaboration among employees. The WIN network now goes beyond Nissan Group companies to include Nissan's major business partners, helping communicate information that raises motivation on a global basis.

In fiscal 2014, Nissan began issuing Engagement Kits that summarize its global operations, business performance and major achievements. These kits are distributed to managers every month and are used as communication tools for information sharing. The managers receiving this information are responsible for disseminating it in their respective departments. This is intended to promote workplace communication, deepen employee understanding and raise motivation. A printed in-house newsletter called *Nissan News* is published monthly for employees at Nissan production sites, letting them access needed information with no time lag.



Nissan employees selected to go to the Rio 2016 games.

#### Timely Communication to Employees on Mitsubishi Motors

Nissan's new relationship with Mitsubishi Motors Corp. was also communicated to employees in a timely fashion. The shared press conference was broadcast live to the company's offices, and the CEO held a town-hall meeting with employees the day after the announcement. Following this, in order to answer employee questions and ensure highly transparent information disclosure, both companies used their intranets to promote mutual understanding by sharing information about each other along with the results of an employee survey conducted at both companies.



The CEO's town-hall meeting connected GHQ and other sites.



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# **Employee-Executive Exchange**

Deepening mutual understanding and confidence requires opportunities for employees to voice their views and to share them with company executives. Nissan has made efforts to communicate information that will lead to greater employee confidence toward the achievement of its Nissan Power 88 midterm business objectives. These efforts are monitored on an ongoing basis through key performance indicators (KPIs) and reflected in internal communication activities. The company conducts regular surveys regarding these communication initiatives and the results are conveyed to company executives. The survey results are also used to run a PDCA (plan, do, check, act) cycle, with plans implemented based on decisions on whom to target and what type of additional information to communicate.

#### PDCA Cycle for Internal Communication Activities

