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CORPORATE GOVERNANCE & INTERNAL CONTROL

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 the company will actively disclose its initiatives to this end. Nissan has extensive global operations with numerous stakeholders around the world. It is essential that the company continue to earn their trust while ensuring the high ethical standards and compliance of all employees.

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. Nissan has established a corporate governance system that maintains business transparency. The system allows Nissan to implement various monitoring systems, as well as assess and effectively manage risks that have the potential of preventing the company from achieving its business goals. In addition to carrying out cooperation among sites in the regions in which it operates, Nissan has set up global management systems and provides relevant training programs to its employees and business partners.

NISSAN'S ACTIONS

Global participation rate for Nissan Global Anti-Bribery Policy and Export Control training:

95.0%

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CORPORATE GOVERNANCE & INTERNAL CONTROL

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 |
|-------------------|--|---|--|------------|
| Compliance | A fully functioning framework for the prevention of conduct violations and compliance at all Nissan companies. | <ul style="list-style-type: none"> • Holding of Global Compliance Committee meetings • Implementation of global compliance plan and policies as necessary | <ul style="list-style-type: none"> • Conducted regular Global Compliance Committee meetings • Established a new global policy management strategy • Launched and integrated global externally hosted compliance hotline system • Conducted investigation training to support hotline preparedness • Conducted general compliance training for the R&D function • Rolled out biennial antibribery and export control training | ✓✓ |
| Risk management | Implementation of PDCA cycle annually and ensuring that risk management is functioning properly. | Implementation level in the following areas based on the risk-management process <ul style="list-style-type: none"> • Assessment of corporate risks and revision of risk map • Reports and proposals to management • Disclosure of risk-management activities to stakeholders • Oversight of risk-management activities and regular reports to Board of Directors | <ul style="list-style-type: none"> • Conducted risk survey according to annual process • Proposed candidates of FY16 corporate risks and owners to the Corporate Risk Management Committee • Managed each risk under lead of risk owners • Submitted interim and year-end reports on level of implementation of activities via the Internal Control Committee to the Board of Directors; acknowledged that the risk-management PDCA cycle was mostly functioning properly • Updated "Business and other risks" in financial information (<i>Yukashoken-Hokokusho</i>) and "The current state of Nissan's risk management" in Sustainability Report • Held meetings to share information and to exchange opinions with major Japanese affiliates twice a year; with major overseas affiliates and Renault once a year | ✓✓ |
| | Achievement of benchmark levels for maintenance and enhancement of information security, prevention of information leaks, and damage limitation and maintenance of transparency in the event of leaks. | Degree of implementation of measures in the following areas based on the Information Security Policy: <ul style="list-style-type: none"> • Holding of Information Security Committee meetings • Implementation of annual training • Management of incidents • Management of information assets • Assessment of information security | Implemented the following measures based on the Information Security Policy: <ul style="list-style-type: none"> • Strengthened Information Security Committee management • Implemented annual training and revised content as needed • Quickly identified internal incidents and implemented actions to prevent recurrence • Continually improved management of information assets and strengthened asset identification and tracking process • Assessed information security and revised assessment indicators • Based on examples of cyber attacks, internal violations and other recent incidents at other companies and organizations, made improvements to help prevent similar incidents from occurring at Nissan | ✓ |

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NISSAN'S APPROACH TO CORPORATE GOVERNANCE & INTERNAL CONTROL

Governance systems, compliance and risk management are key factors in Nissan's business management. The company's global approach to corporate governance is founded on three pillars: construction of a system in which management responsibility is clear and transparent; compliance built on the high ethical standards of all employees; and an effective and appropriate risk-management system.

CORPORATE GOVERNANCE SYSTEM

Nissan believes that enhancing corporate governance is one of its most important business issues. Ensuring clear management responsibility is a key way to achieve this. Nissan announces clear management targets and policies to all stakeholders and discloses its performance promptly with a high degree of transparency. In addition to this dedication to clear targets, management shares the message, set strongly at the top levels of the company, that the only way to achieve sustainable results is through complete transparency and a process of learning from mistakes.

Corporate Governance System in Detail

To increase management transparency and flexibility, Nissan uses a corporate structure with supervision by the Board of Directors and auditing by the Statutory Auditors. The company has also adopted a corporate officer system. This clarifies the structure for taking responsibility and ensures appropriate supervision and auditing of activities by the directors. The Board of Directors includes outside directors and makes key decisions on important company operations, as well as supervising individual directors' execution of duties.

Nissan's Board of Directors is compact, enabling effective and flexible management, with authority regarding operations clearly entrusted to corporate officers and employees. Additionally, Nissan has established focus committees whose chairs are responsible for carrying out discussions on important company matters and daily operations.

Internal Control Systems

Nissan places high value on transparency in its corporate management, both internally and externally. The company focuses on consistent and efficient management to achieve clear commitments. 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. One board member is assigned to oversee the Internal Control Systems as a whole.

Nissan has adopted a system under which the Board of Statutory Auditors oversees the Board of Directors. The Statutory Auditors attend board and other key meetings and carry out interviews with board members to audit their activities. The Statutory Auditors regularly receive reports on the results of inspections, as well as plans for future audits, from independent accounting auditors and exchange information to confirm these reports. The Statutory Auditors also receive regular reports from the Global Compliance Office and the Global Internal Audit Office, making use of this information for their own audits.

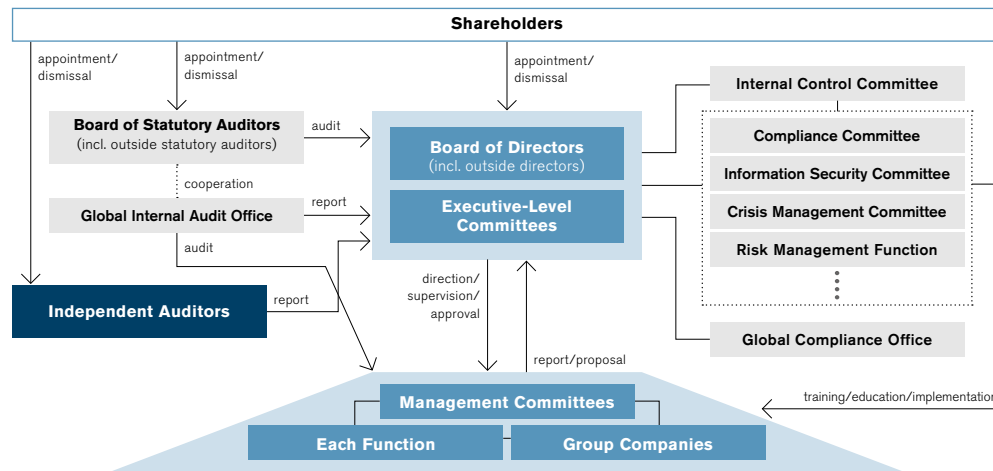
Independent Internal Audits

Nissan has established a global internal audit unit, an independent department to handle internal auditing tasks. Under the control of the Chief Internal Audit Officer, audit teams set up in each region carry out efficient, effective auditing of Nissan's activities on a groupwide and global basis.

► website
 Click here for more information on the Board of Directors.

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Nissan's Internal Governance System (As of March 2017)



COMPLIANCE

Nissan understands that acting with integrity and with 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 do their jobs, maintaining the highest ethical standards. To raise compliance awareness throughout the company, Nissan has established a Global Compliance Office, as well as specialized departments, and has appointed officers to promote compliance in each region where it operates.

Employees and Compliance

The foundation of Nissan's CSR promotion is based on each employee's ability to do his or her job with a high level of integrity. In 2001, the company produced the Nissan Global Code of Conduct, outlining a set of guidelines for employees to put into practice. Today this Code of Conduct is applied at all Nissan Group companies worldwide.

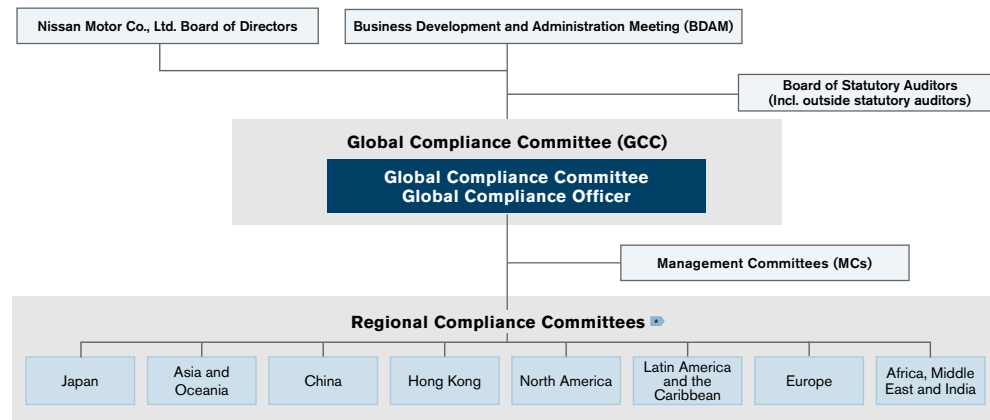
Nissan has also produced guidance for directors and corporate officers regarding compliance, holding regular seminars and educational activities to ensure strict adherence to the rules. Under the oversight of its Global Compliance Committee, the company has established regional compliance committees in each region where it operates to form a system for detecting and deterring illegal and unethical behavior. Nissan is working with all regions and bases of operation to ensure full awareness of compliance issues and to engage in prevention of illegal activities. The company has processes in place to take appropriate disciplinary actions against those who violate or infringe on the Global Code of Conduct or the law. In fiscal 2015, Nissan established a Global Compliance Office to ensure more rigorous compliance management.

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

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FY2016 Global Compliance Committee Organization (As of March 2017)



Each Regional Compliance Committee oversees various local compliance committees as appropriate.

Security-Related Export Controls

To help maintain both national and international peace and security, Nissan thoroughly complies with export control laws and regulations in Japan and other countries and regions where it operates to prevent sensitive goods and technologies from reaching sponsors of terrorism, as well as corporate espionage or human rights violations. In line with these rules, Nissan implements export controls under an independent system headed by its representative executive. Specifically, working together with business owners, the Export Control Global Secretariat sets control and monitoring mechanisms to ensure compliance with security-related export controls. The company strictly applies this process to its operations.

Nissan is responsible for compliance with all regulations related to managing exports of goods, software and technologies in all areas in which it operates. In 2017, the company developed the Global Export Regulatory Compliance Policy to more clearly establish its responsibilities for ensuring compliance. This applies to all its global employees, as well as those working at Nissan's contractors, affiliated companies and subsidiaries. It also applies to the company's business partners (third parties, suppliers, distributors and dealers).

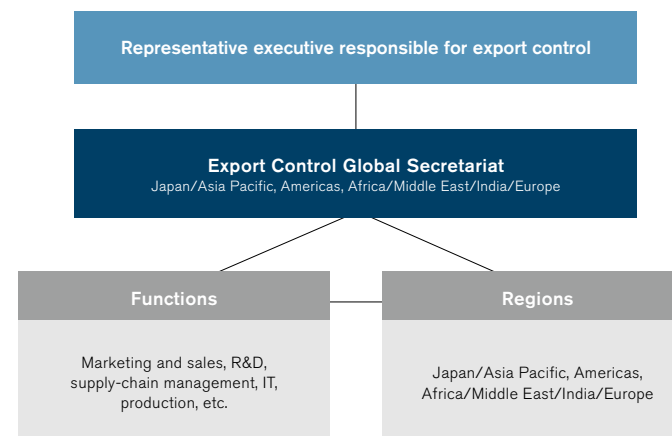
With the overall aim of improving the level of internal control, Nissan

strives to conduct regular risk-assessment activities in connection with export controls in each region, to create monitoring mechanisms that are in step with regulatory requirements and business demands and to continually improve its operations. The company has also continued to actively engage employees in understanding export control issues through sustained training efforts. Specialized training for the R&D function, carried out in Japan, is also offered in the United States and China; in Spain and Russia, meanwhile, a consistent educational program is carried out across the Renault-Nissan Alliance.

Overall, the Secretariat has increased knowledge globally and demonstrated that compliance can help minimize risk and facilitate trade. More specifically, the Secretariat supports global sales initiatives in large exporting Nissan entities with relevant controls and proactively provides regulatory advice on new Nissan technology, such as Autonomous Drive, in-car connectivity and EVs, so as not to hinder their development.

Targeting further rapid progress, Nissan has begun detailed discussions with Mitsubishi Motors Corp. on optimizing export controls for ensuring compliance with regulations concerning trade of goods, software and technologies.

Global Export Control Policy Framework



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Promoting Thorough Compliance

Nissan has established a Global Code of Conduct and has set up a Global Compliance Office as well as departments and officers at each of its operations worldwide to take responsibility in promoting compliance measures.

Moreover, all Group-affiliated companies have introduced their own codes based on the Nissan Global Code of Conduct. The Code of Conduct is supported by training courses to establish a full understanding of the content. The 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 cross-the-board understanding, making sure all employees are fully aware of Nissan's policies and have the ability 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 and use of social media. With these policies in place, Nissan is working to heighten awareness and reduce infractions.

A number of education programs to promote compliance are held regularly for employees in all regions in which Nissan operates. For example, by fiscal 2016, 95% of targeted employees had undergone training on the Nissan Global Anti-Bribery Policy, which is one of the core compliance policies of Nissan. Furthermore, following known industry issues, Nissan proactively launched compliance training for all research and development employees worldwide.

▶▶ website
 ▶ Click here for more information on the Nissan Global Anti-Bribery Policy.

Global Code of Conduct for Nissan Group

Principle

The following standards apply to all employees in Nissan Group companies (collectively herein referred to as "Nissan" or "Company"). Each member of the Company is charged with responsibility to uphold and extend this Code of Conduct.

Global Code of Conduct

- ① **Comply with All Laws and Rules**
 Nissan employees will abide by all laws of the country, and all regulations of the Company, in which they work.
- ② **Avoid Conflict of Interest**
 The best interests of Nissan are expected to be foremost in the minds of employees. It is prohibited to behave, act or use information in a way conflicting with Company interests.
- ③ **Preserve Company Assets**
 Nissan employees are personally accountable for preserving and safeguarding Company assets. Unauthorized use or diversion of Company assets, including funds, information and intellectual property, is prohibited.
- ④ **Be Impartial and Fair**
 Nissan employees must maintain impartial and fair relationships with business partners, including dealers, parts suppliers and other third parties.
- ⑤ **Be Transparent and Accountable**
 Nissan employees shall make fair, transparent, timely and appropriate disclosure of the Company's business activities to our stakeholders, including stockholders, customers, other employees and local communities.
- ⑥ **Value Diversity and Provide Equal Opportunity**
 We value and respect the diversity of our employees, suppliers, customers and communities. Discrimination or harassment, in any form or degree, will not be tolerated.
- ⑦ **Be Environmentally Responsible**
 Nissan employees shall strive, within the business objectives of Nissan, to consider environmental protection when developing products and services, to promote recycling and to conserve materials and energy.
- ⑧ **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, and such employees shall be protected from retaliation.

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Nissan's Stance Against Discrimination and Harassment

Item 6 of Nissan's Global Code of Conduct, "Value Diversity and Provide Equal Opportunity," is the requirement 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 the 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, physical capability, sexual orientation, age, place of origin or any other reason; nor may they allow such a situation to go unchecked if discovered. The company also works to ensure that all employees, both male and female, can work in an environment free from sexual and other forms of harassment.

Internal Reporting System for Corporate Soundness

To promote thorough understanding of compliance among employees worldwide and to facilitate sound business practices, Nissan established a globally integrated reporting system. This system continues to allow Nissan to comply with Japan's Whistleblower Protection Act of April 2006. Through this system, employees can ask questions or voice concerns to the company, thereby improving workplaces and operations. The system introduced under the name "SpeakUp" facilitates, where allowed by law, employees' and other stakeholders' anonymous reporting and two-way confidential communication. Employees are encouraged to report violations of the Code of Conduct or other company rules and are protected from retaliation by Nissan's nonretaliation policy, which is a cornerstone of the Compliance Program.

Principles for and Approach to Corporate Risk Management

Risk management must be a real-world activity that produces concrete measures. Based on its Global Risk Management Policy, Nissan carries out activities on a comprehensive, groupwide basis.

To respond to changes in its business environment, Nissan has set up a department in charge of risk management that carries out annual interviews of corporate officers, carefully investigating various potential risks and revising the "corporate risk map" in line with impact, frequency and control level.

The Executive-Level Committees make decisions on risk issues that must

be handled at the corporate level and designate "risk owners" to manage the risks. Under the leadership of these owners, the company designs appropriate countermeasures. Finally, the board member in charge of internal control regularly reports to the Board of Directors on progress.

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 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 addition, Nissan has created an area on its intranet called "Corporate Risk Management." Information relating to risk management is also distributed to subsidiaries in Japan, North America, Europe and other overseas regions, as well as to major affiliated companies.

The business environment in which the company operates has been increasingly volatile in recent years, including such aspects as the widespread adoption of new technologies and growing geopolitical risks. Nissan will continue to bolster its activities in this area so it can appropriately meet any changes ahead.

Protecting Personal Data and Reinforcing Information Security

Nissan shares its 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. The company reliably addresses issues by identifying internal and external information leaks as they occur worldwide and reinforces information security on a timely basis. To thoroughly educate and motivate employees to adhere to relevant policy, the company institutes regular in-house educational programs.

Moreover, Nissan recognizes its social responsibility to properly handle customers' personal information in full compliance with the respective personal information protection law in each region. Nissan has set up internal systems, rules and procedures for handling personal data. All Group companies are fully enforcing these processes.

► website
 Click here for more information on risk management.