

Actions for Minerals Sourcing

1. Nissan minerals sourcing policy

Nissan's goal is to conduct ethical, social and environmentally conscious business practices at every level of its global supply chain.

The company monitors its supply chain to assess whether the mineral resources contained in materials or components used to manufacture its products have any harmful social effect, such as on human rights or the environment. When there are concerns about the minerals being used Nissan actively works to end that use.

Nissan established a policy against use of conflict minerals in 2013. Following this in July 2020, it formulated and published its new Global Minerals Sourcing Policy and expanded the scope from the conflict minerals known as 3TGs (tin, tungsten, tantalum, and gold) to all minerals including cobalt from conflict-affected and high-risk areas.

2. Actions for minerals sourcing

1) Actions against conflict minerals

Natural resources mined in the Democratic Republic of the Congo and nine adjoining countries are gaining attention as potential risks to the environment and contributing factors to human rights violations, as they could be the source of funds for armed groups. In acknowledgement of this, the Dodd-Frank Wall Street Reform and Consumer Protection Act (enacted by the United States in July 2010) includes the below articles.

I. Conflict minerals are defined as tin, tungsten, tantalum and gold.

II. Companies must ascertain whether the conflict minerals used in their products are acting as a source of funds for armed groups and report on this annually.

As a company not formally listed on US stock exchanges, Nissan is not legally bound by the act's regulations. Nevertheless, the company agrees with the spirit of the legislation, is aware of the common international understanding on this issue and is actively working to end its use of conflict minerals.

Activities and survey for conflict minerals conducted in 2020

I. Due diligence process

Based on the OECD Due Diligence Guidance, Nissan is aiming to achieve conflict-mineral-free procurement for all parts and components, and since 2013 has been conducting annual surveys of its supply chain. In addition, to increase efficiency and transparency in its investigation process, Nissan is collaborating on surveys with the auto industry (the Japan Automobile Manufacturers Association, the Japan Auto Parts Industries Association and these organizations' respective member companies). Nissan has also established regular information sharing with the electronics industry (the Japan Electronics and Information Technology Industries Association).

II. Survey methods

Nissan began conducting conflict-mineral surveys in its major operational areas (Japan, North America and Europe) in 2013. Since 2014 the scope has been expanded to include all our suppliers worldwide. The survey tracks minerals back through the supply chain with a document commonly used in the auto and electronics industries, a CMRT (Conflict Mineral Reporting Template) produced by the RMI.* This lets us identify smelting and refining companies and check whether they are procuring minerals that are a source of funds for armed groups in their regions.

During actual surveys, we provide suppliers that have asked to conduct surveys with manuals describing how to fill in required forms and what tools to use to collate results. In this way we work to increase understanding of conflict-mineral issues throughout the supply chain.

* RMI stands for Responsible Minerals Initiative, an organization with member companies and associations from the information and communications technology and other industries that works to improve global social and environmental awareness.

III. 2020 survey results

In the 2020 survey we did not find any suppliers using minerals from smelters/refineries assumed to be connected to armed groups.

IV. Future efforts

Going forward, Nissan plans to implement effective surveys by improving survey methods, working both within the auto industry and together with the electronics industry.

We will continue to seek responses from suppliers that did not reply to the survey.

2)Actions for other minerals

Nissan is aware that not only geopolitical risk but also environmental impact and human rights issues

related to cobalt mining have been pointed out. Since 2018, Nissan has conducted interviews with its lithium-ion battery suppliers and follows up with them on a regular basis. We are enhancing our approach to identifying cobalt smelters/refineries by referencing the OECD Due Diligence Guidance. The identified smelters/refineries are as followings. We will disclose them on an ongoing basis.

Smelters/Refineries	Location
GEM	China
Huayou Cobalt	China
Huayou Cobalt	DRC
Glencore	DRC

Details of our efforts are also available in the Sustainability Report.