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# ENVIRONMENTAL POLICIES AND PHILOSOPHY

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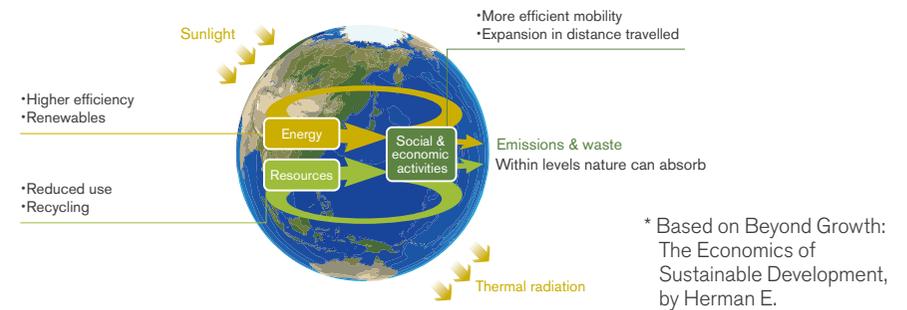
## Environmental Principles

As we strive to understand the environment better, all of us at Nissan bring to our activities a shared concern for people, society, nature and the earth. This commitment and concern is embodied in every Nissan product and in all of the company's operations, including sales, as the driving force of Nissan's ongoing contributions to a better society.

We provide customers with innovative products and services, by promoting the effective use of energy and resources, by diversifying our sources and making active use of renewable energy and recycled materials. These are just some of the ways in which Nissan is striving to achieve “a Symbiosis of People, Vehicles and Nature.”

To this end, we have clearly defined our ultimate goal: “To reduce the environmental impact and resource consumption of our corporate operations and vehicles throughout their lifecycle to a level that can be absorbed naturally by the Earth.” and set what we want to be. This means endeavoring to leave as small an ecological footprint as possible.

## Nissan's Environmental Philosophy: A Symbiosis of People, Vehicles and Nature



## Nissan's Environmental Philosophy: A Symbiosis of People, Vehicles and Nature

In addition to deepening our understanding of the environment, we conduct all of our operations, including production and sales, with consideration for people, society, nature and the Earth, as a means of contributing to the building of a better society.

### Ultimate Goal

We will manage the environmental impact caused by our operations and products to a level that can be absorbed by nature and pass on rich natural capital to future generations.

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## What We Want to Be: A Sincere Eco-Innovator

**Sincere:** Proactively address environmental challenges and reduce our impact on the environment.

**Eco-Innovator:** Develop a sustainable mobility society through innovative technology in products and services.

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## Nissan's Understanding of Environmental Issues

Environmental and social issues are attracting more and more attention in recent years. With the world's population expected to reach 9 billion by 2050, society faces problems in areas such as poverty and hunger, energy, climate change and various conflicts. To address these issues, the United Nations adopted a resolution in September 2015 titled "Transforming Our World: the 2030 Agenda for Sustainable Development." The Agenda contains 17 Sustainable Development Goals (SDGs) and 169 targets, and there are high expectations that corporations as well as nations will play a major role in realizing the SDGs. Nissan supports the SDGs, as it recognizes the growing importance of delivering safe, secure and sustainable mobility for all and providing value to society.

The auto industry is dependent on the global environment in complex and diverse ways, while also having significant impact on the environment. Nissan is tackling a range of issues to promote sustainability by advancing measures to mitigate climate change and conserve energy, preserve air quality and other natural capital, use mineral resources efficiently, properly manage chemical substances, efficiently allocate scarce resources and promote good health. We are also improving our business to reduce our

dependence on fossil fuels.

As a global automaker, we take active steps to identify the direct and indirect environmental impacts of our activities, working with business partners and society to minimize the negative impacts of our products and services throughout their lifecycle. We acknowledge that our activities and efforts must be continuously improved and advanced; we seek to provide greater value to society by delivering sustainable mobility for all while alleviating environmental impacts associated with climate change, natural resource dependency, water use and other issues.

We decide which environmental priorities we address and our level of engagement based on materiality assessments in light of social trends and consultations with various stakeholders.

\* Click here for more information on how Nissan supports the SDGs.

<https://www.nissan-global.com/EN/ENVIRONMENT/GREENPROGRAM/Framework/>

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## Nissan's Strategic Approach to Environmental Issues

To positively contribute to the resolution of global environmental issues, Nissan believes in the importance of listening to various voice from society and undertaking an assessment process to identify priority issues. These materiality assessments involve analyzing latent opportunities and risks, determining material issues that are of mutual relevance to Nissan and our stakeholders and drafting mid and long term environmental strategies. In assessing environmental materiality, we applied the methods of the

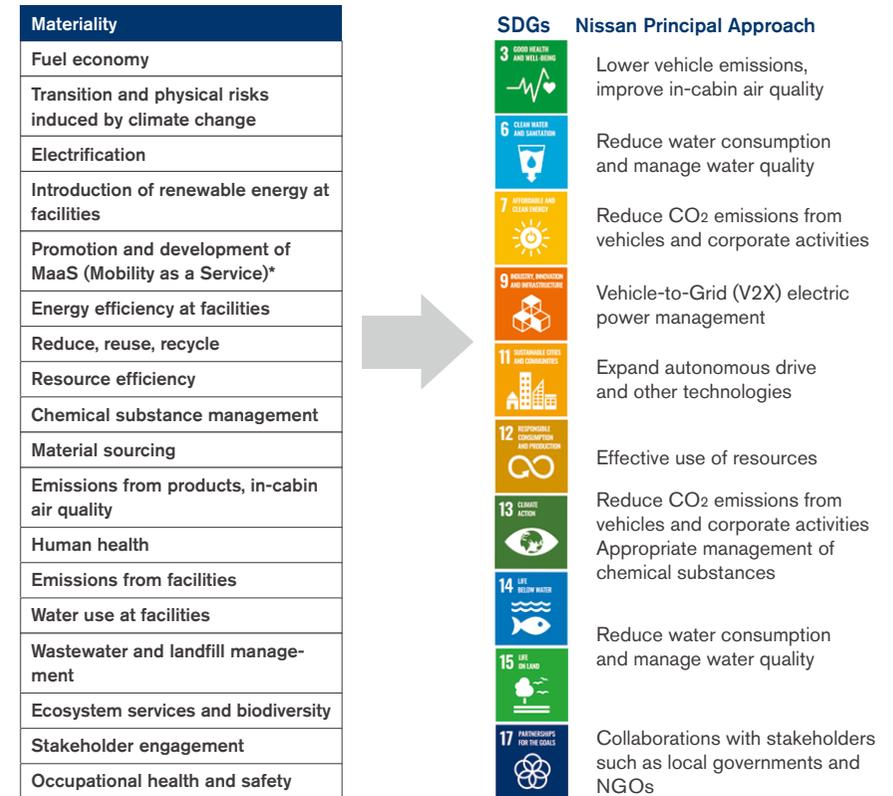
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Corporate Ecosystem Services Review (ESR),\* developed by the World Resources Institute (WRI) in cooperation with the World Business Council for Sustainable Development (WBCSD) and the Meridian Institute based on the U.N. Millennium Ecosystem Assessment (MA). As a result, we specified three priority areas on which we should focus as an automaker: Procurement of Energy, Procurement of Material Resources and Usage of Water Resources. A fourth area that is linked directly to people's health—Air Quality—was cited as being within the scope of consideration, as the swelling of urban populations and economic development are often accompanied by deteriorating air quality.

These were analyzed internally in terms of opportunities and risks for Nissan with reference to the 2030 Agenda for Sustainable Development, centered on the SDGs, as well as the discussions at the World Economic Forum, the Paris Agreement adopted at the 21st Conference of the Parties (COP21) and other global agendas. Through direct discussions with international environmental experts, investors and NGOs/NPOs, as well as through separate dialogues with our Alliance partners, we subsequently identified environmental materiality for Nissan. Moreover, Comparison between this environmental materiality and the objectives of the SDGs showed that Nissan's approach contributes to the realization of the SDGs.

\* Click here to read "Ecosystem Services and the Automotive Sector," a report outlining the conclusions of the Corporate Ecosystem Services Review conducted by Nissan.  
[https://www.nissan-global.com/EN/DOCUMENT/PDF/ENVIRONMENT/SOCIAL/ecosystem\\_services\\_and\\_the\\_automotive\\_sector.pdf](https://www.nissan-global.com/EN/DOCUMENT/PDF/ENVIRONMENT/SOCIAL/ecosystem_services_and_the_automotive_sector.pdf)

## Materiality Analysis (Environment) and SDGs Comparison



\* MaaS: Car sharing and other mobility services that do not require actual car ownership.

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## Scenario Analysis to Strategies for 2050 Society

Nissan's environmental efforts have achieved continuous results by consistently reaching milestones back-casted from our Long-term Vision. However, compared to the time when we formulated the Long-term Vision based on the 2° C scenario from the 2006 Intergovernmental Panel on Climate Change (IPCC) report, the threat of extreme weather due to climate change is increasing, thus we believe it is necessary to enhance our strategy and make it more resilient amid growing uncertainties.

The scenario analysis conducted for the purpose of strategic enhancements assumes societies based on the 4° C and 2° C scenarios presented in the International Energy Agency (IEA) 2050 time horizon and the 1.5C scenario in the IPCC special report. Furthermore, in consideration of factors including changes in customer and market acceptance, tightening automobile regulations and the transition toward clean energy, Nissan's business activities, products and services were examined in terms of strategic resilience to the opportunities and risks posed by climate change in the following four steps.

- Evaluate past materiality, investigate risk factors with a decisive impact on the automotive sector due to climate change in documented studies and define main drivers in categories such as population, economy, geopolitics, climate change policy and technology.
- Categorizing main drivers into physical risks and transition risks, then considering the trade-off relationships of each, we confirmed the degree of risk in three scenarios where the average temperature on Earth increased by 1.5° C, 2° C and 4° C.

- Based on the degree to which the automobile sector was impacted and the timeline, items with a more substantial impact were screened from the main drivers.
- Changes, conditions, and effects were adjusted in each scenario to provide guidance based on qualitative evaluation of the elements necessary for enhancing strategies.

As a global automobile company, the production facilities and market for our products will be 170 markets globally, and the effects of climate change will not be limited to Japan. When taking a comprehensive perspective of this scenario analysis, even the market infrastructure, regulations and actual usage are different, Nissan's electrification technologies have the potential to create opportunities for effective capabilities in scenarios other than 2° C. Nissan has come to recognize once again the importance of further accelerating efforts toward this realization as well as the fact that activities integrated with the supply chain are essential for responding to risks.

In particular, the expansion of zero-emission vehicles is not only a major step towards the shift to a carbon-free society as an automobile sector, it is also a technology that contributes to the resilience of society in power management and disaster mitigation and prevention. Nissan believes that it will be possible to strike a balance between value creation for society and business.

However, if the societal response to climate change is delayed, transition risks such as additional policies and regulations for a decarbonized society, increases in R&D efforts and changes in market demand or corporate

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reputation, and physical risks such as an increase in abnormal weather and rising sea levels may lead to cost increases and declines in vehicle sales that have the potential to substantially influence on our financial situation. To avoid risks such as these to the extent possible and create future opportunities, Nissan is leveraging knowledge gained from scenario analysis for use in actual activities and reviewing strategies for expanding resilience. We will continue to implement these initiatives by embodying our vision for 2030, further enhancing the disclosure of information and placing importance on dialogues with our stakeholders.

#### Envisioned scenarios and associated opportunities and risks

Scenario Assumption	Area of impact	Business Activity Opportunities and Risks Related to Ongoing Climate Change
1.5°C	Policies and regulations	Respond to further tightening of vehicle fuel efficiency and exhaust gas regulations, develop electric powertrain technologies and increase production costs
		Increased burden of energy costs due to expansion of carbon taxes, expand investment in energy-saving equipment as policy
	Technological changes	Cost effects of utilizing next-generation vehicle technologies such as in-vehicle batteries and other EV-related technologies as well as expanding autonomous driving technologies
		Increased demand will affect supply chains for rare earth metals used for in-vehicle battery material and cause an increase in stabilization costs
	Market changes	Changes in consumer awareness leads to reduce new vehicle sales due to the selection of public transportation and bicycles and the transition to mobility services.
Opportunities	Expand the provision of power management opportunities with Vehicle to Everything (V2X), an EV energy charging/discharging technology, and redefine the value of EV, especially with Vehicle to Grid (V2G)	
4°C	Extreme weather	The impact on the supply chain and the operation of production bases due to extreme weather such as heavy rain and drought will increase in property insurance costs and air conditioning energy costs
	Opportunities	The need for securing emergency power sources using EV batteries is increasing as a disaster prevention and mitigation measure

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## Global Environmental Management Framework and Governance System

To promote comprehensive environmental management as a global company while responding to a diverse array of environmental issues, Nissan has a governance system built on dialogue and partnership with each region and many corporate functions, as well as with a variety of stakeholders. The Global Environmental Management Committee (G-EMC), co-chaired by a board member, determines overall policies and the content of reports put before the Board of Directors. Its meetings are attended by corporate officers chosen based on the issues to be discussed. Executives also clarify the risks and opportunities before the company and determine the specific programs to be undertaken by each division, using the PDCA cycle to manage and operate the environmental programs efficiently. In addition, environmental risks are regularly reported in the Internal Control Committee meetings to strengthen corporate governance.

Corporations today are expected to disclose their environmental initiatives and related decisions in a reliable and transparent manner. We actively communicate with a broad range of stakeholders through our Sustainability Report and by answering inquiries from various environmental rating agencies.

## Global Environmental Management Framework



## Environmental Management Organization



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## Environmental Action Plan: Nissan Green Program (NGP)

We first announced the Nissan Green Program (NGP) midterm environmental action plan in 2002 to achieve our environmental philosophy of "A Symbiosis of People, Vehicles and Nature" and to ultimately reduce our environmental dependence and impact to levels that nature can absorb. Under NGP2016, launched in fiscal 2011, we fully achieved our targets for the four key initiatives of zero-emission vehicle penetration, fuel-efficient vehicle expansion, corporate carbon footprint minimization and natural resource use minimization. New plan NGP2022 was launched in fiscal 2017.

\* Click here for more information on NGP2022.  
<https://www.nissan-global.com/EN/ENVIRONMENT/GREENPROGRAM/Framework/>

### Evolution of NGP



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## NGP2022 Key Issues and Challenges

Based on environmental materiality analysis, Nissan has identified “climate change,” “air quality,” “resource dependency” and “water scarcity” as important issues under NGP2022. Furthermore, in order to contribute to the resolution of these four important issues and create new value, we are also working to strengthen the business foundation related to environmental issues through stakeholder engagement aimed at understanding the needs of stakeholders.

NGP2022 discloses indicators and progress on initiatives related to the four identified material issues every year. In addition to the development and production departments involved in car manufacturing, the sales and service departments and Nissan as a whole are also accelerating efforts related to environmental issues while strengthening our business foundation and working to create social value.

Under NGP2022, we will take on the challenge of addressing the following key issues, striving not just to attain compliance but also to meet society’s expectations and to realize our long-term vision.

- Climate Change: We aim for carbon neutrality  
Promote society’s decarbonization through vehicle electrification/  
intelligence and innovative future monozukuri
- Resource Dependency: We aim to eliminate the use of new material  
resources  
Create systems that use resources efficiently and sustainably, and create  
services able to use vehicles more effectively (circular economy)

- Air Quality: We aim for zero impact  
Ensure cleaner exhaust emissions and create a comfortable in-  
cabin environment to protect human health and reduce the impact on  
ecosystems
- Water Scarcity: We aim for zero stress  
Reduce water consumption and manage water quality with monozukuri  
that is considerate of impact and dependency on ecosystems

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## NGP2022 Action Plan

Activities	NGP2022 Objectives	FY2019 Results
Climate change (Product)		
Long-term vision: Achieve 90% reduction of CO <sub>2</sub> emissions from new vehicles by 2050 (vs. 2000)		
1	Product CO <sub>2</sub> emission reduction	40% reduction of CO <sub>2</sub> emissions from new cars (vs. FY2000; Japan, U.S., Europe and China)
		Reduced by 34.8%
2	Solid EV leadership	—
		Global sales increase of Nissan LEAF e+. Nissan LEAF is the first mass market EV and accumulated sales over 470,000 units. Release the concept of new EV[ARIYA] with advanced technologies.
3	Support driver's behavior	Pilot program with connected cars
		Activities underway
4	Expansion of vehicle usage	Global expansion of V2X for energy management (Japan, U.S. and Europe)
		Promoted expansion of usage
Climate change (Corporate)		
Long-term vision: Achieve 80% reduction of CO <sub>2</sub> emissions from corporate activities by 2050 (vs. 2005)		
5	Overall reduction of CO <sub>2</sub> emissions from corporate activities	30% reduction of CO <sub>2</sub> emissions per vehicle sold (vs. FY2005; global)
		Reduced by 34.0%
6	Reduction of CO <sub>2</sub> emissions at manufacturing sites	36% reduction of CO <sub>2</sub> emissions per vehicle produced (vs. FY2005; global)
		Reduced by 30.1%

7	Reduction of CO <sub>2</sub> emissions of logistics	12% reduction of CO <sub>2</sub> emissions per production (vs. FY2005; Japan, North America, Europe and China)	Reduced by 11.5%
8	Reduction of CO <sub>2</sub> emissions at offices (including R&D sites)	12% reduction of CO <sub>2</sub> emissions per floor area (vs. FY2010)	Reduced by 14.3%
9	Reduction of CO <sub>2</sub> emissions at dealers	12% reduction of CO <sub>2</sub> emissions per floor area (vs. FY2010; Japan)	Reduced by 17.8%
10	Expansion of renewable energy use	Expansion of renewable energy introduction	consumption rate of renewable energy at manufacturing plants 10.2%
Air quality			
11	Cabin air quality improvement	Promotion of research on technical solutions	Activities underway
12	Reduction of VOC emissions at manufacturing sites	Promotion of VOC emission reduction per paint area (vs. FY2010)	Reduced by 27.5%
Resource dependency			
Long-term vision: Reduce dependency on new materials by 70%			
13	Development of biomaterials	Promotion of research on technical solution	Development underway

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Activities		NGP2022 Objectives	FY2019 Results
14	Proper use of chemical substances	Implementation of the Alliance policy on chemical substance management	Strengthened Alliance policy and continued steady implementation
15	New resource usage minimization	30% reduction of new natural resource usage per vehicle	Promoted activities toward NGP2022 target
16	Expansion of remanufactured parts	Duplication of remanufactured item coverage (vs. FY2016)	Promoted activities toward NGP2022 target
17	Expansion of battery reuse	Expansion of the EV battery reuse business	Promoted EV battery reuse
18	Adoption of die-less forming	Plan and implement technical development	Start adoption to heritage parts
19	Waste reduction (manufacturing)	BAU 2% (Japan) and BAU 1% (overseas) reduction of waste	Reduced by 5.8%(Japan) Reduced by 4.3%(overseas)
20	Waste to landfill reduction (manufacturing)	Landfill ratio reduction	Reduced waste to landfill ratio to 3.2% (global)
Water scarcity			
21	Water withdrawal reduction (manufacturing)	21% reduction of water withdrawal per global production (vs. FY2010)	Reduced by 23.0%

Business foundations			
22	Governance enhancement	Implementation of our environmental compliance policy	Adhered to environmental compliance policy
23	Further application of LCA	Measure lifecycle environmental impact of vehicle and new technology	Continue to measure lifecycle environmental impact for new launched products in 2019.
24	Engagement with suppliers	Implementation of environment data survey to promote engagement and reduce environmental impact	Expand the supplier engagement opportunity through CDP survey
25	THANKS activities promotion	Further promotion of Supplier THANKS activities	Continued to promote THANKS activities
26	Nissan Green Purchasing Guidelines	Adoption of updated policy	Strengthen the Nissan Green Purchasing Guidelines and its adoption
27	Education program for the next generation	Global expansion of Nissan Waku-Waku Eco school program	Training of instructor among domestic sales staff and conduct education program on site. Start education program at elementary school near Nissan plant in Brazil
28	Collaboration with NGOs for ecosystem conservation	Enhancement of collaboration and partnerships with NGOs	Continued joint projects with WWF and Conservation International