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Environmental policies and philosophy

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Environmental principles

We provide customers with innovative products and services, by promoting the effective use of energy and resources, diversifying our sources, and actively using 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 achieve our environmental principles, we have clearly defined our ultimate goal: "To 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." and set what we want to be: "A sincere eco-innovator". This means endeavoring to leave as small an ecological footprint as possible for the Earth's future. Beyond deepening our awareness of the environment, we strive to conduct all business activities with consideration and kindness for people, society, nature and the Earth, as a means of contributing to the development of a better society.



* Based on Beyond Growth: The Economics of Sustainable Development, by Herman E. Daly

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 reduce the environmental impact and resource consumption of our corporate operations and vehicles throughout their life cycle to a level that can be absorbed naturally by the nature and pass on rich natural capital to future generations.

What we want to be: A sincere ecoinnovator

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 9.7 billion by 2050, society faces problems in areas such as poverty and hunger, energy, climate change, and various conflicts. Among these, the issue of climate change is considered to be the cause of widespread natural disasters that occur frequently all over the world every year, thus it is more need than ever to curb the effects of climate change. To address these issues, the UN adopted 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, recognizing 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 a 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 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 life cycle. We acknowledge that our activities and efforts must be continuously improved and advanced; we seek to provide greater value for society by delivering sustainable mobility for all while alleviating environmental impacts associated with climate change, natural resource dependency, water use, and other issues.

Nissan's strategic approach to environmental issues

To solidly contribute to global environmental issues, Nissan engages in direct discussions with environmental experts, investors, NGOs, NPOs and other organizations throughout the world and identifies, we analyze opportunities and risks facing the Company and decide on material issues recognized as important by both stakeholders and Nissan, contributing to the formulation of Nissan's medium- and longterm environmental strategies.

Climate change, resource dependence, and water resources/ air quality were set as the scope of Nissan's environmental strategy for consideration. These approaches respond to the SDGs^{*1} and contribute to their attainment. *²

^{*1} Click here for more information on SDGs areas where Nissan's environmental strategy mainly adds value. >>> P014

^{*2} Click here for more information on the Nissan's materiality including environmental issues. >>> P005

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Initiatives to specify dependencies on the ecology and impact as a manufacturer

At the 15th United Nations Biodiversity Conference (COP15) held in 2021 and 2022, it was discussed that we are on the verge of an unprecedentedly multifaceted crisis, including significant loss of biodiversity and degradation and pollution of the both land and sea. That same year, University of Cambridge Emeritus Professor Sir Partha Dasgupta published The Economics of Biodiversity: The Dasgupta Review espousing the idea of introducing natural capital into the economy, which was referenced at the G7 Summit and contributed to influencing international politics.

These international discussions are backed by scientific evidence acquired in the world's first Millennium Ecosystem Assessment conducted by the United Nations from 2001–2005. This assessment focused on two main points, the first was deterioration of global ecosystems, which is progressing at an unprecedented rate and scale, and the second was ecosystems that create many ecosystem services such as food, freshwater supplies, climate control and protection from natural disaster, all of which substantially benefit humanity.

At the same time, Nissan incorporated the Corporate Ecosystem Services Review^{*1} method, which considers the necessity of grasping the impact and dependence of corporate activities on ecosystems, and launched assessments of the overall value chain including vehicle operation. In 2010, the results of research conducted with the United Nations University were published in the report Ecosystem Services and the Automotive Sector *2. Through these assessments, we identified three priority areas on which we should focus as an automaker: Procurement of Energy, Procurement of Material Resources and Usage of Water Resources. We also estimate that in 2013, the use of water resources in the upstream resource procurement process was more than 20 times the amount of water used by Nissan. Ecosystem and biodiversity assessments are reflected in revised materiality*³ decisions and incorporated into specific actions as Nissan Green Program policies and strategies.

Nissan endorsed the TNFD*4's recommendations and joined the TNFD Forum to support its activities believing that it is important to communicate more clearly and accurately these initiatives to investors and other stakeholders. We will consider further disclosure in line with the recommended framework.



Taskforce on Nature-related Financial Disclosures



^{*1} 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 UN Millennium Ecosystem Assessment (MA).

^{*2} Click here to read "Ecosystem Services and the Automotive Sector". https://www.nissan-global.com/EN/DOCUMENT/PDF/ENVIRONMENT/SOCIAL/ecosystem_services_and_the_automotive_sector.pdf

^{*3} Click here for more information on the Nissan's materiality including Environmental issues. >>> P005

^{*4} TNFD: Taskforce on Naturerelated Financial Disclosures

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Global environmental management framework

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 before the Board of Directors. Its meetings are attended by related corporate officers to cover whole value chain. Executives also clarify risks and opportunities at the corporate level and determine the specific programs to be undertaken by each division, using the PDCA cycle to manage and operate the environmental programs efficiently. Environmental risks are regularly reported in the Internal Control Committee meetings to strengthen corporate governance.

We actively communicate with a broad range of stakeholders through our ESG data book and by answering inquiries from various environmental rating agencies.

Dialogue with stakeholders Major issues Climate change **Suppliers** Manuf. Sales Product Use. **Resource dependency** and tech. and and and service and procurement development logistics ELV offices Air quality Water scarcity Nissan global and regional environmental management



Environmental management organization

ESG data book 2023 018

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Further alignment with governments and partner companies

Since 2006, Nissan has estimated long-term CO₂ reductions based on the latest Intergovernmental Panel on Climate Change (IPCC) reports, set retroactive medium-term goals in the Nissan Green Program, and made efforts to realize a society that is "a Symbiosis of People, Vehicles and Nature" by ensuring these goals are achieved every year.

The Paris Agreement was adopted at COP21 in 2015. At that time Nissan recognized the importance of the common goals of "holding the increase in the global average temperature to well below 2°C and pursuing efforts to limit the temperature increase to 1.5°C above preindustrial levels," and reaffirmed the consistency between these goals and Nissan's long-term vision.

In addition to support and endorsement of the Paris Agreement, from the IPCC special report Nissan recognized the need to further enhance its vision. In January 2021, Nissan declared the goal of carbon neutrality in 2050 across the product life cycle including business operations. Nissan announced Nissan Ambition 2030 in November 2021, which includes promoting electrification initiatives that combine ambitious actions. Activities included the creation of an EV ecosystem require collaborations with governments, and a wide range of partners including companies in other industries.

With regard to coordination with governments, Nissan made the decision to participate in the GX League^{*1} to expand opportunities for collaborations. As one of 440 member companies participating in the GX League, Nissan strives to enhance the efficacy of its climate change initiatives. We also reviewed the stances of our industry associations on climate change and confirmed that they are in alignment with the direction Nissan should be heading. We will continue to collaborate within the automotive industry through the activities of our industry associations and take on the challenge of becoming carbon neutral together with our partners.

Results of reviews of stances at industry organizations to which Nissan is a member

Group	Paris Agreement Stance(the source)*2	Nissan stance alignment with Paris Agreement			
Japan Automobile Manufacturers Association (JAMA)	 All out to achieve carbon neutrality (CN) in 2050 CN by 2050 is not achievable without breakthrough technologies, premised on inexpensive and stable CN electricity and requiring strong support incl. policy and financial measures (April 8, 2021: Probing deeper into energy conservation, issues and requests targeting CN in 2050) 	 JAMA's goal of CN in 2050 aligned with Paris Agreement goals and Nissan's vision CEO Uchida is the JAMA vice chair, Nissan executive officers are subcommittee chairs Developing fair and equitable LCA evaluations for autos focused on CN, promoting LCA international standardization through its subcommittee Nissan and JAMA aligned and will continue to cooperate toward CN in 2050 			
Japanese Business Federation (Keidanren)	 Environment is the foundation of business activities and daily life; a sustainable society is the business community's top concern. Keidanren works with the government toward "CN by 2050" with unwavering determination (December 15, 2020: Toward CN by 2050 ("Society 5.0 with CN") Determination and Actions of the Business Community) 	 Confirmed Keidanren's goal of CN in 2050 is consiste with Paris Agreement and Nissan's vision Nissan and Keidanren aligned and will continue cooperate toward CN in 2050 			
Alliance for Automotive Innovation (AAI)	 Auto industry is poised to target a 40–50% EV ratio by the end of this decade (October 12, 2021: President and CEO John Bozzella) 	 AAI's ambitious EV ratio of 40-50% consistent with Nissan's goal for a 40% EV ratio in U.S. by 2030 Nissan and AAI aligned and will continue to cooperate to achieve these goals 			

^{*1} Click here for more information on "GX League". (Japanese only) https://gx-league.go.jp/

^{*2} Following text is translated by Nissan.

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Environmental action plan: Nissan Green Program (NGP)

We first announced the Nissan Green Program (NGP) medium-term 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.

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*1, started from fiscal 2017. Furthermore, in order to contribute to the resolution of these four important issues and create new value, we also worked 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 also accelerated efforts related to environmental issues while strengthening our business foundation and working to create social value. We took 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, we achieved our objectives with the exception of some activities impacted by COVID-19 and lower production volumes owing to semiconductor shortages.

During 2023, we will launch NGP 2030 as 5th program, which strives for climate change, minimizes resource dependency, and conserves water/air quality by 2030 as key issues.

NGP2030 key issues and challanges

Climate change: Toward the goal of carbon neutrality by 2050, strive for electrification potential and Monozukuri advantage. Also, we will start initiatives to aim for 1.5DS level emission on scope 1 and scope 2 by 2030. Resource dependence: Reinforce material circularity and

maximize the use of vehicles as a resource through circular a economy.

Water resources/air quality: Conduct activities aligned with the water issues of each region. Ensuring compliance with air quality and expanding the scope of the activities.

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NGP2022 action plan

_	Activities	NGP2022 objectives	NGP2022 result
Clim	ate change (Product)		
Long	-term vision: Realize carbon neutrality by 2050		
1	Product CO₂ emission reduction	40% reduction of CO $_{\rm 2}$ emissions from new cars (vs. FY2000; Japan, U.S., Europe and China)	Reduced by 41.2%
2	Solid EV leadership	_	Nissan LEAF, the first mass production EV, sold accumulated over 640,000 units in global. In addition to the innovative EV, Nissan Ariya, the new Kei EV, Nissan Sakura was released in 2022 and most sold EV in Japan.
3	Support driver's behavior	Promote development to improve actual fuel consumption	Completed development of practical fuel efficiency improvement technology by individual driver air conditioning besides automatic support for driving.
4	Expansion of vehicle usage	Global expansion of V2X for energy management (Japan, U.S. and Europe)	As FY2022 result, V2X charger is ready to provide its service for Nissan Leaf user in US. Nissan conducted V2X pilot projects globally includes UK, US and Japan with various partners in the period of NGP2022.
Clim	ate change (Corporate)		
Long	-term vision: Realize carbon neutrality by 2050		
5	Overall reduction of CO₂ emissions from corporate activities	30% reduction of CO₂ emissions per vehicle sold (vs. FY2005; global)	Reduced by 27.7% Although there was impacts due to production volume declining by COVID-19 and semiconductor shortages, steadily promoted corporate activity initiatives for CO₂ reduction.
6	Reduction of CO₂ emissions at manufacturing sites	36% reduction of CO₂ emissions per vehicle produced (vs. FY2005; global)	Reduced by 28.8% Manufacturing sites' energy efficiency was significantly improved as a result of conventional energy saving activity, utilizing renewable energy and introducing Nissan Intelligent Factory. Although there was impacts due to production volume declining by COVID-19 and semiconductor shortages, activity was steadily promoted and total CO ₂ emission was reduced.
7	Reduction of CO₂ emissions of logistics	12% reduction of CO₂ emissions per production (vs. FY2005; Japan, North America, Europe and China)	Reduced by 40.9% Conducted progressive modal shift in China and Europe, reduction of air transportation and improvement of transport efficiency like a loading containers and packing mode.
8	Reduction of CO₂ emissions at offices (including R&D sites)	12% reduction of CO₂ emissions per floor area (vs. FY2010)	Reduced by 23.5% Energy consumption was decreased due to declining attendance rate by COVID-19. Also, CO₂ reduction activities such as energy saving(LED replacement, etc.,) were promoted.
9	Reduction of CO₂ emissions at dealers	12% reduction of CO₂ emissions per floor area (vs. FY2010; Japan)	Reduced by 17.6% Dealer has actively introduced environment friendly facilities(LED, air conditioner and heat shield sheet, etc.,) when renovate shop. Some dealers have started introducing renewable energy.
10	Expansion of renewable energy use	Expansion of renewable energy introduction	Renewable energy introduction rate 11.9% Expanded renewable energy introduction such as photovoltaic and wind power generation in global site. And in Mexico, purchased electricity from renewable energy such as biomass and wind.
Air q	uality		
11	Cabin air quality improvement	Promotion of research on technical solutions	Completed technical development and expanded technology application to vehicle.
12	Reduction of VOC emissions at manufacturing sites	Promotion of VOC emission reduction per paint area (vs. FY2010)	Reduced by 35.8% In addition to applying water-based paint, VOC emissions reduced by improving thinner-solvent recycling rates.

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	Activities	NGP2022 objectives	NGP2022 result
Resc	purce dependency		
Long	-term vision: Reduce dependency on new materials by 70%		
13	Development of biomaterials	Promotion of research on technical solution	Promoted development of biomaterials for material types which covers more than 70% of the plastics used in vehicles.
14	Proper use of chemical substances	Implementation of the Alliance policy on chemical substance management	Maintained material list annually and number of chemical substances became doubled during NGP2022 period.
15	New resource usage minimization	More than 30% (in weight) of a new vehicle to be non-new material resources	Achieved non-new material resources usage rate over 30%.
16	Expansion of remanufactured parts	Duplation of remanufactured item coverage (vs. FY2016)	Remanufactured parts coverage was doubled compared to FY2016.
17	Expansion of battery reuse	Expansion of the EV battery reuse business	Promoted the secondary use business by expanding the production and application of refabricated batteries.
18	Adoption of die- less forming	Plan and implement technical development	Completed technical development and started application to heritage parts.
19	Waste reduction (manufacturing)	BAU 2% (Japan) and BAU 1% (overseas) reduction of waste	Achieved reduction rate of below every year Japan more than 2% vs BAU Overseas more than 1% vs BAU Japan:Significantly reduced waste generated at dry booth painting process by reusing at iron casting process. Overseas:Installed a compressor to make styrofoam salable and promoted waste reduction at a plant in U.S.A.
20	Waste to landfill reduction (manufacturing)	Landfill ratio reduction	Reduced landfill ratio by 4.2% Achieved zero landfill at all plants in Japan and oversea plants in Brazil, Mexico and India etc. A plant in India achieved zero landfill in FY2022 by effectively utilizing the sludge generated from the painting process. Other plants also promoted landfill disposal reduction by thoroughly sorting waste etc.
Wate	er scarcity		
21	Water withdrawal reduction (manufacturing)	21% reduction of water withdrawal per global production (vs. FY2010)	Reduced by 8.4% Conducted various water reduction activities, including efficiency of water use improvement at manufacturing process and wastewater reuse. Although there was impacts due to production volume declining by COVID-19 and semiconductor shortages, effective use of water resources was steadily promoted.
Busi	ness foundations		
22	Governance enhancement	Implementation of our environmental compliance policy	Conducted global engagement of environmental compliance policy thoroughness.
23	Further application of LCA	Measure lifecycle environmental impact of vehicle and new technology	Totally 35 models were analyzed during NGP2022. 15 models are under disclosing on website.
24	Engagement with suppliers	Implementation of environment data survey to promote engagement and reduce environmental impact	Promoted supplier engagement globally through annual CDP survey and environmental activity explanation meeting.
25	THANKS activities promotion	Further promotion of Supplier THANKS activities	Promoted of supplier THANKS activities.
26	Nissan Green Purchasing Guidelines	Adoption of updated policy	Strengthened the Nissan Green Purchasing Guidelines and promoted its adoption.
27	Education program for the next generation	Global expansion of Nissan Waku-Waku Eco school program	Conducted global expansion of Nissan Waku-Waku Eco school (Brazil and Thailand). Provided Waku-eco program more than 630 schools in Japan for 6 years.
28	Collaboration with NGOs for ecosystem conservation	Enhancement of collaboration and partnerships with NGOs	Global participation in EARTH HOUR started from 2018, and now each region actively joins the campaign with their own plan.