

Contents	Corporate direction	Environmental	Social	Governance	Data
Governance policies and philosophy		Corporate governance		Risk management	Compliance

Compliance

To raise compliance awareness throughout the company and all employees to act with integrity and high standards, Nissan has established a Global Compliance Office, as well as specialized departments, and appointed officers to promote compliance in each region where it operates.

In fiscal 2022, the third Nissan Ethics Day was held globally in December to enhance a culture of ethics and compliance in the company. This event focuses upon reinforcing both Nissan's tone at the top and tone in the middle. Employees at all levels of the company had an opportunity to discuss Nissan's Global Code of Conduct and the Whistleblowing process.

Enhancing compliance

Preventing a recurrence of nonconforming final vehicle inspections at Nissan's plants in Japan

After the discovery in September 2017 of nonconformities in the final vehicle inspection process at its plants in Japan, Nissan began a full and comprehensive investigation of the facts, including the causes and background. We have since implemented appropriate countermeasures based on the results. Strict compliance is a top priority for our management, and we have taken it upon ourselves to examine the current situation with regard to compliance in every area of our business. *1

Executing an overhaul of compliance checks

At Nissan, following the discovery of nonconformities in the final vehicle inspection process at vehicle assembly plants in Japan, we were determined to ensure that such a thing could never happen again. Accordingly, in fiscal 2018, an overhaul of compliance checks was carried out, and since fiscal 2019, the Global Compliance Office and relevant functions monitor those items periodically twice a year.

In fiscal 2019, comprehensive compliance checks for major subsidiaries in Japan was undertaken, and they have continued to be carried out on a regular basis since then. In fiscal 2021, the Global Compliance Office started compliance risk monitoring oversight of the regions' risk monitoring including the residual risk remediation plans.

Working with dealerships

Nissan undertakes various measures to ensure that its approach to compliance is shared with dealerships and to enhance its internal controls.

While strengthening lines of communication with dealership, we are carrying out activities to enhance their compliance at dealerships in Japan.

Specifically, Nissan arranges a self-assessment program (Control Self-Assessment) for dealerships to enhance understanding of compliance matters and improve their compliance management status. We supply check items which is reflected in our internal audit results to all dealerships. They check their current compliance status and issues through the check item and use the PDCA cycle to make voluntary improvements. When major compliance issues occur, the legal, communications, external and government affairs and other applicable Nissan departments work together with dealers to take prompt and appropriate action.

*1 Click here for more information on nonconforming final vehicle inspections. https://www.nissan-global.com/EN/SUSTAINABILITY/VEHICLE_INSPECTIONS/

Contents	Corporate direction	Environmental	Social	Governance	Data
Governance policies and philosophy		Corporate governance		Risk management	Compliance

Anti-bribery

Anti-bribery: Policies and philosophy

Nissan does not tolerate corruption of any kind, whether individual or systemic, committed by a company or a government. *1 The Nissan Global Anti-Bribery Policy establishes a global framework for preventing and responding to corruption. Different cultural contexts may result in what seem to be gray areas, and Nissan respects local customs and traditions, but corrupt practices are never acceptable.

Anti-bribery: Management

Nissan has established a Global Code of Conduct*2 and Global Compliance Office as well as departments and officers at each of its operations worldwide with responsibility for promoting compliance measures. Moreover, all group-affiliated companies have introduced their own codes based on the Global Code of Conduct. The Code of Conduct is supported by training courses to ensure full understanding of its content.

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, use of social media, and customer privacy. With these policies in place, Nissan is working to heighten awareness and reduce infractions.

Employee education programs to promote compliance are held regularly in all regions in which Nissan operates. For example, training sessions based on the Global Anti-Bribery Policy have been conducted in all regions. There were no major instances of violating the laws and regulations at any Nissan Group company during fiscal 2022.

Business ethics

Business ethics: Policies and philosophy Employees and compliance

In 2001, Nissan established a Global Code of Conduct containing practical guidance for employees. Today, this Code of Conduct is applied at all Nissan Group companies worldwide.

We also provide guidance on compliance for directors and corporate officers, holding regular seminars and educational activities to ensure strict adherence to the rules.

The Global Compliance Committee (GCC), co-chaired by the CEO and Global Compliance Officer, is held twice a year, where global compliance strategies are deliberated, annual programs are validated, and compliance issues are discussed. The results of the GCC is reported to the Executive Committee (EC) and the Audit Committee.

Under the oversight of our Global Compliance Committee, we have established a Regional Compliance Committee in each region of operation, forming a worldwide system for detecting and deterring illegal and unethical behavior. The Global Headquarters works with all regions and bases of operation to ensure full awareness of compliance issues and prevent illegal activity, and has processes in place to take appropriate disciplinary action against those who violate or infringe the Global Code of Conduct or the law.

Our Global Compliance Office further increases the rigor of our compliance management. In addition, to enhance compliance at the regional level, standalone, independent, regional compliance officers are appointed in Japan-ASEAN, China, Americas, and AMIEO (Africa / Middle East / India / Europe / Oceania) regions.

*1 Click here for more information on the Avoidance of Conflict of Interest. [>>> P131](#)

*2 Click here for more information on the Global Code of Conduct. https://www.nissan-global.com/EN/SUSTAINABILITY/LIBRARY/ASSETS/PDF/NISSAN_GCC_E.pdf

Contents	Corporate direction	Environmental	Social	Governance	Data
Governance policies and philosophy		Corporate governance		Risk management	Compliance

Global Compliance Committee Organization (As of April 1st, 2023)



Global Code of Conduct

The Global Code of Conduct*2 contains our core principles for doing business with honesty and integrity, in full compliance with established laws and regulations in all locations in which we operate. The Code of Conduct’s standards apply to all employees within Nissan Group companies, and every employee is responsible for upholding and adhering to the Code. The Code of Conduct is reviewed for revision at least once every three years to ensure that it evolves along with the company and society. In fiscal 2021, updated Global Code of Conduct training material was delivered to all regions. The e-learning material for indirect employees was available in approximately 20 languages. In fiscal 2022, the completion ratio for indirect employees was 96.5%. Factory-focused training material was prepared for factory workers, who received the training via regular shift-start messaging or in a seminar setting. This global Code of Conduct training is mandatory for all Nissan employees every year as well as Board members and Corporate officers. Compliance and dissemination status of Global Code of Conduct is self-assessed by responsible departments and independently evaluated by the internal audit. The results are reported annually to the Internal Control Committee and also to the Board of Directors.

Business Ethics: Management

Internal Reporting System for Corporate Soundness

Nissan has established a globally integrated reporting system to promote thorough understanding of compliance among employees worldwide and facilitate sound business practices. The system, known as SpeakUp*3, is operated by an independent third party, NAVEX Global, which specializes in ethical hotlines. SpeakUp can be used by employees to ask questions or voice concerns to the company, thereby improving workplaces and operations. SpeakUp permits anonymous reporting and two-way confidential communication. It is available 24 hours a day, 365 days a year, in more than 20 languages. SpeakUp is promoted to employees through various internal communication means, such as posters, intranet banners, internal articles, and events such as Nissan’s annual Ethics Day. Employees are encouraged to report violations of the Code of Conduct or other company rules, and are protected from retaliation by our Global Whistleblowing Policy, a cornerstone of our compliance program.

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

*2 Click here for more information on Global Code of Conduct. https://www.nissan-global.com/EN/SUSTAINABILITY/LIBRARY/ASSETS/PDF/NISSAN_GCC_E.pdf

*3 Click here for more information on the Nissan Corporate Governance Overview, for the Global whistleblowing system, SpeakUP. https://www.nissan-global.com/EN/SUSTAINABILITY/GOVERNANCE/ASSETS/PDF/Overview_EN.pdf

Contents	Corporate direction	Environmental	Social	Governance	Data
Governance policies and philosophy		Corporate governance		Risk management	Compliance

Reports are assigned by compliance personnel to the appropriate team for handling, such as HR, security, or legal. Compliance cases are handled by independent compliance officers, and substantiated cases are presented to a cross-functional compliance committee. In fiscal 2022, 2078 concerns were reported globally. Among those, 19% were compliance-related matters while 62% were human resource related. These figures include 238 inquiries, making "Inquiry" the second most common report category. In addition to inquiries, the most recurrent types of reports are "Human Resource Concern", "Offensive or Inappropriate Communication", and "Other Company Policy Violations". Measures taken range from termination of employment to procedural improvements.

Security-related export controls

To help maintain both national and international peace and security, we rigorously comply with export control laws and regulations in Japan and regions where we operate to keep sensitive goods, software, and technologies from reaching sponsors of terrorism, espionage, or human rights violators. Our export compliance program is implemented under a system headed by the representative executive responsible for export control. Specifically, our Export Control Global Secretariat, consisting of a Global Director and Regional Managers, works with each of our businesses to set control and monitoring mechanisms ensuring compliance with security-related export controls, and these mechanisms are strictly applied to all operations.

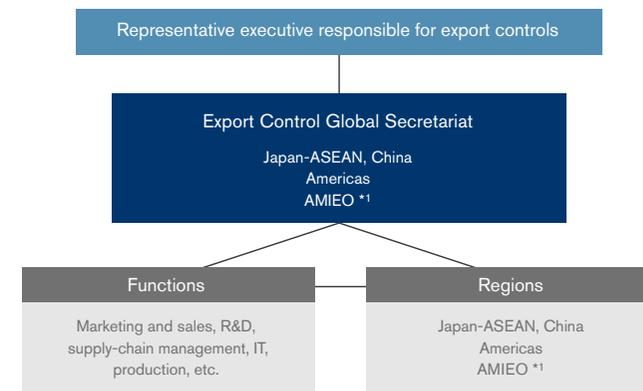
In 2022, we finalized and published our Global Export Regulatory Compliance Policy to ensure compliance with regulations across the Nissan Group. We respond in a timely manner to export control regulation changes and related developments around the world. One of our primary focal points this fiscal year has been management of the Russia / Ukraine crisis and the quickly changing regulatory landscape. With the overall aim of improving our level of internal control, we strive to conduct regular risk-assessment activities in connection with export controls in each region, create monitoring mechanisms aligned with regulatory requirements and business demands, and continually improve our operations.

To make employees more familiar with compliance risks, we are reviewing our training system and materials, including information about complying with relevant customs and trade laws.

We have been addressing export control of advanced technologies on a global level to prepare for the future of the company. We continue to promote export control for advanced technologies, such as electrification, autonomous driving and connected car technologies at Nissan sites in Japan, the U.S., and Europe as well as other locations around the world.

By making export control procedures an integral part of our development and design operations, we aim to strengthen our compliance. In addition, we are renewing and collecting information on controlled goods, software, and technologies in each region and are implementing comprehensive and sound export controls for each business operation through the systematic sharing of this information.

Global export control policy framework



*1 AMIEO (Africa / Middle East / India / Europe / Oceania)

Contents	Corporate direction	Environmental	Social	Governance	Data
Governance policies and philosophy		Corporate governance		Risk management	Compliance

Nissan's commitment to tax transparency

Nissan's approach to tax

In line with its Global Code of Conduct, Nissan is committed to complying with the laws and regulations of all countries in which Nissan operates, as well as with international tax treaties and tax-related financial reporting rules. To conduct business properly and efficiently in many markets across the globe, Nissan established a documented tax policy from 2015.

The policy is continuously revised in order to keep up with the legislative and regulatory changes. The policy includes details of Nissan's governance arrangements, tax risk management strategy and its approach to dealing with tax authorities. Nissan is consistently fulfilling all tax disclosure requirements under domestic and international rules (such as OECD Country-by-Country Reporting) and other country-specific transparency requirements such as those in Australia or the U.K.*1.

Nissan effectively manages its tax risks by involving its Tax Department into key business decisions. Nissan's Tax Department collaborates with and supports other functions to ensure tax implications are properly evaluated and addressed in operational and strategic decision-making on a timely basis. Input from the Tax Department is particularly critical in relation to transactions, restructurings, legal entity modifications, legislative changes and other business changes, as necessary to support Nissan's business strategy. Through a formal delegation of authority process, the Tax Department validates key business decisions from a tax perspective, thereby ensuring the tax strategy is aligned

with the wider business objectives, in a consistent and timely manner.

Nissan applies established international standards (such as those developed by the Organisation for Economic Co-operation and Development (OECD)) for the pricing of transactions between the companies within the group. Intercompany transactions are priced on an arm's-length basis, which means that Nissan entities transact with each other as if they were independent entities.

Nissan is transparent about its approach to tax. Nissan aims to pay the appropriate amount of taxes in the jurisdictions in which it operates, and to avoid tax-related interest payments and penalties for failure to comply with local and international tax rules.

Nissan's business is structured according to the commercial substance of its operation. No artificial or unusual business structures are used to evade taxes. Nissan does not engage in any transaction aimed at tax avoidance or not aligned with its normal course of business.

The CFO reviews and approves the tax strategy. The Global Head of Tax and the CFO update annually the Board of Directors on Nissan's tax risks, its risk management tools and overall adherence to the group's tax strategy.

Nissan's tax management

Nissan effectively manages tax risks within the group by participating in and through the delegation of authority process at local, regional, and global level validating key business decisions from a tax perspective in a consistent manner.

Nissan's global brand reputation and the continuing success of its manufacturing, distribution and financing operations

are of paramount importance.

Nissan seeks to close tax audits by reaching an agreement with the tax authorities on the appropriate tax treatment of items under review. In case Nissan is unable to reach an agreement with the tax authorities, Nissan will take necessary actions to defend its tax positions, including seeking recourse to litigation.

Nissan has several methods for identifying and managing tax risks.

For example, the Tax Department maintains a global database containing a list of the group's ongoing audits, uncertain tax positions and topics that may represent a tax risk in the future (such as new tax rules and inconsistent application of existing rules by tax authorities). It includes all potential tax risk: both direct and indirect taxes. All such risk items are extensively documented and qualified. Reports can be produced as needed and key findings are discussed quarterly with global senior management.

Specifically for income tax, Nissan has a process in place at local, regional, and global level to recognize uncertain tax positions as required by the Interpretation No. 23 of the International Financial Reporting Interpretations Committee (IFRIC 23). Nissan adopted IFRIC 23 from the beginning of fiscal 2019.

Regarding transfer pricing topics, Nissan's Tax Department has internal procedures and controls in place to identify transfer pricing risks, assess, monitor, and mitigate such risks, and report material risks to all stakeholders. Profitability by product basis and by company basis is monitored regularly to identify potential risks. Once identified, the risks are reported to Nissan's finance leadership team. The executive-level position within the organization accountable for compliance with the tax strategy is the

*1 Click here for more information on Nissan's U.K. tax strategy. <https://www.nissan.co.uk/legal/nissan-uk-tax-strategy.html>

Contents	Corporate direction	Environmental	Social	Governance	Data
Governance policies and philosophy		Corporate governance		Risk management	Compliance

Global Head of Tax, reporting to the CFO.

Compliance with the tax governance and control framework is evaluated regularly by the following departments, at local, regional, and global level: Tax, Compliance, and Internal Audit. Global policies on tax governance and control are published on Nissan’s internal website and available to all employees globally. The Compliance Department checks with the Tax Department regularly to assess how the policies are enforced and whether they reflect the latest business operations in Nissan.

Nissan has a hotline which is called SpeakUp where employees can anonymously report unethical or illegal activities they have witnessed or that they suspect may exist. It is a means to bring potential tax-related violations to the attention of management.

Nissan’s stakeholder engagement and management of concerns related to tax

Nissan seeks to build and maintain long-term, open, and constructive relationships with national tax authorities by proactively engaging with them, as well as other governmental and industry bodies, directly and indirectly. First, Nissan strives to develop cooperative relationships with tax authorities through regular meetings and partnership programs. Nissan has ongoing communication with tax authorities including, where applicable, use of advance rulings and Advanced Pricing Agreements (APAs). Nissan regularly engages with policy makers to support the development of tax rules and regulations based on sound tax policy principles that reflect the business reality of its operations. Nissan also provides technical input to industry groups and international economic organizations, such as the Tax Executives Institute (TEI) and the Business and Industry Advisory Committee to the OECD. As a Japanese automaker, Nissan is a member of Keidanren, one of Japan’s major private-sector business associations and part of the Japan Automobile Manufacturers Association (JAMA). Finally, Nissan’s Investors Relations Department engages with the Global Tax Department each time there is a question from stakeholders related to tax topics. The Tax Department will ensure that such questions are answered in a satisfactory way.