

# Compliance

To raise compliance awareness throughout the company and all employees to act with integrity and high standards, Nissan has established the Ethics & Compliance Office, as well as specialized departments, and appointed officers to promote ethics and compliance in each region where it operates. Nissan also maintains a Global Third-Party Compliance Risk Management Policy and program to address compliance risks associated with third parties. The Ethics & Compliance Office and Purchasing department conduct Third-Party Compliance risk monitoring initiatives for supplier areas as part of this program. In this program, Nissan monitors various third party related risks including bribery, human rights and environment risks.

## Enhancing compliance

### Compliance Risk Management

At Nissan, after the discovery in 2017 of nonconformities in the final vehicle inspection process at vehicle assembly plants in Japan\*<sup>1</sup>, we have conducted compliance risk check and monitoring as measures to prevent recurrence. Since fiscal year 2021, the Ethics & Compliance Office started compliance risk assessments and (CRA) completing all Nissan affiliates in fiscal year 2023. Based on the CRA results, for High Compliance Risks, compliance team developed remediation action plans.

In 2024, we started a new CRA cycle of 15 risk categories and implemented a new monitoring process called Control Self-Assessment checklist to support the definition of remediation action plans.

Category No	Compliance risk categories
1	Product compliance
2	Commercial compliance
3	Connected services
4	Import/export
5	Third-party management (e.g. partners/suppliers and National Sales Companies)
6	Anti-corruption (bribery and corruption - facilitation payments, noncompliance with lobbying laws/regulations, and conflict of interests)
7	Fair competition/antitrust
8	Governance
9	Intellectual property
10	Data privacy
11	Information security
12	Environment
13	Finance
14	Tax
15	Human rights and labor practices

Since receiving a recommendation from the Japan Fair Trade Commission in March 2024, Nissan has implemented various improvement and corrective measures and submitted a corrective action report related to compliance with the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors (hereinafter referred to as the "Subcontract Act") in March 2025.\*<sup>2</sup> In addition to discontinuing the use of rebates and establishing an external window (hotline) to receive inquiries and reports from our business partners, we are actively gathering feedback from our business partners

and implementing measures to improve and correct any issues. Furthermore, in fiscal year 2024, we established a dedicated compliance department in the Purchasing Division. Starting in April 2025, the department was elevated to an all-company regulatory compliance department for the Subcontract Act and related laws and regulations, thereby strengthening our company-wide internal control structure. Going forward, we will work together as a company to promote fair transactions.\*<sup>3</sup>

### Culture of ethics and compliance

The fifth Nissan Ethics Day was held globally in 2024 to enhance a culture of ethics and compliance in the company. This event focuses on 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 "Ethics under pressure, integrity in action" focusing the difficulties in addressing the ethical dilemmas we face when we are under pressure especially in our daily operations with various members.

Another initiative to reinforce the importance of ethics and integrity was the creation of Ethics Culture Leaders Kit: Leaders are expected to lead by example, reinforcing Nissan's commitment to integrity and behaving in a manner consistent with our Global Code of Conduct, other company policies, values, and applicable laws. Leaders are also responsible for providing guidance and support to their colleagues and for setting healthy, ethical work environments for their teams. This Leaders Kit explains the important role as a leader and provides practical tips and reminders to help improve ethical leadership.

\*<sup>1</sup> Please refer to the 2024 Securities Report (P33) for details of measures to prevent recurrence of nonconforming of final vehicle inspections. [https://www.nissan-global.com/EN/IR/FINANCIAL\\_RESULTS/ASSETS/FR/2024/PDF/tr2024.pdf#page=35](https://www.nissan-global.com/EN/IR/FINANCIAL_RESULTS/ASSETS/FR/2024/PDF/tr2024.pdf#page=35)

\*<sup>2</sup> Click here for more information. <https://global.nissannews.com/en/releases/250313-00-e>

\*<sup>3</sup> Click here for more information on initiatives undertaken by the Purchasing Division in relation to the Subcontract Act. [>>> P084](#)



## 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.

## Anti-bribery

### Approach to anti-bribery

Nissan does not tolerate corruption of any kind, whether individual or systemic.

### Anti-bribery management

Nissan has established a Global Code of Conduct\*<sup>1</sup> and Global Ethics & Compliance Office as well as departments and officers at each of its operations worldwide with responsibility for promoting compliance measures. The Code of Conduct is supported by training courses to ensure full understanding of its content.

Nissan has created a series of internal policies that are applied globally, such as Global DOA (Delegation of Authority) Policy, Global Regulations on Preventive Control Against Insider Trading, Information Security Policy, Global Anti-Bribery, Gifts & Hospitality Policy\*<sup>2</sup> and Global Data Privacy Policy. 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, Gifts & Hospitality Policy has been conducted in all regions with attestation. The training covered the basics of the bribes, laws and regulations, risk areas and red flags. Business cases included examples of bribes, interaction with government official and red flags. Another training implemented in all regions was based on the Global Conflict of Interest Policy, explaining to employees most common situations of potential conflict of interest and how employees should disclose it in Nissan. The training has cases considering relationship with customers and suppliers, duty of loyalty and personal/family relationships. Training attestation is also included after completing the course.

\*1 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](https://www.nissan-global.com/EN/SUSTAINABILITY/LIBRARY/ASSETS/PDF/NISSAN_GCC_E.pdf)

\*2 Click here for more information on Global Anti-Bribery, Gifts and Hospitality Policy [https://www.nissan-global.com/EN/SUSTAINABILITY/LIBRARY/ASSETS/PDF/Anti-Bribery\\_GH\\_e.pdf](https://www.nissan-global.com/EN/SUSTAINABILITY/LIBRARY/ASSETS/PDF/Anti-Bribery_GH_e.pdf)

## Business ethics

### Approach to business ethics

#### Employees ethics 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 executives, 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 are 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 noncompliance and unethical behavior. The Global Headquarters works with all regions and bases of operation to ensure full awareness of compliance issues and prevent noncompliance activity, and has processes in place to take appropriate disciplinary action against those who violate or infringe the Global Code of Conduct or laws and regulations.

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.

#### Global Compliance Committee organization (As of April 1st, 2024)



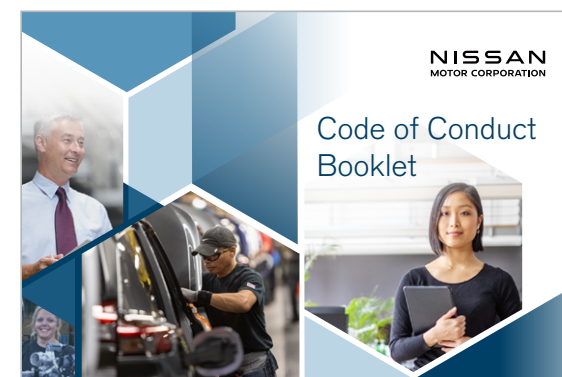
#### Global Code of Conduct

The Global Code of Conduct<sup>\*2</sup> 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 principles 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 year 2024, a new booklet format<sup>\*3</sup> of the Global Code of Conduct was published in 16 languages with launch activities across the globe to communicate and remind employees of the importance to understand and follow the Code of Conduct. A new learning methodology was implemented in the Global Code of Conduct training since 2023, materials were created considering business scenarios and ethical dilemmas, delivered to all Nissan employees. The e-learning material for indirect employees

was available in approximately 15 languages and the completion ratio was 98.3%. The training materials were prepared for direct employees (factory and warehouse workers) who watched videos for further conversation with leaders.

This Global Code of Conduct training is mandatory for all Nissan employees every year as well as executives, who receive specific training materials about the Code of Conduct. 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.



\*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](https://www.nissan-global.com/EN/SUSTAINABILITY/LIBRARY/ASSETS/PDF/NISSAN_GCC_E.pdf)

\*3 Click here for more information on the Global Code of Conduct booklet. [https://www.nissan-global.com/EN/COMPANY/ASSETS/PDF/Nissan\\_Booklet\\_External.pdf](https://www.nissan-global.com/EN/COMPANY/ASSETS/PDF/Nissan_Booklet_External.pdf)

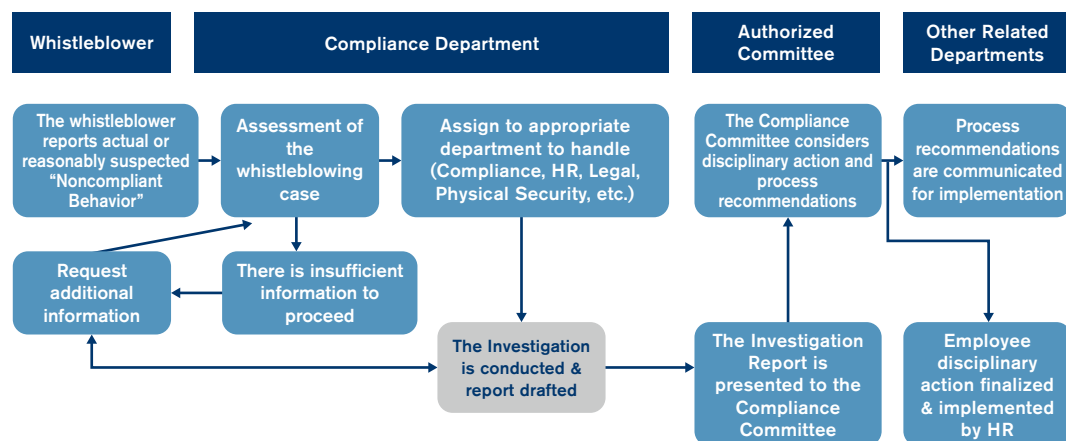
## Business ethics management

### 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, 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 around 17 languages via website. 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 Global Code of Conduct or other company rules, and are protected from retaliation by our Global Whistleblowing Policy, a cornerstone of our compliance program.

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. The SpeakUp system is subject to audit by the internal audit department. In fiscal year 2024, 2,452 concerns were reported globally. Among those, 21% were compliance-related matters while 62% were human resource related. These figures include 351 inquiries, making "Inquiry" the most common report category. In addition to inquiries, the most recurrent types of reports were related to "aggressive or inappropriate communication in the workplace," "harassment (excluding gender-related cases)," and "employee communication and interpersonal relationships." Measures taken range from termination of employment to procedural improvements. In 2024 was launched SpeakUp Culture Training allowing employees to feel safe and protected. This course helps employees to understand what stops people from speaking up, the power of their voices, and how they can contribute to building a culture of escalation in Nissan.

### Global Whistleblowing System (SpeakUp) Process



## 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. Our Global Export Regulatory Compliance Policy ensures compliance with applicable regulations across the Nissan Group. It defines the core structure and roles & responsibilities. Each group company is responsible for actual practice and process controls based on their risk profile. We respond in a timely manner to export control regulation changes and related developments around the world. Several of our targeted goals this fiscal year have been management of the rapidly changing regulatory landscape, development of a Secretariat network in our Americas and AMIEO (Africa, Middle East, India, Europe & Oceania) regions and enhancing the digital capabilities of our procedures. 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 will create an export control and sanctions training package for deployment in our training system along with corresponding materials. We continue to address the export control requirements

of advanced technologies on a global level to prepare for the future of the company. We promote export control for advanced technologies, such as electrification, autonomous drive and connected car at Nissan sites in Japan, the United States, 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 publish annually collected 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



Commitment to tax transparency

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. The Tax Governance Policy\*2 is available on Nissan global website.

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.\*3.

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 Cooperation 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 and the tax policy. The Global Head of Tax through the CFO updates annually the Board of Directors on Nissan's tax risks, its risk management tools and overall adherence to the group's tax strategy. The CFO is responsible for the tax governance of the Nissan group. Nissan's financial reports including tax report are audited by an independent accounting firm\*4.

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

\*1 AMIEO(Africa, Middle East, India, Europe & Oceania)

\*2 Click here for more information on the Tax Governance Policy. [https://www.nissan-global.com/EN/SUSTAINABILITY/LIBRARY/ASSETS/PDF/Tax\\_Governance\\_Policy\\_e.pdf](https://www.nissan-global.com/EN/SUSTAINABILITY/LIBRARY/ASSETS/PDF/Tax_Governance_Policy_e.pdf)

\*3 Click here for more information on Nissan's U.K. tax strategy. <https://www.nissan.co.uk/legal/nissan-uk-tax-strategy.html>

\*4 Please refer to the 2024 Securities Report (P187,191,193) for details of the Independent Auditor's Report, Internal Control Report, Confirmation Note. [https://www.nissan-global.com/EN/IR/FINANCIAL\\_RESULTS/ASSETS/FR/2024/PDF/tr2024.pdf#page=189](https://www.nissan-global.com/EN/IR/FINANCIAL_RESULTS/ASSETS/FR/2024/PDF/tr2024.pdf#page=189)



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 year 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 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.

The Audit Committee, as part of the company's corporate governance system, sets the key audit items for each fiscal year. A department under the Audit Committee is specialized in internal audit for the purpose of regularly auditing group companies' business and their observance of processes, policies including the implementation of the tax policy, laws, and other matters as appropriate. The Audit Committee periodically receives results from the activities of the internal audit department and as necessary, gives it instructions regarding internal audits. Reports on activities related to internal control and risk management are regularly submitted to the Board of Directors.

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.

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.

Corporate income tax by main market

Nissan discloses the corporate tax paid globally, with domestic and international breakdown by main markets.

Income Tax paid (billions of yen)

	Japan	The United States	China	Mexico	Other	Total
FY2023	9.2*1	105.2	50.3	30.2	32.2*1	227.1*1
FY2024	40.1	60.9	53.8	39.8	40.4	235.0

\*1 Corrected due to an error in FY2023 corporate tax figures.