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## Making a positive impact on people and the planet through innovation

Working to address global environmental and societal challenges has been, and will always be, core to Nissan's purpose and values. Nissan products and technologies help to enrich people's lives and deliver real-world innovations in mobility and transport which have a meaningful role to play in resolving these global challenges. Nissan's unique culture, the company's willingness to innovate and to challenge the status quo, is being applied today to many of these challenges, be that reducing greenhouse gas emissions, facilitating smart cities and urbanization, or increasing road and passenger safety. These are just some of the many of the areas where Nissan can have a sizeable impact. In this interview, Nissan's CEO Makoto Uchida talks about the company's approach to delivering social value, including the recently announced ambition to become carbon neutral by 2050.

Nissan Motor Co., Ltd.  
Representative Executive Officer, President and  
Chief Executive Officer




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## On the road to carbon neutrality

**Q: In January 2021, Nissan set itself a goal to achieve carbon neutrality by 2050. What is your strategy to get to this target?**

**A:** Combatting climate change will need governments and the private sector to work hand in hand. While no one country or indeed company can achieve this goal alone, we each have an important role to play. That is why Nissan declared every all-new vehicle offering in our key markets will be electrified by early 2030s, alongside our aim to achieve carbon neutrality by 2050, across the company's operation and the life cycle of our products.

This decision should not come as a surprise. While we have recently seen countries pledge to achieve carbon neutrality, at Nissan we have had the Nissan Green Program in place since 2002. We also have ten years' experience of mass-producing electric vehicles (EVs). Despite skepticism at the time, Nissan took on the challenge to become a leader in EVs. I am proud we have delivered over half a million EVs. For me, this is a clear-cut example of Nissan's DNA - "Do what others don't dare to do" – in action.



For us, vehicle electrification is a key step to making carbon neutrality a reality. At the same time, EVs need to have real consumer appeal and drive better value of ownership. Nissan is a world-leader in combining technological excellence delivering on customer needs and at the same time play a differentiated role in driving efforts to combat global environmental change. As we laid out in our NISSAN NEXT plan, we will keep on investing in innovation to adapt to the rapidly changing marketplace that we operate in.

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Our innovations are not limited to products but move beyond mobility. Our groundbreaking partnership with 4R Energy Corporation promotes the repurposing of secondhand batteries. We have developed technology that enables us to reuse batteries collected from end-of-life cars. This means we reduce CO<sub>2</sub> emissions from the production of new batteries as well make the most of the rare earths that go into batteries. One example is where Nissan and 4R Energy Corporation are working together with JR East on the trial

operation of safety devices for railroad crossings powered by recycled EV lithium-ion batteries. Reusing secondhand batteries in this way maximize the use of finite resources and reduces environmental harm. In addition, through our Blue Switch program we go beyond mobility to use electric cars as emergency power source during natural disasters in Japan. Nissan has signed over 130 agreements with local governments and companies under the Blue Switch program since 2018.

## Shift in consumer thinking is the key driver

**Q: How do you see the shift in consumer thinking? Do you see any change in their mindset these days?**

**A:** There are increasing number of people who are sensitive to environmental performance, especially among the younger generation. They are willing to do good for environment, such as carrying their own shopping bags to reduce wasting plastic bags, saving energy of home electrics, and choosing an eco-friendly car to buy. This gives more opportunities for people to know about Nissan's environmental initiatives. Nissan will make sure that people know more about the wholistic EV value, including EV ecosystem for energy management.

However, the policies and measures are different between markets, and so will be the speed of change. The primary key here is customers' willingness or acceptance of electrified vehicles. People will not buy an EV unless the total cost of ownership (TCO), which includes vehicle purchase price and maintenance costs, makes sense. We need an electrification strategy that is consistent with customers' need. This is why Nissan is taking on a challenge to build cost-competitive electrified vehicles.

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## Aligning the United Nations' Sustainability Development Goals (SDGs)

**Q: Companies today are being asked about their contribution to achievement of the UN Sustainable Development Goals. What is Nissan's view?**



**A:** SDGs are high-level targets that guide governments and societies towards making the world a better place for everyone to live in. As with climate change, no one company will solve these big challenges alone. We are aligning our Sustainability strategy with SDGs, engaging our business plan. Nissan is using them as a guideline to build our sustainability strategy. We are an organization that contributes to many of the SDGs, such as climate action, clean energy, and sustainable cities and communities through our carbon neutrality strategy. Our approach is to make continual progress through PDCA (Plan-Do-Check-Act) cycle. We can use the SDGs to benchmark our past efforts and identify room for improvement. Nissan has been participating in the United Nations Global Compact since 2004. We will continue to be aligned with the universal principles, and actively contribute to achieving SDGs.

As stated in our corporate purpose, Nissan is "Driving innovation to enrich people's lives" and this statement is fundamental to why we exist and the role we play for the society. I want Nissan people to be aware of the benefits of the work they do, and what value they are delivering by showing them the direction and the company's purpose. This helps revitalize the organization and ensure Nissan's sustainability, which will contribute SDGs.

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## Protecting human rights throughout our supply chain

**Q: We are seeing rising expectations for companies to do more to address human rights issues. What is Nissan doing on this front?**

**A:** Our goal is to conduct ethical, social, and environmentally conscious business practices at every level of the supply chain in global markets. Nissan has zero tolerance for human rights abuses anywhere, based on our policies outlined in the "Nissan Human Rights Policy Statement". The company is proactive and thorough in our efforts to support human rights and mitigate risks in our supply chain. We have ensured that our global policies such as Global Minerals Sourcing Policy Statement supplement these guidelines. We are also bolstering our investigative efforts to identify potential violation of human rights across supply chain and take timely and appropriate corrective measures.

Another perspective that we take is to think about what a "Just Transition" looks like. Our journey to carbon neutrality can be achieved if only we commit to respect and protect human rights within Nissan and suppliers. Our aim is to contribute to sustainable economic growth by creating new business models that help deliver decarbonization while taking care of vulnerable members of society. We want to ensure we do not generate additional groups of society facing new hardships.

We recognize that Nissan could do more to communicate about our environmental initiatives enough and we are going to do more on information disclosure. It is natural for Nissan, which respects diversity, to actively address human rights issues. We should be working more on this front.



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## Promoting diversity across Nissan

**Q: The last year has seen the issue of diversity really come to the fore. What does diversity mean to Nissan?**

**A:** Diversity is our strength and a critical topic that I am personally committed to taking on. We are not starting from 'square one' – we are a hugely diverse company made-up of people from all over the world. I am proud of this. I foster the diverse and inclusive environment where we value and respect employees to drive innovation.

Last year, during the process of redefining our corporate purpose, I had the opportunity to exchange opinions with many colleagues on this topic.

## Ensuring the well-being of our colleagues and their families

**Q: How did COVID-19 impact Nissan? What initiatives have you to protect colleagues and their families as well as the wider communities in which you operate?**

**A:** I would like to start by offering my deepest condolences to all those affected by the COVID-19 outbreak, and express my sincere gratitude to all the healthcare and frontline workers for their tireless work during the pandemic.

COVID-19 has forced us to change the way we work and live. Nissan continues to place the highest priority on the well-being of our employees and their families by ensuring safe-distancing, hygiene and protective equipment and encouraging and supporting our people to work remotely.

I believe “Nissan-ness” is a culture where innovation is fostered through gathering together people from diverse backgrounds and allows for people act freely and authentically.

I do not want Nissan to be an organization where every colleague says the same thing like a “cookie-cutter” world. Different opinions generate innovation and offer indefinite possibilities. That’s why we are able to make a range of cars from A to Z catering diverse markets and distinct customers. Our alliance with Renault and Mitsubishi has contributed immensely to this culture. I strongly believe that the top management needs to bring forth the power from inside to make it happen.

We are also actively involved in efforts to ensure the health and safety of the communities we operate through donation of vehicles, manufacturing of masks etc.

We are also providing comprehensive support to our dealer network and our customers. One example I refer to is the great progress we have made in digital sales. That has seen us rethinking, in partnership with our dealer networks, what the role of a dealership can be in engaging the customer, while also responding to some of the restrictions brought about by the pandemic. Remote work proved to be effective. We can save the commuting time and use it for our families and friends. This will help us strike a better work-life balance.

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## Meeting customer needs today and tomorrow

**Q: With the world continuing to undergo so much change, what will be the future priorities of Nissan in responding to what customers and society wants?**

**A:** We are now in the second year of the NISSAN NEXT business transformation plan, which is intended to revive the business to deliver sustainable growth for the next decade. We are pleased to see the good progress especially of our efforts to better quality of sales without seeking excessive sales growth. This is a significant change on our business culture. This gives me great confidence in the future of Nissan.

What makes me most happy is when our customers are delighted by our products, and our employees find what they and the company are doing is meaningful. We have initiated several projects that demonstrate the crucial role we play creating sustainable cities and communities. For instance, in February 2021, Nissan signed an agreement with the three local governments in the Fukushima Prefecture namely Namie-machi, Futaba-cho, and Minami Souma City along with eight other companies, including 4R Energy Corporation and local dealerships, to work together to design a community leveraging new mobility. We are exploring the possibility of redesigning the community to accommodate driverless vehicle operations and conducting field tests to make it happen.

Nissan has a rich heritage and a consistent track record of bringing together people and communities to help shape the future of mobility. Our challenger spirit and an innovating mindset combined with our deep-rooted commitment to sustainability, dives our determination to create distinctive and innovative products and services that inspire our customers and provide real social value.

