

## Nissan's Approach to CSR

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Fuga

# Nissan's Approach to CSR

Seeking Balance in Our Business Activities

# Nissan's Approach to CSR

## Our CSR Development Process



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## Management in Pursuit of Proper Balance

Guided by the vision of Enriching People's Lives, Nissan seeks to create value through its provision of products and services. Through our corporate activities all around the world, we also aim to contribute to the development of societies where we do business. Toward these twin goals we carry out management that combines our pursuit of sustainable profitability with our efforts to bring sustainable development to society. Making CSR principles part of our management approach is an effective way to make this alignment a reality. We believe it is also a way to built relationships of trust with our diverse stakeholders.



### Our Idea of CSR

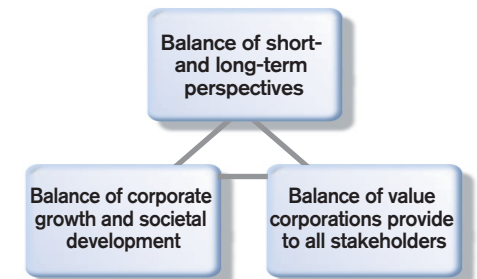
The definition of corporate social responsibility is a constant subject of discussion all around the globe. Nissan positions the concept of CSR in its activities as follows.

CSR is a form of process management, applicable in all areas of business, through which a company seeks to strike appropriate balances in three areas:

1. A balance between short- and long-term perspectives
2. A balance between corporate growth and societal development
3. A balance of value provided by the company to all its stakeholders

We believe that by pursuing these balances, a company can earn the trust of all its stakeholders and achieve sustainable, profitable growth for itself.

To Nissan, CSR means pursuing these three balances in all fields of our business activity.



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**CSR Goals in Nissan Value-Up**

As part of Nissan Value-Up, our midterm business plan, we are developing our CSR strategy according to a carefully planned roadmap:

- Fiscal 2005: Defining CSR for Nissan
- Fiscal 2006: Establishing CSR as management practice
- Fiscal 2007: Delivering our CSR strategy

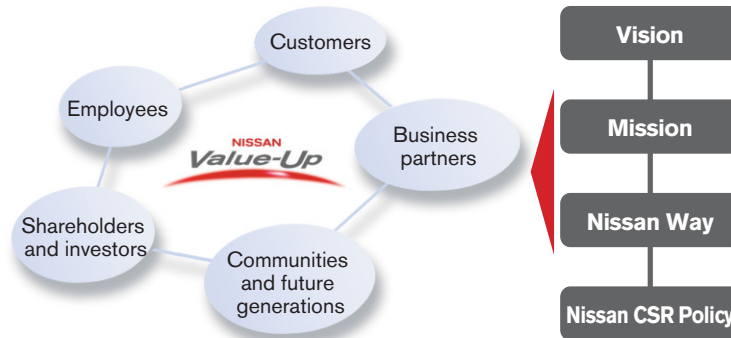
**Fiscal 2005: Defining Nissan's CSR**

In the first year of Nissan Value-Up we launched the CSR development process by crafting our CSR Policy and defining nine key areas for CSR-related efforts. In this year we also established the CSR Steering Committee to monitor our progress in each of these nine areas.

**The Nissan CSR Policy**

- Ethical conduct, strong corporate governance with a high degree of transparency and a clear focus on diversity are the foundation for all our activities worldwide.
- We aim for the sustained profitable growth of the company, and at the same time contribute proactively to the sustainable development of mobility and society.
- We will listen to, and work with, our stakeholders around the world and create trust, opportunity and long-term sustainable value.

The Nissan CSR Policy contributes to the creation of value for all our stakeholders in line with our Vision, Mission and Nissan Way



(For information on Nissan's Vision and Mission, see p. 1; for the Nissan Way, see p. 29.)

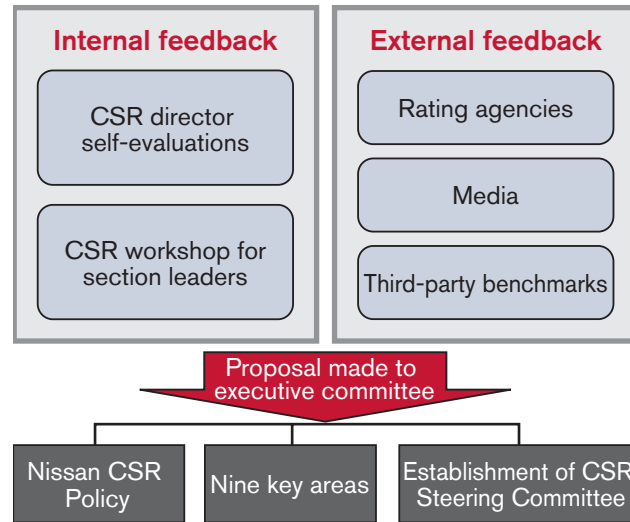
**Nine Key Areas**

<p><b>Integrity</b></p> <p>Employees aim for fairness and honesty, adhering to Nissan's Global Code of Conduct and acting ethically in all business situations</p>	<p><b>Quality</b></p> <p>Nissan creates products and services recognized as being of world-class quality</p>	<p><b>Safety</b></p> <p>Nissan develops innovative technology and plays an active role in safety promotion, making the automobile society safer for all</p>
<p><b>Economic contribution</b></p> <p>Nissan aims for sustainable, profitable growth, contributing to economic development for all of society</p>	<p><b>Environment</b></p> <p>Nissan seeks to reduce the environmental burden over the life cycle of a vehicle and to contribute to the creation of a sustainable mobility society</p>	<p><b>Value chain</b></p> <p>Nissan promotes ethical, environmentally sound actions in all stages of the supply chain</p>
<p><b>Brand</b></p> <p>Nissan works to create a trusted brand known for its attention to people, the environment and the communities where we do business</p>	<p><b>Employees</b></p> <p>Nissan aims to be an attractive organization where diverse human resources can achieve personal growth</p>	<p><b>Philanthropy</b></p> <p>Nissan contributes to the prosperity of people and communities through partnerships with NGOs</p>

## Our CSR Development Process

Our first task in defining the Nissan CSR Policy and identifying the nine key areas was to gather feedback from both within and outside the company. We gathered internal feedback from directors and section leaders. Twelve company directors underwent self-evaluation interviews to gauge their views of Nissan's strengths and weaknesses from a CSR perspective. To ascertain the views of midlevel management on the company's strong and weak points from this same angle, some 50 section leaders came together from throughout the global organization to take part in a CSR workshop. (See page 14 for information on the interviews and workshop.)

For external feedback, Nissan looked to rating agencies from different regions of the world, media evaluations and benchmarks compiled by other companies. Based on compilation and analysis of all this internal and external data we then established the CSR Policy and our nine key areas, as well as setting up the CSR Steering Committee to oversee progress in these key areas. All of these moves were approved at the Executive Committee meeting held in March 2006.

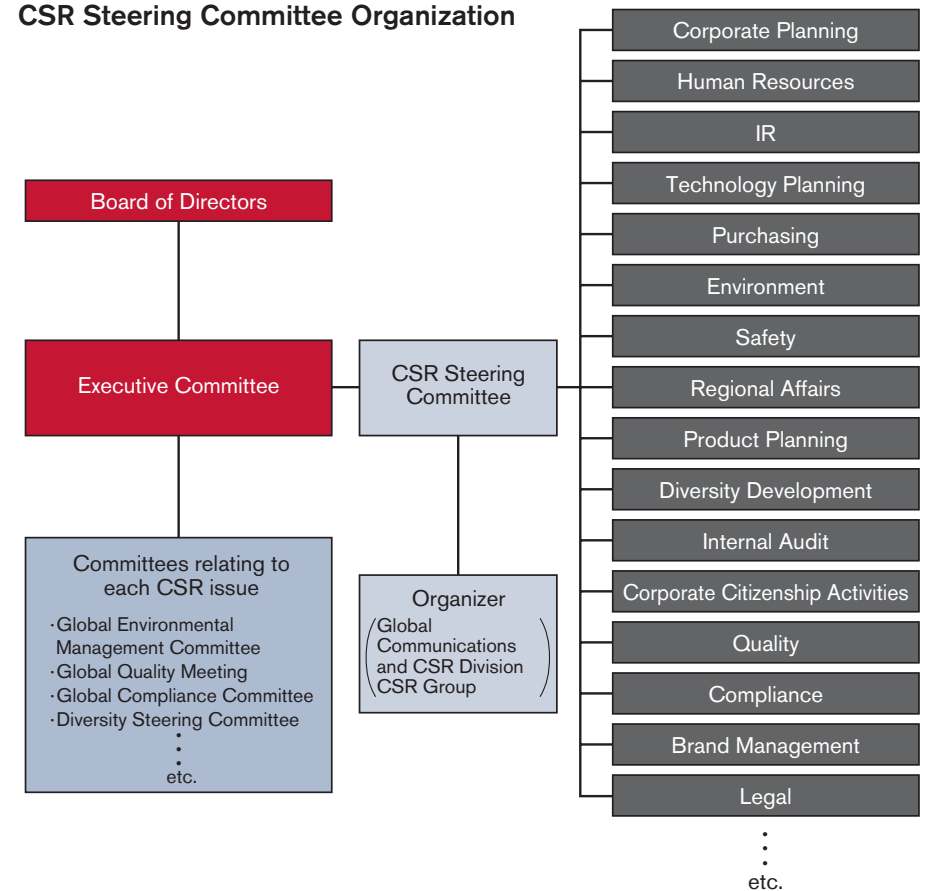


### The CSR Steering Committee Mission

The committee is tasked with pursuing three balances in all nine key CSR areas:

1. Balance of short- and long-term perspectives
2. Balance of Nissan's growth and societal development
3. Balance of value Nissan provides to all stakeholders

### CSR Steering Committee Organization



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### Interviews to Gauge Views on CSR

Nissan tested "CSR Innovation," a self-evaluation program developed by the Caux Round Table,\* with 12 directors in the fall of 2005. In this program, each executive is given a face-to-face interview and answers 49 questions covering a range of topics. By analyzing the results of the interview, objective views are obtained on the executives' approach to CSR. In addition to this objective, Nissan's implementation of CSR Innovation presented an opportunity for the

executives to reconsider their own performance in daily management tasks.

Through this evaluation, the following strengths and challenges were identified.

\* The Caux Round Table was founded by business leaders from many countries in 1986 at Caux, Switzerland, to promote corporate ethics and contribute to viable economic and social development.

### Strengths

- Embracing of diversity as a management asset
- Measures taken to ensure transparency
- Achievement of industry-leading recycling rates

### Challenges

- Inadequate contribution to overall social development
- Action to combine business with environmental and social aspects
- Insufficient action in regions other than Japan, North America and Europe

### CSR Workshop for Managers

Nissan sees CSR activities as part of its daily operations—initiatives that will create larger value for society. Based on this concept, an internal workshop was held in the fall of 2005 as a forum for reviewing the daily operations of each department and to recognize the challenges from the perspective of Nissan's social responsibilities.

This workshop was attended by approximately 50 section leaders, including representatives from Japan, Europe and North America. After sharing thoughts on basic concepts and world trends, such as how corporate roles are changing in global society and what is expected of a corporation by stakeholders, the discussion turned to Nissan's strengths and challenges, future direction and potential focus areas.

The results of the discussions in this workshop are being reflected in the CSR Policy and in identifying key areas.

### Divisions Participating in the Workshop

Corporate Planning, Brand Management, Purchasing, Technology Planning, Quality, Marketing, Aftersales, Logistics, Manufacturing, Environment and Safety, Diversity Development, Corporate Citizenship Activities, Administration for Affiliated Companies, Dealers Support Group, Industrial Machinery, Recycling Promotion, Global Nissan Sales and Service Way (NSSW) Promotion, China Operations, Nissan Europe, Nissan North America, General Overseas Market Marketing and Sales, Regional Affairs, Human Resources, Communications, IR, Accounting, Internal Audit, Legal and others



Workshop discussions helped managers clarify CSR issues.

## Fiscal 2006: Building CSR Strategy into Nissan

Nissan positioned fiscal 2006 as a year to systematize its CSR strategy, which had been expressed the previous year in the Nissan CSR Policy and the nine key areas.

In April 2006 we fixed the organization of the CSR Steering Committee, composed of some 20 leaders of the sections involved with the nine key areas. In May the committee held its official meeting for the first half of the fiscal year, discussing risks and opportunities for each of the nine key areas from a CSR perspective. The committee remains active today, making use of the CSR scorecard as a tool for managing actions and goals (see page 15).

In June we issued our 2006 Sustainability Report to coincide with the annual shareholders meeting. This was the second straight year that we made the publication available at the meeting, where we also set up a panel display on our CSR activities and hosted an informal post-meeting reception giving shareholders a chance to speak with CEO Carlos Ghosn and the other company directors.

In July Nissan sponsored the 2006 SRI Fund Management Conference, held in Tokyo. This event gives CSR officers from many firms the chance to give presentations on CSR issues, exchange opinions with a CSR rating agency and explore trends in SRI, or socially responsible investment.



June 2006: CSR information on display at the shareholders meeting



July 2006: At the SRI Fund Management Conference

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An August special program, broadcast by one of the key broadcasters in Tokyo, focused on SRI trends and Nissan's approach to CSR. The show, along with a number of articles appearing in newspapers and magazines around this time, proved to be an effective tool sparking dialogue with external stakeholders.

October 2006 saw Nissan invite three CSR experts from outside the company to speak with our CSR Steering Committee. Discussion at this meeting focused on CSR management in the supply chain, in particular management relating to human rights.



Makoto Teranaka  
Amnesty International Japan



Toshihiko Fujii  
Research Institute of Economy, Trade and Industry



Kazutaka Okubo  
Ernst & Young ShinNihon

In the same month we hosted an Environmental Stakeholder Dialogue with the participation of environment specialists from around the globe. COO Toshiyuki Shiga, who chairs Nissan's Global Environmental Management Committee, was one of many Nissan officers taking part in this gathering. The feedback we received through these events was put to work right away, as we reflected it in Nissan Green Program 2010, our midterm environmental action plan announced in December 2006.

In November 2006 Nissan was proud to be selected as one of 50 leading firms in the area of sustainability reporting according to the 2006 Global Reporters report. This is published every two years by SustainAbility, an organization specializing in analysis of corporations' nonfinancial performance, in association with leading rating agency Standard & Poor's and the United Nations Environment Program.

The fiscal year's second CSR Steering Committee meeting took place in February 2007. Here the members confirmed and approved the items to appear on Nissan's CSR scorecard for fiscal 2007. Also invited to this meeting was a representative of Innovest, another leading CSR rating organ, helping to make the gathering a scene of fruitful discussion on our activities.

**Fiscal 2007: Sharing Our Goals with Society**

Beginning in fiscal 2007, Nissan will publish its CSR scorecard. We are pursuing increased transparency by sharing our goals and our progress toward them in our nine key areas. We also hope to gain valuable feedback on our activities, putting it to work internally to strengthen our CSR functions in all nine areas and improve our ability to contribute to sustainable growth for all of society.

**Nissan's CSR Scorecard**

Throughout the year our CSR Steering Committee makes use of the CSR scorecard as a fundamental tool for monitoring and reviewing our progress toward the three balances we seek to strike in the area of CSR. As seen in the figure on the following page, the scorecard presents in column A the values and management indices that Nissan relies on in its ongoing business activities, and column C represents the demands that society has of corporations, in each of our nine key areas. In column B, we formulate business guidelines based on the actions that Nissan must take in the mid- to long term in order to



October 2006: External experts discuss CSR with Nissan



October 2006: A global environmental advisory meeting

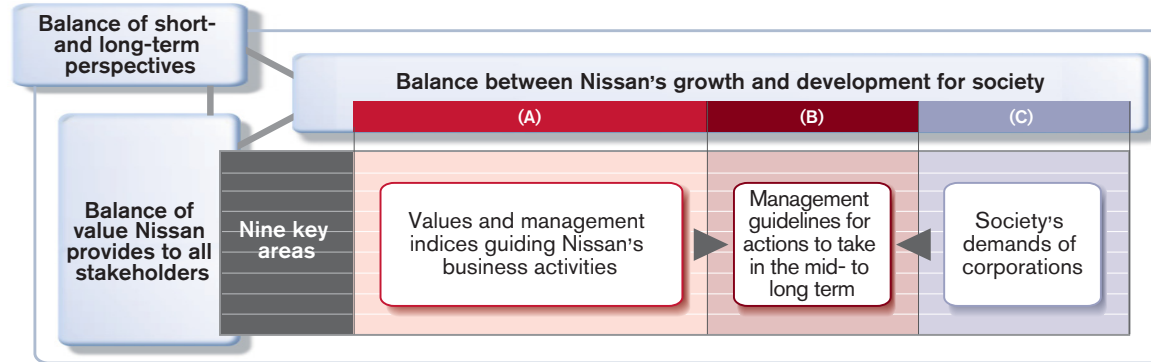


February 2007: The CSR Steering Committee meeting


**Our CSR Development Process**

strike a balance between the values in the outer two columns. In this way the scorecard's horizontal axis represents the balances we pursue between growth for our company and healthy development for society, and the vertical axis the balances we hope to strike among the various stakeholders to whom we provide value. Still another balance is the one we pursue between the short- and long-term perspectives we take throughout this entire process. On pages 20 to 23 in this report we present detailed information on the CSR scorecard, focusing on the content of column A.

**Nissan's CSR Scorecard**



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**Simon Sproule**  
Corporate Vice President  
Global Communications and CSR  
Division  
Nissan Motor Co., Ltd.

### On the 2007 Sustainability Report

As chairman of Nissan's CSR Steering Committee, it is my responsibility to create and execute our CSR strategy. This year marks an important step forward with the publication of our CSR scorecard for the first time. This will allow any of our stakeholders to measure and challenge our progress in the nine areas of focus that Nissan has chosen for its CSR strategy. We will report on our successes—and failures—one year from now when we publish the 2008 report.

We know that society expects a lot from a company the size of Nissan. We recognize that our actions have far-reaching impacts on millions of people across the world. And we know that, more than ever, stakeholders are holding big organizations accountable for the environmental challenges that face our world today—and their solutions. For Nissan, our challenge is to build trust through transparency.

At Nissan, we are still far from best in class in our CSR programs and results. But by making CSR the responsibility of a corporate officer, giving it visibility to the CEO and now, making public our activities, I believe we are moving in the right direction.

We also see CSR differently from many other organizations. For Nissan, it is not a communications program designed to make us look good, or just a way of donating to charitable causes. CSR is about making our business sustainable for the long term. It is about running our business in such a way that there is no more "win-lose" dynamic with our stakeholders. It is about trust.

In 2004, when we published our first Sustainability Report, it was a public record of our CSR-related activities. Now, just three years later, this report is still a record of our activities, but it is also a forward-looking statement that has significance and relevance to our core business. We also hope it is a report that leads to active dialogue and a trusting relationship with you, our stakeholders.

I hope you find this year's report interesting, stimulating and relevant.



**Our Nine Key Areas for CSR**

Nissan's Approach to CSR  
**Our Nine Key Areas for CSR**



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The CSR Steering Committee, launched in fiscal 2006, uses our CSR scorecard as a tool to manage, confirm and review our progress in each of nine key areas we have defined for CSR activities. Below are messages from our "owners" of activities in each of these areas, touching on our progress in fiscal 2006 and challenges for fiscal 2007.

**Nine Key Areas**

Integrity	Quality	Safety
Economic Contribution	Environment	Value Chain
Brand	Employees	Philanthropy

**"Owner" Messages on the Nine Key Areas**


**Integrity**



**Takeshi Kitajou**  
Compliance Secretariat  
(Human Resources Department  
General Manager)

As a first step in preventing noncompliance, we have actively pursued such measures as strengthening the global compliance system and establishing compliance standards covering the whole Nissan Group. The next step is to instill these standards thoroughly in every employee. We also aim to prevent noncompliance before it occurs by establishing a system to ensure that noncompliance incidents are reported without delay and by bolstering the system for taking speedy, appropriate action to deal with such reports.

**Economic Contribution**



**Joji Tagawa**  
Corporate Vice President  
IR Department, Treasury Department

We are working in a number of areas within the company with a focus on sustainable, profitable growth. If we do not increase profits, we cannot invest in attractive products and advanced technology, or in growing markets and segments; we cannot improve the services we offer our customers, we cannot pay dividends to our shareholders and we cannot contribute to society. We have achieved consistent increases in profitability since implementing the Nissan Revival Plan, and under Nissan Value-Up our goals are top-level operating profits and a high earning rate on invested capital. We intend to maintain our sustainability through the cycle of aiming for higher profits and making full use of all the returns these profits can bring.



## Our Nine Key Areas for CSR

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**Brand**



**Masaaki Kurasumi**  
Brand Management Office  
Deputy General Manager

In fiscal 2006 Nissan reconfirmed its plan to enhance the presence of the Nissan and Infiniti brands in society by clarifying the respective identities and concrete values they represent to customers. This requires all Nissan employees around the world to share an enthusiasm for achieving these goals and an acceleration of brand-promoting initiatives.

By offering vehicles and services that meet and exceed the high expectations people have of Nissan, I am convinced that we can increase the numbers of both Nissan and Infiniti fans. While highlighting the distinctiveness of the two brands, we hope to implement a strategy aimed at enhancing their "trustworthiness" from medium- and long-term perspectives.

**Quality**



**Takashi Terada**  
Total Customer Satisfaction Function  
General Manager

In its dealings with customers, Nissan pledges to provide them with products they can trust, services that put them at ease and an attitude of unflinching sincerity. To uphold these promises we have adopted the Nissan Product Quality Policy. In fiscal 2006 we established four Field Quality Centers around the globe, which will conduct research and analysis of parts that have been recalled from the market. In fiscal 2007 we expect dramatic improvements in the quality of our products on the market and significant reductions in warranty work. We are also promoting a high level of transparency, approaching recalls and service campaigns as things to do not merely for legal reasons but out of the primary concern for the safety of our customers.

**Environment**



**Masanori Ueda**  
Global Environmental Planning Office  
Corporate Planning Department  
Deputy General Manager

In 2006 Nissan released its midterm environmental action plan, Nissan Green Program 2010. Based on this plan, we are actively promoting environmental measures in order to develop a sustainable mobility society. Improving environmental performance contributes to Nissan's long-term growth; it also serves to enhance our business value. At Nissan, we therefore intend to make truly effective environmental technology available as quickly and widely as possible, while also providing optimum value for our customers.

**Employees**



**Yukiko Yoshimaru**  
Diversity Development Office  
General Manager

Diversity is one of Nissan's strengths, and we keep this in mind as we aim to deliver ever-greater value to our diverse stakeholders. Noting that women are involved in more than 60% of vehicle purchases, we established a global indicator to track the proportion of managerial positions held by women in Nissan. Monitoring this data will accelerate our promotion of workplace diversity. Maintaining employee diversity is essential as Nissan continues to develop its business globally. We plan to intensify our diversity efforts as we strive to better respond to the expectations of customers.

*Nissan approaches employee relations from the perspectives of human-resource development and worker safety as well as diversity. To learn more, see page 22.*

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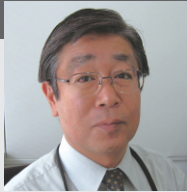
**Safety**



**Tetsuo Hasegawa**  
Environmental and Safety Technologies  
Global Government Affairs Department  
General Manager

Nissan is working across a broad spectrum to improve the safety of vehicles, people and society. Nissan has set the goal of halving the number of automobile accident fatalities or serious injuries involving its vehicles by 2015 as compared to 1995. The ITS project, which utilizes Intelligent Transport System technologies, was launched in fiscal 2006, and we have commenced experiments aimed at reducing the number of intersection collisions by using road-to-vehicle communication. Under the "Safety Shield" concept, various systems in and around the vehicle help the driver and passengers to avoid dangers. We are also promoting traffic safety through educational activities in conjunction with technology. Through these comprehensive activities, we aim to achieve a safer "automobile society."

**Value Chain**



**Seiji Uehara**  
Purchasing Administration  
Department  
Deputy General Manager

The purchasing divisions of Nissan and Renault have compiled the values and processes they stress when doing business with suppliers into a booklet titled *The Renault-Nissan Purchasing Way*. The booklet calls on suppliers to set out basic policies and specific measures for adhering to the values of Nissan and Renault, which include forbidding the use of child and/or forced labor and complying with environmental laws and regulations—areas of particular concern to both companies. In our determination to ensure implementation of these policies and measures and drive home the importance of risk prevention in CSR, we intend to incorporate CSR policies and systems into the criteria used in the supplier-selection process and to pursue CSR management in unison with our suppliers.

**Philanthropy**



**Kyohei Noguchi**  
Global Brand Communication  
Department General Manager

At Nissan we conduct corporate citizenship activities according to our vision of Enriching People's Lives, which centers on three areas—support for education, consideration for the environment and humanitarian assistance. In fiscal 2006 we established our Corporate Citizenship Steering Committee with the goal of achieving global consistency in our approach and sharing best practices among regions. This committee is undertaking discussions aimed at developing sustained contributions to society that embody Nissan's originality in fiscal 2007 and beyond.

**From the CSR Steering Committee Secretariat**



**Keitaro Suga**  
Communications and CSR Department  
Manager, Global Environmental  
Planning Office Manager

The mission of the CSR Steering Committee is to review Nissan's day-to-day business in the company's nine key CSR areas. We perform these reviews with a view to maintaining balance: between corporate growth and society's development, and between short- and long-term perspectives. This enables us to improve our CSR activities and share our processes with society. Through this approach we will improve transparency, thus strengthening the bond of trust we have with all our stakeholders. In the Sustainability Report 2007 we have published a section of our CSR scorecard as a part of the PDCA (plan-do-check-act) cycle of our activities. This will give us all the more opportunity to hear the views of society through CSR rating organizations.

# Nissan's Approach to CSR

## Nissan CSR Scorecard (1)



Altima

Nissan's CSR Steering Committee, launched in fiscal 2006, uses the CSR scorecard as a tool to track the progress of and review activities related to the company's nine key areas of focus. The table below shows some of the values behind Nissan's present activities in these areas and the indices used in the scorecard to gauge our performance.

**Nine Key Areas**

Integrity	Quality	Safety
Economic Contribution	Environment	Value Chain
Brand	Employees	Philanthropy

Nine Key Areas										
	Major Activity or Value	Scope of Application	Indicators of Progress							
			FY2004	FY2005	FY2006	FY2007 (Target)	Long-Term Vision			
<b>Integrity</b>	Employees aim for fairness and honesty, adhering to Nissan's Global Code of Conduct and acting ethically in all business situations.	Establishment of a system in which conduct violations are duly reported	Consolidated companies	Establishment of compliance-promoting organizations and development of codes of conduct in regions around the world	81.6% complete	86.0% complete	97.8% complete	Aim for 100% completion	A fully functioning framework for the prevention of conduct violations	
<b>Economic Contribution</b>	Nissan aims for sustainable, profitable growth, contributing to economic development for all of society.	Creation of value for stakeholders and contribution to society through implementation of Nissan Value-Up	Consolidated companies	Operating profit to sales ratio	10.0% (Top level among leading automakers)	9.2% (Top level among leading automakers)	7.4% (Top level among leading automakers)	Maintain top-level operating profit margins among the world's leading automakers	Achieve growth with sustained profits; continue providing long-term value to customers, shareholders, employees, business partners, regional communities and other stakeholders	
				Dividend	¥24/share	¥29/share	¥34/share	¥40/share		
<b>Brand</b>	Nissan works to create a trusted brand known for its attention to people, the environment and the communities where we do business.	Raising the value of the Nissan brand among stakeholders	Customers worldwide (indicators at right apply to conditions in Japan)	CSR index in Nikkei Corporate Image Survey of individuals (used for reference purposes as part of in-house brand management index)	Score for "reliability"	35.5 (25th among approx. 1,000 companies)	33.7 (31st among approx. 1,000 companies)	36.1 (29th among approx. 1,000 companies)	Aim for a higher score by enhancing reliability	Aim for sustained and stable improvements of scores by positioning the index as a measure of how well our corporate activities reflect the values society is seeking
					Score for "adaptability to social change"	17.4 (3rd among approx. 1,000 companies)	15.6 (2nd among approx. 1,000 companies)	14.5 (7th among approx. 1,000 companies)	Aim for a higher score by swiftly reflecting values the market is seeking	
<b>Quality</b>	Nissan creates products and services recognized as being of world-class quality.	Providing products that customers are comfortable using because quality is as expected	Consolidated companies (indicators at right apply to conditions in U.S.)	Results of survey by third-party firm on vehicle quality at the time of new-car purchase	Nissan: 16th Infiniti: 9th	Nissan: 12th Infiniti: 7th (Content of the survey was changed in 2005)	Nissan: 19th Infiniti: 9th	Aim for improved rankings	Remain within the top 3 for Nissan-brand vehicles and top 2 for Infiniti-brand vehicles	

# Nissan's Approach to CSR

## Nissan CSR Scorecard (2)



X-TRAIL FCV 2005 model

Nine Key Areas		Major Activity or Value	Scope of Application	Indicators of Progress			2010 goals (NGP2010)	
					FY2006	FY2007 (Target)		
<b>Environment</b>	Nissan seeks to reduce the environmental burden over the life cycle of a vehicle and to contribute to the creation of a sustainable mobility society.	Implementation and promotion of Nissan Green Program 2010 (NGP2010)	Global operations	Reduction of CO <sub>2</sub> emissions	Products, technologies	<ul style="list-style-type: none"> <li>Marketing of 6 compact models with cleaner emissions, better fuel efficiency for reduced CO<sub>2</sub></li> <li>Introduction of hybrid Altima in North America</li> <li>Introduction of VVEL that dramatically improves both environmental and driving performance on a global basis</li> <li>Start of Carwings car-navigation service in Japan to promote eco-driving</li> </ul>	Steadily implement NGP2010 (as detailed at right) and achieve targets	<ul style="list-style-type: none"> <li>Steadily attain each country's fuel efficiency standards and further fuel economy progress</li> <li>Market vehicles with Nissan's proprietary hybrid technologies in North America and Japan by fiscal 2010</li> <li>Market fuel-cell vehicles with improved proprietary fuel-cell stacks in North America and Japan by the early 2010s</li> <li>Market vehicles that can travel approx. 100 km on 3 liters of gasoline (3-liter cars) in 2010</li> </ul>
					Production, logistics	Production: Global per vehicle CO <sub>2</sub> emissions down 4% from FY2005 Logistics: Measurement of CO <sub>2</sub> emission levels in Japan, start of measurement on a global basis		Production: Reduce CO <sub>2</sub> emissions from factories worldwide by 7% from 2005 levels by fiscal 2010 (global per vehicle CO <sub>2</sub> emissions) Logistics: Begin measurement of emission levels in fiscal 2006 and launch emission management in fiscal 2007
					Dealers, offices	Start of measurement of CO <sub>2</sub> emissions at nonfactory facilities		Begin measurement of emission levels by fiscal 2007 and launch emission management in fiscal 2008
				Achievement of clean emissions (to preserve air, water and soil quality)	Products, technologies	Expansion of SU-LEV ratio in overall sales: 84.4% of gas-powered passenger vehicles sold in Japan were SU-LEVs as of the end of March 2007		<ul style="list-style-type: none"> <li>Introduce vehicles complying with each country's future emission standards ahead of requirements</li> <li>Develop technologies to reduce emissions to near-atmospheric levels</li> </ul>
					Production	VOC emissions in Japan down 9.7% from FY2005 (bodies and bumpers)		Global: Achieve VOC reductions exceeding each country's standards Japan: Achieve 10% reduction in volume of VOC emissions (from fiscal 2005 levels)
				Recycling of resources (promotion of the 3Rs)	Production	Out of Nissan (5 plants, 1 office) and 5 group production companies in Japan, 100% factory recycling rates achieved at Nissan (4 plants, 1 office) and 2 group companies		Global: Achieve top factory recycling rates in each country Japan: Achieve 100% recycling rate (at Nissan and affiliate factories, according to Nissan calculations)
					Promotion of recycling in the market and among dealers	Recovery rate in Japan was 95.2% for FY2006		Global: Aim for 95% recovery rate for ELVs in 4 major markets Japan: Achieve 95% recovery rate for ELVs in fiscal 2010 (5 years ahead of legal requirement)
				Joint efforts with management and society		<ul style="list-style-type: none"> <li>Development of e-learning program for in-house environmental education</li> <li>Implementation of environmental education at a Yokohama elementary school</li> <li>Start of tests for ITS project to reduce traffic accidents and alleviate congested roads using ITS</li> </ul>		<ul style="list-style-type: none"> <li>Strengthen environmental management at business partners</li> <li>Strengthen environmental management in all facets of operations</li> <li>Enhance environmental awareness among employees</li> <li>Promote comprehensive measures in conjunction with other sectors</li> <li>Disclose environment-related information and enhance communication with stakeholders</li> </ul>





Nine Key Areas		Major Activity or Value	Scope of Application	Indicators of Progress	FY2004	FY2005	FY2006	FY2007 (Target)	Long-Term Vision
<b>Employees</b>	Nissan aims to be an attractive organization where diverse human resources can achieve personal growth.	Build a learning-oriented corporate culture	Nissan Motor Co., Ltd.	Trainee satisfaction: Based on surveys of employees undergoing annual training courses. Scores (on a scale of 1 to 5) are the lowest of the averages for each course	4.0 or higher	4.0 or higher	4.0 or higher	Implement training programs that raise the skills of individual employees; maintain and enhance trainee satisfaction	Create a learning-oriented corporate culture and a setup allowing each employee to achieve personal growth
		Enhance motivation based on employee attitude surveys	Global	Employee engagement scores: Share of affirmative responses to survey questions regarding employee motivation	Not implemented	62%	55%	Raise management quality and promote corporate culture reforms based on survey results; maintain and enhance employee engagement	Create a setup to maintain and enhance employee engagement
		Support for self-initiated career development	Nissan Motor Co., Ltd.	Number of successful applicants under Open Entry (employees can apply for advertised position openings) and Shift Career (employees can apply to the department or occupation of their choice, regardless of availability) Systems	74 (Open Entry System)	96 (Open Entry and Shift Career Systems)	111 (Open Entry and Shift Career Systems)	Carry out further promotion of optimum human-resource placement through the Open Entry and Shift Career Systems	Provide support for career development that emphasizes employee self-initiative
		Creating safe and worry-free workplaces	Nissan Motor Co., Ltd.	Frequency of labor accidents (injuries or deaths per 1 million worker-hours)	0.18	0.26	0.24	0.27	Build and maintain safe, worry-free workplaces
		Promotion of diversity through active utilization of women's abilities	Global	Share of women in middle-management and management positions	Japan (Nissan Motor): 2% Americas/Europe: calculated from FY2005 Other global markets: calculated from FY2006	Japan (Nissan Motor): 3% Americas: 15% Europe: 7% Other global markets: calculated from FY2006	Japan (Nissan Motor): 4% Americas: 14% Europe: 10% Other global markets: 15%	Japan (Nissan Motor): 5% Americas: under monitoring Europe: 11% Other global markets: under monitoring	Create a setup offering greater value to a diverse range of customers
		Promotion of diversity through cross-cultural recruitment	Nissan Motor Co., Ltd.	Share of non-Japanese employees	Calculated from FY2006	Calculated from FY2006	1%	Create a setup offering greater value to a diverse range of customers	



Versa

Nine Key Areas		Major Activity or Value	Scope of Application	Indicators of Progress	FY2004	FY2005	FY2006	FY2007 (Target)	Long-Term Vision
<b>Safety</b>	Nissan develops innovative technology and plays an active role in safety promotion, making the automobile society safer for all.	Establishment of quantitative reduction targets for Nissan-related traffic deaths, etc., real-world analysis of accidents to build safer cars and implementation of driver-education programs	Japan and U.S. (figures at right are for Japan only)	Reduction from 1995 levels in Nissan-related traffic deaths and injuries (figures unavailable for 2 years due to the use of official statistics)	27% reduction	34% reduction	To be calculated in or after October 2007	Make efforts to halve deaths and injuries by 2015 through the development of safety-related technologies based on the Nissan Safety Shield approach	Halve deaths and injuries involving Nissan vehicles by 2015
<b>Value Chain</b>	Nissan promotes ethical, environmentally sound actions in all stages of the supply chain.	Ask suppliers to uphold the values, laws and regulations that are respected by Nissan and Renault	All primary suppliers to the Nissan-Renault Purchasing Organization (NRPO; responsible for 75% of total Nissan-Renault procurement by value, fiscal 2006)	Extent to which values and codes of conduct are shared with suppliers	Completed identifying the values and codes of conduct to be shared with suppliers	Published booklet for suppliers containing values and codes of conduct to be shared; launched implementation at all primary suppliers for the NRPO	Introduced a framework basing the selection of suppliers for the NRPO on their commitment to CSR perspectives	Establish evaluation criteria for suppliers' CSR policies and organizations based on supplier commitments; promote integrated CSR management with business partners	Incorporate CSR perspectives more fully in the supplier selection process; execute integrated CSR management with suppliers
		Reduce the environmental impact of products through green procurement activities	All primary suppliers around the world	Ascertaining compliance with Japan's green procurement guideline for environment-impacting substances in purchased parts, and promotion of such activities with regard to global guideline	Completion of activities with more than 95% of suppliers in Japan	Completion of activities with nearly 100% of suppliers in Japan	Preparations completed for launch of green procurement activities on a global basis	Successively expand green procurement guidelines to cover all primary suppliers around the world	Reduce the environmental impact through the life cycle of Nissan vehicles at suppliers based on target values
<b>Philanthropy</b>	Nissan contributes to the prosperity of people and communities (e.g. through partnerships with NGOs).	Clarification of Nissan's philanthropy policy, reinforcement of in-house organization and enhancement of philanthropic activities	Global	Clarification of Nissan's philanthropy policy and establishment of an in-house promotion organization	Activities carried out individually in each region	Global philanthropy policy formulated and implemented in activities	Established in-house, cross-functional Corporate Citizenship Steering Committee and enhanced linkage among related groups	Establish Nissan's original philanthropy program focused on education or environment	Continue implementing an original philanthropy program that balances a global perspective, centered on "support for education," "the environment" and "humanitarian assistance," with the most appropriate activities for each region

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# Nissan's Approach to CSR

## Stakeholder Engagement 2006



During fiscal 2006 Nissan created a number of opportunities for dialogue with its stakeholders, putting their opinions to use in its corporate activities.

### Informal reception with shareholders



Since 2002 the entire Board of Directors has met with shareholders after the annual general meeting. This event has become an eagerly awaited chance for exchanges of views. (See p. 45.)

Pacifico Yokohama, June 27, 2006

### Management-employee meetings



Nissan forums allow employees to hold direct dialogue with executives. Similar meetings with local workers are part of the itinerary when executives travel overseas as well. (See p. 47.)

### Environmental Communication Meeting



We invited NPOs and NGOs, dealers, consumer groups and the media to share a variety of views on Nissan's environmental communication efforts during the past year.

Nissan headquarters, March 19, 2007

### Nissan Suppliers Meeting



Each year we gather representatives from our suppliers around the world, presenting our Global Supplier Awards at this ceremony. (See p. 56.)

Tokyo, July 13, 2006

### Executive meeting with dealer employees



CEO Carlos Ghosn and COO Toshiyuki Shiga visit Nissan dealerships and discuss products, services and customer satisfaction with the car-life advisors and technical staff. (See p. 40.)

### Traffic safety forum in China



Nissan (China) Investment Co. and Nissan worked with CATARC\* to host a road traffic safety forum. Some 100 participants came from the government, universities, suppliers and the media.

Beijing, March 30, 2007

\*The China Automotive Technology and Research Center