

## CEO Interview

## Producing the Answers People Need

Fiscal 2011 was a period involving recovery from natural disaster and economic turmoil around the world. Despite this, Nissan produced solid business results and maintained its focus on its long-term goals of sustainability. President and CEO Carlos Ghosn describes how the company is continuing to make progress toward a sustainable future for its business and for the industry as a whole.



**Carlos Ghosn** President and Chief Executive Officer, Nissan Motor Co., Ltd.

### Companies in all industries bear responsibilities to society and face challenges in fulfilling them. How should the auto industry respond to these challenges?

Given the speed with which the world is developing, new challenges are going to arise with increasing frequency. Today we face a certain set of challenges; tomorrow they will be something completely different. For example, water supplies were not a problem 20 years ago, but today we are starting to see moves toward preserving water. In years to come this will be a more critical issue. Likewise, today emissions are an issue that figures considerably in the public consciousness, just as climate change was starting to do 20 years ago. In the future the emissions issue will be seen as critical.

The industry's role is first to identify the new challenges of sustainability—challenges in areas like air, water, oil, energy and recycling. Second, we must respond. This response involves understanding the problems that exist, formulating solutions for them, developing needed technologies and processes and communicating with society. Looking at Nissan's own areas of responsibility—manufacturing and transportation—makes it clear that our challenge as an industry is to respond to the existing challenges of sustainability, identify new areas of sustainability and prepare solutions for future areas of sustainability.

### What role can Nissan play in addressing the challenges of sustainability?

Nissan needs to play a leading, global role. We need to be viewed as a great corporate citizen everywhere we operate, because we are such a large contributor to the auto industry and such a large corporation—one of the 50 largest in the world. So we need to be a company with a strong sense of corporate social responsibility in our home country of Japan and in all the countries where we operate. Obviously pursuing sustainability is right for Japan, but it is also right for the United States, China, Europe, Brazil, Russia, India, Indonesia—everywhere we operate.

The responsibility we bear to society takes many forms, particularly when it comes to the technology we work on. Ensuring that our actions contribute to sustainability is an important part of this. And because our business is global in nature, when we take on an issue we can do so globally: facing challenges, participating and contributing everywhere in the world.

### In terms of specifics, the company is now in the second year of the Nissan Power 88 mid-term business plan. What does this plan mean for society?

Our plan represents our pursuit of two main ideas: mobility for all and sustainable mobility. "Mobility for all" means putting autonomous transportation within reach of every single person on Earth, in the best way possible for each of them. In terms of our geographic growth, we need to be in all global markets to offer this.



We also need a presence in all market segments. This includes the low-cost segment, where today many people are riding bicycles or motorcycles. They want the safety and comfort of a car. Ours is a product that can change the life of people in emerging markets. Mobility for all has the potential of helping millions of people to grow professionally and economically; to transform the lives of their families.

“Sustainable mobility,” the second idea, means ensuring that the mobility we offer is ecologically sustainable. We do this with zero-emission transportation like our Nissan LEAF electric vehicle, of course, but also with our PURE DRIVE approach to making the gasoline-powered cars in our lineup more efficient in terms of fuel consumption and emissions.

In addition to these two important ideas, we create value for society by growing the company, paying salaries, creating employment and paying dividends to our shareholders. When we make a profit, we also pay taxes, which are used to develop the countries where we operate. As we grow, it brings benefits to all our stakeholders, including customers, shareholders, employees, governments and communities.

**Nissan is known for its unique partnerships, starting with its Alliance with Renault and including ties with AvtoVAZ in Russia, Dongfeng in China and Ashok Leyland in India. How do these partnerships benefit stakeholders?**

Nissan’s partnerships around the world are built on mutual respect as well as the pursuit of synergies. In many of these relationships we have two companies that appear to be different—one is larger than the other or one has more technology. But all our partnerships exemplify our respect for diversity. Solid results come not from one company acquiring or submitting to another. You get them when people partner and look in the same direction. In the end, we all learn how cross-cultural management and diversity can help us achieve our goals.

The benefits of these relationships are manifold. Nissan is able to provide environmental and safety technology to other markets, improving the mobility situation there. The local partners are able to maintain and grow their business presence in their home countries, boosting the economy and providing greater employment for local residents. These are win-win relationships for all the stakeholders involved.

Our approach is particularly positive because developing countries can maintain their own identities; they do not have to give up their industry to larger foreign corporations. When we partnered with AvtoVAZ, the Russians wanted to keep their Russian identity—to make sure that Lada would continue as a Russian brand. Our respect for our partners’ identity made us the only credible company to fulfill their wishes. In this way our partnerships are beneficial in global terms.

**What is your long-term vision for Nissan and for society’s sustainable development?**

Our long-term vision is Enriching People’s Lives. This means transforming the lives of all our stakeholders—which, in the long run, means everybody on the planet. Our goal is to make sure that something better comes into their lives because of Nissan. This goal is a vital one. Our industry is growing swiftly: 75 million cars were sold last year globally, and this total should grow to over 95 million by the end of our mid-term plan in 2016 and to over 100 million in the future. More and more cars will be sold to still more customers. This must be done sustainably.

We should also note that there are more than 50 million people around the world, by some estimates, who earn a living from the automobile industry. They depend in particular on our industry to be a sustainable one. We have a responsibility to keep all these people proud of what they are doing. We must ensure that they recognize themselves in the products they help to create and know that they are contributing to society.

Our industry faces many challenges today, particularly in terms of sustainability. Nissan’s role is to take on the responsibility of addressing these sustainability issues through its technologies and products. In areas like oil, emissions, climate change and renewable energy sources, there are a lot of questions facing humanity today. My vision for Nissan is to make ours a company that helps produce the answers we need.

