



Management

Through the Nissan Green Program, we work toward attaining the Nissan environmental philosophy, "Symbiosis of People, Vehicles, and Nature." In this section, we report on the environmental management system that provides the framework through which we pursue our environmental efforts at Nissan.



Environmental Philosophy, Policies, and Organization

The foundation of Nissan’s environmental protection initiatives

Based on our environmental philosophy and policies, Nissan’s environmental initiatives work toward the creation of a sustainable society. To this end, Nissan is developing environmental systems and structures that serve as the foundation for our global environmental initiatives.

Nissan’s Environmental Philosophy and Policies

At Nissan, we developed our vision and mission in 2002 with the goal of sharing our mid- to long-term vision of the ideal company with all employees, which we are now sharing with all Nissan group companies worldwide. Our vision, “Enriching People’s Lives,” demonstrates one of our longstanding corporate values, while our mission demonstrates the role the company should play in pursuing it. Furthermore, we established guiding principles to help our employees understand the actions and behaviors

they should take in pursuit of our mission. Nissan works to create a corporate culture that inspires the entire company to join together in meeting common goals based on our vision, mission, and guiding principles. (Please refer to page 2 for our vision, mission, and guiding principles.)

To realize one of our guiding principles, to be “customer focused and environmentally friendly,” we developed our environmental philosophy and environmental policy. We believe it is our social mission to conduct our business based on our philosophy and guiding principles to help build a sustainable and recycling-based society.

●Nissan's Environmental Philosophy●

Symbiosis of people, vehicles and nature

It is our view that the basis of environmental protection lies in the human capacity to show kindness and concern. Along with striving to understand the environment better, all of us at Nissan bring a shared concern for people, society, nature and the Earth to bear on our activities.

This commitment and concern are embodied in every Nissan product and throughout all of the company's operations as the driving forces of Nissan's ongoing contributions to the advancement and enrichment of society.

Action Policy

1. To promote creative activities
2. To advance comprehensive activities
- 3.To foster cooperative activities

●Environmental Policy●

Nissan is taking the initiative to promote wide-ranging activities aimed at improving the environment both globally and locally in line with the guidelines noted here. These efforts are being pursued in all areas of the company's operations, including product development, manufacturing, sales and service, in order to make Nissan's Environmental Philosophy a reality.

1. Achieving a cleaner automotive society

Nissan aims to reduce the environmental impact at every stage of the vehicle life cycle, namely product development, manufacturing, use and disposal, in order to create a cleaner living environment.

Besides working to improve vehicles themselves, Nissan also contributes to the improvement of social systems involving vehicle use.

2. Conserving natural resources and energy

Because the earth's natural resources and energy supplies are finite, Nissan is advancing efforts to minimize their consumption at every stage of the vehicle life cycle.

3. Expanding and continuously improving Nissan's environmental management system

Nissan is implementing an in-house environmental management system that conforms to the environmental management system standard formulated by the International Organization for Standardization (ISO).

- (1) Preventing environmental issues in the first place and observing laws and regulations
- (2) Cultivating a corporate culture dedicated to environmental protection
- (3) Undertaking cooperative activities with subsidiaries and affiliates
- (4) Strengthening communications and cooperation with customers

4. Issuing reports on environmental activities

Nissan regularly issues announcements and publications explaining the company's efforts to address environmental concerns.



First meeting of the Global Environment Management Committee

The Global Environment Management Committee

In 1993, we established an Environment Management Committee. Chaired by the executive vice president, the committee has developed company-wide policies and goals and has assessed our progress toward meeting these goals. Environment Management Committees have also been established in Europe and the US.

In 2003, we formed the Global Environment Management Committee (G-EMC), chaired by the CEO, with the goal of developing a global system to address environmental issues. Aiming to achieve the goals set by our mid-term environmental action plan, the Nissan Green Program 2005, the G-EMC's first meeting was held in October 2003 to discuss Nissan's future direction.

We have also expanded the scope of our environmental management system. Until recently, Nissan's management has only covered our four main subsidiaries in Japan and our four major production bases overseas, but we are working to expand our efforts to all Nissan Motor Co., Ltd. offices and overseas affiliated companies. We will continue to put our efforts into widening the focus of our environmental activities, including areas other than Japan, North America, and Europe.

Environmental Promotion System within Each Department

►Environmental management in the product development department

At the Technical Center where product development takes place, we maintain a system for environmental management chaired by the senior vice president of the technical development department. The department is

moving ahead with initiatives to reduce environmental impact with the aim to promote increased efficiency and optimization in product development and business activities.

As part of the Technical Center's product development, we address six important environmental responses: improvement of fuel efficiency, cleaning of exhaust emissions, reduction of vehicle noise, control of air-conditioner refrigerant emissions, reduction in the use of substances that impact the environment, and promotion of design for recycling. With the Product Environmental Committee as a base, each area has set up individual subcommittees to address the achievement of area-specific environmental goals. Within this structure, operational procedures were developed for the control of air-conditioning refrigerants and were successfully implemented in the operations line. As a result, the subcommittee for addressing this area was dissolved in 2003.

►Environmental management in the Manufacturing Division

In 1972, the manufacturing division established a specialized structure of environmental representatives at headquarters and at each plant. Since then, the division has continued to take preventive measures regarding environmental issues.

As part of our management system, the Manufacturing Environment Energy Committee, chaired by the senior vice president of the manufacturing division, was established under the Global Environment Management Committee to make continuous improvements in addressing environmental issues. The Manufacturing Environment Energy Committee is comprised of representatives from production management, logistics, manufacturing technology, and plant and business operations. Decisions made by the committee have been implemented in operations.

Environmental Management

For the continuation and improvement of our environmental activities

Nissan's mid-term environmental action plan, the Nissan Green Program, is the foundation of our environmental activities. To increase the level of transparency and fairness associated with these activities, we were quick to obtain ISO 14001 environmental management system certification.

Operation and Auditing of the Environmental Management System

Nissan performs internal environmental audits and third-party external audits to confirm whether the policies, objectives, and targets based on the Nissan Green Program are being properly implemented and whether the system is being continuously improved.

All Nissan Motor, Ltd. plants have attained ISO 14001 certification starting with the Oppama plant in May 1997.

Internal environmental auditors appointed independently of their business responsibilities carry out internal audits from the standpoint of a third-party organization. Both auditing of the environmental management system to monitor its operation and environmental performance auditing to ensure system efficiency are conducted. In addition, external auditing is carried out on an annual basis. Although there have been some minor recommendations or observations at our sites regarding operations or management, none was considered a nonconformance. Nissan's environmental management system has been evaluated to be effectively maintained and continuously striving for improvement. Furthermore, annual management reviews are conducted at each site and improvements are made in areas deemed necessary to review or continue to address.

►Environmental management system: Nissan Technical Center

Nissan obtained ISO 14001 certification in the area of product development in March 1999. A system was developed to incorporate concepts and specifications that address the reduction of environmental impact of all stages of product development, from product planning

through the design stage. In October 2002, after the certification audit, ISO certification was extended to cover all business operations to encourage environmental awareness to take hold in daily business activities. One observation made by our external auditors during our fiscal year 2003 audit (December 2003) noted, "We recognize the environmental management system is functioning effectively," ensuring the legitimacy of continued certification under ISO 14001.

►Environmental management system: Europe

At NMUK, which obtained ISO 14001 certification in September 1998, environmental management has been implemented as a core aspect of total quality management (TQM). TQM seeks quality improvements in the products themselves, and in production processes and the provision of services. Suggestions for ways to make improvements to meet TQM objectives as frequently proposed by our employees often address a number of environmental issues.

►Environmental management system: North America

The NNA Smyrna plant obtained ISO 14001 certification in December 1999. Both internal and external audits are conducted twice annually to maintain and improve on environmental efforts. During NNA's initial certification audit, four findings were discovered, which decreased to two in the first surveillance audit, and has been down to zero findings during other audits. The external auditors observed that it is amazing for a facility of this size and complexity to have as few findings as it does. The Smyrna plant has also established Nissan Energy Management and Control (NEMAC), a program for promoting energy conservation, and is implementing energy saving measures.

Risk Management

At Nissan, each department and division has its own system to manage all relevant laws and regulations. We observe codes of regional governments and industry associations in Japan. We always pay attention to the most up-to-date information and future trends so that we can take immediate action in response to new developments.

We work to improve communication with local residents of the areas surrounding Nissan offices and plants to ensure an understanding of our business activities and risk management system. For example, we invite residents of the areas near our plants to briefings on our environmental activities.

►Emergency response

We take all possible measures to ensure we can respond to any environmental accidents and other emergencies by providing training on source prevention based on our emergency manuals and by ensuring that all employees are familiar with the procedures for reporting to the appropriate authorities.

In fiscal year 2003, we conducted environmental emergency drills based on possible emergency situations such as the accidental release of oil or chemicals at a water treatment facility or leaks at fueling stations.

Plants in North America utilize a spill report database. Once a spill is reported, all environmental engineers are immediately contacted by email or pager to ensure around-the-clock response and recording of the event.

►Environmental accidents

There was one environment-related product recall in fiscal year 2003. Because of the inadequacy of the materials used for the catalyst carrier anchoring wire mesh in the catalytic converter in the Caravan, we notified the Ministry of Land, Infrastructure and Transport and carried out the recall in February 2004.

There were no environmental accidents at our plants or places of business during fiscal year 2003. We examined the cause of an accident that took place during fiscal year 2002, made improvements to our facilities, and improved maintenance and controls. In the future, we will continue to be thorough in our risk management to prevent environmental accidents from occurring.



The Smyrna plant



Workshop on reading environmental reports

Green Procurement

Environmental consideration of each and every component is necessary to reduce the environmental impact of our products. At Nissan, we globally manage substances with an environmental impact in products based on technical standards. Additionally, we have requested our suppliers of products geared toward the Japanese market to develop a structure for voluntary environmental management and to follow a plan-do-check-act (PDCA) cycle.

►Reporting on substances with an environmental impact

For parts and materials (oils, paints, and chemicals), we ensure that our suppliers conform to procedures based on Nissan technical standards for the management of substances that have an environmental impact. As part of green procurement, banned substances are not in use and the amount of substances used that Nissan has voluntarily judged as cautionary substances are identified at the development stage, which leads to the development of substitute technologies at an early stage.

►Establishment of environmental management systems

In Japan, we have requested our suppliers to: 1) develop an environmental management system by March 2003, and 2) obtain ISO14001 certification by March 2005. All suppliers have met the first requirement, and 89.4% of suppliers have obtained certification either under ISO14001 or Eco Action 21, an environmental activity assessment program set up by the Japan Ministry of the Environment.

►Environmental representative identification

We ask our suppliers to make clear who their environmental representatives are to ensure that responsibility is taken for examining and reporting substances with an environmental impact and in building an environmental management system.

We strive for two-way, mutual communication with our suppliers by providing information on Nissan's environmental protection activities and on the environmental impact of products.

Environmental Education

Nissan continues to host lectures by key figures in the environmental field on environmental issues for all of our employees. Environmental education for environmental representatives and relevant personnel is also provided to increase their knowledge base regarding technical information.

Again in fiscal year 2003, we provided environmental education to all 570 new Nissan employees and 300 newly appointed management-level employees. We also continued the development of Nissan's own curriculum through such activities as inviting university professors to hold elective, discussion-style environmental classes.

We are carrying out environmental education programs in each of the regions in which we operate, but as of yet we have not globally systematized our efforts. We regard this as a major challenge for the future for Nissan. We believe that in order to ensure our environmental protection activities spread through the company and reach all employees, it is essential to foster environmental awareness and the ability to think and act in all of our employees. In the future, we plan to make additional improvements and new developments to the content of our environmental education.

►Conveying information through the company newsletter

In Japan, we have created an environmental section as part of the company newsletter, Nissan News, to convey environmental information to our employees and their families, including employees of affiliated companies and retired Nissan employees.

Environmental Communication

We actively promote environmental communication with various stakeholders through our environmental report, website, automobile exhibitions, and test-drive events, and we always welcome feedback through phone calls and faxes to our Customer Support Center.

►Information disclosure

Nissan has published an environmental report every year since 1998. Since 2001, we have published site environmental reports to hand out to visitors at all of our production plants in Japan. In 2004, we began planning the subsequent publication of site reports at our overseas plants. In addition, we publish a short summary report of our environmental report, which we provide to visitors of our plants and participants at our many different exhibitions.

►Educational activities

In Japan, we include environmental information by car model in our complete catalogue of vehicle models to try to deepen awareness of our environmental efforts. Since fiscal year 2002, with the introduction of "integrated study time" at elementary schools in Japan, we have been collaborating with elementary schools in the trial implementation of electric car (Hypermini) special lessons.

In addition, every year many people participate in an environmental facility observation course at the Oppama plant.

►Environmental and social reports workshop

Once again, Nissan and Sompo Japan Insurance Inc. jointly held a workshop in March 2004 on reading environmental and social reports. Through discussions

with interested stakeholders using the environmental reports of the two companies as a starting point, this workshop provides a unique opportunity to discuss the topic of appropriate corporate environmental information disclosure.

Fifty-three stakeholders participated in the workshop and were able to engage in active discussions. We received many comments regarding the Nissan environmental report, including, "There is an abundance of information in the report, but at the same time, I do not understand the point you are trying to convey" and "There is too much information." We referred to this feedback in the creation of this year's report.

We will continue to host such workshops in the future, seeking to increase communication with all of our stakeholders and raise the quality of the information disclosed in our environmental reports. At present, this activity is limited only to Japan, but in the future we believe it will be necessary to hold similar sessions in other parts of the world.

Environmental Accounting

Environmental accounting for fiscal year 2003 was carried out based on the guidelines set forth in the Ministry of the Environment's Environmental Accounting Guidebook. The total cost for environmental protection during fiscal year 2003 was 134.4 billion yen (an increase of 21.8 billion yen from fiscal year 2002). Within this figure, 120.9 billion yen went toward research and development (an increase of 25.3 billion yen from fiscal year 2002). One of the reasons for this increase is because of increased costs involved in FCV development.

Nissan Green Program 2005 Progress and Results

To realize Nissan’s philosophy of “Symbiosis of People, Vehicles, and Nature,” we are promoting the Nissan Green Program throughout the entire company. We continue to move forward with actions to meet our 2005 goals as outlined in our mid-term environmental action plan, the Nissan Green Program 2005.



Nissan Green Program 2005: FY2003 Environmental Action Plan Progress and Results

Area	Item	Objectives and Activities up to 2005
Product Development	Improvement of fuel economy (curbing global warming)	Early attainment of Japan's 2010 fuel economy standards for gasoline vehicles and 2005 standards for diesel vehicles [Objective] Attainment of the new standards by 2005 target date
	Reduction of exhaust emissions	Gasoline vehicles: Steady expansion of Nissan's ultra-low emission vehicle (U-LEV) lineup, starting with the 2000 launch of the Bluebird Sylphy [Objective] Achieve U-LEV certification for more than 80% of all Nissan passenger cars sold in Japan by end of March 2003 Diesel vehicles: early release of vehicles complying with the latest exhaust emission regulations
	Development of clean-energy vehicles (CEVs)	Fuel cell vehicles (FCVs) • Projecting the year 2005 as our technical development goal for practical use • Participation in domestic testing program for FCVs under the auspices of the Japanese government in 2002 Other CEVs • Research, development, and market introduction of electric vehicles (EVs), compressed natural gas vehicles (CNGVs), hybrid electric vehicles (HEVs), and other CEVs
	Promotion of design for recycling and management/ Reduction of environment- impacting substances	Advancing the recycling of new models Attainment of a recoverability rate of 95% or higher* by weight for new models by 2005 (*based on Nissan's in-house calculation standards) Reduction of environment-impacting substances Banning the use of mercury and cadmium with some partial exceptions Reducing the use of lead (to be largely phased out by the end of 2002) and hexavalent chromium (to be reduced to one-half of 1996 levels by 2005)
	Reduction of vehicle noise	Compliance by all models with voluntary standards for vehicle noise that are tougher than regulatory noise limits
	Control of air-conditioner refrigerant emissions	Attainment of Nissan's voluntary targets for reduced use of the HFC-143a refrigerant.
Manufacturing	Promotion of energy savings (curbing global warming)	Reduction of total CO ₂ emissions by more than 10% from FY1999 levels by FY2005
	Reduction of waste and promotion of recycling	All plants eliminated direct landfill disposal of waste by FY2001 Reduction of amount of waste incinerated by more than 50% from FY1999 levels by FY2005 (All plants initiated a zero emission program during FY2001)
	Improved management of chemical substances	Installation in FY2002 of a model paint line that reduces volatile organic compounds (VOC) emissions to 20 g/m ² and promotion of efforts to reduce substances subject to the Pollution Release and Transfer Register (PRTR) system
	Environmental protection in logistics operations	Reduction of total CO ₂ emissions by more than 10% from FY1999 levels by FY2005
Sales and Service	Environmental management at dealers	Thorough the Nissan Green Shop Dealer Certification System, implementation and improvement of environmental management • Establish system of implementation of appropriate treatment of end of life vehicles (ELVs) at domestic dealers • Improvement of dealers' ability to cope with coming Japan's Automobile Recycling Law (execution of responsibility for taking back ELVs)
Recycling	Appropriate treatment and recycling of ELVs	Continued Preparation for Japan's Automobile Recycling Law • Design for recycling • Development and deployment of new technologies for appropriate treatment of ELVs • Continued expansion of the Nissan Green Parts program
Environmental Management	Environmental management system (EMS)	Implementation, operation, and improvement of EMS in line with ISO 14001 (ongoing) Construction of a global EMS encompassing major consolidated subsidiaries Prevention of environmental issues and improvement of risk management
	Environmental communications	Publication of an annual environmental report and improvement of content Continued release of environmental communications whenever appropriate Participation in and organization of environment-related lectures and exhibitions Issuing and improvement of environmental communications to local communities
	Green procurement	Thorough management of environment-impacting substances and requests to suppliers to acquire ISO 14001 certification by March 2005
	Employee education and training	Continued implementation and improvement of Nissan's employee education system and regular educational efforts through in-house publications and other activities
	Environmental protection in Nissan offices (Green Office Program)	Reduction of paper consumption, reuse of resources, and promotion of energy savings Examining and promoting ways of reducing emissions from company-owned vehicles

95% recyclability achieved for March, Cube, and Cube Cubic models



Major Results in FY2003		
Achieved FY2010 gasoline passenger vehicle fuel economy standard for four of the target weight classes and for all target weight classes for gasoline trucks Achieved FY2005 diesel vehicle fuel economy standard in all target weight classes		
U-LEV successfully expanded to more than 90% of all gasoline passenger vehicles Bluebird Sylphy the first car in Japan to receive SU-LEV certification		
Certification granted by the Ministry of Land, Infrastructure and Transport for the 2003 model X-TRAIL FCV, limited lease sales commenced Sales of the Caravan CNG (compressed natural gas vehicle)		
95% recyclability achieved for March, Cube, and Cube Cubic models Materials of reduced use: lead – reduction to less than 1/10 from 1996 levels achieved for all new models		
Voluntary standard values (acceleration running noise: lower than 75dB (A))	Passenger vehicles: achieved for all models	Commercial vehicles: achieved for all models
Voluntary targets achieved for 23 models		
CO ₂ emission levels reduced by 12% from FY1999 levels (Target achieved even with an increase in production volume)		
Zero direct waste to landfill achieved in FY2001 Waste incineration volumes reduced by 63% from 1999 levels		
Finished installation of FY2002 model line In the process of installing a separate water-based paint line		
CO ₂ emission levels reduced by 11% from 1999 levels		
Audits completed for all (218) dealers in Japan (among which 15 were re-certification audits)		
Began use of Renault-Nissan jointly developed OPERA product recycling evaluation system starting with a subset of car models Began energy recovery from automobile shredder residue (ASR) at the Oppama plant Formed ART, an ASR recycling promotion team with 10 automobile manufacturers Transaction of Nissan Green Parts exceeded 1.3 billion		
Operation and continuous improvement of ISO 14001 at all production facilities Reexamination of facilities improvements, maintenance, management enhancements		
Published environmental and social report for fiscal year ending March 2003 Held workshop on reading environmental and social reports Participation in many FCV exhibitions and test-ride events Response to related environmental questionnaires, data collection		
Finished investigating two new vehicle models 89.4% of suppliers ISO 14001 certified		
Implementation of in-house educational curriculum Ongoing education through in-house publication (Nissan News)		
Introduction of low-emission vehicles for use as company cars		