

# **Responsible Materials Sourcing Policy**

## **Purpose**

Nissan Motor Co., Ltd. and its consolidated subsidiaries including foreign companies, hereinafter referred to as "Nissan", are promoting the active use of sustainable materials in the production of its products and, as part of this effort, are promoting the use of raw materials taking the environment and society into consideration. (Please refer to the "Nissan Green Purchasing Guidelines" for details.)

While complying with the laws and regulations of each market in which Nissan does business, Nissan refers to the international standards set forth in the "Nissan Sustainability Due Diligence Standard" to ensure that our purchase of raw materials is carried out in a responsible manner in accordance with the characteristics and conditions of the raw materials.

## **Scope**

This policy applies to Nissan Motor Co., Ltd. and its consolidated subsidiaries including foreign companies (Nissan). Nissan requires its suppliers to adopt the same level of principles in their supply chains.

## **Policy**

### **Implementing Governance on raw materials**

Nissan conducts business activities that take the environment, ethics and society into consideration at every stage of the global supply chain. Nissan conducts due diligence in accordance with the "Nissan Sustainability Due Diligence Standard" on impacts on sustainability aspects such as the environment and human rights in the natural resources contained in the materials and components used in the manufacture of products and monitors our own supply chain. If there are any concerns, Nissan will prevent and mitigate risks in accordance with the "Nissan Supplier Sustainability Guidelines" and take measures to improve them. Suppliers are also required to implement the same level of management.

In cases where local laws conflict with international standards, Nissan will pursue ways to respect international standards as much as practical.

## **Approaches on raw materials to focus on**

Of the natural resources contained in materials and components used in the manufacture of products, Nissan focuses on the following raw materials, which are considered to pose a high risk to human rights and the environment.

- i. All minerals from conflict-affected and high-risk areas, including tin, tungsten, tantalum and gold  
Nissan will conduct due diligence with reference to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.
- ii. Minerals necessary for the manufacture of batteries containing cobalt, nickel, lithium and natural graphite.  
In accordance with the EU battery regulations, and other applicable laws and regulations in each country, traceability systems will be established to check whether the purchase of minerals pose risks in terms of human rights and the environment. In the event of an adverse impact, measures will be implemented to prevent and mitigate the risk, and to improve.
- iii. Natural rubber and other raw materials with social and environmental impacts of concern  
As for natural rubber, the 12 principles of "Global Platform for Sustainable Natural Rubber (GPSNR)" are supported, and due diligence, etc. in cooperation with suppliers, is to be conducted in order to ensure sustainable natural rubber procurement.

## **Reference**

[Nissan Human Right Policy](#)

[Nissan Sustainability Due Diligence Standard](#)

[Nissan Supplier Sustainability Guidelines](#)

[Nissan Green Purchasing Guidelines](#)

[OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#)

## **Appendix**

### **Approach to Sustainable Natural Rubber Sourcing**

This Approach is recognized as the “policy” that demonstrates alignment with GPSNR’s High Level Commitment.

#### **Scope**

The provisions in this document should apply to the natural rubber procured by Nissan’s operations. Based on a risk assessment, Nissan recognizes that there is a need to prioritize specific products or product types for risk mitigation actions.

The immediate focus will be on those suppliers with a high natural rubber usage volume, and thereafter the aim will be to expand.

Nissan’s supplier requirements are clearly detailed in the [Nissan Supplier Sustainability Guidelines](#), which serves as the basis on how Nissan evaluates and helps its suppliers to maintain or progress towards compliance with the policy stated in this document.

#### **Policy**

##### **Sustainable Natural Rubber**

Nissan will work within our own operations and through our suppliers to increasingly procure products containing natural rubber that is produced and processed in line with GPSNR policy requirements, such that it:

- Complies with applicable local, national and international laws
- Prohibits corruption
- Does not contribute to deforestation or destruction of critical wildlife habitats
- Protects high conservation values (HCVs) and high carbon stock (HCS) forests (the cutoff date after which deforestation or HCV degradation is considered non-conforming with this policy is 1 April 2019).
- Protects water and soil resources
- Respects international norms such as the UN Guiding Principles on Business and Human Rights and the Universal Declaration of Human Rights to address issues related to human rights.
- Ensures the ability of Indigenous Peoples and local communities (IPLCs) to give or withhold their free, prior, and informed consent (FPIC) on any activities that might affect their rights, and respects and recognizes the formal and customary land rights of IPLCs in rubber producing regions, and is in accordance with the UN Declaration on the Rights of Indigenous Peoples (UNDRIP)

# NISSAN

## MOTOR CORPORATION

- Respects internationally-recognized labour rights, the ILO fundamental Conventions and all applicable laws on workers' rights, specifically those regarding:
  - No child labour, forced or compulsory labour
  - Freedom of association and collective bargaining
  - No discrimination
  - No abusive practices
  - Legal working hours
  - Safe and healthy workplaces
  - Decent living wages
  - Gender equity
- Pays considerations as defined in the GPSNR implementation guidance, to the livelihoods of rubber producers, particularly small farmers, and those communities in rubber-producing areas

### Due Diligence

To implement and demonstrate progress with our policy and to recognize the influential role our company can play in contributing to a sector-wide transformation, Nissan further commits to:

- **Traceability:** Nissan will promote mapping and traceability of raw materials in our supply chain to a point at the appropriate jurisdictional level where compliance can be verified.
- **Risk assessment:** Nissan will assess actual and potential environmental and social risks within our natural rubber supply chains and will prioritize risk mitigation actions as defined in the GPSNR implementation guidance.
- **Supplier engagement:** Nissan will work with our existing suppliers to identify, prevent and mitigate environmental and social harms in natural rubber supply chains that violate this policy, and will evaluate the environmental and social performance of new suppliers/partners prior to engagement.

Nissan requires our suppliers to set up a due diligence process aligned with GPSNR policy framework for producing and procuring natural rubber and to implement necessary time-bound measures as defined in the GPSNR implementation guidelines. Nissan offers guidance and training to our suppliers to support them in understanding our expectations, relying on technical support from GPSNR. In cases of non-conformance with our Supplier Sustainability Guidelines, Nissan will develop time-bound implementation plans for moving towards conformance and remediation of past or ongoing harms.

- **Dispute resolution:** Nissan has a grievance mechanism in place to address any complaints regarding our own operations and to resolve disputes in a fair and timely



manner. Nissan also expects our suppliers to have their own grievance mechanism(s) to resolve disputes in a fair and timely manner.

- **Reporting:** Nissan will report our progress appropriately in implementing this policy as specified in the GPSNR reporting requirements.
- **Support for sustainable natural rubber initiatives:** Nissan also strives to engage in and contributes to both a multi-stakeholder landscape and supply chain interventions that enable and enhance sustainable natural rubber uptake in the global marketplace.