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# **About This Report**

#### **Reporting period**

From January 1, 2021 to December 31, 2021. To enhance the comparability of annual reports, some content can go beyond the period.

#### **Coverage of the report**

The scope of the report includes Nissan (China) Investment Co., Ltd., the wholly owned subsidiary of Nissan in China, (hereinafter referred to as NCIC); the joint venture Dongfeng Motor Co., Ltd. (hereinafter referred to as DFL) and Dongfeng Nissan Passenger Vehicle Company (hereinafter referred to as DFN), Zhengzhou Nissan Automobile Co., Ltd. (hereinafter referred to as ZNA), and Dongfeng Infiniti Automobile Co., Ltd. (hereinafter referred to as DFI). In the report, all collectively called "Nissan's subsidiaries in China"; In addition, "Nissan" in the report refers to Nissan Motor Co., Ltd.

#### **Referenced standards of the report**

This report is prepared mainly with references to domestic and international social responsibility reporting standards, including GRI Standards issued by Global Reporting Initiative (GRI), Guidelines on Corporate Social Responsibility Reporting in China (CASS-CSR4.0) of Chinese Academy of Social Sciences, UN Sustainable Development Goals (SDGs) and the ten principles of the United Nations Global Compact.

#### Data interpretation of the report

The data used in the report is derived from the official documents and statistical reports of the company. The data quoted is the final count. In case of any discrepancy between the financial data and the annual report, the annual report shall prevail. Unless otherwise specified, the amount involved in this report is expressed in RMB.

#### Preparation process of the report

- --- Initial preparation: Establishment of the work group, identification of substantive issues, peer benchmarking analysis, information collection.
- Preparation of the report framework; preparation of the report content.
- ---- Content review: Internal review, management review.
- --- **Design release:** Formation of the report draft, release of the report.
- --- Feedback and plan: Collecting feedback from stakeholders, adjustment, and optimization of the next work plan.

#### **Release cycle of the report**

This report is an annual report. This report is Nissan's fifth sustainability report in China. Previously, Nissan issued four corporate social responsibility (CSR) reports in China.

#### **Reliability assurance of the report**

Nissan's subsidiaries in China guarantee the authenticity and reliability of the relevant information disclosed in the report, and undertake that the contents of the report do not contain any false records, major omissions, or misleading statements.

#### How to acquire the report

This report may be downloaded at NCIC's official website.

Website: https://www.nissan.com.cn/sustainability/pdf/72

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# **Executive speech**



Hideki KIMATA President Nissan (China) Investment Co., Ltd.

In the past 40+ years in China, Nissan, together with Chinese society, industry chain partners and Nissan brand car owners, has been through a lot of difficulties and challenges, and forged a bond of trust. Adhering to the commitment of "In China, for China", we actively assume the social responsibility of corporate citizens. While promoting the localization of global actions such as "Nissan Ambition 2030" and "Nissan NEXT" in China, we constantly carry out self-innovation by exploring the industry trends and the needs of Chinese car owners, and make unremitting efforts to create higher social values in China. The year 2021 is full of challenges due to the repeated COVID-19 epidemic, the shortage of raw materials across industries and the energy transformation of the whole industry caused by climate change. Though everything changes, our corporate purpose of "Driving innovation to enrich people's lives" is consistent. "Nissan Intelligent Mobility" is the guide for us to deal with risks and address challenges. In order to respond to the market's pursuit of automobile cleanliness, safety and intelligence, we accelerate the intelligent and electrification of our products, and drive our sustainable development in China with core products and technologies. Nissan's R&D and expertise in the field of electric vehicles for more than 70 years is the guide for us to ride the waves in the era of "carbon peak and carbon neutrality". The introduction of e-POWER technology, lightweight materials and intelligent driving system is a proof that we have gone beyond the traditional technical route and embraced the new market demand with an open attitude. In 2021, Nissan's subsidiaries in China successfully achieved the annual sales target, and Nissan's (China) parts export division also ushered in the 15th anniversary of its establishment. After 15 years of development and accumulation, Nissan has accumulated export volume of up to 2 trillion yen (about 117 billion yuan).

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Nissan's sustainable development concept of "harmonious coexistence of people, vehicle and nature" has always led the company's operation and value chain management. We conduct the recovery and treatment of waste gas, wastewater and wastes in the production process according to high standards, and control the source of pollutants with the introduction of renewable energy and increasingly sophisticated technology. In addition to reducing our own impact on the environment, we also have the courage to expand the responsibility boundary and share environmental protection practices and experiences with the upstream and downstream of the value chain. Our enterprising supplier qualification management system, logistics management policy and Green Franchise Store Plan make our green concept better accepted by business partners and consumers, thereby providing more possibilities for all circles to work together to create green value.

We are also actively engaged in transforming enterprise value into industry ecological value. In 2021, Nissan and China Automotive Technology and Research Center Co., Ltd. released *the 2021 Blue Book of New Energy Vehicle*, which analyzed the hot issues of industrial development, gathered industrial consensus, and promoted the transformation and upgrading of the automotive industry.

In addition to improving product quality and environmental friendliness, and empowering industries and value chains, we

attach importance to the relationship between the enterprise and "people". Our products and services are always oriented to the needs of customers. All along, we sincerely listen to the customers, improve the sales service network, and constantly reflect and improve ourselves according to the actual needs of customers. At the same time, we pay attention to the common growth of Nissan employees in China and the company. Nissan's diverse communication channels for employees ensure that employees' voices are respected. Based on this, we constantly optimize the salary and welfare system, promotion, and training mechanism, so that employees can obtain a sense of professional achievement in an inclusive and equal working atmosphere and establish a deeper bond between employees and the enterprise. In addition, we understand the importance of safety and equity to China's social development, and explore the organic combination of enterprise business and social welfare. We have long invested in public welfare projects such as road safety advocacy, rural development, and education empowerment projects. We hope to enhance shared value by improving social pain points.

In the future, we will continue to practice the belief of sustainable development, continue to advance on the path to become a diversified and inclusive enterprise by catalyzing innovation, consolidating governance and enhancing business agility, so as to convey the "innovation and passion" brought by Nissan technology and products to more Chinese consumers, and lead the society to a better future of "zero emissions and zero casualties".

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# **About Nissan**



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# **Company profile**

VISION Driving innovation to enrich people's lives.

#### **Overview about Nissan**

Nissan Motor Co., Ltd. was founded in Yokohama, Kanagawa Prefecture, Japan, in 1933. It has automobile manufacturing bases in 20 countries and regions (including Japan) around the word. It offers products and services in more than 160 countries and regions. Its scope of business includes manufacturing, sales and related business of automobile products and ship equipment.

The development of Nissan in China began in 1973. Since its entry into China more than 40 years ago, Nissan has been attaching great importance to the Chinese market and has made great progress in the development of localization. It has established Dongfeng Motor Co., Ltd., a joint venture with Dongfeng Motor Corporation. As subsidiaries of Dongfeng Motor Co., Ltd., Dongfeng Nissan Passenger Vehicle Co., Ltd. and Zhengzhou Nissan Automobile Co., Ltd. are mainly engaged in the production and sales of Nissan brand, forming a complete product line covering passenger vehicles, SUVs, MPVs, high-performance sports cars and commercial vehicles, and enriching the product lines constantly. In 2007, Dongfeng Nissan Auto Finance Co., Ltd. was jointly funded by Nissan Motor Co., Ltd., Dongfeng Motor Corporation and Nissan (China) Investment Co., Ltd., mainly responsible for financial business including professional car purchase loans. In 2014, Dongfeng Motor Co., Ltd. established a wholly-owned subsidiary, Dongfeng Infiniti Motor Co., Ltd., to drive Infiniti to continuously provide high-quality products and services to Chinese consumers. In January 2022, Dongfeng Infiniti was officially incorporated into the management system of Dongfeng Nissan, and become the third brand of Dongfeng Nissan, further meeting the demand of Chinese consumers for luxury car brands.



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NCIC —			DFN			DFI				

Founded in February 2004, NCIC, as a wholly-owned subsidiary of Nissan in China, manages the investment in China together with Nissan Headquarters. NCIC has been responsible for Nissan's public relations, brand management and intellectual property rights in China, and plays an important role in Nissan's global operations, and purchase and export of competitive parts made in China. NCIC also relies on Nissan Design China, one of Nissan's five design bases in the world, to further enhance the competitiveness of Nissan brands in China.

So far, DFN is the fastest-growing joint venture in China's automobile industry. It operates three brands, i.e. Nissan, Venucia and Infiniti. At present, it has formed a strategic layout with four bases in Guangzhou, Xiangyang, Zhengzhou and Dalian running longitudinally, each with its own emphasis. It has many popular models such as Altima, Sylphy, Tiida, Murano, X-Trail and Qashqai, as well as imported models such as the all-round super sports car GT-R.

Founded in 2014, DFI was an independent wholly-owned subsidiary of Dongfeng Motor Co., Ltd., mainly offering luxury vehicles. In January 2022, as an independent business headquarters, DFI was officially incorporated into the management system of Dongfeng Nissan, becoming the third brand under Dongfeng Nissan.

#### DFL

#### ZNA

Founded in 2003, DFL is the first automobile JV with full range of passenger vehicles and light commercial vehicles in China, and is also the only full-series cooperation project of Nissan overseas. It has five business divisions, including Dongfeng Nissan Passenger Vehicles Co., Ltd., Dongfeng Infiniti Motor Co., Ltd., Dongfeng Automobile Co., Ltd., and Zhengzhou Nissan Automobile Co., Ltd., and Dongfeng Motor Parts and Components Group Co., Ltd.

Founded in 1993, ZNA has a business process covering the entire value chain, from product R&D, supply chain management, production, and manufacturing to marketing service. Positioned as the main development base of Dongfeng and Nissan brand light commercial vehicle products, ZNA has long been committed to the specialization of light commercial vehicles and the high-end segmentation of the market.

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Responsibility his	story					
	March 1993	ut <sub>1</sub>	ne 2003	• May 20	05	
۰	Zhengzhou Nissan Co., Ltd. was established	Mo	rough JV with Dongfe otor Corporation, Niss tablished Dongfeng N	san Guangz	(China) Investment Co., Ltd. hou Branch (Technology Center) ablished	
January 19 The first Nis	<ul> <li>June 198 san Cedric</li> </ul>	4	o., Ltd.			
arrived at C	hina. Co., Ltd.	otor (China) was established, gaged in imported usiness.	Nissan ( Investme was esta	(China) ent Co., Ltd.	June 2005 Nissan (China) Investment Co., Ltd. Shanghai Branch was established	<ul> <li>January 2006</li> <li>Nissan (China) Investment Co., Ltd. began to export parts to other overseas production bases of Nissan</li> </ul>
October 2014  Dongfeng Nissan Dalian Plant was formally put into operation	• September 2014 Dongfeng Infiniti Motor Co., Ltd. was formally established	March 2011 As one of five major design centers of Nissan around t world, Nissan Design Chir began to operate in Beijing	n Don he laun ha brar	otember 2010 Igfeng Nissan Iched Venucia Ind	July 2007 Infiniti, the premium brand of Nissan, was launched in China's market	
December 2014 • Infiniti Beijing Design Center was established	July 2015 Nissan (China) Investment	<b>June 2016</b> Dongfeng Nissan A	Advanced	August 2018	<b>September 2019</b> Nissan China	July 2021 Nissan (China) Parts
	Co., Ltd. exported 100,000 containers in total	Engineering Nissan Engineering Techn Venucia Modeling Dongfeng Nissan formally completed	ology Center, Center and Jniversity were	Ltd. celebrated its 15t anniversary and Dongf Nissan produced the 10,000,000th vehicle	h Sustainability 2022 w	
		rolled	017 000,000th vehicle off the production Zhengzhou Nissan.	Shanghai ■ Renault-N	sign China was settled in issan-Mitsubishi Alliance d the joint innovation center	• September 2020 Nissan officially launched a new brand logo in the China's market

in China.

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# **Corporate governance**

NCIC attaches great importance to corporate governance, always maintains the business philosophy of integrity and compliance, strictly abides by laws and regulations, complies with business ethics, constantly improves its compliance management and corporate governance, and ensures the long-term, stable and sustainable development of the company.

#### **Governance structure**

Under the guidance of the global corporate governance and internal control strategy, NCIC has carried out the company's legal compliance governance around the three key contents, i.e. risk management, compliance management and information security, in combination with the key points of operation and management and the characteristics of business operation, and has established a three-level management structure of "Management Committee - Risk Management, Compliance Management and Information Security Committee - Management Office", with members of the management committee above the level of Vice President serving as the heads of each committee to promote and supervise the overall development of the company's business activities.

NCIC has established a "triple defense governance system" covering the company's operation, management, and audit fields, with a view to improving the governance and ensuring more scientific, systematic, open, and transparent corporate governance. In the future, NCIC will continue to optimize the governance structure and system, and clarify the responsibilities and authorities of decision-making, execution, and supervision, thereby making continuous efforts to improve the standardization and effectiveness of corporate governance.

#### **Compliance management**

NCIC takes "law-abiding and compliance" as the premise of all operation activities, continuously improves the construction of the compliance management system, and integrates the compliance concept into the company's production and operation activities. At the same time, the company regards the construction of compliance culture as the focus, and continuously improves the compliance awareness of all employees through regular compliance training.

Under the unified guidance of the global management committee and the regional compliance committee, NCIC has set up a number of compliance committees composed of senior executives from legal affairs, human resources, internal audit, finance, business compliance and other departments to identify potential risks in various fields, formulate annual improvement plans and control measures, and supervise the implementation of improvement measures and management objectives. In 2021, NCIC conducted 10 risk management trainings, with 498 participants.

NCIC firmly believes that correct business ethics and honest and fair working atmosphere are of great importance to the healthy development of the company. NCIC promotes the anti-bribery and anti-corruption work according to the global unified standards, encourages employees to report violations of laws and regulations through the establishment of a global comprehensive reporting system (SpeakUp), and provides protection for informants through a strict no-retaliation policy. In terms of global trade compliance management, Nissan's subsidiaries in China undertakes to abide by the laws and regulations related to customs trade compliance and export control & sanctions of China, Japan, the United States, the European Union and other countries. Based on the establishment of Nissan's Global Code of Conduct, Nissan has formulated the Export Control Compliance System, the Customs and Trade Compliance Management System and the supporting compliance operation manual to provide employees with the code of conduct in the field of compliance.

During the reporting period, NCIC continued to improve the construction of the compliance management system in the field of customs clearance, carried out risk assessment on key business areas and key nodes, and continued to optimize the business management process to ensure the compliance and safety of import and export trade. At the same time, by updating the policies and regulations in the field of export control and sanctions to all employees in a timely and accurate manner, it ensures that employees fully understand the export control and sanctions regulations in their work areas and provides guidance for employees to comply with relevant regulations.

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#### Information security

NCIC adheres to the principle of "Prevention first with prevention and control combined", and promotes information security construction in multiple dimensions such as management process, work measures and employee awareness. The company has established an information security management committee composed of high-level personnel. It holds management meeting twice every year to clarify the responsibility of information security and comprehensively promote the company's information security guarantee.

In 2021, NCIC systematically carried out information security protection. NCIC supported Nissan headquarters to complete the local deployment of the global vulnerability management system and implemented standardized and normative information security vulnerability management. In addition, the company has complied with the information security policies and relevant laws and regulations of the place where it operates, completed the network security self-check and the submission of the automobile data security management report as required, thereby effectively reducing the information security compliance risk.

NCIC also attaches great importance to the improvement of employees' information security awareness. In 2021, the company carried out information security training for all employees, with 317 participants and 92% of employees participating in the training.



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# Honors and awards

Award winner	Awards and honors	Issuing institution	Award winner	Awards and honors	Issuing institution
NCIC	Top 60 China Corporate Citizenship 520 Responsible Brands 2021	Organizing Committee of China Corporate Citizenship 520 Responsible Brand Summit	NCIC	Excellent Case of 2021 China CSR Observation Report	China Philanthropy Times
NCIC	2021 China Automotive Enterprises CSR Golden Sail Prize	Chinese Business Journal	DFN	Enterprise Award for Outstanding Contribution in the Past 20 Years after China's Accession to the WTO and Nanfang Philanthropy Communication Annual Award	Nanfang Daily
NCIC	CSR CHINA Best Sustainable Development Award	Organizing Committee of CSR China Education Award	DFN	2021 Annual Shared Value Contribution Award	China Business Network (CBN)
NCIC	CSR CHINA Public Recognition Special Award	Organizing Committee of CSR China Education Award	DFN	2021 Annual Responsible Automotive Manufacturer Award	South Reviews
NCIC	CSR CHINA TOP100	Organizing Committee of CSR China Education Award	DFN	2021 Annual Enterprise with Sales Volume of One Million Units	The Economic Observer
NCIC	CSR CHINA TOP 100 Rank	Organizing Committee of CSR China Education Award	DFN	2021-2022 China Automotive Manufacturer CSR Golden Key Award	Auto-First
NCIC	2021 SDG Solutions Golden Key Excellence	China Sustainability Tribune	DFN	2021 Annual Technological Innovation Model and Annual Marketing Case Awards	China Mainstream Automotive TV Alliance

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Award winner	Awards and honors	Issuing institution	Award winner	Awards and honors	Issuing institution
DFN	2021 Annual CSR Contributing Enterprise Award	The Economic Observer	ZNA	2021 National Enterprise with Quality Credit Benchmark	China Association for Quality Inspection
DFN	2021 Annual China Best Model Golden Wheen Award and China Automotive Excellent Marketing Figure Award	Chinese Business Journal	ZNA	2021 National Stable Conforming Product for Quality Inspection	China Association for Quality Inspection
DFN	2021 Annual Responsible Product Award	China Consumer Reports	ZNA	2021 Group Member Unit of China Association for Quality Inspection	China Association for Quality Inspection
DFN	2021 Top 10 Cars of the Year	Sohu	ZNA	2021 Annual Enterprise for Charity Donation	Shangcai County People's Government
ZNA	2021 Dongfeng Motor Advanced Collective in Poverty Alleviation	CPC Committee of Dongfeng Motor Corporation, and Dongfeng Motor Corporation	ZNA	2021 Collective Unit for Three-year Pollution Prevention and Control Action Plan in Zhengzhou	CPC Committee of Zhengzhou Municipality, People's Government of Zhengzhou
ZNA	2021 National Automotive Industry Enterprise with Leading Quality	China Association for Quality Inspection			
ZNA	2021 National Automotive Industry Enterprise	China Association for Quality			

with Leading Quality Inspection



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# Nissan and sustainable development

#### its vision and "Achieving a sustainable development of a 'zero emission, zero casualty' society" as its goal, and actively contributes to the sustainable development of Chinese society. In September 2019, NCIC officially released the sustainable development program for the Chinese market, NCIC Sustainable Development Plan 2022, which focuses on the three cores, i.e. environmental, social and governance, to guide the operation and management of the sustainable development of Nissan's business in China. In the field of environmental protection, NCIC adheres to the concept of "harmonious coexistence of people, vehicles and nature", and is committed to solving environmental challenges based on social needs. In the field of social development, Nissan respects the rights and interests of all stakeholders and contributes to the sustainable development of society. In the field of corporate

governance, we strictly abide by laws and regulations and follow the business principle of "fairness, fairness and transparency".

Sustainable development management has always been the most important business topic of NCIC. NCIC takes "Becoming a leading sustainable development enterprise in the industry" as

NCIC is wholeheartedly committed to sustainable development and sets environmental protection, social development and corporate governance as the focus of sustainable development. Under the guidance of NCIC Sustainable Development Plan 2022, we will deeply cooperate with all stakeholders to integrate the concept of sustainable development into the company's strategy and daily operation and promote the sustainable development of Chinese society.

Environmental

# NCIC and sustainable development

Nissan and sustainable development

Realizing a zero-emission

zero-fatality society

Nissan Sustainability 2022

Social

Governance

### Sustainable development plan

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# Phased achievements of sustainable development

According to the NCIC Sustainable Development Plan 2022, NCIC has effectively promoted the sustainable development in various area and made steady progress towards the sustainable development goal.

Area	Measure	Goal	Effectiveness
Climate change	Develop green technology and produce green products	By 2022, more electric vehicles including zero emission and those with e-POWER intelligent charging technology will be introduced	<ul> <li>Dongfeng Nissan Sylphy-e-POWER launched in China</li> <li>ZNA Ruiqi 6 pickup EV launched in China</li> <li>Output value and energy consumption reduced by 24.6% compared with those in 2015</li> </ul>
Waste gas treatment	Reduce VOC (volatile organic compounds) and improve air quality	By 2022, harmful gas emissions will be reduced by 50% compared with 2015	<ul> <li>VOCs emission reduced by 68.2% compared that in 2015</li> </ul>
Water resource	Efficiently use water to reduce water consumption	By 2022, water consumption will be 35% lower than that in 2015	<ul> <li>Output value and water consumption reduced by 48.8% compared with those in 2015</li> </ul>

Nissan and sustainable development

# **Analysis on substantive issues**

#### Identification of substantive issues

NCIC continues to perfect and optimize the analysis on substantive issues, combines with national macro policies, industry trend, sustainable development standards, the company's business characteristics, corporate development strategy and the questionnaire results of substantive issues, and identifies and sorts out the substantive issues with great impact on the company and stakeholders. It sorts the importance and priority of substantive issues and ultimately forms an issue matrix from the two dimensions of "Importance to the sustainable development of Nissan's subsidiaries in China" and "Importance to stakeholders". In the analysis on the substantive issues 2019-2022, NCIC identified and confirmed 39 substantive issues of sustainable development as the main basis for sustainable development information disclosure, and further integrated the concept of sustainable development into the operation and management of the enterprise.





<ul> <li>Sewage and waste treatment</li> <li>Biodiversity protection</li> <li>Energy-saving product</li> <li>Green supply chain</li> <li>Environmental compensation mechanism</li> <li>Environmental protection public welfare</li> <li>Environmental protection gublic welfare</li> <li>Environmental protection</li> <li>Environmental protection</li> <li>Environmental protection</li> <li>Customer privacy protection</li> <li>Product recall</li> <li>Product recall</li> <li>Product recall</li> <li>Occupational health and safety</li> <li>Employee training and</li> </ul>	concept Stakeholder involvement Business continuity Supply chain management
<ul> <li>6 Recycling</li> <li>7 Sewage and waste treatment</li> <li>8 Biodiversity protection</li> <li>9 Energy-saving product</li> <li>10 Green supply chain</li> <li>11 Environmental compensation mechanism</li> <li>12 Product quality and safety</li> <li>13 Safety public welfare</li> <li>14 Safety public welfare</li> <li>15 Environmental protection public welfare</li> <li>19 Customer privacy protection</li> <li>19 Customer privacy protection</li> <li>20 Product recall</li> <li>21 Localized procurement</li> <li>22 Product quality and safety</li> <li>23 Safety public welfare</li> <li>24 Safety public welfare</li> <li>25 Environmental protection public welfare</li> <li>26 Environmental protection</li> <li>20 Product recall</li> <li>21 Localized procurement</li> <li>22 Doccupational health and safety</li> <li>33 Employee training and</li> </ul>	<ul> <li>Business continuity</li> <li>Supply chain management</li> <li>Dealer support</li> <li>Supplier environmental impact assessment</li> </ul>
<ul> <li>7 Sewage and waste treatment</li> <li>8 Biodiversity protection</li> <li>9 Energy-saving product</li> <li>10 Green supply chain</li> <li>11 Environmental compensation mechanism</li> <li>12 Environmental protection public welfare</li> <li>13 Environmental protection</li> <li>14 Environmental protection</li> <li>15 Environmental protection</li> <li>16 Customer privacy protection</li> <li>17 Volunteer service</li> <li>18 Customer privacy protection</li> <li>19 Product recall</li> <li>20 Product recall</li> <li>21 Localized procurement</li> <li>22 Cocupational health and safety</li> <li>30 Employee training and</li> </ul>	<ul> <li>Supply chain management</li> <li>Dealer support</li> <li>Supplier environmental impact assessment</li> </ul>
<ul> <li>Biodiversity protection</li> <li>Biodiversity protection</li> <li>Energy-saving product</li> <li>Green supply chain</li> <li>Environmental compensation mechanism</li> <li>Environmental protection public welfare</li> <li>Product recall</li> <li>Cocalized procurement</li> <li>Protection of employees' rights and interests</li> <li>Occupational health and safety</li> <li>Employee training and</li> </ul>	<ul> <li>management</li> <li>Dealer support</li> <li>Supplier environmental impact assessment</li> </ul>
<ul> <li>Energy-saving product</li> <li>Green supply chain</li> <li>Environmental compensation mechanism</li> <li>Environmental protection public welfare</li> <li>Environmental protection</li> <li>Product recall</li> <li>Cocalized procurement</li> <li>Protection of employees' rights and interests</li> <li>Customer service</li> <li>Customer privacy</li> &lt;</ul>	<ul> <li>Dealer support</li> <li>Supplier environmental impact assessment</li> </ul>
<ul> <li>Green supply chain</li> <li>Environmental compensation mechanism</li> <li>Environmental protection public welfare</li> <li>Product recall</li> <li>Localized procurement</li> <li>Protection of employees' rights and interests</li> <li>Occupational health and safety</li> <li>Employee training and</li> </ul>	Supplier environmental impact assessment
<ul> <li>Environmental compensation mechanism</li> <li>Environmental protection public welfare</li> <li>Product recall</li> <li>Localized procurement</li> <li>Protection of employees' rights and interests</li> <li>Occupational health and safety</li> <li>Employee training and</li> </ul>	impact assessment
compensation mechanism       19       Customer privacy protection         Environmental protection public welfare       20       Product recall       2         27       Localized procurement       2       Protection of employees' rights and interests       3         28       Occupational health and safety       3       Employee training and	Supplier social impact
<ul> <li>Environmental protection public welfare</li> <li>Product recall</li> <li>Localized procurement</li> <li>Protection of employees' rights and interests</li> <li>Occupational health and safety</li> <li>Employee training and</li> </ul>	
<ul> <li>27 Localized procurement</li> <li>28 Protection of employees' rights and interests</li> <li>29 Occupational health and safety</li> <li>30 Employee training and</li> </ul>	assessment
<ul> <li>Protection of employees' rights and interests</li> <li>Occupational health and safety</li> <li>Employee training and</li> </ul>	Procurement process
rights and interests 29 Occupational health and safety 30 Employee training and	regulation and
<ul> <li>29 Occupational health and safety</li> <li>30 Employee training and</li> </ul>	transparency
safety 3 So Employee training and	Information disclosure
safety 3 30 Employee training and	Anti-commercial bribery
	Risk management and
	control
	Compliant operation
31 Employee communication 3	Anti-monopoly
32 Employee care	Promotion of industrial
	construction
Q	construction Intellectual property

Nissan and sustainable development

#### **Communication with stakeholders**

NCIC attaches great importance to the communication with stakeholders, actively listens to and understands the demands of all stakeholders, and maintains communication with all stakeholders by establishing a normal and diversified communication mechanism in routine work to maximize the expectations of stakeholders.

itakeholder	Issue of concern	Main performance of Nissan's subsidiaries in China					
Government and regulatory authority	<ul> <li>Legal operation</li> <li>Tax payment according to law</li> <li>Environment-friendly</li> <li>Employment opportunity</li> <li>Promoting sound development of China's automotive industry</li> </ul>	<ul> <li>Economic contribution</li> <li>Compliant operation</li> <li>Information security management committee</li> <li>"Harmonious coexistence of people, vehicle and nature"</li> </ul>	<ul> <li>Environmental protection concept</li> <li>NCIC Sustainable Development Plan 2022</li> <li>Study on traffic safety</li> </ul>				
Environmental	<ul> <li>Resource and energy management</li> <li>Recycling</li> <li>Sewage and waste treatment</li> <li>Impact of products and services on environment</li> <li>Green supply chain</li> <li>Environmental protection public welfare activity</li> <li>Environmental compensation mechanism</li> </ul>	<ul> <li>Structure of environmental management organization</li> <li>Green product lifecycle</li> <li>Nissan e-POWER system</li> <li>Electric Zero Emission technology (Zero Emission)</li> <li>PURE DRIVE</li> <li>Green production and management performance</li> </ul>	<ul> <li>Green supplier system</li> <li>"Green franchised shop" certification</li> <li>Formulating Nissan Green Procurement Guidelines</li> <li>Supporting the publication of Blue Book of New Energy Vehicle</li> </ul>				
$\Sigma$	<ul> <li>Product safety</li> <li>Product quality</li> <li>Product recall</li> <li>Service quality</li> </ul>	<ul> <li>Nissan Intelligent Mobility</li> <li>i-Safety system</li> <li>Nissan Quality Program</li> <li>Providing customers with customized service</li> </ul>	<ul> <li>Zhengzhou Nissan New Customer Service Center</li> <li>Zhengzhou Nissan Customer Center implements the standard management system</li> <li>Zhengzhou Nissan Quality Issue Joint Investigation</li> </ul>				

Customer

- Service support and compliant processing
- Privacy protection

- Providing customers with customized service
- Dongfeng Nissan 5-year Quality Plan
- Dongfeng Nissan Five-Assurance Service Concept
- Zhengzhou Nissan Quality Issue Joint Investigation Group
- Dongfeng Infiniti Customer Interactive Platform

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takeholder	Issue of concern	Main performance of Nissan's subsidiaries in China				
	<ul> <li>Harmonious work environment</li> <li>Occupational health and safety</li> <li>Employee communication and care</li> </ul>	<ul> <li>Protection of employees' rights and interests</li> <li>Improving remuneration and welfare system</li> <li>Creating a safe and healthy work environment</li> </ul>	<ul> <li>Professional development channels and comprehensive training system</li> <li>Dongfeng Nissan University</li> </ul>			
Employee	<ul> <li>Employee training and development</li> </ul>	<ul> <li>Establishing diversified communication channels</li> </ul>	<ul> <li>Caring for employees with difficulties</li> </ul>			
$\overline{}$	Compliant operation	<ul> <li>Establishing the dealer management mechanism</li> </ul>				
	Product and service quality	<ul> <li>Offering competency improvement training</li> </ul>				
	<ul> <li>Dealer support</li> </ul>	<ul> <li>Dongfeng Nissan dealer competency diagnosis</li> </ul>				
Dealer		system				
	<ul> <li>Compliant operation</li> </ul>	<ul> <li>Establishing Renault-Nissan Supplier CSR</li> </ul>	<ul> <li>Dongfeng Infiniti supplier classification management</li> </ul>			
	<ul> <li>Procurement process regulation and transparency</li> </ul>	Guidelines	system			
	<ul> <li>Supplier's environment assessment</li> </ul>	<ul> <li>NCIC THANKS activity</li> </ul>	<ul> <li>Offering supplier improvement guidance and training</li> </ul>			
•••	<ul> <li>Supplier's social impact assessment</li> </ul>	<ul> <li>Zhengzhou Nissan supplier qualification</li> </ul>				
Supplier	<ul> <li>Human rights assessment</li> </ul>	assessment criteria				
	<ul> <li>Business continuity plan</li> </ul>	<ul> <li>Zhengzhou Nissan supplier environment certification review</li> </ul>				
_	<ul> <li>Philanthropy public welfare</li> </ul>	<ul> <li>"Nissan Dream Classroom"</li> </ul>	<ul> <li>Infiniti Engineering Academy</li> </ul>			
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Volunteer service

Safety public welfare

Environmental protection education

Community

- - Dongfeng Nissan "Sunshine caring i-Reading plan"
- Zhengzhou Nissan "Pickup Village"
- Zhengzhou Nissan "Hand-in-Hand Project"
- Infiniti Engineering AcademyPoverty alleviation humanitarian care
- Employees' volunteering activity

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# **CSR Topic 1** Led by technology, empower smart mobility

In the era of accelerated development of the "intelligent technology, Internet technology, electrification and sharing" of automobile, the automobile industry has ushered in an all-round industrial change. Nissan's subsidiaries in China actively embrace the changes of the era, focus on the "Nissan Intelligent Mobility" technology, and fully promote the scientific and technological innovation of the automobile industry. We have made innovative breakthroughs in intelligent power, intelligent driving, intelligent connectivity, etc., and continuously improved the mobility experience of consumers, thus offering more possibilities for intelligent mobility.

#### Open a new era of electrification

As the pioneer of electric vehicles, Nissan is accelerating the development of electrification in the Chinese market through product and technology innovation under the guidance of "Nissan NEXT" plan. By 2025, Nissan plans to introduce 9 electric models into the Chinese market. Meanwhile, Nissan will also adopt more local products and technologies in China to make the manufacturing and driving of electric vehicles more intelligent and convenient.

At the 19th Shanghai International Automobile Industry Exhibition, Nissan exhibited the pure electric crossover SUV models - Nissan Ariya, and Formula E racing car which has won many good results on the track, and Nissan e-POWER technology. Nissan hopes to provide new driving experience that allows Chinese consumers to connect with the surroundings in a more confident, more passionate, better manner. At the exhibition, the new generation of Dongfeng Nissan X-Trail, which was first unveiled in the Chinese market, won the "Best new model to be launched" award with its excellent manipulating performance and forward-looking technology configuration. As one of the important achievements of Nissan in the field of intelligent power, Nissan e-POWER fusion power technology has offered real technological innovation to consumers. Different from hybrid technology, Nissan e-POWER technology not only has the unique ultra-high acceleration performance of 100% electric drive system, but also realizes the high quietness of the vehicle body by controlling the engine at the optimal rotation and taking mute measures under different working conditions. In addition, in terms of fuel economy, through the high-efficiency power generation and excellent aerodynamic performance of the engine, it achieves excellent combination of high performance and low fuel consumption. In September 2021, the first model in the Chinese market equipped with Nissan e-POWER technology was unveiled at the Tianjin Auto Show. By 2025, there will be 6 models equipped with Nissan e-POWER technology in the Chinese market.



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#### **Redefine future mobility modes**

Nissan has also pressed the innovation acceleration key in the field of autonomous driving and driving assistance. Nissan ProPILOT technology equipped with Navi-link function can reduce the driver's operating frequency and realize intelligent and safe driving. At present, the new generation of Dongfeng Nissan X-Trail has been equipped with the enhanced version of cutting-edge ProPILOT technology. By FY 2026, for Nissan and Infiniti models globally, over 2.5 million vehicles will be equipped with ProPILOT technology. In addition, the driving assistance technology developed by Nissan can significantly improve the emergency avoidance capability through the road reality perception technology to effectively avoid the collision risk and reduce the incidence of traffic accidents in the real world. In the future, Nissan will further develop intelligent technologies such as autonomous driving and driving assistance to strengthen its advantages in mobility. At the same time, Nissan has been committed to building a secure and safe traffic society through the R&D and application of safety high-tech for many years. In strict accordance with the global unified quality standards, Nissan's subsidiaries in China apply digital safety technologies such as intelligent transportation system and intelligent anti-collision safety system to ensure secure and safe travel and contribute to a traffic society with "zero accidents" and "zero casualties".

As one of Nissan's core markets, China has the "natural soil" to promote the development of future mobility. In the future, under the guidance of the "Nissan NEXT" plan, Nissan's subsidiaries in China will adhere to the original aspiration of "Driving innovation to enrich people's lives", further accelerate the comprehensive implementation of "Nissan Intelligent Mobility" in China, and actively facilitate the introduction of forward-looking technologies and products into the Chinese market to constantly meet the increasingly diversified needs of Chinese consumers, and strive to build a new ecology of mobility, thereby helping consumers start a more brilliant smart mobility.



**Future Mobility** Layout

# **Technological innovation**

With "Nissan Intelligent Mobility" technology as the core, Nissan is committed to providing customers with safe and intelligent travel experience and creating a new mode of smart and low-carbon mobility in the future. By strengthening the advantages in mobility technology, Nissan will develop more advanced technologies and products, and accelerate the promotion of electrified product layout and technological innovation.

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NCIC continues to make efforts to promote the development of intelligent technology and electrification of the automotive industry, and encourages further innovation in manufacturing technology and intelligent upgrading of automotive technology. At the same time, NCIC comprehensively facilitates the promotion and application of "Nissan Intelligent Mobility" technology in the Chinese market, and is committed to creating a safer, smarter and more comfortable mobility experience for consumers by promoting innovation in technology, products and services.

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Dongfeng Nissan is committed to facilitating scientific and technological innovation in the field of intelligent technology and electrification. Focusing on "Nissan Intelligent Mobility", it continues to promote the R&D of its three major brands by focusing on the R&D of models and the application of new technologies. It has successfully developed four new models, and completed the development of one modified model and nine modified models.

In the field of R&D and application of innovative technologies, Dongfeng Nissan has built a vehicle-road synergy system by launching the construction of a mass production development software platform in the field of intelligent connectivity, and has improved its automatic test capability. By building a test platform in the field of autonomous driving, it has gradually realized the localized design, integration, and test of advanced driving assistance system. By facilitating several development projects of ultra-high strength steel, aluminum, and composite materials in the field of lightweight, it has further expanded the application of lightweight materials.

In 2021, DFN Passenger Vehicle Company Technology Center has more than 1,500 R&D personnel with the R&D investment of up to 828 million yuan.

#### **DFN Technology Center**

More than 1,500

2021 R&D Personnel

2021 R&D Investment

828 Million Yuan

### ⊖ ZNA

ZNA pursues scientific and technological innovation. In addition to the introduction of Nissan's advanced technology, it focuses on cultivating independent innovation technology teams, builds a complete independent brand development process, and constantly improves the company's independent R&D and innovation capabilities. In 2021, ZNA applied for 70 patents and obtained 65 authorized patents. By the end of 2021, ZNA had invested 276.23 million yuan in R &D, with 493 R&D personnel, accounting for 21% of the total number of employees.

ZNA, as one of the first batch of complete vehicle manufacturers that have passed the national "new energy vehicle production gualification", has continuously strengthened the construction of new energy ecosystem, and actively led the green development of the industry with its industry-leading R&D capacity of pure electric pickup. In January 2022, ZNA was rated as the leading innovation enterprise in Henan Province by the Science and Technology Department of Henan Province. Meanwhile, it was reaccredited and passed the evaluation of high-tech enterprise and national enterprise technology center. In addition, ZNA also actively cooperates with local universities and enterprises to promote the progress and improvement of energy-saving and consumption reduction related science and technology.



ZNA R&D Office Building



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# **Reassuring quality**

"Reassuring and safe" is one of the key actions of NCIC Sustainable Development Plan. Nissan's subsidiaries in China have established a quality assurance strategy covering the whole value chain based on the global unified quality standards, continuously improved the product quality management and market quality assurance system, thereby providing customers with reassuring and safe high-quality products.

#### **Product quality management**

Nissan's subsidiaries in China strictly abide by the global unified quality standards, and always maintain strict demands on quality. From the aspects of product R&D, design, production, procurement, etc., Nissan controls at all levels to effectively improve product quality and provide customers with high-quality products and services.

#### ⊖ DFN

DFN has always adhered to the concept of "customer-centered", built a quality management system covering the whole value chain on the basis of intelligent quality digitalization system, excellent quality system and quality compliance, and with focus on the four pillars, i.e. initial quality management, durable quality management, sales service quality management and service quality management.

DFN implements the concept of "Safety Shield" in the process of vehicle development, adheres to the strict standards of vehicle safety performance development, and is committed to realizing the vision of "zero casualties". Through the application of intelligent transportation system, NISSAN i-SAFETY intelligent anti-collision safety system, regional body and ultra-high strength steel technology, it maximizes the product quality and safety performance, thus guaranteeing the safety of personnel and body.

#### ⊖ ZNA

ZNA always follows the quality concept of "quality first" and constantly improves the product quality management system. It has established the quality management system and policies and systems related to product quality in strict accordance with the requirements of the Implementation rules for compulsory product certification (automobile) and ISO9001:2015 Quality management system issued by the Certification and Accreditation Administration of the P. R. C. to guarantee the product quality according to the shipment inspection standards of finished products. In 2021, ZNA reached the pass rate of 100% for its products.

In addition, ZNA attaches great importance to the prevention and control of automotive safety hazards. By establishing the Important management regulations for important maintenance, the Management standards for important parts and components for important maintenance and the Management regulations for heavy maintenance supervision, ZNA regularly implements the independent inspection and improvement for important maintenance in the manufacturing process to ensure the quality of important products for important maintenance and realize the "zero defect" for important maintenance management.

ZNA also focuses on quality work in terms of the management system of product development and design, validation and verification, and adopts advanced design schemes and technologies to facilitate the prevention and control of automobile safety hazards. In the design stage, it focuses on the safety of the vehicle. By adopting the independently developed battery management technology and the efficient and reliable liquid cooling and heat management scheme, it significantly improves the reliability and safety of the battery. The battery pack technology uses lightweight tray materials, causing an efficiency of up to 90%. In addition, the independently developed vehicle controller also improves the safety of electric vehicles. The underlying software of vehicle control has complete vehicle fault diagnosis and failure protection strategies to ensure the safety of personnel and vehicles to the maximum extent in case of system failure.

## 100%

ZNA Product Pass Rate

# Zero Detect

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### ⊖ DFI

In 2021, DFI continuously facilitated the improvement and promotion of product quality, carried out a lot of quality improvement activities, with a view to maintaining the quality at a good level.

In order to further improve the product quality, DFI has integrated and optimized the quality improvement business with DFN to maximize the strength of the platform and strengthen the overall quality improvement business. By holding QRQC (Quick Response Quality Control) meetings, it can quickly feedback, respond and control quality information every day, identify new, recurring and frequent quality problems in a timely manner, and take preventive and solving measures. In addition, it also holds MQIC (Market Quality Information Center) meetings on the monthly basis to explore and promote key quality improvement projects and ensure the achievement of annual objectives.



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#### Market quality assurance

Nissan's subsidiaries in China adhere to the principle of "Customer safety first", establish and improve the product recall management mechanism, cooperate with the R&D and production and manufacturing departments to carry out investigations, and take the initiative to take open, timely, transparent and standardized recall measures to reduce the adverse effects of defective products and maximize the safety of products and customers.

#### ⊖ DFN

DFN strictly complies with the relevant regulations and requirements of the Regulations on the recall of defective automobile products and the Measures for the implementation of the regulations on the recall of defective automobile products. Meanwhile, it has established a perfect market quality improvement system and set up a professional technical team. In 2021, DFN took the initiative to implement market quality improvement measures and filed five recalls with the State Administration for Market Regulation, involving a total of nine models.



#### ⊖ ZNA

ZNA is deeply aware that the implementation of product recall is an important measure to protect the rights and interests of consumers. ZNA continues to improve the management system of important quality information and the management mechanism of important quality information processing activities, strictly follow the national requirements for the management of automobile product recall, and actively practice product recall. At the same time, ZNA has formulated relevant standards such as the Key points for the management of recall cases, the Key points for the operation of important quality review meetings and market disposal judgment meetings, regularly held quality review meetings and quality review and disposal meetings, and carried out training on recall laws and regulations. As of December 20, 2021, ZNA has issued and implemented a recall project, actively recalling 546 vehicles, with a recall completion rate of 97.67%.

ZNA

### 97.67%

2021 Recall Completion Rate

#### ⊖ DFI

DFI adheres to the principle of "customer interests first", continuously improves the market quality assurance mechanism, closely supervises and manages the quality of R&D, manufacturing, market and other links, and ensures the integrity and traceability of product quality information. In addition, by actively, quickly and efficiently carrying out verification, troubleshooting, judgment and other related work, DFI can ensure that problems can be handled and solved in a timely manner.

DFI strictly complies with the requirements of national laws and regulations such as the Regulations on the administration of recall of defective automotive products and the Measures for the implementation of the regulations on the administration of recall of defective automotive products to ensure the openness, timeliness and transparency of the recall mechanism. Customers may give feedback through the customer service hotline and authorized dealers. Service issues will be handled by the after-sales service department, and quality issues will be included in QRQC (Quick Response Quality Control) meeting in time for management. In 2021, DFI took the initiative to issue five recalls, recalling a total of six models, thereby eliminating potential hidden dangers of vehicles in a timely manner.

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# **Considerate service**

Nissan's subsidiaries in China adhere to the service concept of "customer-centered", listen to the voice of customers, strive to meet the needs of customers, try their best to improve the service level, and work with partners to provide customers with more considerate and better service experience.

#### Improving service quality

#### ⊖ DFN

DFN adheres to the NCP (Nissan Customer Power) concept of "Everything comes from customers", takes customers as the center, and strives to improve service quality and customer satisfaction. In the CAACS survey in 2021, DFN won the third place in customer satisfaction of after-sales service of JV brands.

#### 2021 CAACS Survey

### No.3

Customer Satisfaction of After-Sales Service of JV Brands

#### ⊖ ZNA

ZNA always adheres to the service concept of "Customercentered, constantly optimizing customer experience", and is committed to providing customers with "Considerate, professional and trusted" service experience by continuously promoting service outlets to improve their business, and fulfilling the commitment of "original service".

While expanding its dealer network, ZNA has continuously broadened its service channels. In 2021, ZNA has more than 200 primary sales networks, nearly 540 secondary sales networks, and more than 400 after-sales service outlets throughout the country. The provincial coverage rate of the national service network has reached 100%, and the regional or city coverage rate is 90%. It has formed a sales service network integrating vehicle sales, parts sales, information service, and after-sales service, thereby providing customers with convenience, fast and comfortable vehicle purchase and after-sales service experience. In 2021, ZNA carried out a customer after-sales satisfaction survey, with the customer satisfaction reaching 84.5 points, a year-on-year increase of 3%.

#### ⊖ DFI

DFI has always adhered to the service concept of "Passion leads to perfect experience". During the reporting period, it optimized and upgraded the after-sales service strategy, established a service strategy of "know what you think", "know what you need" and "think what you think" with customer maintenance and experience as the core, including six major vehicle warranties such as warranty, maintenance and travel guarantee, and efficient services such as pick-up and delivery of vehicles, mobility scooter and quick repair and quick maintenance, to improve customer experience and provide customers with more added value.

During the COVID-19 epidemic prevention and control period, the company specially offered the accurate appointment pickup and delivery service, which allowed for an appointment for the driver who meets the epidemic prevention requirements and health criteria to reduce the worry of the vehicle owner. In addition, DFI also launched a series of "Infiniti" care to thank medical personnel, care for car owners and customers, and offer warmth to both dealers and employees.



DFN attaches great importance to listening to customers' voices and collects customers' comments on products and services through questionnaires and other channels. At the same time, the company opens a customer VOC (Voice of Customer) listening platform for all employees and dealer management, and carries out a series of sales service improvement activities to continuously improve service quality and create customer value.

In 2021, DFN Customer Service Center received 9,475 complaints. Through efficient solutions and emergency disposal system, it successfully completed the handling of 80% of the complaints within 5 days. DFN can not only deal with complaint cases quickly and satisfactorily, but also implement a unified system management mode of all-round VOC complaint collection, tracking, claim settlement, management and improvement.

DFN launches a MiniApp appointment service, through which customers may make service appointments in advance on WeChat MiniApp. By the end of 2021, a total of 815 franchised stores had introduced the MiniApp appointment service, serving more than 40,000 customers. In addition, DFN actively practices the service concept of "Caring service, embracing customers", and it organizes nationwide franchised stores to carry out emergency rescue service activities, and established a service network system of 24hour rescue service hotline covering nationwide franchised stores.

⊖ ZNA

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ZNA strengthens customer satisfaction management and continuously improves customer service quality. ZNA delivers highquality and considerate services to more customers by expanding channels to communicate with customers. At the same time, by holding monthly improvement meetings, discussing the methods to improve and manage customer satisfaction, promoting the daily and weekly meeting system of complaints, and formulating the assessment system, it enhances the dealers' awareness of customer relationship management, improves the efficiency of customer problem solving, and continuously increase the customer satisfaction. In addition, the company also takes the initiative to provide special guidance to the dealers with weak customer satisfaction performance to promote the improvement of their service quality.

In 2021, in order to better care for vehicle owners and meet customer needs, ZNA cooperated with star dealers to carry out more than 90 door-to-door service customer care activities throughout the country, with a total of 5,791 vehicles, to verify the mission of "original service" with practical actions.





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#### ⊖ DFI

DFI always attaches great importance to customer experience, further upgrades customer service measures by upgrading the free maintenance service of new vehicles from one basic maintenance to six-year or 120,000 km free basic maintenance, and adds four-year or 100,000 km free accident rescue service. Through the introduction of two major services, namely "extra long-term free maintenance" and leading road rescue, DFI strives to create meticulous customer care, so that customers can enjoy more worry-free, more considerate, and more valuable services.

In order to continuously improve the efficiency of communication with customers and effectively solve customer problems, DFI has put through customer service mailbox, email and VIP hotline customer communication channels. In addition to actively carrying out customer satisfaction survey, the company also carries out QVOC (Quality Voice of the Customer) survey. In 2021, it achieved the national customer satisfaction of 97.4 points and the QVOC score of 90.4 points. From January to April 2022, it achieved the national customer satisfaction of 97.4 points and the QVOC score of 92.4 points. Case: DFI holds the 2021 After-sales Service Skills Elite Competition

On May 27, 2021, DFI held the national final of the after-sales service skill elite competition with the theme of "Sincere service and farreaching influence", aiming to cultivate elites in the field of after-sales service, provide better and more professional services for customers, thus improving customer experience and satisfaction.

The competition examined the comprehensive level of each contestant through three links: style display, question & answer and practical exercise. By replacing the exercise with the competition, the competition strengthened the construction of after-sales service system, demonstrated to the market and users the perfect after-sales service system of Infiniti and the hard core strength of quality service, thus conveying the service concept of "customer experience first" of the brand.



Scene of DFI after-sales service skill elite competition



Awards ceremony of DFI after-sales service skill elite competition

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### Improving dealers' service capability

#### ⊖ DFN

DFN has formulated and publicized NSSW (Nissan Sales and Service Ways), further standardized the customer service process of the franchised stores, helped the franchised stores improve the customer experience, with a view to providing all-round high-quality services for each customer.

At the same time, by conducting one-to-one guidance and centralized training for franchised stores, DFN provides professional support for franchised stores, improves the operation management and service quality of dealers, and effectively promotes the improvement of customer satisfaction and achieve win-win value through the implementation of measures such as repair of dissatisfied customers, improvement of weak stores, weak areas and weak points.

#### ⊖ ZNA

ZNA adheres to the corporate philosophy of "Trust, companion and mutual achievement", and cooperates with dealers nationwide to build a dealer network with core competitiveness through mutual trust and win-win cooperation. In order to improve the service capability of dealers, ZNA has applied a full set of Nissan training system to provide free training for dealers and build a high-quality dealer service team. In terms of service reception, the company has comprehensively promoted NSSW (Nissan Sales and Service Way). In terms of maintenance technology, the company has introduced Nissan N-STEP (Nissan Service Technician Education Program) series of certification training to provide customers with standardized, professional and considerate services based on the global unified service standards.

From November 2021 to March 2022, ZNA carried out NSSW online livestreaming and offline centralized training, covering customer development, customer reception, requirements analysis, customer follow-up, customer care and other fields, so as to comprehensively improve dealers' basic service capability and customer satisfaction. During the reporting period, ZNA carried out 138 dealer trainings in the innovative training mode of "live training + on-site training + in-store guidance", with a total of 1,430 training hours and 8,189 participants.

### ⊖ DFI

In 2021, DFI organized various trainings for dealers, including 4 online live courses, 28 offline courses and 11 certification training camps. The trainees' overall satisfaction with offline training was up to 4.9 points (full score of 5 points). In addition, professional lecturers were invited to provide in-store guidance support for 40 dealerships in 13 cities.

During the reporting period, DFI carried out 54 dealer trainings, both online and offline, with a total of 686 hours of training and 992 participants.

#### Safeguarding consumer rights and interests

In 2021, NCIC strengthened and expanded the anti-counterfeiting actions to effectively safeguard the rights and interests of consumers. Through the anti-counterfeiting actions, covering 21 cities across the country, 86 anti-counterfeiting action cases were investigated with 90,934 counterfeit parts seized, a total value of 45.62 million yuan.



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# **Practice Green and** Low-carbon Development



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# **CSR Topic 2** Taking the path of green development

With China's commitment to "carbon peak and carbon neutrality" and the important deployment of carbon neutrality in the "14th Five-year Plan" and the Long-Range Objectives Through the Year 2035, promoting the realization of the "carbon peak and neutrality" goal has become the common action goal of all walks of life in China. China's automotive market is also moving towards green, low-carbon and sustainable development.



As an enterprise committed to sustainable development, Nissan has put into practice for many years in energy saving, carbon reduction and green development. In January 2021, Nissan released the carbon neutrality target, announcing that the whole Group's enterprise operation and product lifecycle will achieve carbon neutrality by 2050. In November 2021, Nissan released "Nissan Ambition 2030" on this basis, taking electrification as the long-term development strategy of the company. It plans to launch 23 electric models by FY2030, including 15 pure electric models, and to achieve 100% electrification of new models in core markets (Japan, China, the United States and Europe) by early 2030. This will undoubtedly help China to achieve the goal of "carbon peak and neutrality".

In order to further reduce the carbon emissions generated in the process of production and business activities, Nissan's subsidiaries in China have built a green development model with green management, green products, green manufacturing, green supply chain and green culture as the main body, so as to achieve energy conservation and carbon reduction in all links and minimize the impact on the environment. In terms of the green development of the factory, Nissan's subsidiaries in China actively promote the green transformation of the factory in the manufacturing and production links from energy management, carbon emission management, water resources management and other aspects. In addition, Nissan's subsidiaries in China are actively building distributed photovoltaic projects in the factory to increase the proportion of renewable energy use and provide clean and low-carbon power energy for the factory. In 2021, DFN won the title of "Guangdong Cleaner Production Enterprise" in 2021, and ZNA successfully passed the environmental performance class A enterprise review.

On this basis, Nissan's subsidiaries in China have also extended their energy-saving and carbon reduction measures to the upstream and downstream of the supply chain, and are committed to reducing carbon emissions in the whole value chain through innovative technologies and collaborative cooperation. Based on Nissan's sustainable development strategy, NCIC's parts and components export division has built a green supply chain in an all-round way. By adopting globally recycled packaging containers, introducing and applying electric equipment, and facilitating the transformation to a low-carbon transportation mode, it has achieved an annual emission reduction of more than 12,000 tons, contributing to environmental protection and sustainable development of society.

Nissan firmly believes that the realization of sustainable development is not a job of a single company, but involves building a green development ecosystem and working together with partners, the public, industry organizations and other stakeholders. Since 2013, adhering to the concept of "promoting the development of China's automotive industry", Nissan has participated in the project Blue Book of New Energy Vehicle for nine consecutive years, and supported and encouraged in-depth research on the development status and trend of new energy vehicles, thus contributing to the low-carbon transformation of China's automotive industry.

In the future, in order to realize the beautiful vision of "zero emission" transportation society, Nissan's subsidiaries in China will continue to make efforts in energy conservation and carbon reduction, electrification and intelligent development, work with stakeholders to build a green value chain, help achieve the goal of carbon neutrality, and running on the track of green development.

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# **Green management**

Nissan has placed response to climate change and environmental protection in an important position in its corporate strategy. In 2021, Nissan formulated and released the goal of carbon neutrality, which aims to achieve carbon neutrality in the enterprise operation and product lifecycle of the whole Group by 2050, and plans to achieve 100% electrification of new models in the core market by 2035.

Nissan's subsidiaries in China actively respond to Nissan's goal of "carbon neutrality" and comprehensively promote the layout of electrification and green products. In 2021, DFN officially introduced a new generation of e-POWER system, which represents the formal layout of e-POWER technology of Nissan in the Chinese market. The introduction of e-POWER system is not only a key step for Nissan to achieve the goal of carbon neutrality by 2035, but also plays an important role in promoting the development of electrification of automobiles and realizing the goal of carbon neutrality for China's automotive industry.

Nissan's subsidiaries in China integrate the green development commitment into the company's operation and production process, strengthen environmental risk management by setting environmental planning objectives, and build an environmental management system for products, manufacturing and supply chain. In 2021, ZNA strengthened daily environmental supervision by regularly carrying out investigation of potential environmental risks, identified 7 environmental risks, formulated rectification plans, and carried out hierarchical control and sales management in accordance with the Environmental risk investigation guide and hierarchical control list to effectively prevent environmental risks. During the reporting period, no major pollution accident occurred in ZNA. The environmental emission compliance rate was 100%, and the COD (chemical oxygen demand) emission decreased by 40.5%, far exceeding the original target.

# **Green products**

🕞 DFN

DFN continues to explore cleaner and environment-friendly power systems, accelerate the process of automotive electrification, and support the low-carbon transformation of the automotive industry. DFN actively promotes the introduction of e-POWER technology into Sylphy model. Meanwhile, Venucia brand also gives full play to the local technical advantages of new energy and intelligent connectivity, and actively explores a green and low-carbon mobility mode.

DFN released the first model equipped with e-POWER technology in China – DFN Sylphy zero emission version e-POWER, which is an innovative integration of fuel technology and electrified drive technology. The model integrates three core advantages of fulltime electrified drive, high-efficiency power generation and quick charge and quick discharge, and adopts a power system driven by all motors, thus offering consumers a new choice of electrified drive technology without charging.

#### ⊖ ZNA

ZNA is committed to providing customers with more environmentfriendly green products through continuous R&D and innovation. ZNA has developed and produced a multi-purpose intelligent network connected pure electric vehicle - Ruiqi 6 pickup ev. This vehicle is the first pure electric pickup intelligent network connected vehicle developed in China. It applies the intelligent network connected remote control technology of pure electric vehicles, adopts the ternary lithium-ion battery with high density, high energy and high safety, and the battery management system and vehicle controller independently developed by ZNA.



ZNA Ruiqi 6 pickup EV

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# **Green manufacturing**

Nissan's subsidiaries in China actively promote the green transformation of manufacturing and production links, build a green manufacturing system through energy-saving transformation, renewable energy utilization, water resource management, and compliant waste disposal, comprehensively promote cleaner production and green plant construction, and constantly improve their own green manufacturing level. In 2021, DFN won the title of "Guangdong Cleaner Production Enterprise" in 2021, and ZNA successfully passed the environmental performance class A enterprise review.

#### Energy conservation and carbon emission reduction

Nissan's subsidiaries in China actively promote green manufacturing, strengthen technological innovation, and carry out a number of energy-saving and emission reduction activities. DFN continued to promote environmental risk rectification activities. In 2021, it carried out seven sessions of energy-saving diagnosis, proposed 134 improvement cases, reduced carbon dioxide emissions by 25,700 tons, and realized economic benefits of 20.52 million yuan.

During the reporting period, ZNA continued to promote the elimination and upgrading of high energy consuming and outdated equipment and the improvement of energy saving of energy consuming equipment. The company invested 38,0000 yuan to introduce the heat adsorption compressed air dryer, which, while improving the compressed air quality and reducing the water content, reused the waste heat generated by the compressed air, thereby reducing the consumption of electric energy. In addition, by transforming the old open low-voltage switch cabinet into the new drawer type low-voltage switch cabinet, it significantly improved the power safety and reliability, providing a basic power guarantee for safe and stable production.

In order to raise the utilization ratio of renewable energy, ZNA has developed and constructed distributed photovoltaic projects. In 2021, the distributed photovoltaic power generation capacity of the plant was 11.6338 million kWh, the total annual power consumption of the plant was 33.6177 million kWh, and the photovoltaic power generation capacity of the plant was 9.3269 million kWh, accounting for 27.7% of the total annual power consumption of the plant. ZNA continues to carry out the feasibility investigation of photovoltaic expansion, discusses and formulates the photovoltaic scheme for the roof construction of the new general assembly workshop and coating workshop, and plans to build the Phase 2 photovoltaic project in 2022. In 2021, DFN also continued to promote the construction of distributed photovoltaic power generation projects, such as the construction of the 3MW project of DFN Changzhou plant.

### 2021 Energy-Saving and Emission Reduction Activities

7 <sup>Times</sup>	134
Sessions of Energy-Saving Diagnosis	Improvement Cases
25,700 <sup>t</sup>	20.52 Million Yuan
Carbon Dioxide Emissions Reduced by	Realized Economic Benefits

# 27.7%

Photovoltaic Power Generation Capacity Occupied 27.7% of Total Annual Power Consumption of the Plant About This Report

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#### Waste gas emission management

ZNA strictly complies with the emission limit requirements such as the Emission standard of volatile organic compounds for industrial coating process, the Standard for fugitive emission of volatile organic compounds, the Emission standard of air pollutants for boiler, and the Integrated emission standard of air pollutants. By taking measures such as welding fume treatment, coating organic waste gas treatment, tail gas treatment in general assembly workshop, and low nitrogen combustion transformation of gasfired boilers, ZNA not only further treats waste gas to meet the emission standards, but also reduces the amount of polluted waste gas from the source. ZNA Zhongmu factory has replaced the coating raw and auxiliary materials with low VOCs (volatile organic compounds) coatings, water-based cleaning agents and waterbased adhesives. Meanwhile, DFN applies low VOC coatings in the vehicle coating process and also develops and applies low VOC coatings in the resin coating, thus reducing the production of VOCs from the source.

#### Water resource management

Nissan's subsidiaries in China are committed to reducing the consumption of water resources and solidly promoting water resources management. DFN has fully strengthened the application of water machine cleaning materials and the recovery of cleaning solvent for finishing paint. ZNA continues to promote the reclaimed water utilization project. After the advanced treatment of sewage reaches the reclaimed water reuse standard, it will be reused for greening, toilet flushing, sewage treatment reagent preparation and fire control to further reduce the consumption of water resources. During the reporting period, the reuse volume of reclaimed water reached 115,684 tons.

ZNA continues to improve its wastewater treatment capacity. It adopts the principles of diverting sewage, diverting clean water and sewage, diverting rainfall and sewage and disposing of it by quality, and adopts the three in one sewage treatment method of "traditional physical and chemical treatment + SBR biochemical treatment + PLC remote control process technique". At present, the daily sewage treatment capacity reaches about 800 tons, meeting the sewage discharge standard.

#### Waste management

Nissan's subsidiaries in China attach great importance to waste disposal and management. ZNA adheres to the "3R" principle, that is, the principles of reduction, reuse and recycling, and actively carries out solid waste management. ZNA recycled all general recyclable solid wastes (such as stamping wastes, scrap metal, waste packaging materials, etc.) generated in the production process, with the comprehensive utilization rate of solid wastes reaching 100%. According to the relevant requirements of the Directory of National Hazardous Wastes (2021 version), ZNA selected qualified partners to properly dispose of hazardous wastes, resulting in the compliance rate of 100%. In addition, ZNA transported domestic garbage to the waste treatment plant designated by the environmental sanitation department, resulting in the rate of treatment of domestic garbage reaching 100%.

In terms of waste reduction, DFN invested 3.8 million yuan to implement the sludge drying project of Huadu No. 2 plant and engine plant, which greatly reduced the water content of sludge and reduced the sludge production by 700t/a each year. ZNA Zhongmu plant introduced the lightweight technology of paint slag, leading to the single slag loading capacity of up to 500-800kg, and the water content reduced from 69% to 28%, and the slag dropping capacity reduced by 80 tons per year.

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# **Green supply chain**

Nissan's subsidiaries in China, while strengthening their own environmental management, actively extend the green value to the upstream and downstream partners of the industrial chain, and build a low-carbon supply chain from procurement, transportation, packaging, logistics and other links, thus facilitating the green transformation of the industry.

#### **Green procurement**

Focusing on building a green supplier system, ZNA has formulated the Regulations on the management of supplier on-site certification, and takes ISO14001 environmental management system certification, environmental impact assessment report/pollutant discharge permit and other relevant qualification certificates as the necessary conditions for suppliers to be included. Environmental protection audit has become a mandatory item for supplier qualification audit. By the end of April 2022, ZNA had collected 358 ISO14001 environmental impact assessment reports from suppliers, established a supplier qualification management system, and regularly confirmed the validity of the certificates on the national certification and accreditation information public service platform. ZNA strictly complies with the Regulations on the management of supplier platform (qualified), and takes management measures such as supplier degradation or rejection of supplier qualification for suppliers who violate relevant national laws and regulations and have adverse social impact due to environmental protection, laboremployer relationship.

ZNA has signed the Letter of commitment not to use prohibited and restricted substances with 299 suppliers and the environment and safety agreement with 20 hazardous chemical suppliers according to the Requirements for prohibited substances on automobiles. In addition, when signing the agreement with the parts suppliers, ZNA requires that the materials used by the suppliers must comply with the ELV and VOC tests, thus ensuring the environment friendliness of the parts and materials from the source. 358

Collected 358 ISO14001 Environmental Management System Certification and Environmental Impact Assessment Reports From Suppliers 299

Signed the Letter of Commitment Not to Use Prohibited and Restricted Substances With 299 Suppliers


### ⊖ DFN

DFN attaches great importance to the logistics management in the green supply chain and continuously implements the green logistics environmental management policy. On the premise of meeting customer needs, DFN actively explores ways to reduce carbon emissions in logistics. In the development and application of digital intelligent logistics model, DFN realizes the new mode of intelligent location of distribution warehouse and convection of logistics pallet, thus optimizing the logistics transportation distance, increasing the loading efficiency of logistics vehicles, and maximizing the carrying capacity. At the same time, it also makes full use of waterway and railway transportation to reduce carbon dioxide emissions.

⊖ ZNA

During the reporting period, ZNA actively adjusted the transportation structure, accelerated the promotion of low-carbon and energy-saving transportation mode, gradually optimized the road transportation towards railway transportation or waterway transportation, and reduced the transportation mileage of traditional fuel vehicles on the basis of ensuring that the contracted transportation vehicles of the factory meet the environmental protection requirements, so as to reduce the exhaust emission, noise and traffic jam caused by road transportation. ZNA also built an intensive, efficient and low-carbon transportation system. In 2021, the railway transportation rate increased by 75% compared with that in 2020. In the future, ZNA will continue to increase the proportion of railway transportation and make greater contributions to energy conservation and emission reduction. In addition, ZNA will gradually replace the traditional fuel vehicles with new energy vehicles. During the reporting period, the electrification rate of ZNA's logistics forklift and tractor reached 99%.

In addition, the company has greatly reduced the generation of greenhouse gases and pollutants through reasonable layout and planning of transportation routes and optimization of transportation routes to improve transportation efficiency. By increasing the loading rate of vehicles and reducing the number of transportation times, it achieved the effect of reducing energy consumption and waste pollution. By promoting green warehouse management, it constantly optimized the warehouse layout, saved transportation costs and reduce resource consumption.

Green packaging is an important link to realize green logistics. ZNA promotes the standardization and generalization of packaging by optimizing the packaging structure and design to reduce the consumption of packaging materials. ZNA takes the packaging "4R" (i.e. reduction, reuse, recycling and rethinking) as the principle, and requires that the new parts packaging scheme give priority to the use of recyclable packaging materials to reduce resource waste and environmental pollution, with the proportion of recycled packaging of parts increasing to 94%.

Green marketing

#### ⊖ DFN

Practice Green and Low-carbon Development

> DFN is accelerating the construction of smart stores. Signature files (including test drive agreement, order forms, contracts, handover forms, etc.) will be converted from paper to online. In 2021, the initiative will be extended from two Green Franchise Stores to 66 nationwide, and is expected to be integrated into the company's digital transformation project and gradually extended nationwide. Meanwhile, the use of Nissan Connect APP has brought efficiency and quality improvements to the daily operations of sales staff and sales managers, and optimized the customer experience.

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## **Green culture**

Nissan's subsidiaries in China advocate the green concept of "Harmonious coexistence of people, vehicles and nature", promote the sustainable development of the enterprise through the construction of green corporate culture, and lead the industry and society to actively carry out green actions.

#### **Green office**

Nissan's subsidiaries in China actively practice green office and strive to reduce energy consumption during operation. In 2021, they took a series of energy-saving and consumption reduction measures to realize green office, and reduced the consumption of paper and other resources by implementing paperless office, digital learning platform, online video conference and other green office modes. In addition, they actively promote green office and lowcarbon lifestyle by advocating the conservation of water, electricity and office supplies and other environmental protection actions within the company.

#### Green public welfare

As a practitioner of caring for nature and actively advocating green public welfare, Nissan's subsidiaries in China have been paying attention to environmental protection and energy conservation and environmental protection for many years. Since 2013, by participating in and advocating the "Earth Hour" activity initiated by the World Wide Fund for nature (WWF), Nissan has called on employees, partners and the public to practice the concept of lowcarbon, energy conservation and environmental protection with practical actions to make contributions to sustainable development. Case: NCIC actively carries out the "Earth Hour" activity to advocate the concept of environmental protection

In March 2021, Nissan's subsidiaries in China cooperated with dealers and suppliers to shut down or reduce the use of unnecessary lights and electrical equipment between 20:30 and 21:30 on the event day, so as to jointly reduce the burden of the earth. In addition, NCIC held the "Earth Hour" environmental protection themed employee photography competition to solicit environmental protection themed photography works from employees, thus enhancing employees' awareness of environmental protection and public welfare. On the other hand, NCIC launched online promotion of the "Earth Hour" initiative through social media, calling on the public to participate in the event.







DFN turned off all lights in the Earth Hour

### enabling the green transformation of automobile enterprises, and actively advocating the sustainable development of the industry.

Case: NCIC and DFL participated in the preparation of the 2021 Blue Book of New Energy Vehicle

On July 28, 2021, the 2021 Blue Book of New Energy Vehicle jointly prepared by China Automotive Technology and Research Center Co., Ltd., NCIC and DFL was officially released. Since Nissan first participated in the project Blue Book of New Energy Vehicle in 2013, it has assisted in the preparation of 9 reports.

The 2021 Blue Book of New Energy Vehicle is composed of nine parts: general report, expert perspective, industry, policy, digital, NEVI index, hot topics, reference, and appendix. It makes a comprehensive interpretation and analysis of the development of China's new energy vehicle industry from a professional perspective. As an annual research report with benchmarking significance in the field of new energy vehicles in China, it provides a reference for the industry to understand the development situation and trend of new energy vehicle industry at home and abroad, and then contributes to the sustainable development of China's automotive industry.

#### Case: Nissan attends 2021 World New Energy Vehicle Congress

On September 16, 2021, the 2021 World New Energy Vehicle Congress (WNEVC), jointly sponsored by the China Association for Science and Technology and the People's Government of Hainan Province in collaboration with seven national ministries and commissions, was held in Haikou, Hainan. The theme of the conference was "comprehensively promoting marketization, accelerating cross-industry integration, and working together to achieve carbon neutrality", aiming to promote the transformation and upgrading of the automotive industry and help achieve carbon neutrality.

At the conference, Mr. Kunio Nakaguro, executive officer and executive vice president of Nissan, delivered a speech with the theme of "Nissan electrification strategy for carbon neutrality", which disclosed Nissan's carbon neutrality plan and carbon neutrality goal, introduced Nissan's low-carbon technology and solutions, and described the main path of Nissan towards carbon neutrality.

Nissan plans to realize 100% electrification of new models in core markets including China in the early 2030s. In the future, Nissan will continue to promote the process of electrification and help the sustainable development of China's automotive industry and society.

2021 World New Energy Vehicle Congress





Release of 2021 Blue Book of New Energy Vehicle



Practice Green and Low-carbon Development

With the original aspiration of "contributing to the development of China's automotive industry", Nissan's subsidiaries in China have been committed to the R&D and promotion of new energy automobile technology,

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## Making Greater Social Contribution



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**CSR Topic 3:** Co-creating value and working together for a better future

"Human development" is the key to sustainable development. Nissan's subsidiaries in China always pay attention to the development of employees and their contributions to society. Nissan hopes that employees can not only achieve mutual success with the enterprise, but also continuously enhance their sense of social responsibility under the leadership of the enterprise and build a better future together with the enterprise.



Nissan's subsidiaries in China adhere to the concept of "peoplecentered", encourage the common growth of employees and enterprises, fully respect and safeguard the rights and interests of employees, and strive to provide employees with a diversified and inclusive working environment and a broad development platform. On this basis, Nissan also encourages employees to actively participate in public welfare practice and try their best to make contributions to society.

In the field of public welfare, Nissan's subsidiaries in China have been deeply engaged in public welfare for many years. They have continuously carried out such public welfare activities as "Nissan Dream Classroom", DFN's "Sunshine Care-i-Reading program" and ZNA's "Hand-in-hand project" to give back to the society with practical actions and contribute to the improvement of social issues. Among them, since its inception in 2013, Nissan Dream Classroom has been present all over the cities and villages. It not only allows more children and teenagers to contact with rich automobile knowledge and culture and stimulate their innovative consciousness and thinking, but also contributes to the all-round development of youth education. Nissan believes in the power of education. It not only pays attention to the educational public welfare activities for children and adolescents, but also devotes itself to cultivating responsible and accountable Nissan staff. Therefore, while carrying out the public welfare projects, Nissan

attaches importance to mobilizing the participation of employees, striving to make every employee feel the power of public welfare and develop their sense of social responsibility.

In 2021, in view of the sudden serious natural disasters in Henan, Nissan's subsidiaries in China once again demonstrated their responsible attitude by launched the emergency rescue plan at the first time, and spared no effort to help flood relief and post disaster recovery. NCIC and DFL invested a total of 31.1 million yuan in cash and disaster relief materials and equipment, and spared no effort to support the first line staff of disaster relief. In addition, DFN has also set aside a special fund of 10 million yuan to provide emergency services such as vehicle rescue and maintenance for local Nissan brand car users. ZNA, located in the disaster-stricken area, donated 10 pick-up trucks with a total value of more than 1 million yuan to Zhongmu County Charity Federation while ensuring the safety of employees and the safe production of the factory, thereby making positive contributions to the local flood fighting and emergency rescue.

In the future, Nissan's subsidiaries in China will continue to take "Building a sustainable society" as the goal, promote the integration and symbiosis of enterprise development and social development, and jointly depict a bright future of "Harmonious coexistence of people, vehicles and nature". ADOUT THIS REPORT

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# Employee rights and interests

Nissan's subsidiaries in China view "employees as the impetus of Nissan's sustainability" in their talent management, make employee rights and interests the basis of their HR management, conscientiously comply with labor-related laws and regulations, and provide their employees a safe working environment through equal workplace, well-developed remuneration and welfare system, diversified communication mechanism and comprehensive protection of occupational safety and health.

#### **Equal employment**

Nissan's subsidiaries in China adhere to the people-centered principle and standardize the labor contract management, employee recruitment and other employment systems in accordance with the Labor Law, Labor Contract Law and other laws and regulations. Based on the concepts of "Fairness, openness, competition and selection of the best" and "Integrity and capability, and meritocracy", Nissan's subsidiaries in China are committed to recruiting diversified talents, and have set up multiple recruitment channels such as campus recruitment, social recruitment and internal recruitment to provide equal job opportunities for all job seekers and employees and oppose any form of discrimination and unfair competition. In 2021, Nissan's subsidiaries in China have 44,495 employees, with labor contract signing rate, social insurance coverage rate and employee physical examination coverage rate being 100%.

#### Remuneration and welfare

NCIC has continuously improved the company's remuneration and welfare system, including basic remuneration, performance bonus and employee welfare, and established a fair, competitive, and incentive remuneration structure to attract and retain talents. In order to better meet the needs of employees, the company not only provides fixed allowances for employees, but also introduces various flexible welfare schemes. In terms of work-life balance, NCIC adopts flexible office modes such as flexible working system and remote office, which meet the diversified office needs of employees and ensure the health and safety of employees during the COVID-19 epidemic.

### ⊖ DFN

As a corporate citizen that endeavors to "create common value and seek common well-being", DFN provides equal remuneration and welfare for its employees according to laws and regulations, and builds a competence-based performance-oriented remuneration system. In 2020, it optimized the remuneration management system. The optimization features a project-based rather than position-based incentive program, which makes value contribution the basis of salary distribution and links employee remuneration closely to efficiency and effectiveness, thus stimulating the sense of mission and vitality of its employees. The company also built a flexible benefits platform, the More for Good platform, which provides differentiated benefits according to varied preferences of its employees, so that the employees are more satisfied with the benefits.

Caring about the occupational health of its employees, DFN has developed a commercial insurance program and a physical examination system for the employees. In 2021, physical examination and health records covered 100% of the employees.

### ⊖ ZNA

ZNA pays attention to the linkage of evaluation and incentive in the remuneration system. While ensuring the external competitiveness of the company's remuneration, the company pays attention to the rationality and incentive of internal remuneration. Through performance-oriented salary adjustment, the company affirms and rewards employees with excellent performance and capability.

During the reporting period, ZNA improved the incentive mechanism for R&D personnel, increased the amount of incentives for R&D projects according to the company's management training plan and R&D plan, and added trial production incentive distribution nodes for projects with long cycle, so as to improve the timeliness of incentives and promote the development of the company's independent innovation capability. In terms of sales staff motivation, ZNA took the idea of "breakthrough in volume and rate, embracing the future" as the idea, and stimulated the vitality of sales staff by improving the sales assessment cycle, indicators, and assessment coefficient.

### 🕞 DFI

In addition to providing competitive basic salary for employees, DFI also provides attractive performance rewards according to employees' performance, so as to enhance employees' enthusiasm, creativity and initiative, closely link employees' personal performance with the mission and vision of the enterprise, and better help employees set and achieve career goals, thereby realizing the common development of the enterprise and employees.

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#### **Employee communication**

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NCIC is committed to establishing an effective mechanism for communication with employees, constantly improving the communication channels of employees to promote employee communication and creating a friendly, harmonious, and open working atmosphere. It collects employees' feedback and supervision opinions on the company through multiple channels such as employee opinion box, thank you card mechanism and employee opinion survey. At the same time, it holds regular staff representative meetings to continuously promote democratic management, democratic participation and democratic supervision mechanism. By regularly holding staff meetings, it synchronizes important information such as the company's strategy release and corporate culture upgrading with employees.

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DFN has created a diversified employee communication mechanism, which enables the management and the employees to listen to each other through multiple channels. In April 2021, DFN held the 8th meeting of the 3rd employee congress and the May Day commendation conference at the enterprise university, through which it performed the democratic process of the staff congress according to law and secured the employees' rights and interests in democratic management. 480 people from five places attended the meeting.

To convey the employees' voice more directly and promptly, DFN also leverages digital means, such as its online employee service center and the mobile corporate WeChat HR assistant platform, which collect and communicate employee appeals to corresponding departments.

⊖ ZNA

ZNA attaches importance to internal communication and provides an open communication environment for employees. The company enhances communication with employees through employee representative meetings, grassroots survey, employee forums, etc., and listens to their voices, thus establishing better contacts with employees.

#### 🕞 DFI

DFI maintains communication with employees in various ways, including all employee meetings, WeWork platform, and front-line employee surveys. In addition, the company organizes face-to-face talks between employees and senior executives of "Appointment with Infiniti" for many years, invites employees to share their opinions and appeals to the management, and encourages employees to participate in all aspects of the company's construction and development.





Staff Representative Meeting





Making greater social contribution

#### **Occupational safety and health**

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NCIC has continuously improved its occupational safety and health management system. The company actively guides employees to participate in occupational safety and health management and improves their awareness and ability by organizing safety training, conducting fire drills, and regularly holding health lectures. In 2021, the company specially provided psychological resilience online salon for employees during the COVID-19 epidemic. In addition to understanding the impact of the COVID-19 epidemic on employees' mental health, the company helped employees enhance their capability to adapt to changes and develop in changes.

Case: Online salon on "Psychological resilience during the COVID-19 epidemic"

In the face of the sudden recurrence of the COVID-19 epidemic, NCIC organized an online salon on "psychological resilience during the COVID-19 epidemic" for employees on April 13, 2022. Senior career development psychology lecturers were invited to popularize the common psychological issues during the COVID-19 epidemic to the employees of the company through the online live broadcast room, and teach them ways to actively solve and cope with them. In addition to the guidance on improving psychological resilience, the employees participating in the salon also shared their experiences during the COVID-19 epidemic at home, explored various feasible measures for self-psychological construction, and enhanced their awareness and capability to accept various uncertainties during the COVID-19 epidemic.

2022突如其来的疫情反复,再次打乱了我们的生活节奏,不确定性影响着我们的工作和生活。快速有效地调节自身情 绪、提升自身韧性,将有助于我们应对疫情下或各种不确定性下的压力和焦虑。因此,邀请您参加在线沙龙、让我们一 起来学习与体验吧。

NCIC's live course psychological resilience during the COVID-19 epidemic

#### C DFN

Holding "Manufacturing safe vehicles and cultivating safe employees" as its safety mission and "Zero accident, zero disaster and zero pollution" as its safety objective, DFN continuously improves the company's occupational health and safety management, and is committed to eliminating environmental pollution, occupational health, and production safety hazards. In 2021, no serious injury or more serious production safety accidents happened in DFN, and DFN fully achieved 12 safety independent management goals. Dalian plant, Changzhou plant and Huadu No. 2 plant became "zero accident factory", and Changzhou plant became "smoke-free factory". In addition, under the occupational disease prevention and control plan focusing on post noise control, the company had the annual noise reduction investment budget of 41 million yuan in 2021, and carried out a total of 49 noise reduction projects, involving 159 posts.

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Serious Injury Production-Safety Accidents

Annual Noise-Reduction Investment Budget

**41** Million Yuan



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#### Making greater social contribution

#### ⊖ ZNA

In accordance with the Production Safety Law of the People's Republic of China and the Three-year Action Plan for National Special Production Safety Rectification, ZNA continuously improves the production safety accountability, continuously strengthens the safety education of employees, and implements hierarchical risk control and hidden danger investigation and treatment.

In 2021, ZNA revised and improved 56 safe production management rules and regulations and compiled them into a manual, and required relevant parties to implement consistent safety and environmental protection management. The company carried out 9 TOP safety inspections throughout the year, identified and rectified 59 accusations, with a rectification rate of 100%. Through daily safety inspection, 428 problems were found and rectified, with a rectification rate of 100%. In addition, the company also carried out occupational health and safety education and training activities such as occupational health publicity week, disaster prevention and reduction publicity week, production safety month, production safety law, and 119 fire control publicity week. During the reporting period, a total of 132,600 yuan was invested in safety training, with 7,877 participants and 33,056 hours of safety training.

In addition, ZNA has provided an effective safety net and protective shield for employees' working environment by organizing special safety theme activities such as inspection and rectification of old equipment safety hazards, heatstroke prevention and cooling, cold prevention and freezing prevention.

#### Safe Manufacture

56

Revised and Improved 56 Safe Production Management Rules and Regulations

100%

**Rectification Rate** 

Safety Training

7,877

Safety Training Participants

#### ⊖ DFI

DFI always pays attention to the occupational safety and health of employees, and continuously promote relevant education and case publicity, so as to strengthen the occupational health and safety concept of employees. The company adopts the "Internet + training" method to introduce the online training platform of the alliance college for employees, and provides various safety and health trainings for employees through rich course resources and flexible training modes to ensure that employees can master occupational safety and health related knowledge.

## 33,056<sup>Hours</sup>

**Rectified Accusations** 

Safety Training Hours

59

**TOP Safety Inspections** 

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## **Talent cultivation**

Nissan's subsidiaries in China regard every employee as valuable resource and firmly believe that the growth of employees is an important foundation for the company's sustainable development. The company respects the development wishes of employees, supports employees to realize their own value, constantly promotes the talent development system and employee training plan, and helps employees give full play to their personal potential, thus facilitating the common growth of employees and the company.

#### **Career development**

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NCIC acts as a consultant for employees' career planning in employee development, and is committed to providing employees with development solutions based on the company's business and personal needs, so as to integrate employees' personal development goals with the enterprise's goals. Based on the competency model of "Nissan Way", NCIC has established the company's performance management system and promotion system. Through a series of supporting mechanisms such as performance appraisal, job rotation and overseas study, it provides employees with diversified career development opportunities to help them achieve their career goals.

#### ⊖ DFN

In order to enhance the employee's comprehensive competence and promote healthy competition within the company, DFN has developed a multi-dimensional talent cultivation system and diversified talent training programs. The talent cultivation system intended for developing specialized talents required by the company's development comprises a learning system with focus on employee growth, a certification system with focus on organization development, corporate strategy-based talent programs, and a competition program with focus on specialized competences. The corporate strategy-based talent programs, including the Dolphin Project, the three-year R&D talent cultivation program, the marketing talent cultivation program, the supervisor cultivation program, and the new technology training program, enable the customization of specialized talents.

In addition, DFN adopts a fair competition mechanism for executives of different grades and has a talent evaluation center to provide technical support for better cultivation of specialized talents and management talents, thus realizing effective circulation of internal talents.

#### ⊖ ZNA

ZNA firmly believes that the design and optimization of career development channels is the premise to help employees develop, and actively promotes the job promotion channels of skills, management technique and administrative posts. In 2021, the company revised the post rank review system for skill channel and professional channel to further standardize the promotion qualification review. In addition, in order to build a broader employee development platform, ZNA plans to promote the post rank reform, broaden the career development channels of employees, strengthen the correlation between employee income and the company's operating conditions, and incorporate the personal development of employees into the development track of the enterprise, so that employees can achieve the maximum personal achievements according to their personal career development goals while promoting the realization of the strategic goals of the enterprise.

### ⊖ DFI

DFI is committed to providing employees with unimpeded development path. It has clearly stipulated the talent development policy in the employee manual and formulated the operation process and implementation rules of employee performance management. In addition, DFI respects the needs of employees for self-development, provides career planning interviews and career planning guidance for employees, implements training and development plans for employees at different levels, and establishes an employee development system aiming at talent training of different echelons.

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#### **Employee training**

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NCIC provides powerful support for employees to enhance their personal competence and competitiveness, and adopts the "721" law to establish and improve the company's talent training system, that is, 70% of employees' progress in career comes from practice, 20% from learning from others, and 10% from training. Under the guidance of the "721" law, NCIC guides employees to think and summarize in practice with a pragmatic attitude. In addition, according to the different types of employees, NCIC implements diversified and differentiated vocational training, provides flexible learning programs for employees, organizes workshops on innovative thinking, management capability and leadership, helps employees improve communication skills and management level, stimulates employees' creativity, and strives to achieve positive interaction between employee growth and company development.

During the reporting period, NCIC carried out 52 training activities for employees, with 3,803 trainees and 5,165 hours of training.



NCIC Manager Role Studio



NCIC Self-leadership Studio

### 52

Training Activities

Trainir

**Training Participants** 

3,803

Training Hours

5,165<sup>Hours</sup>

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DFN trains its employees to better deal with changes in the external environment through the DFN learning center, which initiates a learning style of DFN to support the company in its development of an all-round talent cultivation system and a learning organization. The DFN learning center developed a wide range of specialized courses and provided intensive training in light of business demands, which empowered the staff and created a learning atmosphere in the company. Following the trend of the industry, the DFN learning center also launched a digital talent program, NIM new technology training, innovation competition and other activities, which could drive the company in a long term to adapt to new business forms and help it maintain core competitiveness in the fierce market competition.

#### ⊖ ZNA

Under the guidance of 3E (Experience accumulation, interpersonal learning, education training) model, ZNA has continuously optimized the company's talent empowerment system, and enriched employee training programs, thus creating a strong learning atmosphere for the enterprise. In 2021, ZNA continued to improve the employee training management system and revised the Training management standard, Training cost project procurement management standard and other training systems. In terms of training content, the company conducts skills and leadership training for employees at different posts and levels, and enhances the competitiveness of core talents by strengthening the development of training resources such as offline training, online learning platform and internal courses. In addition, in combination with the current situation of the company's skilled personnel, ZNA actively carried out the accreditation of skill level for employees. By the end of November 2021, a total of 247 company's skilled personnel had been identified to help employees grow into "industrial artisans". During the reporting period, ZNA invested a total of 906,400 yuan in employee training and carried out 12,785 training activities, with 211,206 participants and 266,073 hours of employee training.

### ⊖ DFI

DFI regards employees as the source power of the company's sustainable development and continuously promotes employee training plan. In order to ensure the training effect, the company has implemented targeted training plans according to different posts and levels, combined with online and offline training channels to continuously innovate training forms and encourage employees to use fragmented time for online learning. In addition, DFI has established a competitive internal teacher team to provide salespersons with advanced training covering after-sales non-technical and technical services. d sustainable Future Mobilit lopment Lavout ice Green M ow-carbon soc

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## **Employee caring**

Nissan's subsidiaries in China give every employee full respect and care, advocate "Work efficiently and live happily", emphasize creating a relaxed, free, and equal working environment for employees. It enriches employees' cultural life in their spare time, stimulates employees' enthusiasm and improves enterprise cohesion by providing various interest expansion platforms.

#### 

NCIC is committed to creating a more inclusive working environment for female employees, and continuously pays attention to the welfare needs of female employees. In 2021, the company optimized the maternity leave policy and flexible work arrangement management regulations to help female employees maximize their potential and enhance their sense of belonging and trust in the company. In addition, the company also organized painting, mindfulness exercises and other activities for female employees to help them release pressure and negative emotions and achieve the work-life balance.



NCIC Women's Day activity - Mandala painting



NCIC Women's Day activity - Mindfulness exercise

#### ⊖ DFN

DFN held the 14th DFN festival themed "Venturous V for Love", which included group wedding, fun games, competition of ladies talking about cars, creative acting, exhibition of innovators and makers, parent-child games, food festival and lucky draw, to reward the employees for their hard work and enrich their life. The employees showed more sides of themselves and had a better understanding of their colleagues through those activities, and gained a stronger sense of belonging to the company in a joyful atmosphere.





The 14<sup>th</sup> DFN Festival

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#### ⊖ ZNA

ZNA sets up welfare programs for employees based on the concept of "access to elderly care, medical services, support for vulnerable groups, and housing". In addition to ensuring the basic statutory welfare items, the company also provides 38 supplementary welfare items for employees, such as enterprise annuity, commercial insurance, employee physical examination and employee sympathy. In 2021, the company added serious illness insurance for all employees and further improved the security system of "basic medical care + serious illness medical care + commercial insurance". The standard of childcare subsidy was increased from 10 yuan per month to 100 yuan per month to reduce the pressure on employees to raise children. In addition, the company pays special attention to female employees and employees with family difficulties. By signing the Special collective contract for female workers, the company has effectively safeguarded the legitimate rights and special interests of female employees.

In 2021, ZNA extended warm greetings to all employees during the Spring Festival, the Dragon Boat Festival and other festivals. It carried out six employee greetings and invested about 1.3 million yuan. In addition, the "Employee love and assistance fund" set up by ZNA raised a total of 595603 yuan, and spent 590627 yuan on various kinds of assistance and consolation funds, with a total of 121 people receiving consolation and assistance. In addition to providing holiday consolation funds, the company has specifically solved difficulties for employees and their families in case of emergencies or critical patients by extending consolation for employees with difficulties during two festivals and providing subsidies for children of early retired employees. In 2021, ZNA provided a total of 75000 yuan of financial aid to 15 children of employees with difficulties. In addition to providing various employee benefits, ZNA holds employee sports competitions every year to encourage and guide employees to actively participate in physical exercises.

### ⊖ DFI

DFI provides comprehensive welfare protection for employees. In addition to customized medical check-up packages for employees, the company also provides employees with supplementary commercial insurance, family property insurance, heating subsidies, high-temperature subsidies, and various festival allowances, giving them all-round care. In addition, the company regularly organizes sports activities for employees, which not only enriches employees' spare time life and provides a platform for employees to relax themselves, but also enhances the spirit of interaction and cooperation among employees.





The 11<sup>th</sup> ZNA Employees' Table Tennis Competition







#### Safety advocacy

Nissan's subsidiaries in China regard road safety as an important topic of CSR and actively participate in the promotion of social awareness of road safety. With the development of the Internet of vehicles service, Nissan advocates the new safety technologies based on the "safety shield system". Through the automatic collision accident notification (ACN) and advanced automatic collision accident notification (AACN) systems, it raises the first-aid efficiency, and shortens the time for first-aid personnel to reach the accident site, so as to reduce the degree of accident injury. Case: Nissan implements the corporate vision of "zero casualties" and helps improve road traffic safety in China

NCIC co-sponsored China Road Safety Forum for 15 consecutive years. On October 12, 2021, the 15th China Road Safety Forum coorganized by NCIC was held in Beijing. More than 260 guests from the Ministry of Emergency Management, the Ministry of Public Security, the Ministry of Industry and Information Technology, the Ministry of Transport and other ministries and commissions, as well as relevant research institutions and universities at home and abroad were invited to attend the forum. The theme of the forum was "Gathering new technologies for people, vehicles and society and building a new pattern of traffic safety", this forum discusses the countermeasures of "people, vehicles, roads and management" involved in improving road safety. At the same time, Nissan advocates cooperation with relevant government departments and industries to improve the public's understanding of ACN and AACN, and promote the expanded application of relevant safety technologies, thus safeguarding road safety and helping the development of road safety in China.

#### The 15<sup>th</sup> China Road Safety Forum



**Social public welfare** 

Nissan's subsidiaries in China always advocate the public welfare

concept of caring for the society and giving back to society, continuously pay attention to social issues in the fields of traffic

safety, rural construction, education, etc., work hand in hand

with all stakeholders, actively promote diversified public welfare

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Education empowerment

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Education determines the future, and talent cultivation is the key to the agenda of achieving the sustainable development. Since 2013, NCIC has established cooperation with UNESCO and the AUTO-CCPIT to launch the Nissan Dream Classroom project. Based on the STEAM (Science, Technology, Engineering, Art, and Mathematics) education concept, NCIC provides children and adolescents with sustainable development courses integrating science, technology, engineering, mathematics, art and automobile, thus contributing to the cultivation of innovative talents in China. At present, Nissan Dream Classroom involves different sectors such as automotive culture, manufacturing, environmental protection, painting, design, intelligent driving and programming, and covers key areas of sustainable social development such as environmental protection and safety. The instruction venue of Nissan Dream Classroom has also expanded from schools to Nissan brand franchise stores, automotive museums, and automobile exhibitions, providing more children with learning opportunities. By the end of 2021, "Nissan Dream Classroom" had entered more than 900 schools in 19 provinces across the country, with a total of 1.5 million beneficiaries.

Case: NCIC releases the new plan "Nissan Dream Classroom NEXT"

In March 2021, NCIC released the new plan "Nissan Dream Class NEXT" for the future, bringing "Nissan Dream Classroom" to more regions and Nissan brand stores. In terms of course content, the "Nissan Dream Classroom NEXT" introduces a series of graphic programming courses. From the perspective of artificial intelligence education enlightenment, it guides students to create simple MiniApp, trains students' logical thinking and innovation ability, allowing them to adapt to the development needs of intelligence and digitization in the new era.

On June 3, 2021, the "Nissan Dream Classroom NETX" took the first step by officially opening in the Arshan City No.2 Primary School of Arshan City, Xing'an League, Inner Mongolia Autonomous Region, and held a launch ceremony with the theme of "Building dreams and flying hopes". The new plan "Nissan Dream Classroom NEXT" aims to benefit 2 million people in 2022, and promote the education of children and adolescents in sustainable development.

Launch ceremony of Nissan Dream Classroom NEXT

Children from Arshan City No. 2 Primary School experience "Nissan Dream Classroom"





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Award-winning students at "Nissan DrawDrawDraw" activity

#### Case: "Nissan DrawDrawDraw" activity

NCIC's "Nissan DrawDrawDraw" activity is originated from Nissan's global "NISSAN DrawDrawDraw" project. It aims to encourage painting, design and automobile enthusiasts to give play to their creative talents in the form of painting, and inspire children and teenagers to further explore the automobile world. Launched in 2020, "Nissan DrawDrawDraw" has carried out colorful activities such as scratch painting, free creation of pictures, and threedimensional vehicle model painting.

The combination of "Nissan DrawDrawDraw" and "Nissan Dream Classroom" is very popular among the children in Nissan Dream Classroom and provides a broad platform for the children to participate in it, so that the children can show their abilities and talents while feeling the charm of the cutting-edge automobile technology. As of October 2021, "Nissan DrawDrawDraw" has received nearly 6,000 paintings from students attending Nissan Dream Classroom across the country.

In addition, in order to encourage more "car enthusiasts" to explore the automotive world, NCIC has expanded the channels for participating in the event. The public may register through online platforms, dealers and stores, and constantly expand the scale of the event, thus providing a stage for more people to showcase their talents.

"Sunshine Care · i-Reading program"Sunshine Care Reading Room Handover Ceremony

#### ⊖ ZNA

In 2010, ZNA officially launched the "Hand-in-hand project" education support public welfare activity, providing solid education support for children by continuously donating cultural and sports devices to primary schools in poverty-stricken areas. At the same time, ZNA also launched the "Growth and dream fulfillment program" to help poor college students realize their dream of studying. In 2021, ZNA provided grants to 30 college students. As of September 2021, ZNA has invested more than 20 million yuan to provide public welfare assistance to more than 3,000 college students and tens of thousands of primary school students.

#### Case: ZNA "Hand-in-hand Project" visits Dengfeng Gezigou Primary School

In March 2022, ZNA, together with Zhengzhou Charity Federation and Youth League Zhengzhou Municipal Committee, visited Gezigou Primary School in Gaocheng Town, Dengfeng City, which was seriously affected by the torrential rain in Henan Province in 2021. ZNA donated drinking water equipment, added electronic teaching facilities, and arranged a "Sunshine Bookstore" for the school. In addition, they donated school supplies to each student. On the day of the visit, the young volunteers of ZNA and DFN also arranged a "Nissan Dream Classroom" car model painting activity for the children and held a "Nissan Dream Court" basketball competition.

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DFN launched the "Sunshine Care · i-Reading program" in 2019 with a view to providing education resources for teachers and

students in underdeveloped areas by connecting the government,

public welfare organizations, enterprises, the public, etc. Within

employees and dealers to participate in public welfare projects, and donated more than 30,000 new books to the "Sunshine Care · i-Reading Program". In 2021, DFN, together with China Social

Welfare Foundation, and Nanfang Weekend as well as experts, scholars and volunteers from all walks of life, went to Yongning,

Ningxia, Linzhi, Tibet, Yangshan, Guangdong and Nanping, Fujian

other forms, and promote the specialization and standardization of

to build a reading community for rural children through material

donation, public welfare classes, rural teacher assistance and

children's reading services in rural areas.

three years, DFN has continuously mobilized car owners,



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### Rural development

#### ⊖ DFN

DFN actively performs its social responsibilities in rural development and continuously carries out industrial, consumption and innovation empowerment projects.

Mashan County, Nanning City, Guangxi Province, is a designated county receiving assistance from DFN. In combination with the facts such as Mashan's location in Dashi mountain area and scarce land resources, DFN has built poverty alleviation industrial bases such as Dongfeng sheepfold, Dongfeng silkworm room and Dongfeng tangerine processing plant by using its market-oriented advantages and mature marketing experience.

In 2021, DFN held activities such as pairing support between the factory and Mashan enterprises and Mashan enterprise class to help Mashan enterprises improve their soft power and facilitate industrial empowerment. By promoting rural revitalization products to the entire value chain, DFN achieved annual consumption empowerment of more than 33 million yuan, of which DFN's public welfare water into the entire value chain project of more than 10 million yuan. Focusing on innovation empowerment, DFN invested 2.84 million yuan to transform Mashan DFN primary school, and assisted rural education by formulating an all-round education empowerment scheme integrating infrastructure reconstruction and expansion, student nutrition subsidies, and student chorus.

#### ⊖ ZNA

ZNA carries out rural public welfare projects with "public welfare, experience, service and emotion" as the core content. Since 2015, ZNA has set up "Pickup Villages" in villages in areas where Nissan pickup truck owners are highly concentrated to provide point-topoint repair and maintenance services for pickup truck owners, so that villagers' mobility is no longer restricted, and help local feature products can be sold out of the countryside. ZNA "Pickup Villages" have been present in 14 provinces including Yunnan, Sichuan, Fujian and Hubei, with 81 pickup villages in total. While improving product services for pickup truck customers, the company also builds the "pickup village" into an open public welfare community and is devoted to rural education, community public services and other fields. ZNA plans to optimize and upgrade the "pickup village" project in 2022. With the theme of "affluent and beautiful life in more than one aspect", around the brand of pickup village, it will carry out various forms of rural assistance according to local conditions and contribute to local economic and social development.

#### Flood fighting and disaster relief

In July 2021, the sudden torrential rain in Henan was highly concerned in the society. Nissan's subsidiaries in China made every effort to help Henan Province in flood prevention, disaster relief and reconstruction. NCIC and DFL invested 31.1 million yuan in cash and disaster relief materials and equipment to fully assist the front line of disaster relief and rescue in Henan, of which 21.1 million yuan was donated to Zhengzhou Red Cross Society, and provided rescue vehicles and supporting rescue equipment to support the local government and relevant organizations in emergency relief and post-disaster recovery. DFN set up a special fund of 10 million yuan to provide emergency services such as rescue and repair of damaged vehicles for local Nissan brand car users. In addition, in the hinterland of the disaster-affected area, ZNA actively fulfilled corporate social responsibility while carrying out self-defense and self-rescue and ensuring the production safety of the factory, helped Zhongmu County flood prevention, disaster relief and post-disaster recovery, donated 10 pick-up trucks with a total value of more than 1 million yuan to the Zhongmu County Charity Federation, provided 66 working vehicles for the rescue team in Henan, and offered logistical services for more than 1600 electric power emergency repair personnel. ZNA also provided triple care services for drivers fighting on the front line, and tried its best to protect the safety of local people.

Pickup Villages Covers

14<sup>Provinces</sup>

Total Number of Pickup Villages

81



Donation to Henan Flood

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**Outlook on the Future** 

Looking back on 2021, we overcame difficulties and made steady progress. In the face of major changes in the external environment, Nissan's subsidiaries in China actively faced challenges. While ensuring the steady operation of the enterprise, they continuously deepen the three sustainable development fields of environmental protection, social development and corporate governance, and earnestly fulfill their corporate social responsibilities.

Looking forward to 2022, in the face of future opportunities and challenges, Nissan's subsidiaries in China will continue to take the goal of achieving a sustainable development of "zero emissions and zero casualties" ociety as the goal. While maintaining stable operation and strengthening governance, Nissan will comprehensively promote the strategic deployment of electrification, accelerate the development of electrification and intelligent technology, and strive to realize the beautiful vision of "Driving innovation to enrich people's lives".

#### **Environmental protection**

Upholding the environmental protection concept of "Harmonious coexistence of people, vehicles and nature", Nissan builds a fulllifecycle environmental management system covering all aspects, such as product, manufacturing, and supply chain, and extends green value to the supply chain, so as to promote the green development of the industry while striving to achieve the goal of carbon neutrality.

#### **Social development**

Adhering to the "people-centered" principle, Nissan cares for everyone in society. Internally, Nissan regards employees as the most precious wealth, puts the health and safety of employees in the first place, builds transparent and open communication channels for employees, and strives to create a diversified, inclusive, warm, and empowered working atmosphere. Externally, Nissan continues to aim at achieving a traffic society of "zero casualties and zero accidents". While ensuring the secure, safe, and reliable products, Nissan carries out communication activities on traffic safety and traffic infrastructure, and more widely advocates the concept of traffic safety. Nissan further strengthens its determination to fulfill corporate social responsibility, and constantly carries out various public welfare activities such as rural development, education empowerment and safety advocacy, thus creating shared value for enterprises and society.

#### **Corporate governance**

Based on the principle of "law-abiding and compliance", Nissan ensures that the enterprise operates in accordance with the law and regulations, consolidate the internal governance capacity, improve the level of risk prevention, and integrate the concept of sustainable development into all aspects of enterprise operation, thereby establishing a standardized, scientific and sustainable corporate governance system.

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## **Expert Review**



#### Dr. Liang Xiaohui

- Chief Researcher, Office for Social Responsibility, China National Textile and Apparel Council (CNTAC)
- Deputy Secretary General, Committee on Social Responsibility of the Chinese Electronics Standardization Association
- United Nations (UN) Sustainable Development Goals (SDG) Pioneer

I've carefully read the 2022 Sustainability Report of Nissan's Subsidiaries in China.

This annual report, exhaustive as the previous one, disclosed the sustainability progress made by wholly-owned subsidiaries and joint ventures of Nissan in China in terms of product technology, quality services, environmental protection, employee caring and social contribution. It is well-organized, all-sided, and very readable.

First of all, the report demonstrates the firm commitment to sustainability of Nissan's subsidiaries in China. This year, Nissan unveiled "Nissan Ambition 2030", which provides feasible ideas and concrete solutions for the company to empower mobility in the next decade and achieve "carbon neutrality across corporate operations and product life-cycle by 2050" through the deployment of electric models and innovative technologies. Meanwhile, the 2022 Sustainability Planning of Nissan China released by Nissan's subsidiaries in China sets specific operation and management goals for sustainability in different fields based on the market situation in China. With a combination of medium and long-term goals, Nissan's sustainability efforts demonstrate a strong sense of planning. This helps the stakeholders to understand the core strategies and priorities of Nissan's subsidiaries in China in their performance of social responsibilities, and to track and evaluate the sustainability progress of Nissan's subsidiaries in China, when they read this report.

The report also demonstrates Nissan's responsibility to the Chinese market, the industry and the society as a joint venture, and its strong awareness and action to localize corporate social responsibility. Nissan's vision of "zero emission" transportation society is highly consistent with China's commitment to "carbon peak and carbon neutrality". To be specific, Nissan promotes cleaner production and green plant construction to actively respond to the guiding policies in the Chinese market, launches eco-friendlier products to meet the consumers' growing demands for green mobility, enacts green supply chain-related regulations and promotes green office to influence its supply chain, staff and consumers and guide green, low-carbon and sustainable development of China's auto market.

In addition, the 2022 Sustainability Report of Nissan's Subsidiaries in China shows Nissan's concern for road safety, rural development, educational equity and other key social issues. Nissan has attended the China Road Traffic Safety Forum for several years in a row, and leveraged its technologies and resources to support science and technology education of youths and rural development. As to traditional topics like employee rights and interests and quality & safety, Nissan not only adheres to compliance standards but also explores innovative management ideas and methods.

In the future, I hope Nissan could continue to improve the content of the report, refine the information disclosure indicators, further analyze and disclose information about the environmental and social impacts throughout the product life cycle and information about supply chain due diligence management, so as to keep closer contact with the public through the report and optimize its sustainability efforts.



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