

NISSAN GROUP
OF CHINA



2019

Sustainability Report of Nissan's Subsidiaries in China

Intelligent Mobility
Driving to a Green Future



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Our Greetings



Takashi Nishibayashi
President of Nissan (China)
Investment Co., Ltd

西村 隆

Leading the Sustainable Mobility Era with Intelligent and Green Technology

Since the reform and opening up, the automobile industry, which is the pillar industry of China's national economy, has made rapid development. China has also become the world's largest automobile market, and has become the world's largest automobile manufacturing country for ten years. As the beneficiary of the reform and opening up, we have the great honor to witness and participate in the magnificent development of China's automobile industry.

Since Nissan Cedric was introduced into the Chinese market in 1973, Nissan has provided strong support for the sustainable development of China's automotive industry through introducing advanced technology, realizing localized manufacturing, training staff for profession, and exporting spare parts. In 2018, Nissan sold more than 1.56 million vehicles in China, and the export volume of spare parts have been a leading position among automobile-exporting enterprises for many years. Dongfeng Motor Co., Ltd., Nissan's joint venture with Dongfeng Motor Corporation, also celebrated its 15th anniversary, created the fastest development speed in China's automobile industry and provided a vivid model for the development of China's automobile industry.

Nowadays, with the popularity of cars in people's lives, more and more people enjoy the freedom, convenience and fun brought by them. However, issues such as greenhouse gas emissions, traffic accidents, etc. have brought new troubles to people. As a leading and responsible automaker in the world, we always take "Enriching People's Lives" as our vision, "Zero Fatality" and "Zero Emission" as our ultimate goals, strive to solve challenges from the environment and society, and make unremitting efforts to build a safer, more environment-friendly, and more convenient mobility society.

In recent years, with the continuous development of science and technology, we adhered to the innovative concept of "People Oriented". Based on new technologies such as big data analysis and artificial intelligence, we continuously deepened the concept of "Nissan Intelligent Mobility". Besides, we have actively developed and launched relevant technologies such as intelligent driving, intelligent power and intelligent integration so that consumers can have more comfortable, more environment-friendly, more convenient and more exciting travel experience. In 2018, guided by the ultimate goal of "Zero Fatality", we not only actively adopt passive safety technology to ensure people's safety, but also developed active safety technology by integrating artificial intelligence, advanced sensors, system bus and other technologies, to make it possible to reduce safety accidents substantially. At the same time, we also created strong relationship with all stakeholders in the community from aspects of "people", "car", and "society", contributing to the creation of a "Zero Fatality" mobility society through cooperative research & development, communication, and social propaganda.

"Lucid waters and lush mountains are invaluable assets" is not only the call of the era, but also our original intention and the goal of building a "Zero Emission" society. In 2018, we adhered to the environmental philosophy of "a Symbiosis of People, Vehicles and Nature", continued to promote Nissan Green Program, a long-term environmental action plan for 2050, from all aspects of the value chain, involving technology research & development, product design, production, storage and transportation, marketing, sales and after-sales service, to reduce the environmental impact caused by enterprise operation at the minimum level, and took practical actions to cope with the

environmental challenges, contributing to the green sustainable development of the automobile industry.

Talent is the foundation of building a sustainable mobility society, and it is also an important driving force of "Enriching People's Lives". In order to provide outstanding products and services to stakeholders, we attach great importance to training employees and assisting partners such as suppliers and dealers, to enhance their innovation ability and the level of service, and to support the creation of sustainable value chains.

In addition, we are also concerned about the growth of future talents. Over the years, Nissan's subsidiaries in China have left their footprints of responsibility in many places from cities to primary schools in remote areas. Amongst them, the "Nissan Dream Classroom" project, which aims at expanding the views of primary school students and stimulating their creativity, has covered more than 300 schools in China in 2018, benefiting more than 210,000 people in total, and has cultivated more future talents for the sustainable development of society.

Trickles converge into a sea. We believe that even small actions will change the future. Nissan always insists on fulfilling our corporate social responsibility, supporting and promoting for the sustainable development of Chinese automobile industry and society. In the future, we will firmly seize the opportunity brought by transformation of the automobile industry, and launch more high-quality products and services to meet people's growing mobility needs. At the same time, we will work with more stakeholders to transfer China from a big automotive country to a powerful automotive country, thereby making more contributions to the vision of "Enriching People's Lives".



Topic: Bringing Green Power to Our Beautiful Life



Along with the thriving development of new energy, artificial intelligence and other technologies in China, the automotive industry is meeting new development opportunity, while at the same time facing the challenge from green transformation. As a global leader in the area of electric vehicles (EVs) and based on great expertise and rich experience accumulated during over-70-year exploration in the area of new energy, Nissan has speeded up introduction of the global leading technology of new energy vehicles, adjusted its strategy of developing new energy and accelerated its operation in China market with a view to comprehensively leading the development of new energy vehicles in China. Meanwhile, Nissan has established an industrial communication platform and works with its stakeholders to accelerate research on new energy industry, convey green mobility concept to the society and make a contribution to the development of new energy vehicles and improvement of environment in China.

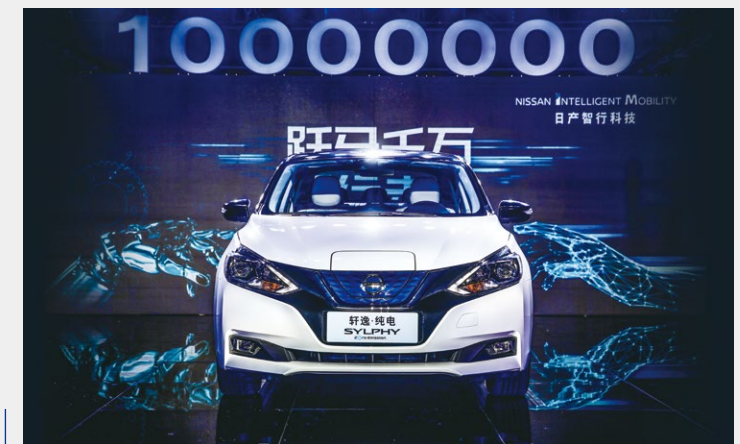
Gathering Strength to Lead Green Mobility

Since introduction of its first EV in 1947, Nissan has never stopped its research in the area of new energy. At present, facing such trends as electrification, intellectualization, networking and sharing in China's automotive market, Nissan's subsidiaries in China, with "Nissan Intelligent Mobility" as the development concept, are speeding up in promoting electrification, intellectualization and networking so as to fulfill their sustainability commitment of "In China, For China."

In August 2017, the Renault-Nissan Alliance and DFL established a strategic partnership and co-founded eGT New Energy Automotive Co., Ltd., which, by integrating the core competitiveness of Nissan, DFL and Renault in the area of new energy EVs, aims at launching EV products that meet the trend of Chinese

market and consumers' expectations, and promoting the development of new energy vehicles in China. In 2018, DFL released its future 5-year plan, which is designed to accelerate the development of green vehicles for the purpose of introducing 20 EV models in Chinese market in 2022 and focuses on building a leading EV brand in Chinese market while delivering sustainable mobility to people and realizing the vision of green mobility.

Besides, DFN introduced Sylphy Zero Emission, the first all-electric model, to China market. As the first all-electric model produced by Nissan in China, it has integrated the inherent advantages of Nissan's E-Platform, a global professional EV development platform, and China's flagship car model, to achieve more efficient energy saving, accurate mileage and steady output, thus enabling people to enjoy the top-quality experience of green mobility with ease in mind.



Sylphy Zero Emission Rolled out by DFN



Establishing a Platform to Promote Green Communication

In order to further promote the development of new energy vehicles and improve people's knowledge and understanding of new energy vehicles, DFN established the Nissan Intelligent Mobility Experience Center in 2018. Consisting of three major functional zones, i.e., Brand Show, Product Introduction & Display, and Recreation Space, the Experience Center shows the contents of "Nissan Intelligent Mobility" to consumers while conveying a new green concept and lifestyle. This platform may be used to share DFN's forward-looking insight into the development of the automotive industry with stakeholders for the purpose of promoting the industry's green development. At the same time, it enables more stakeholders to truly perceive the changes brought by Nissan's new energy technology to the green life, enhance the understanding of new energy vehicles and work together to support green mobility. As of the end of 2018, nearly 96,000 visitors had been to the Nissan Intelligent Mobility Experience Center to experience the charm of low-carbon mobility.



DFN's Nissan Intelligent Mobility Experience Center

Working Together to Create a Green Future

Nissan knows that the development of new energy vehicles is based on joint efforts of stakeholders and that cooperation is the only way to achieve environment-friendly mobility for people. Nissan's subsidiaries in China worked with their stakeholders actively in 2018. They wrote the 2018 Blue Book of New Energy Vehicles in cooperation with the China Automotive Technology & Research Center and the Social Sciences Academic Press to provide data and theoretical support for the development of new energy vehicles. Moreover, they co-hosted the China (Zhengzhou) New Energy Vehicle Industry Ecology Conference and carried out in-depth cooperation with the State Grid Corporation of China and other enterprises to promote application of new energy vehicles. Particularly, ZNA has carried out demonstration operation of new energy vehicles in 101 organizations of 62 cities across China, thus providing a strong support for further promotion of new energy vehicles.

Promoting ecological progress is a long-term task of vital importance to the people's wellbeing and China's future. As one of the first batch of foreign auto brands entering Chinese market, Nissan has accompanied, witnessed and participated in the development and expansion of China's automotive industry over the past 40 years. In response to the call for "conserving energy, reducing emissions, and making our skies blue again," Nissan's subsidiaries in China have never forgotten their responsibility, and will incorporate the green concept into their operation in future and accelerate R&D of the technology of new energy vehicles. While providing high-quality products to mass consumers in China, they will work with their stakeholders to promote the sustainable development of new energy vehicles in China, and provide a continuous support for China to achieve the objective and vision of transforming from a big country into a powerful country in the automotive industry.

Responsibility Story



ALTIMA, Means Quality Lifestyle

In everyone's heart there lives yourself as a child, whether you are 10 or 60 years old, your longing for free life has never changed. For me, the first half of my life was more devoted to my child and family, and I didn't have much time to enjoy my time. When I retired from my job that I've been worked for decades, and my child got married and had own family, I was able to say goodbye to the past. I drove the ALTIMA together with my husband, Two persons, One car, and One trip. We started a different life for the rest of our life.

Initially, my husband and I preferred to choose a SUV, because it has excellent traffic ability, making it suitable for self-driving tour. However, when we entered the Nissan dealership and saw the ALTIMA, we were instantly attracted by its beautiful appearance. After the test driving, we were impressed by its excellent driving experience. It is worth mentioning that the ALTIMA is equipped with the latest "Nissan Intelligent Mobility", which provided me as a female driver with more security in the daily driving.

When purchasing the ALTIMA, I was deeply impressed by the excellent service that the Nissan dealership provided. From the moment I came in, the sales advisor introduced various functions of the car in an enthusiastic and careful manner. When the car was delivered, the general manager of the Nissan dealership gave us a hand-written greeting card with photos of the delivery moment, which also made us felt their consideration. After buying the car, we also attended lectures held by the dealership and learned some tips on driving the car. The sales advisor also made a demonstration on the Nissan Connect system in the vehicle, which gave us a more comprehensive understanding of the various functions of the ALTIMA. Since purchasing the

ALTIMA, we have driven it to the suburbs several times in the spring, and felt very happy. This summer, I also plan to drive to Yunnan with my husband to spend the summer holiday there.

In the future, I hope that I can have an opportunity to visit Nissan's production line and witness the production process of ALTIMA. I also hope that more Nissan cars like ALTIMA can be equipped with "Nissan Intelligent Mobility" and that Nissan cars which are so comfortable and beautiful in appearance can come to the lives of more ordinary people.



Aunt Zheng and his husband were taking a photo in front of the ALTIMA



Building Green Factories, Promoting Green Development

Green manufacturing is not only an important means to solve issues on resources and environment, but also a necessary condition for reduction of the impact on environment and ensuring the sustainable development of the industry. It is also an inevitable choice for Dongfeng Nissan to achieve sustainable development. Dongfeng Nissan always adheres to the vision of “Enriching People’s Lives” with the goal of building a “trusted” green automobile enterprise, and actively builds green factories together with stakeholders to promote green development.

With years of efforts, we are fortunate to become one of the first batch of National Demonstration Units on green factory, this setting an excellent example for other automobile enterprises to learn. However, despite the achievements that have been made in past, we are determined to move forward and achieve more. In 2018, facing a new starting point, we set sail again, continue to conserve energy, reduce emissions, prevent pollution and explore new ways to build green factories.

In terms of energy conservation and emission reduction, we have carried out energy conservation diagnoses in five factories at four places for eight times. We also adapted a series of new green technologies, such as the introduction of “grapheme” energy-saving film for refrigerators, installation of pipeline gas energy-conservation device, transformation of automatic varnish spraying and varnish circulating air projects, and introduction of sludge drying, thus we have achieved reduction of carbon dioxide emission by 18,000 tons, and created an economic benefit of RMB 20.4 million, thus overreaching the target of energy saving and emission reduction at the beginning of the year.

In terms of pollution control, by sticking to the idea of waste recycling, we took many measures in the Huadu base to minimize the impact brought by shortage of resources for disposal of hazardous wastes in Guangdong Province and to continuously solidify the foundation for building green plants. At that time, we changed the way of disposing hazardous wastes from

the original method of landfill to comprehensive utilization or incineration. Meanwhile, we implemented standardized management on hazardous wastes and strengthened inspection to avoid environmental emergencies, such as leakage of hazardous wastes. Even if there are many difficulties in construction of green plants, we believe that there are always more solutions than problems. As long as we adhere to the green concept, green plants will certainly be built successfully.

Looking back, we are full of passion. Looking ahead, we are fully confident. On the road of green development, we will continue to adhere to the corporation vision of “Enriching People’s Lives”, and continue to promote management on environment in the whole value chain, and continue to go green, such as zero discharge of wastewater, reduction of carbon dioxide emission, and reduction of solid waste, etc. and will build green factories in an all-round way to make greater contributions to the green development of Nissan enterprises in China.



Wang Jingfang, Section of Safety Technology and Environmental Protection, Manufacturing Management Division, Dongfeng Nissan



Cooperating with Dongfeng Nissan to Make More Environment-friendly Vehicles

We are honored to have a cooperation with Dongfeng Nissan and to be a long-term partner with it. In the past ten years, it is the strict requirements of Dongfeng Nissan that helped us continuously improve the competitiveness of our products, and achieve new breakthroughs in market development. At the same time, we have also made contribution for Dongfeng Nissan to become a leading company in the industry.

Nippon Paint Automotive Coatings is a close partner that has grown together with Dongfeng Nissan. In 2003, when Dongfeng Nissan was founded, the long-term cooperation between the two companies also started. Along the way, many unforgettable moments still live in my memory: seamlessly connecting with Dongfeng Nissan Huadu Plant, Technology Center and Purchasing Headquarters, introducing the best body coating to date - thin film electrophoretic paint with high throwing power, which extended the anti-rust period of the car body and help greatly improve the quality of the vehicle, and correspondingly reduced environmental pollution and harm to consumers' health; setting up hazardous chemical warehouses in the production areas of all production lines of Dongfeng Nissan, to avoid the environmental risks caused by the leakage of hazardous chemicals and to ensure daily supply..... Thanks to the close cooperation with Dongfeng Nissan, no emergencies have occurred in the cooperation for more than ten years. At present, our products have been applied in almost all models of Dongfeng Nissan, such as Murano, Altima, Xtrail, Qashqai, Sylphy, and Tiida, etc.

Currently, the automotive industry is faced with fierce competition, and the market is also showing higher and higher demands for the quality of automobiles. In view of market changes, Dongfeng Nissan has given us a lot of enlightenment in terms of standardized management in environmental protection, product quality and customer service, prompting us to change our management concept along with the time and achieve better development; as for environmental protection, we actively respond to the pressure from

environmental protection supervision, invest funds to reform and implement the backup factory plan; as for product quality, we exert strict control on the use of coating products for the car body to ensure the stable quality of products, and through the quality monitoring in the entire use process, eventually achieve long-term quality stability; as for customer service, we encourage the staffs who work in front-line sales, service, even those in product development and production to get a close contact with customers, so as to directly understand customer' needs, improve the service quality and competitiveness, and provide better service to Dongfeng Nissan.

In the future, we will continue to work closely with Dongfeng Nissan, continuously make innovations in coating technology, thereby providing more environment-friendly and high-quality products to Dongfeng Nissan, and bringing more exciting automobile life to consumers.



Hu Zhaohui, General Manager, Automotive Division, Nippon Paint (China) Co., Ltd



Working as the Craftsman, Growing with the Enterprise

"A worker must do his job; if you do your job, you must do well. No one can succeed without working in a down-to-earth manner." This is the working principle that I have been following since I became an employee of Dongfeng Motor Co., Ltd. in 2003. Time flies. With sixteen years of rapid development, Dongfeng Motor Co., Ltd. has become a first-class automobile company in China. I also have the honor to grow together with the company and keep climbing new heights in my career. I have been awarded such honorary titles as "National Labor Model", "National 'May Day' Labor Medal", "Chinese Skills Award" and "National Technical Expert".

As skilled personnel trained by the factory, it is our most important mission to take root in the front line of production, do our own job well and meet the practical needs of the factory. I have participated in various trainings on skills and innovation activities organized by the company for many times, and also been chosen to take part in the off-the-job study at the National Labor Model Workshops, which has played a great role in promoting my personal skills. However, with the development of the era and advancement of the technology, milling worker, a type of job that once allowed me to win many honors in competitions, has gradually disappeared from the stage of history. However, for me, this means a new opportunity. Through study and research, I strive to break through the limitations of the original milling work and have mastered the skills of lathing, welding, benchwork and other types of work. Driven by the working atmosphere of striving for innovation and for the first place in the company, I have also met new development for my career by participating in CNC milling, machining center, CNC gantry milling and other work.

In Dongfeng Motor Co., Limited, I am in charge of another work that is to run the Skill Master Studio. At present, the studio has more than 20 members, of which 75% are employees with one specialty and multiple skills. We have carried out various trainings for more than 70 times, covering over 800 employees. In addition, we also explore how to improve supplier's quality

control by training. Through examining supplier's technical standards and equipment, we can find out their "property" and ability, and carry out trainings for suppliers to help them improve their quality management ability. Up to now, the Skill Master Studio has successfully inspected more than a dozen suppliers, such as WLT, and helped them introduce better testing equipment, achieve better testing means and facilitate comprehensive improvement of their product quality.

It is the mission of every ordinary front-line worker to faithfully perform his personal duties. For me, the company has enabled me to make my current achievements, and I have also done my best to contribute to the development of the company in my personal growth. I hope that every employee should try to keep up with the pace of the company in reform and development, and through the various training platforms provided by the company, strive to improve personal qualities and abilities, thus realize the common development of the individual and the company.



Liu Junrong (second right), Chief Technician, Equipment Company, Dongfeng Motor Co., Ltd.



Bring Hope to Everyone, Make Dreams Come True

"Think deeply, understand the virtue, enlighten the wisdom, seek the truth" is not only the requirement of our school on the teachers, but also my pursuit as a teacher. I often think about how to help students ignite their passion for learning, stimulate their sense of innovation and achieve a more exciting life. I didn't get the answer until the Nissan Dream Classroom came to our school.

Different from the traditional curriculum, Nissan Dream Classroom brings with it the world's most advanced STEAM education concept by integrating multi-field knowledge including science, technology, engineering, art and mathematics. By combining interaction and hands-on practice, it focuses on training students' innovative thinking and hands-on ability. And its major differences are in three aspects, i.e. course content, teaching method and teaching process.

First of all, the contents are closer to students' lives. Based on automobile, the courses integrate the knowledge about history, physics, mechanics, art and other disciplines, enable students to learn about the latest scientific and technological achievements. Secondly, the teaching method is simple and effective. Multimedia teaching method is used throughout the course, not only effectively stimulating children's enthusiasm for learning, but also reducing the teacher's burden by freeing them from heavy explanations thus allowing them to provide more specific guidance to the students. Finally, the hands-on practice establishes an effective connection between knowledge and practice. Each part of the knowledge is taught with hands-on practice. Through various teaching tools, students can put the knowledge learned in the class into actual operation and thus deepens their understanding of knowledge.

In general, although Nissan Dream Classroom is only a small step forward on the basis of traditional curriculum education, it is this small step that deeply affects student's perception of the world and their expectations for the future. Fortunately, I am able to have access to this teaching platform and bring different learning experiences to students.

In order to let more students benefit from Nissan Dream Classroom, we will expand the courses into additional 15 classes of Grade 5 and Grade 6 from this semester on. In the future, I hope that Nissan Dream Classroom can be available for more schools, and benefit more teachers and students with its advanced teaching concepts and methods.



Zhang Song, Teacher of Xipu Experimental School of Pidu District, Chengdu, Sichuan Province

About Us



Introduction to Nissan's Subsidiaries in China

Corporate Vision

Nissan: Enriching People's Lives

Corporate Mission

Nissan provides unique and innovative automotive products and services that deliver superior measurable values to all stakeholders in alliance with Renault

Overview of Nissan

Founded in Yokohama, Kanagawa, Japan in 1933, Nissan Motor Corporation is the second largest automaker in Japan. With altogether 247,500 employees worldwide, Nissan now has automobile manufacturing bases in 20 countries and regions (including Japan) and provides products and services in more than 160 countries and regions around the world. Its business includes manufacturing and sales of vehicle products, marine equipment and relevant services.

Nissan's development in China started in 1973. Over more than 40 years, Nissan has been attaching great importance to Chinese market and made remarkable achievements in its localization process in China, including establishment of Nissan (China) Investment Co., Ltd., its wholly-owned subsidiary, and co-founding of Dongfeng Motor Co., Ltd. with Dongfeng Motor Corporation. As subsidiaries of Dongfeng Motor Co., Ltd. Dongfeng Nissan

Passenger Vehicle Company and Zhengzhou Nissan Automobile Co., Ltd., which are responsible for production and sales of Nissan-branded vehicles, have established complete product lines that covers passenger vehicles, SUVs, MPVs, high-performance sports cars and commercial vehicles with increasing expansion. In 2014, Dongfeng Motor Co., Ltd. founded Dongfeng Infiniti Motor Co., Ltd., its wholly-owned subsidiary, to enable Infiniti to deliver high-quality products and services to Chinese consumers on a sustainable basis. In 2018, Nissan released Nissan Sustainability 2022, a multi-layered, comprehensive sustainability program involving environment, society and corporate governance, with a view to reducing the company's impact on the environment, strengthening corporate diversity and inclusiveness and, ultimately, making more contributions to the company's development.



NCIC

Founded in February 2004 and with 312 employees by the end of 2018, NCIC is a wholly-owned subsidiary of Nissan in China and manages Nissan's investments in China together with the headquarter of Nissan. NCIC is responsible for Nissan's public relations, brand management, intellectual property rights and other affairs in China. Meanwhile, it plays a significant role in Nissan's global operations as well as in purchasing and exporting of competitive auto parts made in China. Based on Nissan Design China, one of Nissan's five major design studios in the world, NCIC aims to further enhance the competitiveness of the Nissan brand in China.

DFL

Founded in 2003, DFL is China's first automotive joint venture that owns a full range of passenger vehicles and light commercial vehicles. With seven major business divisions including Dongfeng Nissan Passenger Vehicle Company, Dongfeng Infiniti Motor Co., Ltd. and Zhengzhou Nissan Automobile Co., Ltd., DFL is also the only full-range cooperation program of Nissan outside Japan. By the end of 2018, it had more than 66,000 employees.

DFN

With more than 18,000 employees by the end of 2018, DFN is a joint venture that has enjoyed the fastest growth in China's automotive sector. At present, it has built a strategic blueprint in which four major bases, i.e., Guangzhou, Xiangyang, Zhengzhou and Dalian, stretching from the north to the south with respective focuses. DFN has a dozen of popular models, such as Teana, Sylphy, Bluebird, Murano, X-Trail and Qashqai, as well as a couple of imported models including high-end MPV New Quest, high-performance sports car 370Z and versatile super sports car GT-R.

ZNA

ZNA was founded in 1993 and had nearly 3,000 employees as of the end of 2018. ZNA has a value chain covering the whole business process, from product R&D through supply chain management and production to marketing service. Positioned as the main development base of Dongfeng and Nissan-branded light commercial vehicles (LCVs), the company has long been committed to specialization of LCVs and upgrade of market segments.

DFI

Founded in 2014 and with more than 200 employees as of the end of 2018, DFI is an independent, wholly-owned subsidiary of Dongfeng Motor Co., Ltd. In accordance with the principle of "One Strategy, One Brand, One Team, One Channel", DFI independently operates the Infiniti brand and further expands the lineup of luxury automotive products for consumers to choose, thus satisfying market needs.



The total sales in China exceeded **1.56** million vehicles

Created nearly **70,000** jobs in China

Nissan's Contribution to China

As one of the first batch of foreign auto brands entering Chinese market, Nissan actively responds to China's policy development while delivering business value and strives to make a contribution to achieving China's vision of transforming from a big country into a powerful country in the automotive industry by importing core concepts such as advanced technology, local manufacturing, local talent training and parts export. In 2018, Nissan's total sales in Chinese market exceeded 1.56 million vehicles, an increase of 2.9% over 2017, which is much higher than the industry's average growth rate. Meanwhile, Nissan created nearly 70,000 jobs in China, fulfilling its long-standing commitment to China in its business expansion.

In 2003, Nissan worked with Dongfeng Motor Corporation to establish DFL as a joint venture, which put Nissan on fast track for its development in China. In the past 15 years, this joint venture totally produced and sold more than 15 million vehicles and successfully developed its self-owned brand Venucia. Guided by the vision of becoming a "Trusted Company" and driven by the values of "Responsibility & Devotion," DFL formulated a green plan, carried out energy conservation and emission reduction on a consistent basis and strengthened scientific and technological innovation in the area of environmental protection in order to reduce the impact of production on the environment. Meanwhile, DFL carried out a range of public benefit and philanthropic activities, played a consistent role in education, poverty alleviation, environmental protection and other areas and stepped up efforts to promote social development and harmony.

Besides, Nissan continuously explored new business models and expanded its parts export business by establishing Nissan (China) Investment Co., Ltd. As of the end of 2018, Nissan had, through its own network, expanded its export of auto parts made in China to 20 countries around the world, with the export volume increased by 45-fold compared to that in 2003. At the same time, NCIC took an active part in various public benefit activities in China and

made a significant contribution in safety, environmental protection, education, humanitarian care and other areas, aiming at creating a better future with "a Symbiosis of People, Vehicles and Nature."

DFN has maintained strong growth momentum, despite of the declining trend of the industry's overall sales. In 2018, the total sales volume of DFN was more than 1.16 million, an increase of 3.9% from the previous year. This is the fourth consecutive year in which the sales volume was more than one million since 2015, when the sales volume exceeded one million for the first time. The sales volume reached a new high every year. Thus, DFN has become one of Nissan's subsidiaries with great growth potential and outstanding business capacity. As to corporate social responsibility (CSR), DFN always upholds the corporate mission of "creating value and working for wellbeing together," actively fulfills its CSR responsibility, and creates and delivers superior value for its six major stakeholders, i.e., customers, environment, partners, employees, shareholders and society, with a view to being a good corporate citizen and a trusted company.

By continuously strengthening technical reform and technical innovation and exploring in subdivided industries, ZNA has been ranking top 3 in China's pickup market for many years and has gradually become a leader in this sector, thus playing a significant role in driving rapid economic development in the central plains region of China. As Nissan's first joint venture engaged in the business of complete vehicles in Mainland China, ZNA upholds the corporate concept of "trust each other, accompany each other, and win together," making progress together with the society and supporting society building and public benefit activities as an important part of its CSR, and devotes itself to safety, environmental protection, poverty alleviation, education, humanitarian care and local construction.

Development History of Nissan in China

January 1973

The first Nissan Cedric came to China



March 1993

Zhengzhou Nissan Automobile Co., Ltd. was founded

June 1994

Nissan Motor (China) Co., Ltd. was established focusing on vehicle importing business

June 2003

Nissan and Dongfeng Motor Corporation established Dongfeng Motor Co., Ltd. as a joint venture

February 2004

Nissan (China) Investment Co., Ltd. was founded

May 2005

Nissan (China) Investment Co., Ltd. Guangzhou branch (Nissan Technical Center) was founded

September 2014

Dongfeng Infiniti Motor Co., Ltd. was officially established

March 2011

Nissan Design China, one of Nissan's five major design studios in the world, officially started operations in Beijing

September 2010

DFN launched the Venucia brand

July 2007

Infiniti, a high-end luxury brand of Nissan, was put on sale in Chinese market

January 2006

Nissan (China) Investment Co., Ltd. started to export auto parts to other overseas production bases of Nissan

June 2005

Nissan (China) Investment Co., Ltd. Shanghai branch was founded

October 2014

DFN's Dalian plant was officially put into operation

December 2014

Infiniti Design Beijing was founded

July 2015

The cumulative total containers exported by Nissan (China) Investment Co., Ltd. reached 100,000

June 2016

The construction of Dongfeng Nissan Advancing Engineering Pivot, Venucia Modeling Center and Dongfeng Nissan University was officially completed

May 2017

The 1,000,000th vehicle of ZNA rolled out

August 2018

DFL celebrated its 15th founding anniversary

DFN's total production volume reached 10 million units



Our Strategies



Taking sustainable management and corporate governance as its most important business operation ethic, NCIC keeps improving its sustainable management system and corporate governance framework and at the same time optimizing corresponding management mechanisms, thus laying a solid foundation for stable operation and sustainable development of the company.

Sustainable Management

NCIC considers sustainable management as its most important business operation ethic and has incorporated the concept of sustainability into corporate development and routine operation. Upholding the development objective of "In China, For China," NCIC continuously strengthens its sustainability strategies, comprehensively implements its sustainability plans, and works with various stakeholders to support sustainable development of Chinese society based on the viewpoint and standpoint of sustainability.

Sustainable Strategies

As a globally leading automaker with the CSR vision of "Being one of the leading sustainable companies in the industry," Nissan is committed to delivering superior measurable values to all stakeholders through sustainable business activities, and making an active contribution to sustainable development of the society.

In 2018, Nissan continued to promote the idea of sustainability and released Nissan Sustainability 2022, a multi-level, comprehensive sustainability program involving environment, society and corporate governance. The program focuses on environment, society and corporate governance and sets specific objectives

for different aspects of sustainability in order to help Nissan carry out its new mid-term business plan that involves achieving steady growth and leading technical innovation in the industry, making progress towards the ultimate goals of "Zero Emissions" and "Zero Fatalities," and creating a better future with "a Symbiosis of People, Vehicles and Nature."





Stakeholder Management

NCIC always attaches importance to communication and exchange of views with stakeholders. During routine operation, NCIC continuously improves its communication mechanism, works on building diverse communication channels, discloses information regarding responsibility fulfillment in a timely manner, and actively listens and responds to stakeholders' voice for the purpose of working with them to create sustainable value.

Stakeholders	Governments and Regulators	Environment	Employees
Topics Concerned	<ul style="list-style-type: none"> • Lawful operation • Tax compliance • Environment friendly • Job opportunities • Promoting sound development of China's automotive industry 	<ul style="list-style-type: none"> • Resource and energy management • Recycling • Waste water and waste treatment • Environmental impact of products and services • Promoting sound development of China's automotive industry • Green logistics • Environmental and public benefit activities • Environmental compensation mechanism 	<ul style="list-style-type: none"> • Harmonious working environment • Occupational health and safety • Employee communication • Employee training and development
Main Performance of Nissan's Subsidiaries in China	<ul style="list-style-type: none"> • Economic contribution • Compliant operation • Information Security Management Committee • "a Symbiosis of People, Vehicles and Nature" • Environmental protection concept • Nissan Green Program • DFL Green Program 2022 • Traffic safety research 	<ul style="list-style-type: none"> • Environmental management organization • Green product lifecycle • Zero Emission • PURE DRIVE • Green production, storage and transportation management performance • Providing environmental training for suppliers • "Green Shop" certification • Development of Nissan Green Purchasing Guidelines • Support for publication of <i>Blue Book of New Energy Vehicles</i> 	<ul style="list-style-type: none"> • Protection of employees' rights and interests • Improving the salary and welfare system • Creating a safe and healthy working environment • Establishing diverse communication channels • Career development channels and a comprehensive training system • Dongfeng Nissan University • Care for employees who have difficulties



Stakeholder Management

Stakeholders	Customers	Communities	Suppliers	Dealers
Topics Concerned	<ul style="list-style-type: none"> • Product safety • Product quality • Product recall • Service support and complaint handling • Privacy protection 	<ul style="list-style-type: none"> • Charity and public benefit • Volunteer service • Safety and public benefit • Education of environmental protection 	<ul style="list-style-type: none"> • Compliant operation • Fairness and transparency of purchasing process • Supplier environmental assessment • Supplier assessment for impacts on society • Assessment of human rights • Business continuity plan 	<ul style="list-style-type: none"> • Compliant operation • Product and service quality • Dealer support
Main Performance of Nissan's Subsidiaries in China	<ul style="list-style-type: none"> • "Triple-layered protection" safety strategy • Nissan Intelligent Mobility • Intelligent anti-collision safety system • Nissan's approach to quality • Providing customized service to customers • DFN's 5-year quality plan • DFN's "Relieved in Five Aspects" service concept • Dongfeng Nissan Aftersales Service Contest • ZNA's new customer service center • ZNA's customer service center adopting a standardized management system • ZNA's quality investigation group • DFI's customer interaction platform 	<ul style="list-style-type: none"> • Nissan Dream Classroom • DFN Sunny Care Program • DFN's "Discover the Unknown Self" serial activity • ZNA Hand-in-hand Project • DFI's "Run One Meter for One Grain" activity • INFINITI Engineering Academy • Poverty alleviation and humanitarian care • Carrying out employee volunteer activities • DFN's Nissan Intelligent Mobility Experience Center • Co-hosting the 12th China Road Safety Forum 	<ul style="list-style-type: none"> • Formulation of <i>Renault-Nissan CSR Guidelines for Suppliers</i> • NCIC THaNKS Activities* • ZNA's supplier qualification evaluation criteria • DFI's supplier grading management system • Providing improvement guidance and training for suppliers 	<ul style="list-style-type: none"> • Establishment of dealer management mechanism • Providing capacity enhancement training • DFN's dealer capacity diagnosis system

*Note: THaNKS (Trusty and Harmonious Nissan Kaizen activity with Suppliers) is a joint initiative to emphasize trust and cooperation between Nissan and its suppliers.



CSR Communication

Establishing timely, transparent and efficient communication mechanism with stakeholders is an important approach for Nissan's subsidiaries in China to improve sustainable management. For this end, we continuously expand communication channels and, by opening a special column on sustainability on our official website, regularly releasing sustainability reports, providing sustainability training, attending various forums and conducting surveys and research, carry out in-depth communication with stakeholders and pay close attention to social reform and the automotive industry's development trend with a view to working together with stakeholders to explore the way of building a sustainable mobility society.

Report Release	
	Have released CSR/Sustainability reports for 6 consecutive years, thus reinforcing the mechanism of communication via reports
Regular Information Disclosure	
	Release CSR information of Nissan's subsidiaries in China via the company's official website and official WeChat account and the "People, Vehicles and Life" magazine, and hold stakeholder communication activities through auto shows
External Communication Activities	
	Actively organize and participate in international and domestic seminars and forums for manufacturing and automotive sectors to enhance industrial communication

Stakeholder Communication Channels of Nissan's Subsidiaries in China

Case Participating in China Automotive Industry CSR Development Forum to Contribute Nissan's Wisdom

Since its entry to Chinese market, NCIC has always upheld the mission of promoting the sustainable development of automotive industry and actively attended activities relating to CSR development and communication in the industry while witnessing and participating in the sustainable development and expansion of China's automotive industry. On June 5, 2018, Suzuki Akihisa, executive vice president of NCIC, shared Nissan's best practices and experience in safety technologies, environmental management, employee development and other areas on the China Automotive Industry CSR Development Forum and the Releasing Ceremony of *China Automotive Industry Social Responsibility Development Report 2017-2018*. As a core company participating in formulation of *China Automotive Industry Social Responsibility Development Report 2017-2018*, Nissan always strives to achieve sustainable development and accelerate the implementation of electrification, intellectualization and networking strategies in China based on the development concept of "Nissan Intelligent Mobility".

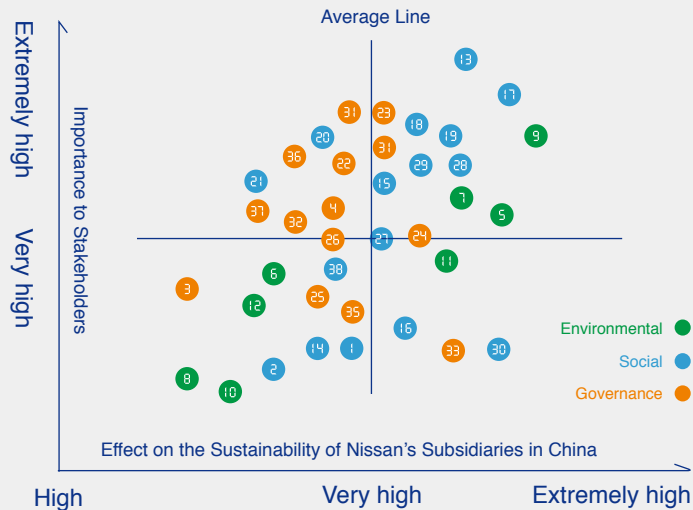




Identification of Material Topics

In order to adapt to the changing demands of stakeholders and the varying market environment effectively, NCIC, by taking into account its own business features, macroeconomic policies of China, CSR criteria, corporate strategies, business focuses and results of questionnaires regarding material topics and through such processes as topic identification, screening and assessment, conducts evaluation and analysis from two dimensions, i.e., “importance to stakeholders” and “effect on the sustainability of Nissan’s subsidiaries in China,” and sorts the topics according to their importance and priority to work out a matrix of material topics, which are then incorporated into the company’s sustainability concept and actions. In 2018, NCIC carried out a new round of analysis on material topics and identified and verified 38 material topics regarding to sustainability, thereby deepened the implementation of its sustainability strategies.

Matrix Analysis



Identification of Material Topics

Environment	Social	Governance
5 Resource and energy management	1 Economic contribution	3 Sustainability concept
6 Recycling	2 Localized development	4 Stakeholder engagement
7 Wastewater and waste treatment	13 Product safety	22 Business continuity plan
8 Biodiversity	14 Safety and public benefit	23 Dealer support
9 Impact of products and services on Environment	15 Philanthropy	24 Environmental assessment on suppliers
10 Green logistics	16 Volunteer service	25 Assessment of suppliers' impacts on society
11 Public benefit activities relating to Environment Protection	17 Product quality	26 Fairness and transparency of purchasing process
12 Environmental compensation mechanism	18 Service support and complaint handling	31 Information disclosure
	19 Customer privacy protection	32 Anti-commercial bribery
	20 Product recall	33 Corporate governance and risk management
	21 Assessment of human rights	34 Compliance
	27 Harmonious working environment	35 Anti-monopoly
	28 Occupational health and safety	36 Promoting industry construction
	29 Employee training and development	37 Protection of intellectual property rights
	30 Employee communication	
	38 Localized procurement	



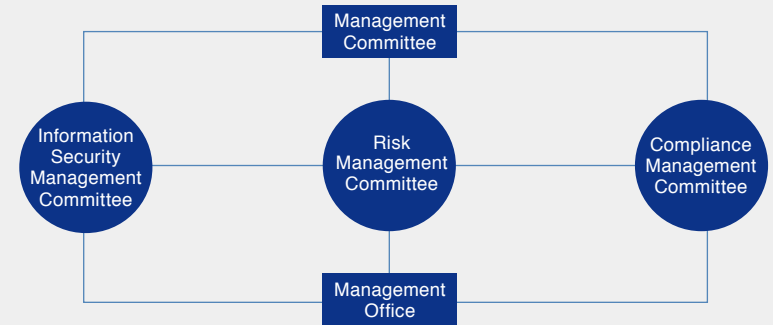
Corporate Governance

NCIC adheres to lawful, compliant and transparent operation, continuously optimize its governance framework and compliance management system, strengthens compliance management and information security management, actively responds to and solves compliance risks, improves the transparency and normalization of corporate governance, so as to ensures sustainable, healthy development of its business, thus laying a solid foundation for its stable operation and sustainable development.

Governance Framework

Nissan has the Board of Directors and the Independent Auditor and Executive Committee. Through the corporate governance framework that is supervised by the Board of Directors and audited by the Board of Statutory Auditors and by adopting the corporate officer system, Nissan can carry out effective and flexible management, implementation and supervision over corporate governance and significant operational decision-making.

Under the governance of global company and guidance of internal control strategy, as well as by combining its key points of management and characteristics of business operation, NCIC has listed information security, risk management and compliance management as three key parts in management of the company according to law and regulations, and thus established a three-level management framework, i.e., Management Committee – Information Security, Risk Management and Compliance Management Committees – Management Office. Members of the Management Committee consisting of vice presidents or above act as responsible persons for each committee to promote and supervise the implementation of business activities of the company on a general basis.



Compliance Management

Nissan is committed to building a culture of compliance , which serves as the basis for the company to achieve high-quality development. The company has established a compliance management system consisting of the Board of Statutory Auditors, the Risk and Compliance Management Office and the Internal Audit Office. In order to ensure that all employees strictly comply with the compliance policy and do their jobs with honesty and integrity, Nissan, under the supervision of its Global Compliance Committee, has established regional compliance committees in each region where it does business and set up corresponding offices. Meanwhile, Nissan has appointed officers to promote compliance policies and conduct training on compliance.

Besides, in order to provide a way for employees and stakeholders to oversee corporate operation safely and with the aim of improving transparency of business



activities, Nissan established a globally integrated reporting system called Speak Up, which facilitates, where allowed by law, employees' and other stakeholders' anonymous reporting and two-way confidential communication. This system was officially launched in 2017 and put in use in China in 2018. It has worked well. Nissan also encourages employees to report violations of the Nissan Global Code of Conduct or other rules of the company and has formulated a strict policy to prevent retaliation and protect reporter.

Under the unified guidance of the Global Management Committee and regional compliance committees, NCIC has set up its own compliance committee consisting of senior executives from such departments as legal affairs, human resources, internal audit, finance and compliance, for the purpose of comprehensively promoting its compliance business in China. In order to ensure that the company always carries out its activities in line with laws and regulations and social ethics, NCIC will identify possible risks in such areas as strategies, law, finance and compliance and accordingly makes annual improvement plans and control measures to ensure the achievement of management goals. As to specific measures, NCIC has conducted staff training on the Nissan Global Code of Conduct, anti-commercial bribery and global import and export management and strictly implemented the Employee Code of Conduct, the Regulations of NCIC on Reception and Gifting in Business Activities and other management practices to promote the development of its business in a regulated and steady manner. In 2018, NCIC also conducted compliance training for newly appointed executives, all managers and all new employees.



Information Security

Based on Global Information Security Management Systems and following the principle of "Putting prevention in the first place and Combining prevention with control," NCIC has comprehensively improved information security management level in such aspects as management process, work measures and employee awareness. The company has established the Information Security Management Committee consisting of senior executives, which holds management meetings twice a year to formulate work plan for information security management and comprehensively promote the construction of information security for the company. According to the global strategy, Nissan's subsidiaries in China have also introduced similar information security policies to ensure the implementation of Nissan's Global Information Security Management Systems.

NCIC has also established a three-level reporting process, from Operators, the Information Security Management Committee to Management Level, with a view to strictly regulating the information management procedure. Meanwhile, the company formulates internal education plans on a regular basis, conducts online training on information security for all employees and communicates information security news to employees for the purpose of raising employees' information security awareness and encouraging them to comply with relevant policies. In 2018, the participation rate of information security training among employees reached 100%.

Led by Intelligence, We Care about Your Mobility

Starting from consumers' demands on mobility and led by "Nissan Intelligent Mobility" and other advanced technologies, Nissan's subsidiaries in China strive to improve the safety and quality of products and further improve service level for the purpose of providing consumers with a mobility experience that exceeds their expectations. Meanwhile, they actively share the concept of safe driving, promote traffic safety, raise drivers awareness of traffic safety, provide support for creating a safe atmosphere, and make significant contribution to building a safer mobility society.



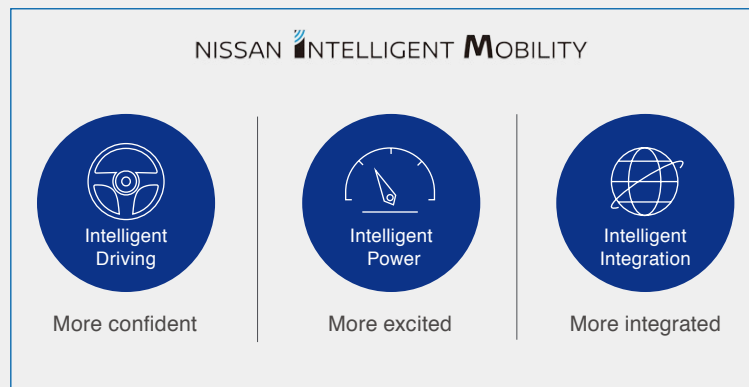
Innovation Technology



Considering innovation as the first power to lead development, Nissan is committed to, through “Nissan Intelligent Mobility”, thoroughly transforming vehicles’ design, manufacturing, drive, driving and the way of integration with people, environment and society, and achieving harmonious development between people and environment and between people and society.

R&D System

Based on Nissan’s global R&D strength, Nissan’s subsidiaries in China continuously improve their R&D system, actively promote the construction of R&D platforms, and strive to provide Chinese consumers with the latest, trustworthy technologies and products that can bring a pleasant driving and riding experience, with a view to ultimately achieving the independent development guided by the demands of Chinese consumers.



Three Key Technological Areas of “Nissan Intelligent Mobility”

Case DFN Has Built the Largest R&D Base in South China

With a total investment of 330 million yuan and a total area of 200,000 square meters, the Dongfeng Nissan Technical Center has become the largest R&D base in South China and is the fourth R&D center of Nissan in the world. When it was initially founded, this R&D center only had more than 70 people. Through years of development, it now has a technical team composed of more than 1,300 people. With its R&D capacity developed from the stage of localized development through independent development to innovative development, the Dongfeng Nissan Technical Center has achieved the independent development guided by the demands of Chinese consumers, thus playing the role of leading technological innovation in intellectualization, electrification and networking.



In 2018, Nissan joint anticounterfeiting program covered more than 40 cities, and seized fake auto parts worth over **50** million yuan

Handled more than **30,000** online complaints

In 2018, ZNA received a total of 130 patent applications and approved **126** patents

Transformation of Achievements

With “Zero Accidents, Zero Emissions” as its goals, Nissan strives to, through in-depth application and promotion of “Nissan Intelligent Mobility”, make innovative achievements to be applied to the whole society in a timely manner, so that more people enjoy the convenience brought by them.

Case DFN Has Taken Moves in China’s EV Market

In order to seize new opportunities created by electrification in the automotive market, DFN has, since 2018, carried out a series of material actions around Intelligent Integration and Intelligent Driving and has made new breakthroughs for development of EV technology: Intelligent Connectivity, an independently developed vehicle connectivity system for which DFN is the first player to have independent intellectual property rights among mainstream joint-venture OEMs, was released and equipped in major models of complete vehicles; moreover, ProPILOT, ProPILOT Park and other advanced autonomous driving technologies have been gradually introduced. As planned, the autonomous driving technology for single-lane highway driving will be rolled out in 2019; the autonomous driving technology for multiple-lane highway driving will be brought to market in 2021; in 2022, autonomous driving in complex city roads will be made available.



Protection of Intellectual Property Rights

Nissan's subsidiaries in China place great importance on protection of intellectual property rights (IPR) and have effectively increased the efficiency and strength relating to corporate IPR protection by strengthening communication and coordination, optimizing the cohesive mechanism and improving relevant regulations.

NCIC has established and optimized its IPR management system by continuously raising employees' awareness on IPR protection, and carried out a range of activities relating to internal and external IPR protection, so as to constantly improve its innovation capacity and core competitiveness. By 2018, under the support of the National Intellectual Property Administration of China, NCIC had held many times Patent Technology Explanation Conference for examiners of the Patent Office with a view to helping them understand Nissan's latest technologies and enable Nissan to obtain patent authorization quickly and effectively in China.

In 2018, NCIC and DFN worked together to carry out campaigns against counterfeits, which covered more than 40 cities and seized fake auto parts worth over 50 million yuan. Meanwhile, they had handled more than 30,000 online complaints, thus effectively protected the rights and interests of consumers. NCIC also communicated with local customs, market supervision and administration bureau and other law enforcement institutions to share anti-counterfeiting experience, and carried out education programs for consumer to realize the hazards of fake products and call upon them to buy official parts.

Since the implementation of the new Patent Management Measures, ZNA has, on a continuous basis, regulated the operation process and strengthened the patent reward incentive policy, especially the reward mechanism for invention patents, to comprehensively improve the quality of patents and motivate technicians to innovate. In 2018, ZNA received a total of 130 patent applications, of which 18 were patents for inventions, and approved 126 patents, of which 6 were patents for inventions, creating a new high.

Premium Quality



Always upholding the spirit of constantly striving for perfection, Nissan is committed to providing customers with high-quality products and services that exceed their expectations. By strictly adhering to globally unified quality standards, Nissan's subsidiaries in China have established a strict product quality management system, a complete recall mechanism and customer complaint response and handling system, and make active use of new technologies and new concepts to create new service patterns and achieve quality improvement and service upgrade throughout the value chain.

Strengthening Quality Management

Taking quality responsibility and in accordance with Nissan's global uniform quality criteria, Nissan's subsidiaries in China have established a quality assurance system that covers the entire value chain. Meanwhile, they carefully listen to customer feedback, actively improve market quality and continuously establish product quality improvement measures for the purpose of providing customers with quality-assured products

Product Quality Management System

DFN

Guided by customers, DFN has set up a quality management system that covers the entire value chain and involves quality management throughout the whole process, including parts purchasing, new-vehicle development, manufacturing and marketing. In 2018, DFN continued the implementation of the "123456" program, which is its midterm quality business plan that includes vision, goals, basis, pillars, quality and other contents regarding quality improvement, in order to continue strengthening quality assurance for new vehicles and mass-produced vehicles and achieve improvement. The company made a breakthrough in product planning quality management, thus truly

building a link between the entire-value-chain quality system and each department and increasing all employees' quality awareness. In 2018, DFN's defect rate of vehicles 3-months-in-service from delivery to customers was in lowering trend while customer complaints according to surveys were also decreasing. With regard to customer feedback, every model achieved its own goals. In addition, DFN's Dalian plant and Huadu plant were awarded the title of "The Best Factory" (Assembly Excellence Award and Operational Excellence Award) in the contest of "The Best Factory in China / Operational Excellence Award," a competition event co-hosted by the Auto Business Review magazine and A.T. Kearney, a globally well-known management consulting firm.

ZNA

By always upholding the operation standard of "Quality First," ZNA actively has conducted training for all employees on quality management and has implemented strict quality control at every stage of the value chain to provide high-quality products and services that meet or even exceed customers' expectations. Meanwhile, ZNA focuses on improvement of suppliers' quality management and adopts customer's reasonable suggestions in a timely manner to continuously improve product quality.

DFI

By paying attention to the changes of consumers' demands and in accordance with the principle of "Customer First," DFI closely monitors all stages, including design, manufacturing and marketing, to keep full traceability of product quality. Meanwhile, the company carries out active, quick and efficient verification, investigation and judgment for relevant problems that have arisen, with a view to ensuring the stability of product quality. In 2018, DFI continued to optimize quality management and reached its objective on quality management.



Market Quality Assurance

Nissan's subsidiaries in China adhere to globally unified marketing and improvement measures and continuously strengthen timely communication with sales companies and customers. They have established a good customer-complaint response and handling system, based on which they may investigate causes for problems together with such departments as R&D, production and manufacturing and quickly develop countermeasures to help ensure their reputation. In addition, they have established a recall system that focuses on customer safety, thus forming a complete market quality assurance and improvement system.

DFN

By strictly complying with national quality standards, DFN has established a complete market quality improvement system and a professional technical team and, through collection of quality information via various channels, respond to customer feedback in the form of technical reports to the quality department in a timely manner to quickly analyze defect-related problems and identify defective products. DFN has carried out a range of innovation and improvement activities, such as the TASK activity (an activity focusing on enhancement of market quality for new vehicles) and the organizational optimization for batch disposal of market cases, thus laying a solid foundation for implementation of efficient market quality improvement activities. In 2018, DFN totally conducted recalls three times, involving a total of 992,505 vehicles, such as Tiida, Teana, New Sylphy and other models.

ZNA

ZNA has established and improved a management system on important quality information and a management mechanism for processing of important market quality information. The company regularly holds meetings and seminars to review important quality information and discuss how to process such information. By taking these measures, the company can effectively meet the national requirements on automotive product recall management, protect automotive consumers' rights and interests and ensure product quality. In 2018, ZNA totally reviewed 12 cases in these review meetings, of which, 8 were new. These cases altogether involved 96,851 vehicles, without passive recalls. In order to improve market quality and effectively deal with the issues regarding initial market quality, ZNA worked with its technical center, manufacturing technology department and after-sales service department as well as the workshops of Zhongmou plant to establish a TASK FORCE group. The group has implemented control over a total of 95 cases, with a matching rate of 87.3%.

DFI

In order to better understand customer feedback and expand the sources of market quality information, DFI has quickly built a product quality indicator platform to directly collect the information regarding customers' dissatisfaction and complaints. This platform has made up for the deficiencies in accuracy and traceability for the information collected, in particular, the information regarding customers' dissatisfaction, which was collected through dealer reports and the customer care center's hot lines. In 2018, DFI ensured customers' interests while strictly complying with applicable quality regulations of China, and actively carried out relevant recalls in accordance with Nissan's global uniform measures to fully ensure the safety of customers' vehicles. 2018 saw DFI recall a total of 20,244 vehicles, which involved 5 models.

In 2018, DFN's brand preference maintained **TOP3** in joint-venture brands

DFN jumped to the **6**th place in customer satisfaction surveys

Optimization of Service Quality

Recognizing that service quality is the key factor for a corporation to build a good brand image, Nissan's subsidiaries in China constantly update its service for customers and optimize relevant business processes with a view to sincerely repaying customers and winning customers' trust based on quality service.

DFN

Servicing customers with a full heart is the source for DFN to keep growing. Upholding the concept of "Satisfying Every Customer," pursuing balance between "keeping up with customers' demands" and "guiding customers' demands," and taking improving customer satisfaction as its mission, DFN optimizes its service system and builds the "half a step ahead" customer service value system from such aspects as after-sales service management standards, building of the "Heartfelt Service," application of Big Data and business innovation. In order to enhance the "Heartfelt" brand and rebuild the service concept of "Five Assurances," DFN comprehensively promotes the intelligent upgrade of after-sales service, creates new business models like hour-based lease and shared mobility, carries out a series of activities for improvement of customer service quality, and strives to thoroughly implement the "Heartfelt Service."

Meanwhile, DFN actively learn about customer' feedback; invites car owners to participate in product quality surveys in different months of vehicle usage; finds out which parts needed to be improved in the products and taken corresponding countermeasures; and continuously improve customer' satisfaction with the products. In 2018, its brand preference maintained top 3 in joint-venture brands, and DFN jumped to the 6th place in customer satisfaction surveys, thus achieving high-quality growth of brand power. Among all models, X-Trail, Sylphy and T90 ranked top in the China Automobile Customer Satisfaction Index (CACSI).

Case The 13th Dongfeng Nissan Aftersales Service Contest

In 2018, DFN held the 13th Dongfeng Nissan After-sales Service Contest, which attracted over 5,500 participants totally, competing for regional service managers, service consultants and mechanical and electrical technicians. The contest is designed to improve the ability of service personnel and cultivate their talents through judge review and on-site Q&A, instead of training, which has effectively improved participants' professional ability.



Case DFN's "Heartfelt Road" Activity

Since 2009, DFN has carried out the "Heartfelt Road" activities during the Spring Festival and the National Day holiday every year to care for customers. The activity provided car owners with such services as free testing and usual malfunction eliminating at major expressway entrances, so as to ensure that car owners could travel safely and comfortably during the holidays. As of the end of 2018, such activities had been conducted at 1,918 places and provided vehicle testing, emergency assistance and other relevant services to more than 76,000 customers.



In 2018, ZNA closed **1,816** customer complaint cases in 5 days

with a 5-day closure rate of **96%**

In 2018, DFI's customer satisfaction index scored **97.7** points

ZNA

Always focusing on customer satisfaction in its service, ZNA works to increase customer satisfaction with high-quality service. In order to improve customer service quality and give support to the construction of its sales system, ZNA has optimized its four-level, fully-covered customer relationship system, consisting of customer relationship management center of its headquarters, regional liaison executives, dealers' customer relationship teams and key-customer maintenance staff of the secondary network. In the meantime, the company has implemented classified management of dealers according to their sales scale, developed customer relationship system standards for dealers, and met essential requirements of customer relationship management from such aspects as organizational structure, full-time and part-time staff arrangement and core task implementation, thereby laying a solid foundation for improvement of its sales and after-sales service. In addition, the company actively improves customer service standards and proactively expands customer complaint channels for the purpose of ensuring a timely response to customer requests. In 2018, ZNA totally received 1,892 effective complaints and closed 1,816 cases in 5 days, with a 5-day closure rate of 96%.

Case

ZNA Carried Out the Activity of Providing Special Maintenance for Industrial Customers

Guided by the concept of "Meticulous Service," ZNA provided special maintenance service for special customers in 2018. By visiting 165 power-supply units of the State Grid, ZNA won their recognition. In China, there were altogether 33 service centers that actively participated in the activity. With a total traveling distance of more than 9,000 kilometers, they checked more than 3,000 vehicles for free and left their footprints in Henan, Beijing, Tianjin, Jiangsu, Anhui, Fujian, Liaoning, Hubei and Shandong.



DFI

Always upholding the service concept of "Customer First," DFI closely monitors customer satisfaction and other indicators and, according to customers' voice, continuously improves customer satisfaction and loyalty. With the aim of responding to customer requests more quickly, in 2018, DFI launched its customer interaction platform, an all-new customer relationship management system, and realized the digital transformation of business through systematic deployment. The company also started to build a customer data center, thus enabling the data and jobs to efficiently flow between dealers and the headquarters' various departments, like marketing, sales, after-sales service and network.

In the meantime, DFI formulated and quickly implemented the nationally unified 5S Management Standards and the Specifications on the Overall Visual Structure of After-sales Service Regions. Based on after-sales communication, DFI carried out the functional division of after-sales service regions, thus effectively increasing customer satisfaction. In 2018, DFI's customer satisfaction index scored 97.7 points, exceeding its objective for the year; the actual customer retention rate was 70.3%, also exceeding its objective for the year, which was 70%; with a significant improvement of customer complaint handling efficiency, the average handling time shortened from 1.7 days to 1.2 days.

Case

DFI's VIP Day

In 2018, DFI launched the VIP Day, an exclusive platform that offered customer an experience around the life-cycle of vehicle purchasing and usage. As an innovative form of experience focusing on customers, the VIP Day aims to, through the unit of interaction that has a unique brand style and rich content of customer care, deepen communication with customers, improve customer satisfaction and brand loyalty, and provide comprehensive support for improvement of service value, brand value and customer value.



As of the end of 2018, shops that had experienced DFN's dealer shop capacity diagnosis and improvement system were **100**

In 2018, ZNA altogether conducted 69 training sessions for dealers, with a total of **1,434** participators

In 2018, DFI's dealer training had a total of **1,938** participators

Improvement of Dealers' Service Capacity

Considering the improvement of dealers' service capacity as a key part for enhancement of the overall service quality, Nissan's subsidiaries in China help dealers improve their service capacity and deepen service value through product launch training, on-site guidance, process improvement and other approaches.

DFN

From the perspective of dealer' development, DFN always takes improving the capacity of dealers as one of its key strategies. To this end, in addition to initiating the "Heart Warming" plan that aims at increasing the revenue of dealers, DFN continuously promotes various guidance and training programs for dealers, such as dealer capacity diagnosis system and capacity evaluation model, to help them improve their operation and enhance their business. From the aspects of "selection, cultivation, employment and retention" of personnel and by conducting surveys on dealers' demands for human resources, the company has taken a series of measures for the personnel working at different posts in dealer shops and opened up the way for the development of dealer talents, thus effectively lowering the turnover rate of dealer personnel.



ZNA

Upholding the concept "Trust each other, accompany each other, and win together," ZNA worked together with its dealer partners across the country based on mutual trust and win-win cooperation to build a marketing network with core competitiveness. In 2018, ZNA initiated a development and training program for P15 products that had just been brought to market, and promoted dealers' sales capacity through training for new products and by providing diverse training courses. In this year, ZNA altogether conducted 69 training sessions for dealers, with a total of 1,434 participators.

DFI

DFI provides sales training and on-site guidance for dealers by diverse methods, and focuses on improving service processes and standards to help dealers enhance their service capacity. In 2017, DFI launched "Future Retail," a mobile marketing platform as well as a mobile customer service platform for dealers, which covered all stages in the process of product sales. Through digital technology, this platform can support new retail forms, establish a more convenient and more effective communication channel for customers and dealers, and further promote three major types of upgrade, i.e., digitalization of dealers' service processes, personalization of service content and transparency of service value. In 2018, the "Future Retail" program achieved full coverage of the dealer network.

In addition, DFI developed an instruction manual for collection of dealers' quality information and conducted quality training for the dealers based in four regions of China to improve the professional ability of their personnel. In 2018, DFI carried out three-stage training for its dealers, with a total of 1,938 participators. The participation rate of front-line sales personnel of the company and the dealer network was 100%.

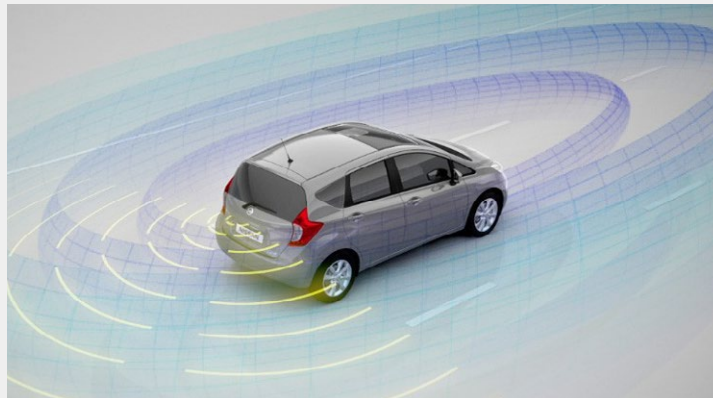
Safe Driving



Considering safety as the foundation of corporate operation and aiming at creating a truly safe automobile society, Nissan follows the principle of "People Oriented" right from the design stage to innovate new safety technologies and develop safer and more reliable vehicles for consumers. Meanwhile, Nissan actively promotes the concept of traffic safety, promotes communication on traffic safety among various social sectors, and endeavors to build a safer driving environment for all car users.

Safety Concept

Upholding the core safety concept of "the vehicle that helps protect people," Nissan is committed to developing safer and more reliable vehicles for consumers. The Nissan Sustainability 2022 program aims to achieve the vision of "Zero Fatalities" by improving the safety of vehicles.



Safety Technologies

In order to reduce traffic accidents and achieve the goal of "Zero Fatalities," Nissan makes a continuous effort to improve the safety of drivers and passengers based on its unique "Safety Shield" concept and by combining active and passive safety technologies. With regard to active safety, Nissan is actively expanding and upgrading its active safety technologies and trying to expand ProPILOT, an autonomous drive technology of Nissan, to a wider range of products. Meanwhile, by continuously updating such components as sensors, high-definition cameras and high-speed processors, Nissan seeks to have a better sense of complex road conditions of China and identify pedestrians and objects more accurately, thus achieving better safety protection.

Based on existing safety technologies and focusing on "avoiding dangerous conditions," Nissan divides the process of a crash accident into six phases, from "risk has not yet appeared" to "post-crash," and according to features of each phase, takes the most appropriate technical measures to address potential risks with a view to preventing them from evolving into more dangerous conditions and protecting the safety of vehicles and people.

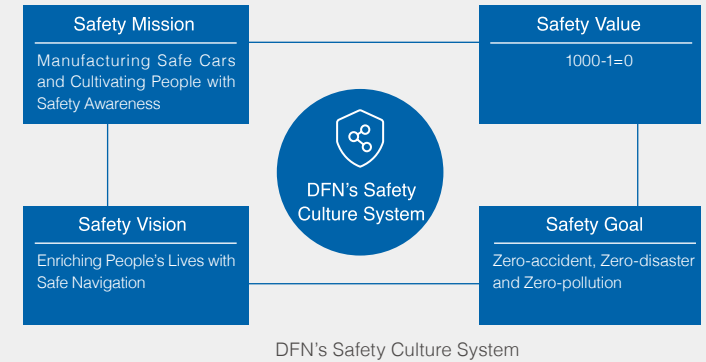




Phase of Risk	Shield Protection System	Function
Risk has not yet appeared	<ul style="list-style-type: none"> Intelligent Distance Control Navigation-enabled Intelligent Cruise Control with full-speed range following capability Adaptive Front-lighting System (AFS) Intelligent Around View Monitor (AVM) Intelligent Driver Alertness (IDA) Moving Object Detection (MOD) ProPILOT 	Helps the driver to maintain comfortable driving
Risk has appeared	<ul style="list-style-type: none"> Intelligent Forward Collision Warning Intelligent Lane Intervention (ILI) Lane Departure Warning (LDW) Blind Spot Warning (BSW) Intelligent Blind Spot Intervention Cross Traffic Alert (CTA) 	Helps the driver to recover from dangerous conditions to safe driving
Crash may occur	<ul style="list-style-type: none"> Brake Assist Anti-lock Braking System (ABS) Vehicle Dynamic Control (VDC) Intelligent Emergency Braking (IEB) Emergency Assist for Pedal Misapplication (EAPM) 	
Crash is unavoidable	<ul style="list-style-type: none"> Intelligent Brake Assist Front Pre-crash Seatbelts 	
Crash	<ul style="list-style-type: none"> Zone Body Construction SRS Curtain Airbag System Pop-up Engine Hood for Pedestrian Protection 	Helps minimize injuries when a collision is unavoidable
Post-crash	<ul style="list-style-type: none"> Automated Airbag-linked Hazard Lamps 	

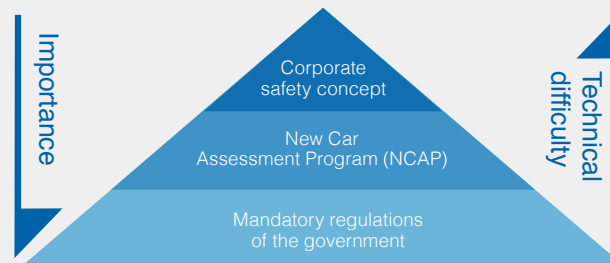
Diagram of Nissan's Active and Passive Safety Technologies

With the corporate vision of "Enriching People's Lives" as its top goal, DFN built the "Safe Car" culture, i.e., "manufacturing safe cars, cultivating people with safety awareness, and bringing happiness to work, life and growth." In fulfilling the "1000-1=0" safety value, DFN established its safety vision, safety mission and safety goal, and created a safety culture system with safety being placed at the top priority.





Based on Nissan's safety strategy and advanced R&D technology and guided by Nissan's safety concept, ZNA kept trying to launch the products that meet higher safety standards and built the "Pyramid" model for development of safety technologies. Through this model, ZNA put forward two development routes of safety technologies, i.e., taking the importance of compulsoriness and influence of regulations as the differentiating criteria and taking the difficulty of technology implementation as the objective, to better facilitate the upgrade of safety technologies of automotive products. In addition, by using the advanced Computer Aided Engineering (CAE) technology, the company built the V-shaped development system for improvement of vehicle collision safety performance and introduced this system at all stages, including safety goal setting and decomposition, parts performance verification, system integration and safety goal verification for complete vehicles, thus providing strong intelligence support for building 100% safe vehicles.



ZNA's "Pyramid" Model for Development of Safety Technologies

Safety Promotion

Always devoting to promoting road safety, Nissan's subsidiaries in China have carried out a series of safety-promotion activities by making active use of its own driving force and influence and working with various parties, such as the government and industrial partners. Through these activities, they seek to spread road safety knowledge among the public, communicate the concept of traffic safety, and promote in-depth

discussion of traffic safety-related issues among various social sectors, with a view to building a safer and better traffic environment.

Case Dongfeng Nissan Terra Road Safety Training Camp

In 2005, NCIC and DFN launched the Nissan Safety Driving Forum (NSDF) with the aim of spreading safety driving knowledge and helping consumers develop safety driving habits. In 2018, DFN worked with the United Nations Decade of Action for Road Safety to hold the Dongfeng Nissan Terra Road Safety Training Camp. This activity aims to enable more consumers to pay attention to road safety and, through participation in practical training on first aid and vehicle recovery, devote themselves to the communication and practice of road safety knowledge, thereby reducing the loss of life and property caused by road accidents and contributing more to road safety.



Case Nissan's Support for the China Road Safety Forum

In August 2018, NCIC contributed to the success of the 12th China Road Safety Forum. As of 2018, NCIC had provided support for the forum for 12 consecutive years. With respect to the core topic "Build a New Road Safety Ecosystem with Intelligence," Nissan comprehensively revealed the patterns and causes of traffic safety accidents through rigorous data analysis on those accidents, and described the future of Nissan's autonomous drive technology. Besides, NCIC conducted in-depth discussion with government officials, experts from various sectors and representatives of automakers on the concept design and technical innovation in safety in the context of intelligent traffic for all parts of the road safety system, including "people, vehicles, roads and management," with a view to further promoting the in-depth implementation of China's road safety project.

Green Manufacturing to Protect Green Waters and Mountains for You

As a global automaker that always upholding the environmental concept of “a Symbiosis of People, Vehicles and Nature,” Nissan’s subsidiaries in China continuously improve their green management system, enhance their green manufacturing capacity, reduce the impact of production and manufacturing on the environment, and work with their value-chain partners and stakeholders to face environmental challenges together and promote the green development of the whole industrial chain and even the entire society.



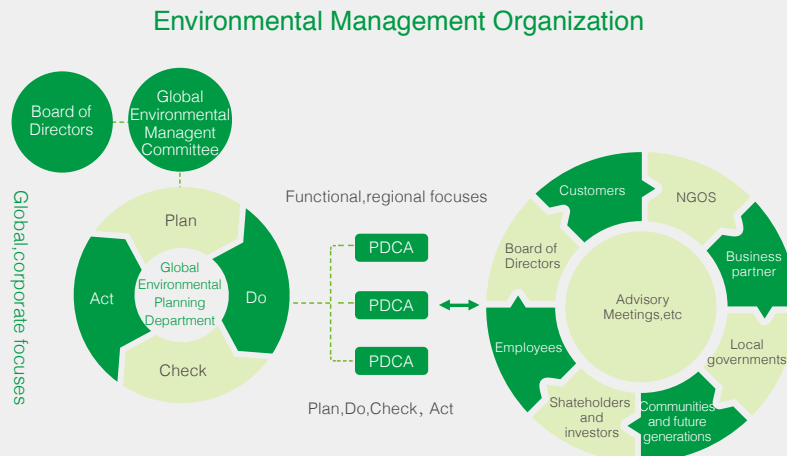
Green Management



With the attitude of a “Sincere Eco-Innovator,” Nissan’s subsidiaries in China stick to green development, and has set clear environmental goals, focusing on promoting sustainable environmental management, and reducing the environmental impact caused by daily operations and Nissan vehicles, so as to achieve a symbiosis between them and the environment.

Environmental Management System

Nissan continuously improves its global environmental management system and promotes green operation globally. In this system, Nissan’s Global Environmental Management Committee (G-EMC) directly reports to the Board of Directors and carries out overall planning and decision-making for environmental management. Meanwhile, the Global Environmental Planning Department, a division under G-EMC, is responsible for taking specific environmental tasks. The Chinese Environmental Management Committee, founded in 2013, is devoted to comprehensively promoting environmental management, helping realization of environmental goals for Nissan’s subsidiaries in China and enhancing their green development capacity.



Management of Environmental Risks

To reduce the impact of corporate operation on the surrounding environment, Nissan’s subsidiaries in China continuously improve the pre-control system for environment risk and strictly check potential risks to completely avoid environmental accidents. In 2018, DFN formulated several regulations, such as the Corporate Environmental Risk Assessment Report, the Environmental Contingency Plan and the Emergency Resource Investigation Report, for its plants and organizations with a view to ensuring effective control over the environmental risks which may cause significant impacts. Meanwhile, for the potential risks and accidents that might happen, such as as fire, leakage and explosion, ZNA prepared 5 specific contingency plans and 13 on-site emergency response plans and established an environmental risk investigation mechanism to minimize the occurrence of pollution. During multiple rounds of national environmental inspection for the “2+26” key areas in the Beijing-Tianjin-Hebei region, ZNA achieved zero criticism, thus establishing a good reputation for environmental protection in the industry.





Nissan Green Program

In order to better achieve the goal of green development, Nissan established the Nissan Green Program, a long-term environmental action plan towards 2050. Focusing on climate change, resource dependence, air quality and water scarcity, the plan aims to help the company fully integrate the green concept in all areas, such as development strategies, product R&D, management and operation, and to help the Chinese Environmental Management Committee improve the environmental management performance and green development capacity of local corporations, thus promoting the realization of the goal of “Zero Emissions.”

Key Focus Area	Core Targets of Nissan Green Program 2022	Specific Measures
CO ₂ Emissions	<p>CO₂ emissions from new vehicles reduced by 40% (vs. FY2000)</p> <p>CO₂ emissions from production and other corporate activities reduced by 30% (vs. FY2005)</p>	<p>Promote electrification across all brands; pursue global expansion of V2X (Vehicle-to-Everything) to improve energy management</p> <p>Promote the Nissan Energy Saving Collaboration (NESCO) program</p>
Use of Renewable Resources	Reduce dependency on new materials by 70%	Expand the model of circular economy that refabricates and recycles lithium-ion batteries
Volatile Organic Compounds (VOCs)	Reduce Volatile Organic Compounds (VOCs) generated	Reduce VOCs from vehicle manufacturing
Use of Water Resources	Achieve 21% reduction of water per global production (vs. FY2010)	Reduce usage and enhance water recycling

Green Manufacturing

In 2018, DFN's Guangzhou branch reduced CO₂ emissions by

25,749 tons

DFN reduced CO₂ emissions by

11,320 tons

ZNA upgraded variable frequency motors in Zhongmou plant reduced

CO₂ emissions by **221** tons

Nissan's subsidiaries in China have made a great effort to implement the green concept. Through the use of leading green technologies such as those regarding energy saving, environmental protection and clean energy, we replaced high energy consumption equipment and high pollution equipment to reduce pollution and emissions. Meanwhile, through solar power projects, managing pollution from the source, thus effectively improve energy efficiency and provide a strong support for building green plants .

Green R&D

Incorporating the green concept from the product R&D stage and based on the improvement of product performance, Nissan's subsidiaries in China, through exploration and development of green technology, enable their products to meet people's increasingly demands while having more green and environmental features, thus making continuous progress towards the goal of "Zero Emissions" and contributing efforts to building a green mobility society and a low-carbon life.

By introducing intelligent power technologies, such as the efficient, energy-saving variable-compression-ratio engine technology, and developing EV-related core control technologies, DFN provides a strong support for the launch of Sylphy Zero Emission, the first all-electric model specific to Chinese market, and makes a significant contribution to realizing the goal of "Zero Emissions."

By developing the high-power-density permanent magnet synchronous motor including an advanced motor controller and corresponding control technology, the integrated high-voltage control unit and the integrated high-power DCDC/charging device, ZNA increased the efficiency rate of the drive system to around 95% and improved the charging efficiency rate by 50%, thus greatly accelerating the research of Nissan in the area of new-energy vehicles.

Energy Saving and Emission Reduction

Nissan continuously improves its carbon management system by injecting green DNA into such aspects as energy, techniques, material, management and design. Besides, Nissan has made a great effort to promote energy and power saving, thereby providing a strong support for building a leading green manufacturing plant. In 2018, DFN's Guangzhou branch reduced CO₂ emissions by 25,749 tons and, was among the first to be awarded Certification of "Green Plant" from the Guangzhou Municipal Industry and Information Technology Bureau.

Electricity Saving with Technology

With energy saving and consumption reduction as its goal, Nissan's subsidiaries in China promoted the construction of "Green Plant" through introducing green technology, upgrading old equipment and by taking other measures. In 2018, DFN carried out inspection on energy saving in its plants eight times and proposed solutions on the site. Thanks to these measures, DFN reduced CO₂ emissions by 11,320 tons and achieved an economic gain of 12.57 million yuan. In the meantime, ZNA upgraded 16 variable frequency motors in Zhongmou plant and saved an total of 420,000 kWh of power annually, equivalent to an electricity charge of 315,000 yuan and 221 tons of CO₂ emissions.



The 30 MW photovoltaic power generation project of DFN's Guangzhou reduced CO₂ emissions by around **22,200** tons

All photovoltaic projects of ZNA's Zhongmou plant reduced CO₂ emissions by **3,620** tons

ZNA successfully introduced the "circulating air for varnish" technology, which achieved a VOC reduction of **223** tons per year

Application of Clean Energy

Nissan's subsidiaries in China have made a great effort to reduce the impact on the ecological environment brought by production and operation and promote the R&D and application projects on clean energy, with a view to make effective control on pollution from the source. In 2018, the 30 MW photovoltaic power generation project of DFN's Guangzhou branch help save 1.89 million yuan, by generating about 32 GWH of power totally, and thus reduced CO₂ emissions by around 22,200 tons; meanwhile, all photovoltaic projects of ZNA's Zhongmou plant were already connected to the power grid, with an annual power output of 6.88 million kWh, equivalent to saving of 777,400 yuan and reducing 3,620 tons of CO₂.



A Photovoltaic Project of ZNA's Zhongmou Plant

Waste Gas Emission

Adhering to Green Manufacturing strategy, Nissan's subsidiaries in China continuously update green equipment to reduce waste gas emissions. In 2018, DFN adopted the "Rotary Concentrator + Regenerative Thermal Oxidizer" treatment device, which was the latest in the industry, and enabled the RTO treatment efficiency to exceed 98% as a result; ZNA successfully introduced the "Circulating Air for Varnish" technology, which lowered the emission intensity of VOCs from 36.6 mg/m³ before the upgrade to 14.3 mg/m³ and achieved VOCs reduction of 223 tons per year, reaching the domestic leading level.



In 2018, a total water consumption of DFN is **428** million tons

DFN saved **242,700** tons of water

DFN reduced wastewater by **3.23** million tons

Use of Water Resources

In order to improve the water use efficiency and reduce consumption and pollution of water resources, Nissan's subsidiaries in China have taken active measures to reduce water consumption and pollution and carried out waste-water operation and reclaimed-water recycling to lower the impact of business operation on water quality. In 2018, DFN introduced the sludge drying equipment in Dalian plant and the first Huadu plant and carried out an activity for benchmarking of the water usage per unit and the water usage of key techniques between the plants. As a result, the water content of sludge decreased from 60% to 25% and the sludge discharge was reduced by 600 tons.

Case **DFN Implemented a Project for Improving In-depth Utilization of Reclaimed Water**

In 2018, with the aim of achieving another increase of the water utilization rate and based on zero emission of wastewater, DFN's Huadu plant implemented a project for improvement of in-depth utilization of reclaimed water, which reduced the reclaimed water from the wastewater treatment station to produce pure water and then use the pure water as the circulating water of cooling towers in the painting workshop and other workshops. As a result, the plant achieved an annual water saving of 100,000 tons, thus providing a new example of water recycling for other players in the industry.

Waste Management

Strictly following the Automotive Hazardous Substances and Recyclability Management Measures, Nissan's subsidiaries in China have made a great effort to avoid the negative effect of wastes on the environment through strict control on harmless and hazardous wastes. In 2018, ZNA completed the upgrade and transformation of vehicles of category N and ensured all of its vehicles complied with the regulations on banned substances; meanwhile, by setting management indicators for solid waste emissions per vehicle and strictly complying with these indicators, DFN carried out sorted collection of solid wastes and implemented decrement control from the source.

As of the end of 2018, DFN's utilization rate of recyclable solid wastes was **100%**

Its comprehensive utilization rate of solid wastes was **96.5%**



Green Supply Chain

As of the end of 2018, NCIC had established partnership with more than **450** parts suppliers

NCIC had **55** suppliers in China

In 2018, the proportion of DFN's key suppliers that had passed the environmental management system certification reached **98.1%**

In 2018, the qualified rate of ZNA's suppliers in green purchasing was **77.8%**

With the aim of building a green supply chain that covers the entire lifecycle of products, Nissan's subsidiaries in China enhance suppliers and dealers' sustainability management and capacity building with systematic management and professional support and work together to create a green, sustainable value chain and share the value of sustainability.

Green Purchasing

Aiming to reduce the environment impact of operation from the source, Nissan's subsidiaries in China strictly follow applicable laws and regulations, the Nissan Green Purchasing Guidelines and the Renault-Nissan CSR Guidelines for Suppliers, have established a green purchasing system to make environmental assessment on suppliers, and thus achieve green purchasing.



DFN

DFN carries out homogeneous management for suppliers at all stages, including production and transportation, by taking such measures as "choosing nearer suppliers, improving transportation routes" and strictly controls the environmentally hazardous substances of purchased parts and materials by formulating technical standards. In 2018, DFN conducted the green supplier activity, to carry out third-party environmental management system certification for major parts and material suppliers in its supply system, and incorporated the environmental management tasks of on-site suppliers into the environmental supervision system of its plants to ensure all parts and materials in its mass-produced vehicles fully comply with the management requirements for environmentally hazardous substances.

ZNA

In order to minimize the risks of green purchasing, ZNA has implemented such regulations as the Commitment to Not Using Banned or Restricted Substances, the Regulations on Management of On-site Supplier Certification and the RFQ Preparation, Issuance and Withdrawal Processes. According to these regulations, ZNA makes evaluation and assessment on suppliers' environmental performance at the early stage and requires new suppliers to submit ISO14001 certificates or environmental impact assessment reports and regularly confirm the validity of these documents. Besides, the company regularly sends the Environment and Safety Survey Form for Key Suppliers whose certificates are out of date, and formulates supplier qualification management lists and conducts environmental inspection for suppliers to help them implement rectification measures. In 2018, the company received a total of 325 ISO14001 certificates and environmental impact assessment reports, carried out environmental inspection on 160 suppliers and reached the Environment and Safety Agreement with 20 suppliers of hazardous chemicals, thus further accelerating its progress of green purchasing.

As of the end of 2018, suppliers that had participated in THaNKS

Activities were **44**

As of the end of 2018, a total of **306** "Green Shops" had been certified

Support for Supplier Improvement

Nissan's subsidiaries in China firmly following a strategy of improving the quality and capacity of suppliers, and by providing suppliers with specific support and service, help them enhance product quality and reduce costs and resource consumption, thus making a faster response to the needs of market and green development, improving the sustainability capacity in an all-round way and promoting mutual benefit and win-win cooperation throughout the value chain.

ZNA

By conducting diverse improvement and assistance activities, such as TOP supplier management, THaNKS Activities, ASES evaluation and Rank-up improvement, ZNA helps to improve the overall capacity of suppliers. In 2018, through THaNKS Activities and by taking such measures as process improvement and on-site communication, ZNA helped suppliers solve their existing problems regarding quality, logistics and technology, reduced resource waste for suppliers, improved their green development capacity, and established a communication platform to build long-term trust and seek common development. In this year, the completion rate of the THaNKS Activities initiative was 100%.

In addition, the company carried out ASES evaluation and Rank-up improvement activities for suppliers and, through the process of "on-site diagnosis + independent improvement + progress reporting + on-site guidance + formal evaluation", overcame the shortage of personnel and work hours, and maximized the personnel efficiency and effect. As of the end of 2018, there were totally 9 suppliers whose ASES grades had risen from D to C and the total of suppliers of grade A and grade B accounted for 94.9%.

DFI

By adopting a hierarchical management system, DFI carries out supplier management from four aspects, i.e., establishment, assessment, daily management and blacklist penalty. In addition to make regular assessment on suppliers' financial and compliance risks, the company also conducts due diligence on suppliers and regularly organizes anti-corruption training for suppliers to prevent any risk.

Green Marketing

Nissan's subsidiaries in China have made a great effort to facilitate the construction of environmental management systems by dealers and promote "Green Shop" certification, with a view to helping dealers build an environment-friendly sales network, reduce energy consumption and achieve green, high-quality development.

With the aim of building an environment-friendly sales and service network in an all-round way, DFN has been promoting "Green Shop" certification nationwide since 2006, which requires that the dealer' shops shall meet the requirements of the Dongfeng Nissan Green Shop Guidebook and pass "officer review," and they shall also obtain the ISO 14001 environmental management system certification. Besides, those shops have to sign a letter of commitment, namely the Commitment to Construction of Dongfeng Nissan Green Shop. Since the starting of the certification activity, a total of 306 shops have been certified.

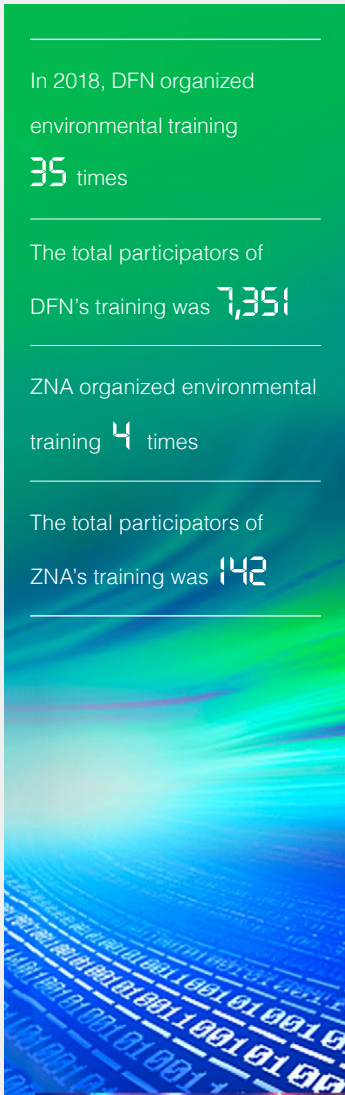


Green Logistics

In order to achieve low-carbon logistics and transportation, Nissan's subsidiaries in China through scientific logistics management optimize every step involved, such as transportation, warehousing, loading and unloading, so that green logistics were completed.

In 2018, by taking such measures as choosing nearer suppliers and improving transportation routes, DFN reduced the logistics traffic, promoted the reduction of CO₂ emissions and lowered the impact of logistics on environment in a realistic way. Meanwhile, ZNA has improved the operating environment of its new assembly workshop and improved the foundation of logistics equipment and, through electrical upgrade of the existing 50 fuel towing vehicles and the introduction of 57 electric towing vehicles, comprehensively achieved the electrification of vehicles used for goods towing and transportation, thus greatly reducing CO₂ emissions and facilitate the construction of green logistics.

Communication of Green Concept



In 2018, DFN organized environmental training **35** times

The total participants of DFN's training was **7,351**

ZNA organized environmental training **4** times

The total participants of ZNA's training was **142**

Nissan's subsidiaries in China know that, in order to protect the ecological environment, they should start with corporate operation and green office and, through internal training and external publicity, communicate the green concept to more stakeholders while calling upon more people to participate in green actions and work together to build a beautiful China.

Green Office

Nissan's subsidiaries in China strongly advocate the concept of green office and continuously promote green working patterns, such as paperless offices, video conferences and electronic pay slips. In 2018, with "Green" as the theme, they organized various green activities, such as those calling for saving water, electricity and office supplies, the "Clear Your Plate" campaign, green mobility and green brief meetings, for the purpose of making contribution to building green Nissan.

Green Training

A corporation cannot achieve green development without participation by its employees. Employees' understanding of the green concept has a significant effect on the realization of green sustainable development by Nissan's subsidiaries in China. In 2018, Nissan's subsidiaries in China conducted various forms of training on energy saving and environmental protection for employees, with a view to continuously improving employees' green awareness, truly incorporating the green concept into daily work and life and working together to promote green development.

Green Publicity

Attaching great importance to environmental awareness and spreading environmental concept, Nissan's subsidiaries in China deliver the green concept to more stakeholders through internal training and external publicity while calling upon more people to participate in green actions and work together to build a beautiful China. In 2018, in addition to posting *the 2018 Energy Saving Brochure* and spreading energy saving knowledge through its official WeChat account, DFN released some articles, including *Power of Zero: Unleashing a New Era, and Towards an Intelligent Future: Nissan Intelligent Mobility Tour Kicks off and an Art Called Nissan Intelligent Mobility*, for the purpose of allowing more people to understand the current development status and future prospect of green technology and encouraging more people to participate in the campaign of low-carbon life. In 2018, the green-related articles released by DFN on its official WeChat had been read 265,000 times.

Case **DFN Carried Out the Energy Saving Month Activity**

DFN carried out the Energy Saving Month activity in June 2018. During the activity, the company prepared *the 2018 Energy Saving Brochure* and released the brochure through its official WeChat account called Dongfeng Nissan Mobile Press. With a total of 7,585 people who checked and answered the prize-winning questions, the activity effectively improved employees' energy saving awareness.

Working Together with You to Create a Better Future Life

Nissan always strives to become a corporate citizen who has the strongest sense of social responsibility. Nissan's subsidiaries in China pay great attention to employees' development and help employees realize their career dreams. Moreover, they are concerned about community building. By making full use of their advantages, they work with stakeholders to carry out public benefit activities, focus on solving social issues, and make a continuous effort to create a better future with "a Symbiosis of People, Vehicles and Nature".



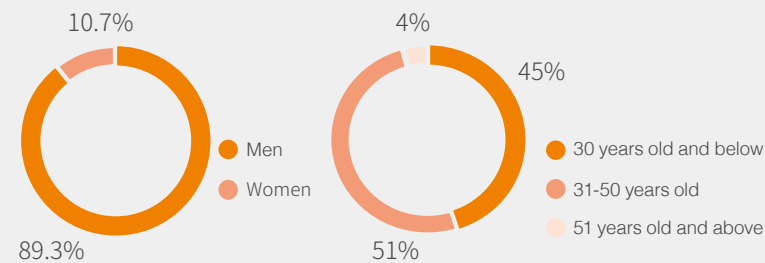
Happier Employees



Employees are the driving force for the sustainable development of Nissan. Hence, Nissan's subsidiaries in China care about protection of their right, career development and place great importance on a workplace that maximizes the performance of all employees. Meanwhile, they are concerned about employees' physical and mental health and are committed to building a mutual-assistance, friendly working atmosphere and helping employees achieve their goal of working happily and living healthily.

Attracting Diverse Talents

To facilitate the diversity of employees is one of the management strategies at Nissan. For this purpose, Nissan's subsidiaries in China continuously make innovation on talent concepts, actively protect employees' basic rights and interests, and update and improve their salary and welfare system with a view to building a more diverse team.



Employee Structure of Nissan's Subsidiaries in China

Human Resource Development Concept

Guided by the development concept of "Uniting Every One of Us to Meet the Challenges," NCIC comprehensively improves employees' job fitness through training and other approaches and endeavors to provide employees with a broad space for career development. Adhering to the management concept of "People Oriented", the company attaches great importance to listening to employees' voice through various channels, cares about employees' life and physical health, helps them achieve work-life balance, and strives to improve their sense of ownership.

Upholding the primary goal of "Building an Excellent Team" and guided by the strategy of "Driven by efficiency & happiness, improve human resource effectiveness," DFN is devoted to building an "efficient" and "happy" organization. In 2018, DFN focused on enhancing the ability of key talents, building an efficient organization, improving and completing the supply chain of talents, and establishing harmonious employee relationship for the purpose of enabling every employee to find the space of development and the happiness of life in the big family of DFN.

With "Growth & promotion, fairness, labor environment, communication, and stable employment" as keywords, ZNA strives to build a safe, respectful and harmonious working environment, provides employees with diverse communication channels and development opportunities, promotes a continuous increase of employee ability and value, and cares about employees' physical and mental health to improve their happiness in an all-round way.

Sticking to the development concept of "supporting win-win development of the company and its employees based on value contributors," DFI made a great effort to protect employees' various lawful rights and interests and formulated the Employee Development Policy to provide employees with all-round, diverse training courses and a broad space for career development. Meanwhile, the company established a new channel for communication with employees and built a free and democratic communication atmosphere that allows everyone to speak out, thus achieving a harmonious, win-win outcome for personal growth and corporate development.



Salaries and Welfare

According to its own characteristics and employees' different needs, NCIC continuously optimizes its performance evaluation system and improves employees' salary to ensure they have higher salary compared to that of similar companies in the local area. In addition to providing employees with welfare, including festival welfare, consolation money, annual physical examinations, paid annual leave and sick leave, travel allowances and long-term service rewards, NCIC also provides employees with other welfares that have industrial characteristics, such as internal allowances for car purchasing.

Always aiming to realize the corporate mission of "creating value and working for wellbeing together," DFN established a salary system based on competence and performance that also takes into consideration job value and business characteristics. In 2018, DFN granted key position allowances to 825 employees with excellent performance at R&D positions and implemented differential salary settings or adjustments for 410 college graduates at R&D positions; provided new-vehicle project rewards to 500 backbone employees who participated in the R&D and pilot production of the new-vehicle project; and granted marketing awards to 200 front-line supervisors, officers and specialists in marketing. Meanwhile, the company released the Dongfeng Nissan Welfare Management Measures and introduced a welfare system to clearly define welfare items, standards and granting basis. In addition, the company implemented a human-centered design approach for employee welfare in such areas as holidays, travel and childbirth, thus further satisfying employees' needs.

ZNA carried out a reform based on three systems, i.e., differentiated salary adjustments, quarterly bonus granting and high performance orientation, to enhance the connection between salaries and performance/ability; and built a mechanism for incremental or decremental salary adjustments to ensure the reasonableness of employee salaries. In 2018, the company made salary adjustments based on the ideas of "controllability, differentiation and accuracy" and optimized the key-position salary settings to retain core employees and lay a solid foundation in talent retention for their high-quality, sustainable development.

DFI continuously improves its salary strategy and, based on competitive salaries, encourages employees to achieve high performance and places importance on

the salary core employees. The company provides employees with an all-round welfare guarantee, provide upgraded physical examination for employees and, by making use of the resources from the corporate platform, implements an optional welfare program for employees' family members to extend the coverage of its welfare system to employees' families.

Communication Channels

NCIC facilitate democratic management, democratic participation and democratic supervision through the congress of employees, and strives to create a fair, friendly, harmonious and open working environment for them. In the meantime, NCIC collects feedback in different areas from employees through various communication channels, such as compliance hot-lines, suggestion boxes, the Thanks Card approach, as well as satisfaction and engagement surveys.

To fully meet employees' real needs and requests, DFN opened an employee service center online, which provides them with one-stop business service, involving a total of 81 items in 4 major categories, i.e., welfare, household registration, administration and logistics. So that, a double-channel (online and offline), high-efficiency service mechanism has been formed. In 2018, DFN expanded the employee service center platform to its plants in four different regions, thus allowing all employees of the company to enjoy efficient and convenient service. Meanwhile, the company also promoted the electronic service platform to other departments and, ultimately, completed the building of an information management and financial service center, which further improved the functions of the service platform.

Through such approaches as employee congress, grassroots surveys, customer satisfaction interviews and employee forums, ZNA strengthens communication with employees, listens to employees' voice, and enhances mutual trust with employees.

In addition to the communication channel like the general meeting of employees, DFI innovatively launched video sharing at staircase, which, in a lively and flexible form, allows employees to see news of the company and relevant activities. Besides, DFI promoted its overall policy relating to employee welfare through the WeChat platform, thus improving communication efficiency among employee.



Supporting Employees' Development

Nissan's subsidiaries in China know that the growth and development of employees is the foundation for them to achieve sustainable development. Hence, they continuously improve system for employee' growth, by building diverse career development platforms, enriching training forms, and providing employees with learning to support their development and growth.

Career Development Paths

According to job requirements and employees' ability, NCIC offers career planning and training to employees at different levels to improve their ability and support the stable development of their careers. In addition, through such programs as overseas study, cross-company job rotation in China, NCIC encourages employees to try different positions and expand their horizons.

Oriented by performance, DFN works to establish a fair employee evaluation and development mechanism and build a multi-channel for career development for the purpose of achieving their diverse and professional development. The company has set up multiple career development paths, including administrative sequence, professional sequence and skill sequence. In this system, an employee can be continuously promoted in a path or shift to another path. Meanwhile, DFN regulates its internal employment system to ensure public and fair selection of cadres and talents; encourages employees to participate in job rotation; and builds an international development platform for employees, including training at Nissan headquarters, overseas study, and practice by taking a temporary post at Nissan, Renault or one of the companies of relevant suppliers. In addition, according to the characteristics at each stage of career development, DFN takes a series of talent cultivating measures, including the dual-mentor system consisting of a growth mentor and a job mentor, individual/team characteristics interpretation tutorials, job competence assessment and communication forums on employee growth, with a

view to helping employees achieve self-awareness, self-improvement and rapid growth.

According to the status of corporate development and the needs of strategic talents, ZNA optimized the contents of job qualifications, evaluation processes and evaluation rules and released relevant management standards to continuously optimize the manager and technician career system and promote the healthy development of career promotion paths. In 2018, there were 316 employees who passed the job promotion evaluation , with an overall pass rate of 86.1%. In order to realize its future development goals, ZNA focused on key talents and initiated the construction and implementation of the key talent career system. Since the initiation of the project, a total of 4 employees had been selected to participate in the project of career development of international strategic talents; and by the end of the year, the company had completed the evaluation of key talent career orientations as well as the design, revision and submission of the career development plan. Besides, the company appointed line managers and career coaches to offer career planning tutorials to employees; followed up on the progress of the key talent career development project; and in accordance with the plan, conducted face-to-face mentoring on a regular basis, thus effectively accelerating the progress of the project.

DFI continuously expands career promotion paths for employees and provides them with two promotion channels, i.e., annual routine promotion and competition for new/vacant positions. Besides, DFI also provides employees with specific career programs and mentoring: implementing the personal ability development program for all employees; based on the identification of key talents and key positions, implementing the career development plan and the key position succession program for certain groups of employees; and incorporating the employees at the director level or above into the talent management program of Renault-Nissan Alliance.



Employee Training Systems

According to different types of employees, NCIC has established a diverse, multi-level and multiple-form training system. The company actively promotes its online learning platform and by making full use of internal and external training forces provide employees with flexible learning plans, help them improve their communication skills and management ability and inspire their creativity. Besides, NCIC offers a cross-culture training program to the talents dispatched overseas, with a view to helping them perceive the difference between their own work style and the typical work style of the region where they are assigned and providing applicable recommendations. The company also helps them understand local culture, trying to ensure a smooth transition for them from in every aspect, such as environment, safety and mental health.



<p>Leadership @Nissan</p> <ul style="list-style-type: none"> • Harvard Manage Mentor • Nissan management • Performance feedback • Influencer • Developing self and others 	<p>Growth @Nissan</p> <ul style="list-style-type: none"> • Occupational skills • Project management • Office software • Train the Trainer • Languages 	<p>Work @Nissan</p> <ul style="list-style-type: none"> • Cross-functional sharing and communication • Regulations • Employee care • Work-life support
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NCIC's Diverse Training System





DFN is concerned about cultivating employees' ability. By founding Dongfeng Nissan University, the company strives to build an all-round training system for talents, provide employees with different learning contents and satisfy their learning needs. At the same time, based on the stages of development, the company has established a three-level course system, i.e., corporate commonality, domain commonality and functional specialty, which, together with employees' job levels, form a two-dimensional matrix that constitutes the learning map for talent cultivation. In addition, through the credit certification system and other approaches, DFN encourages and provides support for employees to learn and, enables employees to obtain spiritual satisfaction and happiness through the improvement their ability.



According to the midterm plan of its training system, ZNA focused on construction of the internal-trainer system and optimization of the course system and has made outstanding achievements in practice in such areas as system building, internal-trainer development and internal training courses: revised and released the Training Management Standards, the Internal-trainer Management Standards and the Regulations on Management of Training Cost Item Purchasing, updated internal-trainer evaluation benchmarks, reinforced internal-trainer promotion and exit processes, and regulated training cost item purchasing processes; through such approaches as training with competitions and combination of training and competitions, enhancing the outcome of internal-trainer cultivation, generating the "Top 10 Trainers," and completing the transition from organizational experience to employee ability; totally

offering 246 courses that covered 12 common domains of the company and employee groups and, in 2018, the company conducted a total of 317 training lessons with 9,285 participators, an increase of 103% compared with that of the previous year; by combining general training and specific training, the company organized mass training for managers four times in the year, and also sent them to participate in multiple training programs, such as the program that had international talents serve temporary positions in other companies, the Tsinghua Class and the Young and Middle-aged Class.



With a clear understanding of the development needs of key talents and by establishing the "Four-hawk Plan," DFI implements targeted development programs for employees at different levels, such as directors, senior managers, managers and front-line managers, and carries out in-depth communication to understand their needs on training and continuously improve these programs. Meanwhile, DFI provides employees with new development directions by establishing a team of internal trainers, and provide featured courses to enhance their knowledge. With regard to training forms and contents, DFI also keeps innovating: for leadership courses and some general courses, dispatching key employees designated by relevant departments to participate in the training, instead of adopting the form of open registration that was used before; offering online English training and following up on the progress and feedback of the learning process, e.g., sending the ranking of learning hours and reporting learning progress on a regular basis.

In 2018, **100%** of NCIC employees were given physical examinations and had their health records kept

Protecting Employees' Health

Nissan's subsidiaries in China place great importance on employees' physical and mental health, and are committed to creating a safe working environment for employees, keeping improving health and safety management system, and minimizing and eliminating potential safety risks in the working environment through such measures as standard safe-production specifications, safety assessment systems, safety training and publicity activities.

NCIC

NCIC is highly concerned about employees' health and safety and works to improve their safety awareness by establishing an emergency management mechanism as well as conducting fire drills and safety training. Meanwhile, NCIC organizes a range of programs on a regular basis, such as occupational health examinations, health lectures, and the Alliance College's online pressure management and health management courses, for the purpose of helping employees understand their health conditions in a timely manner, preventing occupational diseases and allowing employees to be healthy and happy at work.

DFN

DFN actively carries out EHS safety production work and continuously improves employees' safety-production awareness through safety training, safety inspection and fire emergency drills. In 2018, DFN conducted comprehensive publicity on occupational hazardous factors through such approaches as prize-winning Q&A and featured publicity activities on its WeChat platform; implemented standardized management on noise monitoring points; and organized training sessions specially for managers. So that, the jobs with occupational hazardous factors out of limits were greatly reduced.

In 2018, the average safety training time per employee was 16.6 hours



and the total training time of all employees exceeded 307,962 hours. DFN completed 30 safety checks; identified and eliminated 9,694 potential safety hazards; and realized zero fatal or there was no serious accidents.

DFN also highly cares about employees' mental health and has, based on psychology, carried out a range of activities that help ensure the stability and development of its workforce. For example, the company conducted such activities as intervention with people with potential conflicts, cultivation of EAP Happy Ambassadors, happiness-themed EAP salons and mental health consultation, which effectively protected employees' mental health. In 2018, a total of 52 employees were named EAP Happy Ambassadors after training, and the rate of proactive consultation on mental health was 13.7%. Under the assistance of the company, 9 employees with potential risk were successfully avoided of mental crisis. Thus, the company effectively prevented the occurrence of malignant incidents.

ZNA

Based on its environmental/occupational health and safety management system and guided by the principle of "people oriented, safety first, and healthy development," ZNA has its employees at various levels fulfill the environmental/occupational health and safety goals and responsibilities. By strengthening localized management, the company checks QRQC (Quick Response Quality Control) reports on a daily basis to eliminate potential safety risks at the very early stage; holds EHS meetings on a monthly basis to help solve knotty problems, protect employees' occupational health and safety, and lay a good foundation for safety production work; and carries out specific activities for improvement of autonomous safety management to further reduce on-site risks. In 2018, ZNA's score in the evaluation of autonomous safety management rose from 84.8 to 86.3. This shows that ZNA has achieved autonomous safety management.



Caring about Employees' Life

Nissan's subsidiaries in China carry out various care activities for employees to promote balance between their work and life, and give special care and help to female employees and those in need to improve their sense of happiness.

Work-life Balance

In order to help employees better make a balance between their work and life, NCIC carries out various recreational and sports activities, such as the Family Day and Weekend Travel, with the aim of building a good interaction and communication platform, thus promoting communication and stimulating their energy.



DFN strives to build company that cares about its employee with full heart by focusing on two keywords, i.e., happiness and efficiency. The company had carries out various activities for employees: opening the Happy Night School to provide employees with a good environment for spare-time learning; and organizing recreational activities, such as outward development and resident recreation, for the employees of special types of work, encouraging them to enjoy life while working.

According to employees' needs, ZNA continuously introduces new contents and forms in cultural activities for employees. In 2018, the company altogether conducted a dozen of recreational and sports activities, such as the Spring Festival gathering, mountain climbing and badminton games, thus creating a harmonious, healthy and positive working environment.

By carrying out various cultural and sports activities and encouraging employees to join, DFI provides them with a good platform to present themselves, enriching their spare-time lives, helping them achieve work-life balance and significantly improving the company's united strength.





Care for Special Employees

NCIC highly cares about female employees at work, and keeps improving their welfare by holding diverse activities for them, so as to promote their physical and mental health. In 2018, NCIC offered aromatherapy course on Women's Day, provided female employees with full-paid childcare leave, and granted subsidies for newborn babies, thereby bringing convenience and warmth to female employees.



In addition to offering various benefits to female employees and working to create a more equal work environment, DFN plays attention to sick or injured employees. In 2018, in order to further optimize the management on sick or injured employees, DFN prepared and approved the Measures for Management of long-term sick or injured employees, which details basic management processes that enables fast, efficient management in accordance with applicable rules.

By taking a range of measures, such as employee skill training, visiting needy employees on the double festivals, assistance to employees with serious diseases and financial support for children of early retired

employees, ZNA not only help solve their difficulties, but also provides a platform for them to present their skills, thus giving them a stronger sense of belonging and honor. Based on the Love Fund for employees, ZNA has visited and helped 189 employees and their family members by donating 896,591 yuan, thus solving their difficulties in a timely manner.

Focusing on the actual needs of special employees, including female employees and needy employees, DFI endeavors to resolve life concerns for them. For female employees, DFI strictly implements applicable protection measures and offers such benefits as vacations, holiday allowances and maternity allowances. For employees in need, DFI communicates with insurance companies at the corporate level to provide the greatest support in terms of aid funds, while organizing donation among employees and dealers to help them get through the difficulties.






Warmer Communities



Undertaking the responsibility of Nissan as a global corporate citizen, Nissan's subsidiaries in China are committed to making use of their advantages to help the regions and communities where they do business solve sustainability issues, and making the people in need to feel warm care and embrace a better life with the help of Nissan and its stakeholders.

Concept of Public Benefit

Guided by its global charitable concept and strategy and based on its rich experience in public benefit activities, Nissan made use of its advantages in technology and products to build a framework for charitable development that focuses on three areas, i.e., environment, education and humanitarian aid, and has set specific objectives and long-term vision in each area to better satisfy people's desire and expectation for a better life.

 <p>Environment</p> <p>Implement environmental education programs to enhance understanding of environmental issues by future generations. Increasing program scale while expanding it globally</p>	 <p>Education</p> <p>Position education as investment in future generations while implementing education programs focused on children and young people. Make use of Nissan's strengths and resources as an automaker</p>	 <p>Humanitarian Aid</p> <p>Improve company frameworks and processes to enable swift, effective responses in afflicted regions when major natural disasters strike</p>
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Nissan's Public Benefit Objectives and Long-term Vision

Environmental Protection and Public Benefit

For a long term, Nissan's subsidiaries in China have been taking the lead to fulfill the concept of ecological civilization and making a positive impact on their stakeholders. By conducting various environmental protection and public benefit activities, such as Earth Hour, they aim to raise the environmental awareness of the public, gather strength for environmental protection, and make more contributions to building a beautiful China.

Case Start a "60+ Life"

To support Earth Hour, Nissan's subsidiaries in China totally have organized more than 50,000 employees and their family members to participate in the campaign in 2018. By switching off electric lamps and other power-consumed products that were unnecessary to use and taking part in the interesting activity of experience with no electricity, they started their "60+ Life" for the purpose of facing the challenge of climate warming with practical actions and reducing burden on the earth.



By the end of 2018, the Nissan Dream Classroom had covered more than **300** schools across China

The Nissan Dream Classroom had benefited **216,000** people

Education Support

Nissan's subsidiaries in China highly care about education development by continuously upgrading education-supporting programs, such as Nissan Dream Classroom, Sunny Care Program, Hand-in-hand Project and INFINITI Engineering Academy, which covers students from elementary school up to college and help them broaden their horizons and enjoy better growth.

NCIC

Since 2013 when it was initiated, Nissan Dream Classroom, as a typical education support program of NCIC based on the most advanced STEAM education concept in the world, has successively introduced various courses, including Automobile Culture Classroom, Manufacturing Classroom, Environmental Classroom, Painting Classroom, Design Classroom and Driving Classroom. By spreading automobile culture and knowledge, the program aims to stimulate children's interest in science and automobiles and develop more talents for China.

In 2018, Nissan Dream Classroom was moved from classrooms to the society. Through cooperation with automobile museums, auto shows and dealers, the program came to communities, which benefited more children and teenagers. By the end of 2018, the program had been carried out in more than 300 schools of 8 provinces and cities, including Beijing, Guangzhou, Sichuan and Yunnan, and benefited 216,000 people.

Case Happy Learning through Hands-on Practice

In June 2018, a series of activities that aimed to bring Nissan Dream Classroom to Nissan-branded shops were initiated in Shanghai, Guangzhou, Chengdu, Hangzhou and Beijing at the same time, and a total of 450 children were attracted to take part in these activities. By experiencing lively and interesting contents and through the hands-on practice, the children gained rich knowledge about automobiles and felt the charm of Nissan vehicles in person. By the end of 2018, nearly 100 shops had in succession launched the Nissan Dream Classroom program.



By the end of 2018, the Sunny Care Program had totally donated **1.7** million yuan

The Sunny Care Program had benefited **5,000** teachers and students

The "Discover the Unknown Self" serial activity had been held in more than **20** places

DFN

Upholding the corporate mission of "creating value and working for wellbeing together" and focusing on the education in China, DFN made active use of its advantages and worked with its stakeholders to carry out such activities as Sunny Care and Discover the Unknown Self. During these activities, DFN brought better education resources to the children in poor mountainous areas and, together with college students, discussed current technological progress and looked ahead to future development trends.

Case Sunny Care – Aiding Future Education

Devoted to improving the education for children in mountainous areas, DFN initiated the "Sunny Care – Aiding Future Education" activity in 2008 and worked with public benefit organizations and other charities to ensure scientific, innovative and practical management of public benefit programs and enhance the influence of public benefit activities.

In order to break the barrier between urban and rural education and benefit more children in mountainous areas, DFN together with the One Foundation launched the Sunny Care Program in 2018. Based on the donation of "Sunny Dream Classrooms" and "Sunny Playgrounds," DFN built a practical public benefit program that met the needs of beneficiaries, by designing a set of enlightenment courses, conducting school visits and organizing a team of children reporters. Thus, DFN offered a new idea for solving the education issues in poverty-stricken areas. As of the end of 2018, the program had totally donated 1.7 million yuan, which benefited 5,000 teachers and students.



Case Looking to the Future and Embracing Tomorrow Together

Since 2015, DFN has conducted a series of activities for university students, namely "Discover the Unknown Self". During the activity, DFN invited elites and representatives engaging in technology, culture and other field to come to Peking University, Fudan University, Zhejiang University and other famous universities, where they, together with thousands of students, discussed various social hot topics, such as venture & employment, ideal & reality, and artificial intelligence & virtual reality, with a view to exploring future development together. By the end of 2018, the activity had been held in more than 20 universities.



In 2018, the Hand-in-hand Project totally donated 1.5 million yuan

The Hand-in-hand Project helped 721 students

By the end of 2018, a total of 51 villages had been awarded the title of "Pickup Village"

ZNA

On the road to public benefit, ZNA always upholds the concept of "trust each other, accompany each other, and win together" and combining the company' development with social development. ZNA always endeavors to build an open platform for public benefit and enhance the Hand-in-hand Project Brand, and devotes itself to various areas of public benefit, such as education supporting, community building and poverty alleviation, with the aim of giving back to the society and the public. In 2018, the Hand-in-hand Project came to 8 new regions including Dengfeng and Zhongmou, and totally donated 1.5 million yuan that helped 721 students.

Besides, ZNA carried out the construction of "Pickup Village" nationwide and had them serve as the Base for the Hand-in-hand Project to keep enhancing its contribution to society. In 2018, ZNA released "Pickup Village 2.0", an all-new strategic plan, to give the children more humanitarian care from such aspects as material and spirit, by cooperating with local educational institutions, building the Love Libraries for local villages and sending volunteer teachers to these villages to support local education. By the end of 2018, a total of 51 villages, in multiple provinces, such as Yunnan, Fujian, Sichuan, Shandong, Jilin, Hubei, Zhejiang and Hainan, had been awarded the title of "Pickup Village".

Case Nine-year Support for a Dream

In August 2018, ZNA and the Zhengzhou Charity Federation (ZCF) co-hosted Education Supporting Activity, namely the "2018 Hand-in-hand Project -Realizing the Dream of Going to University", in which 171 students in poverty were respectively donated 5,000 Yuan. Since its start nine years ago, ZNA has successfully sent nearly 2,500 students to colleges or universities and witnessed them graduating from their schools, stepping into the society and realizing their dreams in various sectors.



DFI

As an excellent corporate citizen, DFI never forgets giving back to the society and is actively devoted to China's education. By incorporating the spirit of daring to challenge and daring to fight into its public benefit programs, such as "Run One Meter for One Grain" and INFINITI Engineering Academy, DFI aims to deliver its challenging spirit to every student who has received its help and encourage them to fight and create more opportunities in future.

Case

Paying Attention to Nutrition and Promoting Health Together

In order to call upon the entire society to pay close attention to the nutrition and health issues of children in poverty-stricken areas, DFI initiated the "Run One Meter for One Grain" public benefit activity in 2018. Taking the 2018 Spartan Race presented by Infiniti, a global top obstacle race, as the platform for recruitment and promotion, the activity called upon sports enthusiasts to exchange the distance accumulated in running for a corresponding number of "Caring Nutrition Packages" through the Codoon app. These packages were then donated to over 1,000 poor children in Sishui County, Jining City, Shandong Province and in Yanjin County, Zhaotong City, Yunnan Province to improve their living and learning environment. At the same time, DFI also invited representatives of various sectors of the society, including Olympic champion Zhao Hongbo, Codoon's sports ambassadors, media representatives and Spartan ambassadors, to visit the poor children together. By bringing new courses, such as Spartan Sports Classroom, Creative English Classroom and Automotive Art Classroom, to these children, the volunteers hoped to stimulate their potential and imagination with love and help them meet a new future.



Case

Challenging Yourself and Achieving Better Performance

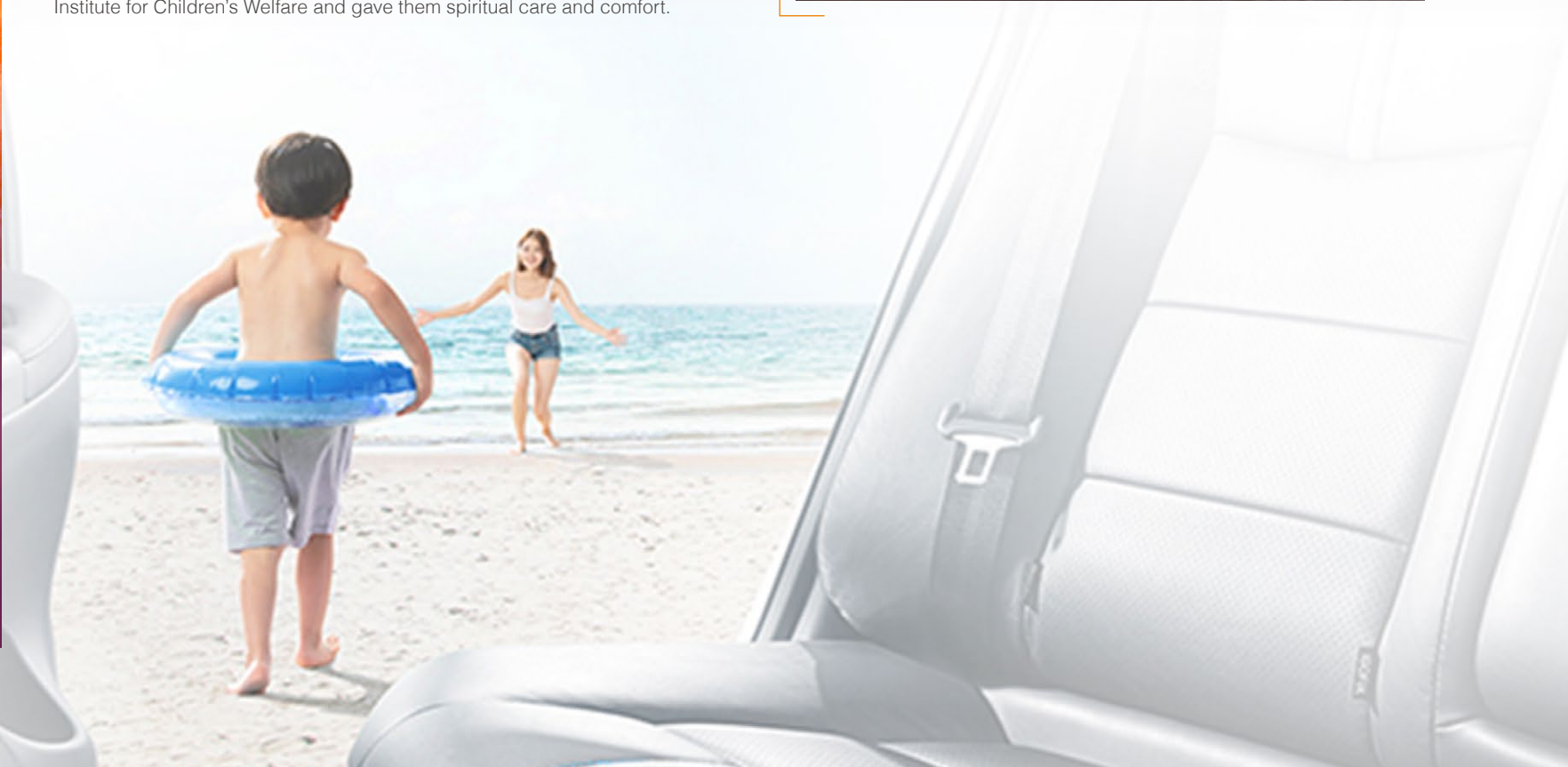
DFI is always concerned about the development of excellent young talents in technology. The INFINITI Engineering Academy has conducted recruitment activity globally for interns since 2014 to providing young people with another platform for them to enjoy challenges, to unlock their potential and challenge themselves. Winners will be granted an opportunity to work together with top engineers in such fields as automotive engineering and motorsport, so as to inspire their potential in career development.

In 2018, the 5th INFINITI Engineering Academy China Final was held in Beijing. Chinese student Zhu Jiachun, winner of this competition, together with the other six winners from other countries and regions, went together to the UK for a 12-month internship at INFINITI Technical Centre in Europe and Renault F1 Team Technical Center for professional learning.



Humanitarian Aid

Having a warm heart and daring to undertake their responsibility, Nissan's subsidiaries in China actively work with local communities and governments, make use of their professional advantages and spare no effort in disaster alleviation, poverty alleviation and emergency assistance for the purpose of spreading the warmth of society to more people. In 2018, at the Guangzhou Charity Ceremony with the theme of "A New Era of Charity – We Are All Dream Chasers," DFN honorably ranked second in the 2018 ranking of charity organizations of Huadu District. Besides, on the 55th Lei Feng Day in 2018, the Caring Team of ZNA brought living supplies to the children in the Zhengzhou Institute for Children's Welfare and gave them spiritual care and comfort.



To the Future

2018 was a key year for Nissan's subsidiaries in China to achieve significant development. Upholding the beautiful vision of "Enriching People's Lives" and through business operation, Nissan's subsidiaries in China have made a significant contribution to building a safer and greener mobility society while helping promote the economic growth of China.

In 2019, we will maintain the corporate mission of "Bringing Visible and Measurable Values to All Stakeholders", and with a more open attitude and through deeper practice, strive to make progress in three major sustainable areas, i.e., environmental protection, social contribution and corporate governance, and work with stakeholders to create a better future.

Environmental Protection

Upholding the environmental concept of "a Symbiosis of People, Vehicles and Nature," and building an environmental management system throughout the lifecycle to reduce environmental impact while helping suppliers, dealers and other partners improve their green development level and providing support for the automotive industry to achieve sustainable development throughout the value chain.

Social Contribution

Guided by the principle of "People Oriented," care about everyone in the society. Internally, offering more career development channels and resources to employees, helping them balance their work and life and achieving sustainable development together with the company. Externally, by upholding the core safety concept of "Vehicle that Helps Protect People" from the perspectives of individuals, vehicles and society, we aim to provide consumers with safer and more reliable automotive products, and at the same time improve their safety sense and awareness through various programs. Through conducting communication activities relating to transportation infrastructure between Chinese and foreign organizations, we aim to spread more widely the concept of traffic safety and make contribution to creating a safer mobility society. Through sharing experience with partners, helping suppliers and dealers increase their level of sustainability, we aim to work with them to build a value chain to shares responsibilities and values. By continuously engaging in public-benefit activities relating to environment, education and culture, we aim to provide people in need with warm care and promote harmonious development of the society.

Corporate Governance

By adhering to the idea of keeping pace with the times, continuously improving the company's capacity of sustainability, put corporate operation in the sustainability framework, and effectively deploy superior resources of various departments to strengthen internal control and enhance the capability of risk prevention, with a view to achieving high transparency and high-speed growth of business.

Social Recognition

Winner	Name of Award	Issuing Authority
NCIC	GoldenBee CSR Report Honor Roll 2018 – Foreign-Invested and Hong Kong, Macao and Taiwan-Invested Enterprise Award	China WTO Tribune*
	CSR China Education Award	The Central Committee of the Communist Youth League
	Annual CSR Award	iQIYI Auto
DFN	Enterprise of the Year Award People's Daily Online	People's Daily Online
	Outstanding CSR Enterprise Award	Xinhuanet.com
	China CSR Ranking – Outstanding Enterprise Award	CBN Daily
	Annual Social Responsibility Award	China Automotive News
	Best CSR Brand Award	Top Auto
	2018 Best CSR Enterprise	Information Times
	2018 China Auto Service Golden Wrench Awards – Heartfelt Service Award	Auto Driving & Service Magazine, Auto.sohu.com
	Golden Reputation Award for Outstanding Quality	Dazhongkanche.com
	Caring Award for Public Welfare Enterprise of the Year	SINA Auto
ZNA	The 6th Hubei Auto Golden Wheel Awards – Public Welfare Innovation Brand of the Year	Hubei Daily
	The 4th Zhengzhou Charity Awards – Most Caring Enterprise	Publicity Department of the CPC Zhengzhou Municipal Committee, Zhengzhou Charity Federation
	Caring Organization with Financial Support for Education	Henan Radio & Television Station
	The 4th Zhengzhou Charity Awards – Leading Enterprise	Zhengzhou Charity Federation

*Note: China WTO Tribune was renamed China Sustainability Tribune in January 2019

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Third-party Evaluation



China Sustainability Tribune

President and Chief Editor

Yu Zhihong

When I got the 6th localized report released by Nissan in China, my mind was full of contradictions. I was worried that this Report might not fully describe Nissan's responsibilities in China and that it had too much content to highlight Nissan's understanding and undertaking of the responsibilities. However, after reading the whole Report, my worries were cleared away. Compared to previous reports, this one maintains the original advantages and, through innovative content and design in subjects, topics and stories of responsibilities, fully shows that Nissan, guided by the corporate vision of "Enriching People's Lives," works hard to integrate into Chinese society and makes full use of its features and advantages to fulfill its social responsibility, with the aim of meeting people's expectations for green mobility and better lives and helping China transform from a big auto country into a powerful auto country.

Focusing on hot social topics. "Intelligent Mobility & Green Future" is the first theme established by Nissan in the first of its series of reports about China. By dynamically integrating the brand advantage and corporate vision of Nissan with hot social topics, the theme of "Intelligent Mobility" and "Green Drive" fully shows that Nissan's subsidiaries in China place great importance on coordination of their own development strategies with China's Macroscopical Development Strategy; make an active response to China's construction of green ecological civilization; promote the research, development and application of "Nissan Intelligent Mobility" in an in-depth manner; and provide support for the green upgrade of the industry with a view to making a constant contribution to creating a better future where people, vehicles and society develop together in harmony.

Highlighting the key responsibilities fulfilled in this year. In this Report, I'm glad to see Nissan's reasonable changes. In previous reports, it's easy for us to find out that Nissan, as an excellent corporate citizen, has taken diverse measures in three areas, i.e., economy, environment and society, to achieve harmonious and sustainable development among people, environment and society. However, detailed content often causes the situation that the key responsibilities for the year may not be clear enough. Although the setup of the said theme in this Report is a temporary innovation, it enables me to have a better understanding of the focuses and achievements in responsibility fulfillment by Nissan's subsidiaries in China in this year. I hope this kind of setup will be maintained in the next annual report.

Telling the stories of responsibilities vividly. Different from previous ones, stories of responsibilities in this Report were put in the front part of main chapters instead of the end part and the five stories of responsibilities were combined as a whole, thus narrowed the gap between the content and readers through stories and enabling readers to understand the responsibility and obligations of Nissan's subsidiaries in China when they initially read the Report. Moreover, the stories are told from the perspective of a participant to describe the actions of Nissan's subsidiaries in various areas. Thus, I can see the impressive and touching part of the stories,

which describe how Nissan's subsidiaries in China fulfill their responsibilities. This Report truly follows the principle of describing the responsibilities with stories and fulfilling the commitment with the sense of responsibility.

Fully disclosing the performance of responsibility fulfillment. In this Report, the chapter titles incorporate three keywords, i.e., "intelligence", "green" and "future", in order to match the theme of this Report and highlight the actions of Nissan's subsidiaries in China. These actions are described as follows: around the keywords of "intelligence" and "green", based on Nissan's experience in responsibility fulfillment around the world, with the aim of building a sustainable society with "Zero Emissions" and "Zero Fatalities", and through the technologies of intelligence, electrification and networking, continuously improving the safety performance and quality level of products; providing consumers with the mobility experience that exceeds their expectations; minimizing the environmental impact of corporate operation; working with stakeholders to face the environmental challenge together; and promoting green development throughout the entire industrial chain and the whole society. Looking into the "future", Nissan's subsidiaries in China will make a great effort to help employees realize their career dreams; solve social issues in a practical way; and work hard to help create a better future with "a Symbiosis of People, Vehicles and Nature".

Presenting the actions of responsibility fulfillment in an innovative way. Different from previously design, this Report jumps out of the framework of traditional ideas and abandons traditional automotive design elements. Instead, it describes from the first-person perspective the sense of speed and the sense of future expressed by Nissan's subsidiaries in China when they drive on "the innovation raceway to the future", and designs elements corresponding to three major areas of ESG for the purpose of showing the focuses of Nissan's subsidiaries in responsibility fulfillment. With a uniform technical style throughout the text, this Report greatly improves the experience of reading, thus enabling readers to enjoy the pleasure of reading.

When many other companies are still trying to describe their actions of responsibilities fulfillment, Nissan's subsidiaries in China have started to think how to present a lively and responsible Nissan through innovations in report structure, content and design. This is rare and valuable. The high-standard and strict requirements for this Report show that Nissan's subsidiaries in China attach great importance to CSR development and that they have a strong will to communicate with stakeholders honestly and to make progress together with them.

I hope that Nissan's subsidiaries in China will keep moving forward on the road of "Enriching People's Lives"; dare to undertake responsibilities; provide support for CSR development in the automotive industry; and contribute more to China's transformation from a big auto country into a powerful auto country.

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