

**NISSAN GROUP  
OF CHINA**



**2015 SOCIAL RESPONSIBILITY REPORT OF  
NISSAN'S SUBSIDIARIES IN CHINA**

# Introduction

As the second social responsibility report released by Nissan Motor Company in China, 2015 SOCIAL RESPONSIBILITY REPORT OF NISSAN'S SUBSIDIARIES IN CHINA (hereinafter referred to as "this Report" or "the Report") mainly describes the social responsibility performance of Nissan's subsidiaries in China from January to December 2014, with part of the data and descriptions involving information before 2014.

This Report covers Nissan's wholly-owned subsidiary in China – Nissan (China) Investment Co., Ltd., two joint ventures – Dongfeng Nissan Passenger Vehicle Company and Zhengzhou Nissan Automobile Co., Ltd. (i.e., the subsidiary companies of Dongfeng Motor Co., Ltd., a joint venture between Nissan (China) Investment Co., Ltd.

and Dongfeng Motor Group Co., Ltd. in China), and Dongfeng Infiniti Automobile Co., Ltd., an independent wholly-owned subsidiary of Dongfeng Motor Company Limited. In this Report, "Nissan's subsidiaries in China" refer to the companies above in general, and "Nissan" refers to Nissan Motor Company.

All the information and data in this Report are supplied by Nissan's subsidiaries in China. Nissan ensures that the materials related to this Report are authentic and reliable and that no false record, major omission or misleading statement is contained here in this Report. In addition, all the amounts in this Report are denominated in RMB (Yuan) unless specified otherwise.



# Table of Contents

<b>01 Introduction</b>	<b>11 Environmental Responsibility</b>	<b>31 Value Chain Management</b>
	12 Nissan's Global Environmental Strategy	32 Supplier Management
	13 Nissan's Environmental Management System	34 Dealers Management
<b>02 Table of Contents</b>	14 Green Research & Development	
	15 Reduction of Environmental Impacts in Production and Operation	<b>36 Responsibility for Employees</b>
<b>03 Message from the Executive</b>	<b>18 Safety Responsibility</b>	37 Employee Management Concept
	19 Nissan's Responsibility Concept	38 Building Safe Working Environment
	20 "Safety Shield" and Safety Technologies	39 Guarantee Employees' Rights
	21 Road Safety Activities	41 Employee Communication
<b>04 Introduction to Nissan in China</b>	<b>22 Charity</b>	42 Employee Development
	23 Nissan's Global Charity Promotion Framework	44 Employee Care
	23 Education	
<b>06 CSR Concept</b>	25 Humanitarian Aid	<b>45 Corporate Governance</b>
		46 Governance Framework
		46 Compliance Management
<b>09 Nissan's Economic Contribution in China</b>	<b>26 Quality Responsibility</b>	<b>47 Appendices</b>
	27 Enhancing Quality Program	48 Timeline of Nissan's Development in China
	27 Product Quality Management	49 Social Recognition
	28 Sales and Service Quality	50 Third-party Comment.

# Message from the Executive



The year 2014 is of great importance for Nissan's development in China. In 2014, following Nissan's framework of global social responsibility and guided by the corporate social responsibility of "Blue Citizenship" and "Driving the future with Heart", we have made continuous efforts in such eight fields of sustainable development as environment, safety, charity, quality, value chain, employee, economic contribution as well as corporate governance and internal control and have been unswervingly fulfilling our promise of "Enriching People's Lives".

As always, we have been supporting the Chinese market. Guided by the objective of "rooted in China to satisfy consumers", we

have expanded our business in China based on our accomplishments in the past. So far the various products of Nissan and Infiniti have contributed a lot to meeting the Chinese consumers' needs of vehicles of diverse types.

As usual, we have regarded safety as our top priority. Based on our original concept of "Safety Shield", we have developed and popularized a series of safety technologies and standards with the aim of minimizing traffic accidents and casualties. At the same time, we have organized knowledge contests, Safety Driving Camp, and other activities to heighten the road safety awareness of the public and children in particular. Besides, we have earnestly supported the research efforts and policy formulation in terms of the legislation of traffic safety.

We also paid great attention to environmental protection. Following the environmental philosophy of "a Symbiosis of People, Vehicles and Nature", we set up the China Environmental Management Committee to

arrange matters concerning environmental management for Nissan's subsidiaries in China. Aiming at playing a leading role in the zero emission field and by continuous innovations and upgrading of such two important technologies as EV and PURE-DRIVE, we have made more contributions to China's energy conservation and emission reduction, leading to the fulfillment of the environmental goal of "minimizing the impact of routine business activities and products in their life cycles on the environment, to a level that can be naturally absorbed by earth through putting resources and energy into effective and cyclic use."

Great importance has also been attached to philanthropy. We have carried out many fruitful philanthropic projects by focusing on environment, education, and humanitarian aid, such as Nissan China's Dream Classroom Project, the introduction of Nissan Motor "Monozukuri Caravan", Dongfeng Nissan's Sunshine Foundation, Zhengzhou Nissan's Hand-joining Project, Dongfeng

Infiniti's "Loving Planet" Public Action, which helped to change the status quo of the disadvantaged groups to some extent. All these endeavors that give a profound expression to the humanistic care of Nissan's subsidiaries in China have long been adhered to in the past, and will continue to be carried on in the future.

Moreover, we have also made unremitting efforts in terms of quality, value chain, employees, corporate governance and internal control and have set high criteria for ourselves. This report will present more details in these aspects. Looking into the future, Nissan's subsidiaries in China will continue to fulfill the vision of "Enriching People's Lives" and to bring about more positive changes and values to all the parties concerned as much as we can.

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

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# Introduction to Nissan in China



## Summary of Nissan 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.

Since establishment in 1933, Nissan Motor Company, as a leading auto manufacturer in the world, has been cherishing the vision of "Enriching People's Lives" and committed itself to offering excellent automobiles and services to consumers all over the world. Currently Nissan has more than 160,000 employees and set up automobile manufacturing bases in 20 countries and regions (including Japan). Now its products and services have been available in more than 160 countries and regions around the world.

Nissan highly values the Chinese market. Since entering China in 1993, Nissan has set up a wholly owned subsidiary - Nissan (China) Investment Co., Ltd. and Dongfeng Motor Company Limited (hereinafter referred to as "Dongfeng Limited"), the largest auto joint venture in China. Nissan also operated Nissan, Infiniti and other brands through Dongfeng Nissan Passenger Vehicle Company and Zhengzhou Nissan Automobile Co., Ltd.; two joint ventures under Dongfeng Limited as well as Dongfeng Infiniti Automobile Co., Ltd., an independent wholly owned subsidiary.

Nissan (China) Investment Co., Ltd. (hereinafter referred to as "NCIC") was founded in February 2004 and with nearly 300 employees, is a wholly owned subsidiary established by Nissan in China and is Nissan's head office in China. By jointly managing investment in China with Nissan's head office in China, it primarily undertakes the export of parts and components, foreign-related presentation and certification of environmental and safety technology, investigation of technical trends, protection of intellectual property rights, as well as the global model design for the Nissan and Infiniti automobiles, Nissan's corporate public relations, external affairs, and CSR activities in China and so forth.

Founded in June 2003, Dongfeng Nissan Passenger Vehicle Company (hereinafter referred to as "DFL-PV") has around 20,000 employees and mainly engages in the development, purchasing, manufacturing, sale, and service of passenger vehicles. The company, consisting of Huadu plant, Xiangyang plant, Zhengzhou plant, Dalian plant, the engine company and R & D center, is one of the few domestic automakers with a whole value chain.

Founded in March 1993 and with over 5,000 employees, Zhengzhou Nissan Automobile Co., Ltd. (hereinafter referred to as "ZNA") engages in business activities at each stage of the value chain, such as product development, supply chain management, production & manufacturing and marketing service, now ZNA has become a major base for the development of Dongfeng and Nissan light commercial vehicles. Based on its long-term specialization of light commercial vehicles and high-end-oriented development of market segments, ZNA launched "Dongfeng Fengdu" in 2013 as the brand for its passenger vehicles. Additionally, ZNA's two major bases in Zhengzhou and Changzhou have meant a lot in support of the development of Dongfeng's self-owned brands.

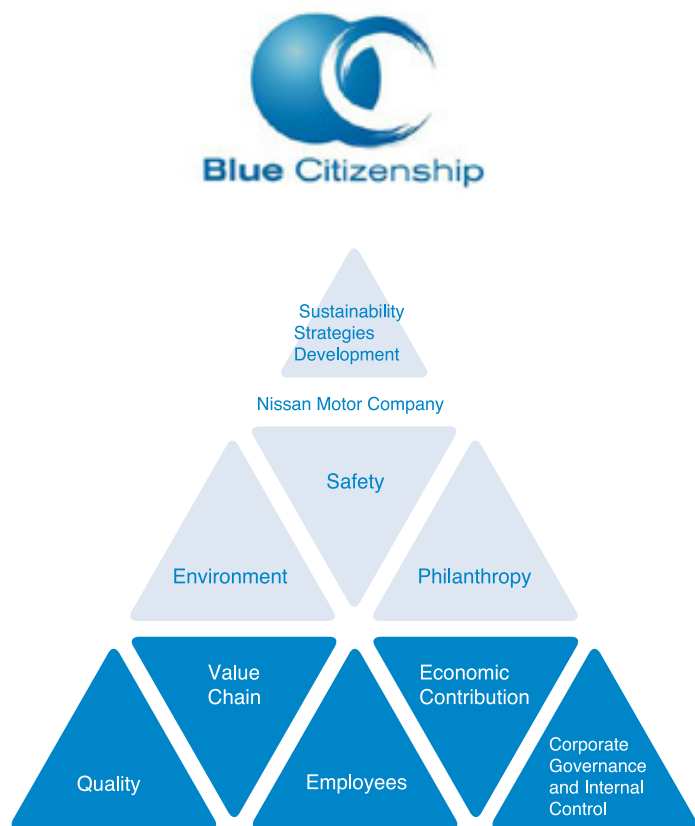
In August 2014, Dongfeng Infiniti Automobile Co., Ltd. (hereinafter referred to as "DFI") was founded and it is an independent wholly owned subsidiary of Dongfeng Motor Company Limited. On the principles of "the same strategy, the same brand, the same team and the same channel", DFI operates the Infiniti brand independently. The establishment of DFI marks the pivotal upgrading of the increasingly strengthened strategic partnership between Dongfeng Motor Corporation and Nissan, and illustrates the strong determination of both sides in their concerted efforts in opening up China's luxury automobile market and in achieving a mutually beneficial cooperation.

# CSR Concept



## CSR Concept Overview >>

As one of the leading automakers of the world, Nissan sticks to achieving both economic value and social value, and pays attention to social benefit whilst creating economic value. In China, Nissan's subsidiaries in China carry forward Nissan's spirit of sustainable development across the world. Guided by the CSR concept of "Blue Citizenship", Nissan has made continuous efforts in such eight fields as environment, safety, charity, quality, value chain, employee, economic contribution as well as corporate governance and internal control. Nissan has worked hard in calling on the strength from all walks of life in order to bring a Symbiosis of People, Vehicles, and Nature in the future, and to contributing to China's sustainable development.



### Environment

Nissan aims to lead a social transformation targeted at bringing about a sustainable mobile society by reducing vehicles' environmental impact throughout their life cycle and developing more effective green products and technologies.

### Safety

Nissan develops innovative technology and plays an active role in safety promotion, making the automobile society safer for all.

### Philanthropy

Nissan carries out social contribution activities as a corporate citizen, focusing on the environment, education and humanitarian support.

### Quality

Nissan provide top-level quality in its products and services around the world

### Value Chain

Nissan promotes ethical, environmentally sound actions in all stages of the supply chain.

### Employee

Nissan aim to form an attractive organization where diverse human resources can achieve personal growth through experience in global business.

### Economic Contribution

Nissan aim for sustainable, profitable growth, contributing to the economic development for all of society.

### Corporate Governance & Internal Control

Nissan aims to conduct fair, impartial and efficient business activities, having a high degree of transparency and consistency by adhering to the applicable laws and corporate rules.



## Stakeholder Engagement >>

In 2013, Nissan analyzed and evaluated its opportunities and challenges all over the world, and developed a “Materiality Matrix” based on the importance of topics as reference to manage its corporate social responsibility. Integrating head office’s priority of substantial topics and China’s local context, Nissan’s subsidiaries in China focus on topics that have high relevance with Nissan and its stakeholders, such as environment, safety, quality and service, and disclosed them in detail in the social responsibility report, so as to respond to the demands of stakeholders and to achieve the long-term coexistence and common prosperity among its stakeholders.

Level of stakeholder concern	Extremely high	Water Scarcity CO2 emissions in corporate activities Sustainability management in value chain Resource efficiency Corporate governance	Fuel consumption/product CO2 Sustainable mobility including zero emissions and safety Product, sales and service quality Economic sustainability Renewable energy Air quality
	Very high	Biodiversity and ecosystem Occupational health and safety Waste to landfill Chemical substances Philanthropy	Diversity Brand Employee development Risk management Renault-Nissan Alliance
	High		
		High	Very high

Potential Business Impacts(Importance to Nissan)

## Stakeholder Communication >>

In order to fully understand stakeholder’s needs, Nissan’s subsidiaries in China continue improving their communication mechanism, set up transparent communication channels to identify the needs of stakeholders with regard to CSR. Practical actions have also been taken to respond to the issues that raised by stakeholders so as to promote stakeholders’ participation and achieve sustainable development.

Stakeholders	Material Issues	Communication Channels and Counter Measures
Government	-Lawful operation -Tax compliance -Promotion of new energy vehicles -Road safety	-Comply with applicable laws and regulations -Honest management -Tax compliance -Initiate the “green city plan” -Develop Intelligent Transport System -Autonomous Driving Technology
Environment	-Energy saving and emission reduction -Reduce environmental impact in production and operation -Green purchasing -Environmental education	-Establish environment management system -Launch Nissan Green Program 2016 -Develop green technology -Formulate the Nissan Guideline on Green Purchasing -Green manufacturing -Offer education program on classified recovery of solid wastes -Set up green logistics system -Green office
Customers	-Product safety -Excellent service	-Build up the concept of road traffic safety and safety culture -Develop safety technology -Initiate the Quality Raising Plan -Improve the product recall system -Improve the customer service system -Improve customer satisfaction -Innovate customer service activities
Employees	-Protection of rights and interest -Salary and welfare -Occupational health and safety -Employee communication -Vocational development -Care for employees -Employees volunteer activities	-Improve the salary and welfare system for employees -Create a safe working environment -Set up internal communication mechanism -Career development channels and all-around training system -Carry out activities showing care to employees -Carry out employee volunteer activities
Communities	-Support of disadvantaged group -Environmental activities of public good -Road safety education	-Carry out education aid and humanistic care program -Carry out environmental activities of public good -Carry out traffic safety programs
Suppliers	-Operation pursuant to regulations -Fair purchasing -Win-win cooperation -Reduce environmental impact	-Formulate the Renault-Nissan CSR Guidelines for Suppliers -Improve the system for the selection, management, evaluation of suppliers and for the suppliers’ breach of regulations -Offer environmental training on suppliers -Set up environmental management system and certification for suppliers
Dealers	-Operation pursuant to regulations -Quality of products and services -Win-win cooperation -Green sale and service	-Establish the dealer management system -Offer training program on ability enhancement -“Green shop” certification

Nissan's Economic  
Contribution in China

# Nissan's Economic Contribution in China



### Nissan's Economic Contribution in China >>

China is one of the most important production bases and sales markets of Nissan. Since entering China, Nissan has been committed to enriching the life of Chinese consumers by supplying diverse auto products and services. In 2014, Nissan achieved a sales volume of 1.22 million automobiles in China, which accounted for 23% of Nissan's global sales. Throughout 2014, Nissan's subsidiaries in China had paid a total tax of 17.3686 billion Yuan and provided 24,364 job opportunities in all, which made it possible for Nissan to become one of leading brands in China's auto sector.

Besides, Nissan's subsidiaries in China are also conducive to bringing along the development of the auto-related industries of the local areas in an effort to create values for the society extensively. DFL-PV has not only benefited its communities by paying tax and providing job opportunities, but brought along the prosperity of the auto sector and other related industries in Huadu District as well. Now a comprehensive and balanced automobile industry chain that integrates automobile development, complete-vehicle manufacturing, parts production, automobile trade, automobile job market and automobile institute has taken into shape in Huadu District. Responding to the automobile industry development plan for the Central Plains Economic Zone, ZNA has worked to promote the integration of the local industrialization and information-based development and intensified efforts in technical upgrading and raising the technical innovation ability. All these have contributed a lot in stimulating the local economic growth and transition.

Furthermore, Nissan's subsidiaries in China have made remarkable accomplishments in earnestly boosting the development of China's auto industry. Nissan rendered great support to the development of its self-owned joint venture brands by introducing cutting-edge automobile technologies. It also assisted the Chinese government and related departments in formulating standards regarding electric vehicle, Continuously Variable Transmission (CVT) and traffic safety, and accelerated the technological innovation and progress of China's auto industry. Meanwhile, the Nissan vehicles targeted at the needs and driving habits of Chinese consumers helped to diversify China's auto markets, stimulate the product innovation and diverse design of the auto industry and boost the prosperity of the auto market of China.



# Environmental Responsibility



# Environmental Responsibility

Nissan regards environmental protection as one of its important missions. By putting into place full-fledged, strict environmental strategies and an environment management system, we have worked hard in balancing the relation between enterprises and their partners on the value chain in terms of economic growth and environmental protection and tried all means to minimize the negative impact of production and operation on the environment. Through a series of environmental activities of public good, we aim at bringing a green, livable living environment to the public.

## Nissan's Global Environmental Strategy >>

### ◇ Environmental Concept and Objective

In accordance with the idea of enabling the global mean temperature rise to be no more than 2°C as specified in the United Nations Framework Convention on Climate Change, Nissan has worked out the goal of enabling the emission of new vehicles by 2050 to reduce by 90% than that of the year 2000.

Based on the above goal, Nissan established the environmental philosophy of "a Symbiosis of People, vehicles and Nature" and proposed the environmental goal of "minimizing the impact of routine business activities and products in their life cycles on the environment to a level that can be naturally absorbed by earth through putting resources and energy into effective and cyclic use."

To realize this goal, Nissan endeavors to raise the efficiency of the combustion engine of vehicles within a short term. As far as the medium and long-term efforts are concerned, Nissan, by making the best use of renewable energy, will be focusing on developing new energy vehicles and electric cars, technological upgrading and turning out vehicles with zero carbon dioxide emission.

### ◇ Launching of the Nissan Green Program 2016

Nissan commits itself to bringing about a sustainable society and regards this objective as an important competitive advantage to adopt differentiation strategies in its manufacturing all over the world. In 2011, Nissan launched the third mid-term environmental action plan-the Nissan Green Program 2016 (NGP 2016).

The specific objectives of this program includes before the end of fiscal year 2016, Nissan aims to take the lead in the sphere of zero emission vehicle (ZEV), to remain dominant in fuel economy performance in the auto sector, to become a leading enterprise in low carbon emission and in making closed recycling of resources, to become the first automaker that sets the goal of resource recycling in the industry, and to carry out the plan of comprehensive closed recycling.

NGP 2016 covers all the departments of Nissan such as departments on R&D, production, sale and service in an all-round way so as to make sure all the departments of Nissan will make concerted efforts in realizing the above objectives, until ultimately reducing the negative impact of corporate activities on the environment.

#### Nissan Green Program 2016

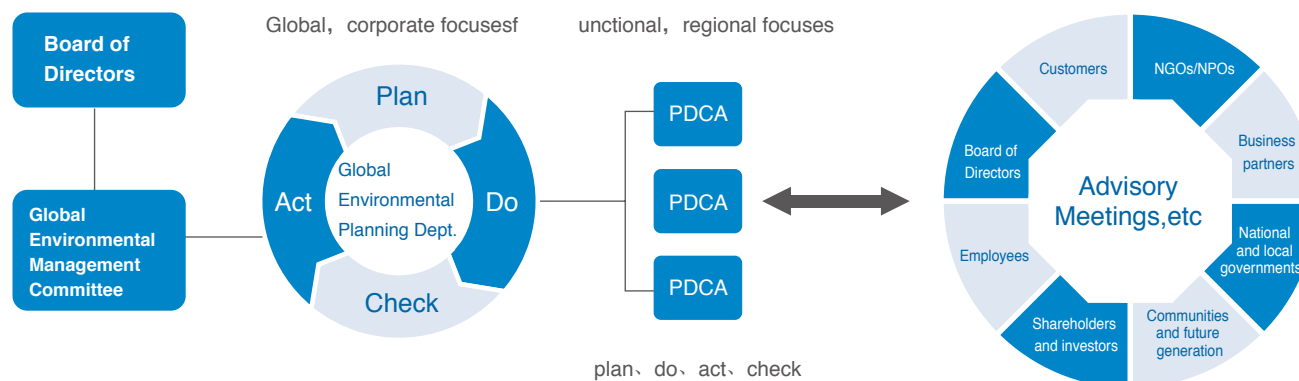
- Before the end of fiscal year 2016, Nissan aims to take the lead in the sphere of zero emission vehicle (ZEV), and the Renault-Nissan Alliance will sell a total of 1.5 million ZEVs.
- To remain dominant in fuel economy performance in the auto sector; compared with 2005, Nissan autos sold in Japan, China, Europe and the US will increase by 35% in terms of average fuel economy.
- Nissan will become a leading enterprise in low carbon emission and in making closed recycling of resources.
- Nissan will become the first automaker that sets the goal of resource recycling in the industry, and will carry out the plan of comprehensive closed recycling by recovering steel, aluminum, plastics and other materials.

## Nissan's Environmental Management System >>

### ◆ Global Environment Management System

In order to realize its environmental objectives successfully, Nissan has carried out all-round work on the implementation of global environment management system. Nissan's Global Environment Management Committee, made up of senior executives especially responsible for environmental issues, will hold two meetings on environment every year, during which the type of environment issues will be determined before submitted to the board of directors for final planning and decision-making. In the meantime, Nissan has set up a special environment planning department for the specific planning and implementation of environment-related activities.

In 2013, Nissan established the Environmental Management Committee in China that has greatly upgraded the environment management level of Nissan's subsidiaries in China and maintained a closer connection with Nissan's other companies across the world with regard to environmental issues.



### ◆ DFL's Environmental Management System

In China, DFL vigorously accelerated the environment management tasks of its subsidiaries DFL-PV and ZNA. By introducing the GB/T24001-2008 environmental management system, DFL exercised strict control on the negative impact of products, activities and services on the environment. It went ahead to implement clean production, energy conservation and emission reduction in the hope of balancing the development between economy and environment.

Additionally, DFL-PV also put forward the Green Program 2015 to raise its environment management level.

#### DFL-PV's Green Program 2015

- Reducing emission of CO<sub>2</sub>, COD, SO<sub>2</sub> and other pollutants;
- Recycling (waste material recycling and expansion of remanufacturing business);
- Improvement of the fuel economy by over 20% by introducing "PURE DRIVE";
- New powertrains and lightweight initiatives, as well as new-energy vehicles (electric and hybrid vehicles).

## Green Research & Development >>

Keep improving the energy efficiency of present vehicles and inputting research & development and technological innovation on new energy vehicles and electric cars are Nissan' principles and objectives concerning green research and development in China . While ensuring product performance and the driving experience for customers, Nissan strives to reduce carbon dioxide emission and to minimize the negative impact of products on the environment.

### ◇ Green City Program

In 2009, DFL-PV comprehensively launched the Green City Program which is aimed at popularizing the world-leading electric vehicle in cities. Through deep cooperation with local governments, this program will also boost the development of the intelligent traffic system in cities. The Green City Program is the first electric vehicle popularization strategy in China that is led by automakers and with concerted efforts of the local governments. At present, DFL-PV has concluded the electric-vehicle demonstration agreements with the Ministry of Industry and Information Technology of PRC and cities such as Wuhan, Guangzhou and Dalian successively, thus bringing about a layout of "point-to-area and north-south extension" for the promotion of new energy vehicles.

### ◇ PURE DRIVE

In addition to the research of electric vehicles, Nissan has launched the PURE DRIVE technology as future traffic solutions by integrating technical innovation and environment. PURE DRIVE technology can bring down energy waste through idle reduction and can recycle energies by means of hybrid power system, which effectively reduces the energy waste of vehicles using fuel engine, controls the emission of carbon dioxide accordingly. So far this technology has been applied to Nissan vehicles such as X-Trail, Teana, Sylphy, LIVINA, Tiida, and Qashqai.



## Reduction of Environmental Impacts in Production and Operation >>

Nissan's subsidiaries in China not only realized energy conservation and emission reduction in terms of product development and technology, but all the more implemented their environmental efforts in all the links of corporate production and operation. These subsidiaries took the lead in establishing a green cycle for product manufacturing, formulated strict environmental objectives and regulations concerning purchasing, production, logistics, sales and other links, and honestly implemented all the details related to environmental protection in the process.

### Green Procurement

DFL-PV has formulated the strict Green Purchasing Guidelines and the rigorous General Rules for Purchasing Parts and Materials to control the environmental risks during production from the very source. During the development new products, the goods and materials used by suppliers have to pass strict examinations by means of the China Automotive Material Data System (CAMDS) so as to ensure that the technical indicators such as the recovery rate of new vehicles and banned materials meet the requirements of the Chinese laws and regulations. Meanwhile, the suppliers' service and product management must also comply with related laws and regulations of China and related regulations of Nissan. Up to now, DFL-PV's suppliers have set up the environmental management system and obtained environmental system certification approved by third parties. All their parts and materials for vehicles in mass production have met the requirements on environmentally hazardous substances in the DFL-PV Product Technical Standards, and 94.1% of the part and material suppliers have obtained the ISO14001 or GBT24001 environment system certification. And this indicator is expected to reach 100% in 2015.

In July 2011, ZNA officially introduced the China Environmental Labeling Product Certification, which requires that suppliers must obtain the certification for labor, environment and quality, and signed the Guarantee for Non-use of Hazardous Substances in order to heighten their environmental awareness and reduce environmental pollution. It is a must for all the ZNA suppliers to obtain the ISO9000, QS9000 or TS16949 and other related quality system certifications. Currently all the suppliers of ZNA have obtained the labor, environment and quality certification without exception.

### Green Production

The environmental goals of Nissan's production enterprises in China are to achieve zero pollution accident, enable the main discharged pollutants to be up to the standard completely and to strive to reduce the emission of carbon dioxide, VOC and solid wastes.



### Reduction of CO2 Emission

In 2014, DFL-PV invested 23.35 million Yuan to focus on more than 20 projects on carbon reduction, which bring about an annual reduction of carbon emission of 19,000 tons and benefit of 16.72 million Yuan.

Year	Number of CO <sub>2</sub> reduction projects)	CO <sub>2</sub> emission reduction (ton)	Economic return (10,000 yuan)
2011	97	7683	614
2012	241	5756.9	388
2013	359	28000	2730
2014	20(key projects)	19000	1672

### Reduction of VOC Emission

DFL-PV replaced oil-based paints with water-based paints, which decreased the VOC emissions during painting by 50%. Besides, by using regenerative thermal oxidizers (RTOs) to combust the VOC generated in the painting process, the efficiency of VOC treatment reached over 99%. In 2014, DFL-PV carried out 11 projects on VOC reduction, bringing down VOC emission by 252 tons. At the same time, DFL-PV employs a third-party organization for monitoring the VOC emissions every year, and the monitoring result showed that the company has come up to the standard completely.

DFL-PV also used the RTO incinerator to combust and purify the exhaust gases born of top coating for vehicles and the electrophoresis drying room. The VOC emissions have also been reduced by enhancing the capability and technological level of painting workshops and applying water-based paint to base coat and finishing coat.



# Environmental Responsibility

## Reduction of Solid Waste

DFL-PV formulated and strictly implemented the management indicators on solid waste emissions for the purpose of exercising quantitative control from the source. Meanwhile, it strictly classified solid wastes for recycling, set up solid waste recycle bins in the company and educated employees on garbage classification and recycling. All these efforts led to the 100% recycling of solid wastes and the comprehensive utilization of up to 95.6%.

ZNA's solid wastes have also been recycled completely.

## Management of Energy Conservation

DFL-PV adopted multiple measures for its management of energy conservation, including conducting motor frequency conversion to ensure heat recycling and strengthening management of the energy measurement system by introducing Class 1, Class 2 and Class 3 meters. In 2014, DFL-PV started to implement its plan on using the LED lights in the factory in Huadu, helping save energy by 60%.

As far as energy conservation and emission reduction is concerned, ZNA carried out the clean production activity and set up a special research team on energy conservation and emission reduction. In 2014, ZNA invested a 3.828 million-Yuan fund specifically for energy conservation and emission reduction, which was conducive to the transformation and renovation of such projects as transformer upgrading, reuse of reclaimed water, low pressure compensation, detailed lighting management, meter improvement and control and application of LED lights. Moreover, ZNA was rated as the 2014 advanced unit in energy conservation and emission reduction in Zhengzhou.

## Management of Water Resources

DFL-PV also took several measures in terms of water saving. It has, for example, reclaimed the air-conditioning condensed water in the spray chambers in summer time and integrated the recycled water into the circulating water system of the spray chambers as a way of making up for the consumed water in spray chambers. Upon treatment, part of the waste water served for production after treated by the ultrafiltration and reverse osmosis system and the remaining waste water was used for flushing the toilets, greening, cleaning, etc. All the factories in Huadu have realized zero discharge of waste water. DFL-PV also monitored its water quality once a month so as to avoid leakage and pollution.

ZNA installed water meters to visualize its water consumption and carried out water-saving transformation. The No. 1 painting workshop, for example, carried out the recycling of pure water and concentrated water and substituted reclaimed water for tap water during the preparation of lime water in sewage stations, thus saving tap water of around 50,000 tons every year. The recycling of boiler blow-down water and other measures also lead the single-vehicle water consumption to reduce year by year.

## Recycling of Materials

Since establishment of the promotion committee for circular economy pilot projects in 2005, DFL-PV has uniformly incorporated departments regarding commodity planning, technical center, production & manufacturing, sale and service into the committee and uniformly formulated applicable processes and systems for recycling of materials as well as the Guide for Recycling Design. In 2014, DFL-PV recycled materials of 85,739.06 tons in Huadu, 24,013.41 tons in Zhengzhou, and 1,666.25 tons in Dalian, which enabled DFL-PV to increase revenue by 250 million Yuan.

## ◇ Green Logistics

In order to minimize the carbon dioxide emission during transport, DFL-PV has established the green logistics system. By increasing local suppliers, expanding railways and waterways, improving transportation routes, etc., DFL-PV optimized the present mode of transportation such as road, railway and waterway. Since 2004, DFL-PV has used 100% recyclable materials in logistics packaging for domestically produced parts. In the meantime, DFL-PV adopted the "roundup" parts collection system which works out the optimum transport route and combination of parts via computer-aided loading form of parts in order to raise the transport efficiency.

## ◇ Green Sales and Service

For green sale and service, DFL-PV took the "Green Shop" certification as one of its strategic objectives for operation and management. The "Green Shop" aims at encouraging dealers to voluntarily participate in environmental activities, to carry out environmental activities continuously by establishing a complete environmental management system and to reduce the consumption of water, electricity and other energy resources as well as the overall operating cost by improving environmental protection facilities.

## Environmental Responsibility

### Qualifications for Green Shop

To become a DFL-PV Green Shop, it is a must for the shop to obtain the ISO 14001 environmental management system certification, meet the requirements of the DFL-PV Green Shop Manual, pass the "Specialist's Review". It is also necessary to conclude the Guarantee for Construction of DFL-PV Green Shop which includes the promise of complying strictly with the management regulations of the Green Shops, earnestly boosting the construction and transformation of Green Shops, reducing the impact on the environment during the customers' repair and maintenance of vehicles, enabling each DFL-PV user to involve in environmental protection.

By the end of 2014, more than 280 DFL-PV shops have obtained the Green Shop certification (accounting for roughly 40% of the shops), thus making outstanding achievements in environmental protection and low-carbon practice. Taking water conservation for example, each green shop can save water of around 450,000 tons each year, and the water saved by all the green shops can be used for one year by over 15,700 people.



### Green Office

DFL-PV adheres to the concept of green office and low-carbon office in its daily work and takes multiple measures, including allowing employees to form the habit of saving electricity by appointing specific employees to manage the use of each light, each computer and each air conditioner, and raising the employees' awareness of energy saving. At the same time, the reuse of paper and paperless office have been thoroughly implemented in the company.

### Environmental Protection Activities

Nissan's subsidiaries in China have organized a series of environmental activities, supported related research to boost development of the industry, encouraged employees, car owners, dealers and other stakeholders to jointly involve in the environmental activities, so that more people will participate in environmental protection activities and the environmental awareness will be rooted in the heart of everyone.

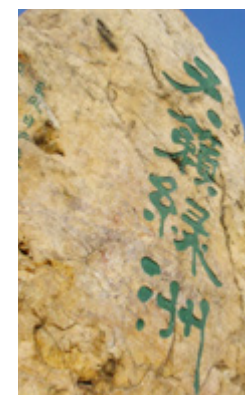
#### NCIC: Support 2014 Blue Book on New Energy Automobiles

In 2014, Nissan continued to cooperate with the China Automotive Technology & Research Center. Replying on its current conditions on the research and development of new energy automobile-related technologies and products, Nissan provided rich, reliable materials for the writing of the new book. Aimed at analyzing the problems and challenges for the development of the new energy automobile sphere, *the Blue Book on New Energy Automobiles* has summed up experience, offered means of study to people that are concerned about the new energy automobile sector and called forth more public attention on new energy automobiles. As a means for communication and knowledge dissemination, this book will continue to display its advantages by serving as a think-tank for industry experts, scholars and people of all walks of life in making wise decisions, and will help to bring about the overall sustainable development of China's auto industry.

#### DFL-PV: Teana Oasis Project

As early as 2006, DFL-PV and China Green Foundation had jointly launched the "Teana Oasis", a large environmental public project which is directed at responding to China's conception of environmental concern and harmonious development, improving the quality of people's green life, and encouraging more people to involve in the protection of ecological environment.

Taking major green lands such as forest parks, urban green lands, ecological protection forests, nature reserves as the targets of maintenance and construction, now the project been carried out in Beijing, Shanghai, Guangzhou, Wuhan, Chongqing, Inner Mongolia, Guizhou and other regions successively, which resulted in green lands of 5,000 mu (about 3.33 km<sup>2</sup>) that are under cultivation and planted.



#### ZNA: "Compensation for Emission" ZNA Owners' Club Activity

In 2007, ZNA and the Owners' Club jointly launched a planting and cultivation program entitled "Compensation for Emission". The program will carry out environmental public activities regularly every year with the aim of enabling car owners and their families to know more about driving-induced carbon emission and to make compensations through planting. Up to now this program has been going on for eight years and covers 16 provinces and cities across the nation. Owing to its concrete efforts in disseminating the conception of environmental protection, a gratifying situation featuring "everyone cares about and participates in environmental protection" has taken into shape.



# Safety Responsibility



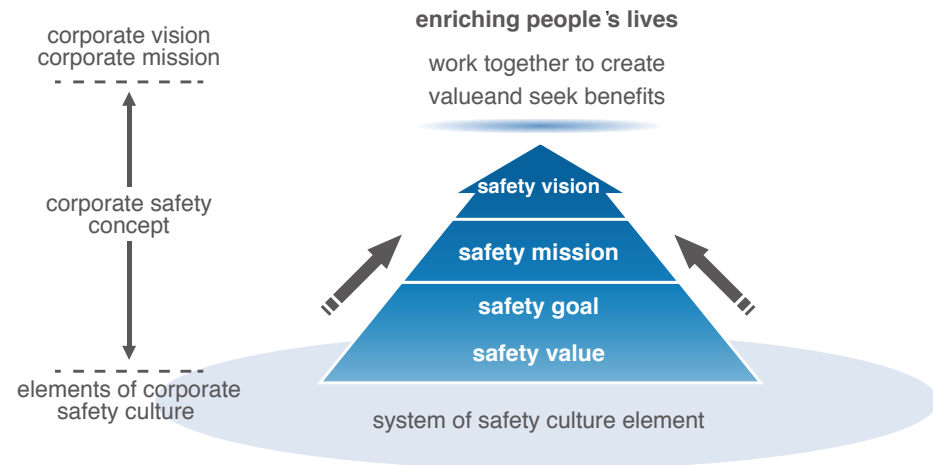
# Safety Responsibility

Nissan takes safety as its eternal corporate responsibility. Based on the principle of "people oriented", it keeps innovating auto technologies and applied them to their product series. Besides, diverse safety education programs had been carried out as a way of raising the public awareness of traffic safety and of spreading the idea of driving in a civilized way, until Nissan's ultimate goal of having almost no fatal or severe accidents in the world is realized.

## Nissan's Responsibility Concept >>

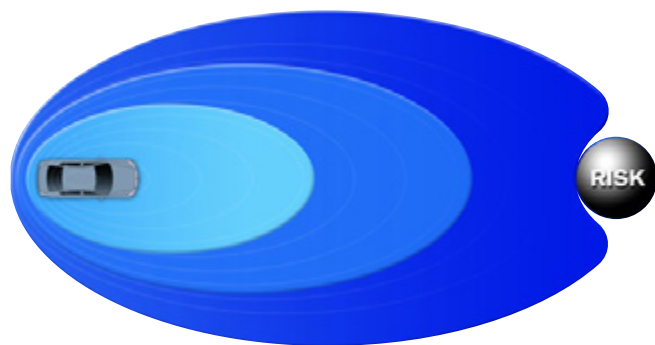
Sticking to the safety concept of "the vehicle that helps protect people", Nissan has established the protection conception of triple safety that involves such three aspects as automobiles, individuals and the society. For automobiles, Nissan put forward the unique idea of "Safety Shield", that is, to take the most effective protective measures targeted at different hazards until the drivers concerned have avoided danger. As for individuals, Nissan has organized the "Dongfeng Nissan Technical Safety Driving Camp", training programs for upgrading driving technique, series of publicity on traffic safety and other education activities on road safety in an effort to allow drivers, passengers, pedestrians, etc. to reach a consensus on traffic safety. In terms of society, Nissan has worked to strengthen the information exchange among road infrastructures through cooperation with governmental agencies, universities and businesses, until a safe, carefree auto society is taken into shape by means of intelligent traffic system.

Guided under Nissan's global safety concept, DFL-PV established the pattern of safety vision, safety mission, safety goal, safety value and safety culture that involves the entire value chain system. Based on its exclusive safety concept of "manufacturing safe cars, cultivating people with safety awareness, and bringing happiness to work, life and growth", DFL-PV strove to popularize the culture of "safe vehicle" and to provide clear and brief safety guidelines to all the staff and customers.



## “Safety Shield” and Safety Technologies >>

Safety Shield is an innovative and initiative safety concept in the sphere of safety technology that is proposed by Nissan. The safety technologies derived from the concept of safety shield help drivers to control the status of vehicles via early warning and to take the correct measure being provided with a view to minimizing traffic accidents and casualties.



**SAFETY SHIELD**

Phase of Risk	Shield Protection System	Function
Risk has not appeared yet.	<ul style="list-style-type: none"> <li>–Distance Control Assist System</li> <li>–Carwings System and Navigation-enabled Intelligent Cruise Control with full-speed following capability</li> <li>–Adaptive Front-lighting System (AFS)</li> <li>–Circum-Around View Monitor</li> <li>–Intelligent Cruise Control</li> <li>–Intelligent Pedal</li> </ul>	Help driver to maintain comfortable driving through aided driving
Risk has appeared.	<ul style="list-style-type: none"> <li>–Lane Departure Prevention</li> <li>–Lane Departure Warning</li> <li>–4-Wheel Active Steer</li> <li>–Blind Spot Warning</li> <li>–Blind Spot Intervention</li> <li>–Back-up Collision Intervention</li> </ul>	In case of danger, help driver to recover from dangerous conditions to safe driving.
Crash may occur.	<ul style="list-style-type: none"> <li>–Anti-lock Braking System (ABS)</li> <li>–Brake Assist</li> <li>–Vehicle Dynamic Control (VDC)</li> </ul>	
Crash is unavoidable.	<ul style="list-style-type: none"> <li>–Intelligent Brake Assist</li> <li>–Front Pre-Crash Seatbelts</li> </ul>	Help minimize injuries when a collision is unavoidable.
Crash	<ul style="list-style-type: none"> <li>–Pedestrian Protection Structure</li> <li>–Zoom Body construction</li> <li>–SRS Curtain Airbag System</li> <li>–Pop-up Engine Hood for Pedestrian Protection</li> <li>–Active Headrest</li> <li>–Low-Friction Seatbelt</li> <li>–Human Body Model Simulation</li> </ul>	
After a crash	<ul style="list-style-type: none"> <li>–Automated Airbag-Linked Hazard Lamps</li> </ul>	

## Road Safety Activities >>

Guided under the above-mentioned “three-tier protection” concept, Nissan’s subsidiaries in China made the best of their advantages to carry out various education programs on road safety with a view to popularizing knowledge on traffic safety and cultivating the habit of safe driving. Besides, concrete efforts have been made on accelerating government bills in this connection so as to raise the public awareness of road safety in an all-round way.

### ◆ Nissan Cup National Youth Road Safety Knowledge Contest

Since 2006, NCIC has successfully staged eight sessions of the Nissan Cup National Youth Road Safety Knowledge Contest. Competitors are supposed to answer related questions via the internet and this contest aims to enable youth to have a deeper understanding of the knowledge concerning safety, environmental protection and energy conservation and to heighten their awareness of road safety.

Up to the present, the project has been available to 100 schools in 16 cities nationwide and benefited more than 200,000 students. And a total of 2,809 students from across the country have participated in the 8th Nissan Cup Youth Road Safety Knowledge Contest in 2014.



### ◆ Dongfeng Nissan Safety Driving Camp

The Nissan Safety Driving Camp serves as a platform for the popularization of auto safety education that was initiated in 2005 and upholds the driving concept of “civilized trip, safe driving”. Through development in the past ten years, this project has been organized throughout China and involved the participation of 1.5 million people in all. Its numerous items of interactive experience have won general approval of participants. For example, in the area for simulated collision and rolling, participants can personally experience Nissan’s safety protection and its people-oriented technologies.



### ◆ NCIC's Support of the 2014 China Road Safety Forum

Nissan also offered great support in accelerating the development of road safety and related policy research. It has, for nine consecutive years, supported the convening of the China Road Safety Forum. In August 2014, the 2014 China Road Safety Forum, organized with the assistance of NCIC and centering on “harmony between human and vehicles, and a safe society”, was attended by around 300 leaders from government departments, industry experts, auto corporate representatives and experts from research institutes, colleges and universities who had carried out an in-depth discussion concerning road risk assessment, collecting information on traffic injury, publicity and education on road safety, prevention of traffic injury, etc.



# Philanthropy



# Nissan's Global Philanthropy Promotion Framework >>

By working out a global philanthropy promotion framework, Nissan has been developing its charity cause in three areas such as environment, education and humanitarian aid. Following Nissan's global philanthropy concept and policy, Nissan's subsidiaries in China made continuous efforts in offering environmental education and in paying close attention to the education and growth of children and youth, and showed humanitarian care vigorously.

## Education >>

### ◇ Education Support

#### Sunshine Foundation

In June 2008, DFL-PV established the Sunshine Foundation for the purpose of offering long-term, standard aid to the public. The foundation has just made it possible for showing the love and actions of DFL-PV's employees, dealers, partners and car owners to the society.

#### ◇ Sunshine Care - Education Support

Starting in July 2009, the "Sunshine Care -Education Support" program is directed at offering auxiliary teaching, training of teachers, as well as donation of funds and supplies, and other support to less-developed areas like mountain areas, poverty-stricken areas, remote areas, etc. Over the past five years, this program has been carried out in 15 areas of 10 provinces, involving a total investment of more than 20 million Yuan in teacher training, teaching materials, and stationeries. Meanwhile, over 700,000 teachers and students have benefited from this program.

Based on its previous efforts, DFL-PV's "Sunshine Care - Education Support" program initiated the dream class journey in 2014, that is, a team of teaching assistants made of up 18 college students offered a one-week "dream class" to over 3,500 children in six primary schools in the mountain areas of Yunnan and Guizhou, and established study archives for these children.

#### ◇ Sunshine Career & Bright Future

Under the great support of the Ministry of Human Resources and Social Security of China, DFL-PV concluded the college-enterprise joint school running agreement with 20 vocational and technical colleges countrywide in 2012, which marks the formal starting of the "Sunshine Career & Bright Future" program. DFL-PV also offered educational supplies to the signatory colleges and set up the "Dongfeng Nissan Class" etc. for the purpose of cultivating specific auto talents. In the coming three years, DFL-PV plans to enter into strategic cooperation with 60 schools around its production bases, which is expected to involve a total investment of more than 150 million Yuan.

In order to tap the most excellent design elites of China and enable Chinese designs to appear on the world stage as early as possible, DFL-PV and China Youth Daily staged the 2nd "Most Attractive Venucia" design competition in 2014 to collect auto designs from college students gifted with design capability. A contestant from Wuhan University of Technology won the championship with his works entitled Beaming Waves, which afforded him the chance of studying and exchanging ideas at Nissan's global design center.





# Philanthropy

## Hand-in-Hand Project

In 2010, ZNA launched the hand-joining project to establish a knowledge platform for children in impoverished mountainous areas, with the aim of helping them to finish study and to have a bright future. Focusing on education support, the project will work out the happy growth plan and the talent cultivation plan that are targeted at primary school pupils in poverty-stricken areas and the needy students in colleges respectively. By now the hand-joining project has made a total investment of 15 million Yuan, helped around 6,000 impoverished college students, 1,000 orphans and disabled children as well as 1,000 children in disaster areas and children of migrant workers.

### ◇ Book Donation Relay – Distribution of Love in a Long Journey

ZNA's program entitled "Book Donation Relay - Distribution of Love in a Long Journey" offers children the nourishment for the mind - the books donated by car owners, Internet users, employees and other people from all walks of life. By the end of 2014, ZNA's book donation relay has covered nine provinces, including Sichuan, Shanxi, Zhejiang, Heilongjiang, Shandong, Henan, Yunnan, Guangdong and Hebei. The program has donated fund for the construction of 11 book houses and donated over 20,000 books, helping more than 3,000 children to fulfill their dream of reading.



## ◇ Educational Development

### China Youth Model Car Innovation Competition

In 2014, the 2nd China Youth Model Car Innovation Competition organized by the Chinese Education Society and the Youth Center under China Association for Science and Technology was started in Beijing Exhibition Center completely. As the first automaker invited by Beijing Municipal UNESCO Clubs Association, NCIC not only provided contestants with prizes and vehicles for graffiti, but also introduced the Nissan Monozukuri Caravan to China for the first time, so that the children can just have a lively and interesting car making course right before the competition, which gave them a good time through sense of sight, hearing and touch.



## Dream Classroom

NCIC, DFL-PV and ZNA worked together with the China Foundation for Poverty Alleviation to launch Nissan's "Dream Classroom" program. By building "Dream Classroom" extracurricular activity centers for primary and middle schools in poverty-stricken areas and offering "Dream Classroom courses" nationwide, this program aims at popularizing road safety knowledge, broadening students' horizons and contributing to the healthy development of children in poverty-stricken areas.

The Dream Classroom courses include Monozukuri Caravan, Eco School, Painting Experience Classroom, Auto Structure and Driving Classroom, Auto Engineering and Design Classroom, impart knowledge on auto making and painting, etc. to students in a lighthearted manner, which both serve as a platform for students to have a direct access to the auto culture and to cultivate their abilities in innovation and hands-on experience. Since April 2014, the Dream Classroom courses have been available in many primary schools in Beijing, Shanghai, Sichuan, Wuhan, Zhengzhou, etc. successively.



## ◇ Care for Children

### "Loving Planet" Public Action

Through cooperation with One Foundation, Infiniti successfully initiated the "Loving Planet" Public Action - Show Care to Autistic Children in 2014, which is directed at calling for more public understanding and care to people with autism. Infiniti and One Foundation offered a total of 6 million-Yuan initial fund for their cooperation regarding parent growth and training, special teacher training, public education and policy advocacy, so as to raise the ability of people with autism in adapting themselves to the society and to enable more people to pay closer attention to them. A dealer-based "Loving Planet" Public Action network will also be established to allow this program to be carried out throughout the country.

In 2014, the Infiniti head office organized a total of 16 activities for showing care to autistic children, 129 activities focusing on the "Loving Planet Public Action" and five large training programs. The 17 dealers taking part in the Action involved in or organized 24 related activities, benefiting 10,434 autistic children and family members and 144 public service organizations, offering training to 267 related personnel and involving the participation of more than 62,244 public and 270 Infiniti owners.



## Humanitarian Aid >>

### ◇ Ludian Earthquake Relief

After the Zhaotong earthquake in Yunnan in 2014, Nissan and Nissan's subsidiaries in China jointly donated a total of 6 million Yuan to the disaster area for post-disaster reconstitution and education aid, so as to enable the children to return to school the earliest possible.

### ◇ Donation to Lifeline Express

Since 2006, NCIC has, on a yearly basis, donated funds to the Lifeline Express program co-organized by the Chinese Foundation for Lifeline Express and the Ministry of Commerce of China in support of the cataract patients in poverty-stricken areas to have operations for free. By now NCIC has made a total donation of over 1 million Yuan, which made it possible for around 600 cataract patients to regain their sight upon operation.

### ◇ Support the Disadvantages

In July 2014, ZNA donated 70,000 Yuan to support the concert on Love to the Disadvantaged Group, and made joint efforts with Sandu Music Band formed by disabled musicians in Shenzhen to publicize the idea of "free of disability" to the whole society, to call more public attention and care on the handicapped, and to make the greatest effort in calling upon help for people having difficulty in moving about outdoors, such as the aged, the weak, the sick, the handicapped, and pregnant women.

Quality  
Responsibility

# Quality Responsibility



## Enhancing Quality Program >>

In 2011, Nissan announced the initiation of its enhancing quality program for the purpose of raising its quality in products, sales and service. This plan specifies Nissan's quality objective and management method by the year 2016. Nissan's subsidiaries in China have been implementing Nissan's global enhancing quality program in a comprehensive way so as to bring about constant improvement of their product, sales and service quality and to attain the highest level.

## Product Quality Management >>

### ◆ Product Quality Improvement

In terms of quality management system, DFL-PV integrated its original quality, safety and environment systems in order to put the system into more efficient operation. Through combination of internal and external audit, it intensified efforts in finding out all the existing problems and addressing them thoroughly so as to make sure the system is operating in an effective way.

In 2014, DFL-PV's three vehicle models were included among the top three vehicles in the JDP-IQS area, thus achieving its objective of having at least three vehicle models to be listed in the top three automobiles in the JDP-IQS area in early 2014, and continuing to remain competitive in the same industry. Besides, Venucia ranked the second in the JDP-IQS area, leading to the fulfillment of objective ahead of time.

In 2014, ZNA carried out a series of quality activities that revolve around evaluation index on main vehicle types (FULL AVES), poor product management (PPM), sales satisfaction index (SSI) and customer service index (CSI). ZNA raised the employees' quality awareness

through such activities as "Quality Month", "Quality Speech" and "Demonstration of Adverse Cases". Additionally, it also set up the quick response quality control system (QRQC) to follow up and respond quickly to the quality problems found out from the market every day.

### ◆ Product Recall System

Nissan has put into place a full-fledged and transparent recall system in China to facilitate handling and recalling products timely and fairly.

Following the globally unified market and improvement measures, Nissan's subsidiaries in China also set up a recall system oriented to customer safety. When it is necessary to carry out recalls, Nissan will publish recall information on its global and Chinese website simultaneously, inform the customers via the contact center at the very first time, and remind them to take safety measures. In the meantime, Nissan will inform the dealers of the details of fault, improvement measures, maintenance measures, etc. and require that all the repair must be started within one month after the recall message has been released.

## Sales and Service Quality >>

### ◇ Customer Service Concept and System

#### DFL-PV's Customer Service System

Adhering to the corporate vision of "People, Vehicle and Life", DFL-PV worked together with its partners and dealers in order to offer better product and service experience to its customers. It also set up a complete customer service system by sticking to the service concept of peace of mind in such five areas as quality, cost, repair, time and emergency.

DFL-PV's After-sales Service Department was responsible for supervising, guiding and carrying out overall planning on matters relevant to the dealer's customer service. In terms of listening to the customers' voice, in order to better serve around 6 million customers, the After-sales Service Department has worked with departments for R&D, purchasing, manufacturing, quality assurance, supply chain, etc. to pass on the customers' voice inside the company in an effort to ensure the smooth progress of customer service-related work.

#### ZNA's Customer Service System

Focusing its service on customer satisfaction and upholding the concept of "One-on-One, Life-long Considerate Service," ZNA has established a service system that includes a licensing service center, dealerships, regional offices and corporate functional departments. In this system, the corporate functional departments will provide full support to the licensing service center and dealerships, help them to improve service quality, and appoint a service representative to each provincial office for guiding dealerships in finishing their work.

#### Infiniti's Customer Service System

Highlighting such brand features as considerate service and attention to detail, Infiniti's customer service system covers after-sales service, customer satisfaction, sales & after-sales processes and other aspects, and it is to be implemented by dealers after undergoing a unified training course. To clearly define responsibilities and rights, each Infiniti dealer shall have an independent customer service department, which is responsible for directly reporting to the general manager, listening to customer in a timely manner, responding to customer inquiries or complaints as soon as possible, monitoring the implementation of standard processes by the sales and after-sales service departments, and finding out and addressing service quality issues without delay. Moreover, Infiniti's Sales Dept., After-sales Dept. and Customer Service Dept. have made joint efforts in satisfying customers and enhancing customer loyalty by offering standard and individualized honorable services. In the meantime, efforts have also been made on the constant improvement of the internal service management system and on establishing the customer-centered service model.

## ◆ Improvement of Customer Satisfaction

### DFL-PV

In order to upgrade customer satisfaction and customer service experience, DFL-PV carried out the location-based training on service advisers for the purpose of moving customers. Besides, the F1 (one-off fixing rate) cross-section research group was also set up to help raise the repair quality.

In 2014, by launching the program entitled “Embracing Customers and Eliminating Complaints-Customer Voice Day”, DFL-PV aimed at enabling departments to proceed their work from the idea of “embracing customers and eliminating complaints” and make further improvements of their work accordingly. This activity facilitated the timely handling of individual cases, prevented the recurrence of such cases and led to the reduction of duration for handling customer complaints and of the complaint rate by 20% and 54% respectively.

### ZNA

In 2014, ZNA put forward the basic principle of a strong customer focus. To improve customer service, ZNA set up the customer focus team (CFT) to handle customer complaints. CFT extends to cover 12 departments in all, including Customer Service Dept., Sales Dept., Quality Assurance Dept., Technical Center, Special Auto Dept., Legal Dept., Marketing Public Relation Dept. and so forth. Through nine months' hard work, ZNA improved 12 items of the process standards and appointed another 8 personnel for specifically handling customer complains, which enabled the rate of five-day settlement of customer complaints to increase from 42.9% in March to 92%.

### Infiniti

Infiniti provided customers with perfect experience service that takes the lead in the auto realm, such as the free warranty service (100,000 km in four years), nine times of free maintenance within the warranty period and the 24-h road assistance service. Meanwhile, Infiniti kept improving the sales and service operation level of Infiniti and all the dealers by virtue of warranty level rating for dealers, customer satisfaction survey, after-sales mysterious purchase and so on.

Since November 2013, Infiniti has come to hold the “customer symposium”, that is, by inviting customers to relaxing place for dining, request them to offer suggestions on the improvement of the brand, products, market, sales, after-sales service of Infiniti as well as dealers' service, so that the company may raise its quality processes accordingly.

## ◆ Innovative Customer Service Activities

### DFL-PV's Warm Way Home

Since 2009, DFL-PV has, for six consecutive years, carried out the "Warm Way Home" public service activity during peak travel seasons such as the Spring Festival and the National Day. The activity offers vehicle test, general trouble clearing and other services to ensure safe travel for car owners. Besides, free hot water, hot tea, coffee, emergency medicine and other supplies are also offered to the public along the Warm Way sites. In 2014, the Warm Way Home activity extends its way from expressways to communities and scenic spots. By the end of 2014, the activity has involved 1,527 sites and offered free test and repair to 44,712 car owners altogether.

### DFL-PV's Publicity on Authentic Spare Parts

In 2014, DFL-PV took the lead in carrying out the Publicity on Authentic Spare Parts countrywide. Through comparison between authentic parts and fake ones, professional technicians offered on-site explanation to voluntarily impart the ways for judging and using authentic spare parts to customers. In 2014, the activity was carried out in 20 places in China, involving 20 cities, 200 franchise stores and nearly a million car owners.

### ZNA's Winter & Summer Service Months

ZNA will carry out a one-month customer service activity in every summer and winter, in order to offer free inspection on customers' air conditioning, tires, engine oil, windscreen wiper, etc. Meanwhile, special offers for repairing accessories have been provided as well. In June and November 2014, ZNA's service months activity was duly carried out, which offered safety guarantee as well as reliable and considerate service to customers.

### ZNA's Care of Industry Customers

From May to November 2014, ZNA carried out the activity on showing care to industry customers. By visiting customers of such five industries as power, public security, city administration, forestry and railway, ZNA offered them free vehicle test and carried out the Love Classroom and other activities of interaction and publicity effect.

### Infiniti's Training Camp for Car Owners

In order to disseminate brand and vehicle information to car owners and enable them to acquire knowledge on use of car, Infiniti offered the "Conspicuous Car Owner Training Camp" targeted at green hand car owners in 2014. From September to December, pilot activities of the training camp were carried out at dealers's shops in Beijing, Foshan, Chongqing, Nanchong and Nanjing, which involved more than 150 car owners in 91 groups. The activity included lecturing, instructions, workshop visit, actual experience, and award ceremony, which gave a wonderful combination of theory with practice. So far the activity has been successfully organized for five times and has won general approval of all the car owners.



# Value Chain Management





Faced with severe market environments, Nissan's subsidiaries in China have kept a close watch on improving operation quality and the ecological health of value chain. Guided under such values as mutual trust, mutual respect and transparency, these subsidiaries have maintained a stable, equal and mutually beneficial partnership with suppliers and dealers and made concerted efforts in achieving sustainable development.

## Supplier Management >>

As to the selection, acceptance, management, assessment of suppliers and the punishment for suppliers in violation of regulations, Nissan's subsidiaries in China have formulated strict rules and regulations as well as measures of punishment based on the headquarters' policy on suppliers, so as to make sure the suppliers will supply stable, superior parts and components that are in compliance with Nissan's concept of environmental-friendly and sustainable development.

### ◇ Management Method

The Renault-Nissan Purchasing Way that was formulated by Nissan along with Renault emphasized the essential values shared with suppliers and standardized the suppliers' business processes. From 2006, Nissan has been issuing this manual to all its basic suppliers.

#### **The Renault-Nissan CRS Guidelines for Suppliers specify Nissan's CSR and purchasing policy according to the following aspects.**

- ④ Safety and quality: supply products and services, etc. that are in compliance with customer requirements;
- ④ Human rights and labor: It is prohibited to employ child laborers or to force employees to work; abide by working hours and labor remuneration law, etc.
- ④ Environment: strengthen environmental management, reduce greenhouse gas emission, etc.
- ④ Regulatory compliance: observe disciplines and obey laws, prevent corruption, etc.
- ④ Information disclosure: communicate with interested parties openly and fairly, etc.

Nissan has particularly stressed the environment performance of all the links on the value chain. Based on the Nissan Green Program 2016, Nissan kept revising and improving the Nissan Guidelines on Green Purchasing which required its suppliers to comply with EU's REACH and Nissan's basic environmental principles, and to minimize the use of materials causing negative impacts to the environment.

Based on the headquarters' policy on global suppliers, Nissan's subsidiaries in China established a supplier management system in line with NCIC's brand strategy and China's national conditions as a way of optimizing and enriching their management methods continuously.

### ◇ Supplier Selection

DFL-PV adopted the policies of fair competition and strict assessment for selecting suppliers, and comprehensively assessed the suppliers' abilities in such aspects as technology, quality, cost, management system, and delivery term.

Proceeding from the need of the supplier platform, ZNA comprehensively assessed the recommended potential suppliers from such aspects as technical development, quality assurance, cost management and control, integrated operation management and delivery. Suppliers passing the assessment will be reported to the purchasing committee before integrated in ZNA's supplier platform. Suppliers for new projects and localization and the substitutes for suppliers to be changed must be recommended from the platform. In addition, suppliers accepted after May 2009 must have evidence on qualification related to environment /occupational health and safety (environment management system certification ISO 14001 or GBT24001, occupational health and safety management system certification OHSAS18001, etc.)

## ◆ Supplier Management and Evaluation

DFL-PV requires each supplier to establish an environmental management system and will, during its activities on launching of new products, give priority to suppliers having an environment system certification issued by a third party. By the end of 2014, DFL-PV had 525 component suppliers and 56 material suppliers, 94.1% of which have obtained the ISO14001 or GBT24001 environment system certification. DFL-PV supported its suppliers to carry out waste aluminum recycling, to strengthen technical research and development, to reduce exhaust emission, etc. and encouraged them to fulfill their social and environmental responsibilities whilst reducing cost and making profits.

As a strategic partner of DFL-PV, Baosteel has been vigorously responding to DFL-PV's environmental requirements on the supply chain. In 2011, under the support of DFL-PV, Baosteel officially issued the first Green Manifesto in China's steel industry and the Environmental Declaration on the first group of five major types of products, in an effort to share its environmental design concepts and technologies, and to disclose its "complete period" environment performance information that covers from the raw material of mainstream products to the delivery of finished products, which is aimed at realizing green manufacturing and strengthening environmental management.

ZNA endeavored to help its suppliers to meet Nissan's global Alliance Supplier Evaluation Standard (ASES) and to be incorporated into Nissan's global supplier system consequently. Through a series of activities and training, ZNA's grade-A suppliers have increased from 10.9% in 2013 to 13% in number and achieved profits of roughly 139.73 million Yuan by lowering cost. Moreover, ZNA continued to optimize its supplier system and requested all the suppliers to obtain the ISO9000, QS9000 or TS16949 and other related quality system certifications. What's more, all the departments will, based on the current situation of cooperation and the annual evaluation results, carry out an integration and

straightening on the suppliers on a yearly basis, with a view to making sure the suppliers' products and services are of high quality. In the meanwhile, ZNA has offered CSR training to all its suppliers, which involves the introduction of ZNA's CSR concept and action and encouraging the suppliers to spare no effort in fulfilling their social responsibilities.

In order to assist suppliers in lowering cost and enhancing ability and management effectively, ZNA, together with a great many suppliers, carried out a series of activities entitled "customer foremost- starting from support of suppliers" in 2014. These activities brought about the summary of 54 practical cases, study, discussion and publicizing and implementation meetings of 26 times, one business etiquette training and the exploration of 42 topics for improvement. The timely settlement rate of topics for improvement was up to 100%.

## ◆ Violation of Regulations

For products that fail to come up to the environmental standards as found out by the third-party authority through testing, DFL-PV adopted the green purchasing policy of "zero tolerance", which requires related suppliers to make rectifications within a definite time limit and carry out testing repeatedly. If there are related suppliers that are still unable to come up to the standard within the prescribed time limit, DFL-PV will thoroughly eliminate the suppliers concerned from its supplier system.

ZNA evaluates its suppliers in accordance with the Supplier Performance Evaluation Rules on a quarterly and yearly basis respectively. In case of suppliers not in compliance with the rules, ZNA will inform them of the items for improvement pursuant to the related improvement and handling provisions of the Program File on the Integrated Management System for Environment / Occupational Health and Safety and will follow up and implement the improvement results.

### Dealers Management >>

With the slight growth of the auto market, Nissan's subsidiaries in China kept a close cooperation with its dealers, make unremitting efforts in the reform and improvement of its dealer management system, and organized training to its dealers with a view to continuously upgrading its dealers' service quality, operation level, risk management ability and to sharing the benefit.

#### ◆ Dealers Management Mechanism

##### DFL-PV's Dealer Management

DFL-PV has signed the Distribution Service Agreement and the annual Business Rules with all its dealers to carry out unified management. Up to December 2014, DFL-PV has a total of 896 Nissan and Venucia 4S stores across China. Targeted at the routine management of its dealers, DFL-PV carried out area-based management, that is, East Area Marketing Dept., South Area Marketing Dept., West Area Marketing Dept. and North Area Marketing Dept. have been set up in Shanghai, Guangzhou, Chengdu and Beijing respectively, which are directed at conducting supervision, inspection and auditing of the production line, facilitating communication with the localities and the head office and accelerating the implementation of DFL-PV's policies oriented to its dealers.

Following the "Inducing Marketing"-oriented idea for managing dealers, in 2014, DFL-PV further deepened the "customer" awareness for its dealers, took into account the dealers' satisfaction degree and experience, explored the dealers' needs and offered them the chance of mutually beneficial cooperation and common development.

##### ZNA's Dealer Management

ZNA paid close watch on the revenue and development of its dealers. On the one hand, ZNA has, based on its product features and customer needs in combination with the market differences, put into place a "Quadruple" sales and profit management system for its dealers in an attempt to assist its dealers in strengthening shop management, external development and other capabilities. On the other, ZNA took a number of measures to standardize and unify the management of dealers, including the introduction of management standard on dealers' operation, Nissan's NSSW standard sales service process system, strengthening Nissan's operation method and brand concept through regular meeting for dealers, phased assessment and other activities.

##### DFI's Dealer Management

Since 2014 when DFI was established, its authorized dealerships have increased to 85. In order to bring about a healthy, efficient dealership network, DFI has offered multiple supports to its authorized dealers so as to upgrade their operation level.

As for shop construction, DFI advanced a brand-new global design standard for its dealerships and optimized and upgraded the retail environment of shops, customer experience and many other details. According to different city levels and market capacity, DFI planned several types of dealership, so that dealers are just able to make the optimal choice based on market needs and consumer behaviors.

DFI also set up a dealers' operation management group to pay attention to the dealer's overall profit and assist them in managing the profit and cost of new vehicles by cost control. Besides, a complete dealers' risk evaluation system was designed to carry out risk evaluation for dealers and help them to make continuous improvement.

## ◆ Training for Dealers

### DFL-PV's Dealer Training

In order to raise dealers' service level and quality, DFL-PV carried out the service management training targeted at the dealer service managers. The training includes the role cognition and emotion management for service managers as well as the construction, cultivation and efficient performance of service teams, etc. And activities regarding excellent case sharing and experience exchange were also carried out on more than one occasion. This project had been held for 12 sessions in 2014, involving 336 training hours in all and training 650 Nissan shops. Besides, the project had won general approval of dealers, and the satisfaction degree of all the trainees, including the 225 dealership service managers was up to 97%.

Confronted with fierce market competitions, DFL-PV also organized training program oriented to "Boosting Sales Confidence and Morale" in 2014. This program was offered to 7 groups of dealership general managers in a total of 56 training hours, involving the attendance of around 300 franchise store general managers or managers.



### ZNA's Dealer Training

For dealers that have just included in the sales network, ZNA would organize the "New Shop Training" program series before examining the construction of these shops. The program gave these partners a more comprehensive understanding of ZNA's corporate culture, operation philosophy and actions for fulfilling social responsibilities. According to the conditions of the newly admitted dealers, ZNA offered the program twice (3.5 hours each time) in 2014, involving the attendance of 25 dealerships altogether.

Additionally, to raise customer satisfaction in the process of sale, ZNA will organize two to three centralized CHS2 (Customer Service Standard) training programs targeted at dealers from March to October each year. The program offered dealers detailed suggestions and guidance on the reception skills for sales consultants, the arrangement of exhibition hall and so on, and now it has become ZNA's regular project for dealer training. In 2014, ZNA offered the CHS2 training program twice (21 hours each time) in 2014, involving the attendance of 61 dealerships altogether.



### DFI's Dealer Training

Since establishment in China, Infiniti carried out training for dealers continuously and set up the training institute under the Infiniti Network Development Dept. in order to offer high-quality training service to dealers continuously. In 2014, the institute worked out a brand-new development strategy that focused on practice training for new dealers, product training, sales and after-sales training and certification, and set up the training certification system in an all-round way and optimized the training courses. All this was directed at cultivating more excellent management, sales and after-sales talents for dealers, strengthening the brand concept and hence bringing about higher customer satisfaction. DFI had carried out training for many times throughout 2014, which involved more than 1,250 trainees of over 300 dealerships.

At the same time, the institute offered its dealers a comprehensive system concerning after-sales service technical training, after-sales service non-technical training and after-sales product training and successfully staged the 2nd After-sales Consulting Skill Contest. Focusing on the theme of "loving planet-conveyed by me", the contest displayed the best spiritual outlook and technical skills of the Infiniti dealers.



# Responsibility for Employees



## Responsibility for Employees

Employees have been serving as the main force and strong impetus for the sustained development of Nissan's subsidiaries in China. For this reason, Nissan's subsidiaries in China not only have offered all the necessary welfare to the employees and protected their legal rights and interests, but also worked to enable their employees to have a healthy physical and mental state, and to realize self-achievement through creating a comfortable and safe working environment and establishing smooth communication channels and full-fledged training mechanisms.

### Employee Management Concept >>

In accordance with its HR management concept of "Unite Every One of Us to Meet the Challenges" in China, Nissan's subsidiaries has worked to bring about a smooth communication channel, and design an all-round professional development training system so as to make its employees more competent to their posts, and provide the company with enough personnel that meet the company's strategic development.

Adhering to the HR concept of "Care, Equity, Concentration, Solidarity" and the action target of "Building up An Outstanding Team, Marching toward A Bright Future", DFL-PV advocated the corporate culture of "Happy State of Mind, Happy Work, Happy Life and Happy Growth", committed itself to creating a harmonious and positive working environment, colorful and brilliant profession, and offering value contribution-based reward to its employees.

ZNA has been following the principle of "Assigning Proper Tasks to Suitable Personnel" and the corporate development concept of "Trust, Concomitance and Common Development" to vigorously fulfill its responsibility to employees.

DFI established the HR concept of people foremost, and the orientation of improving employees' ability and strengthening performance to support the company's human resource strategy. In the coming future, DFI will give further expression to its "loving" corporate culture, and step up its work regarding responsibility for employees from such aspects as strengthening system construction, establishing communication mechanism and heightening employees' sense of responsibility.



# Responsibility for Employees

## Building Safe Working Environment >>

Nissan has implemented the standard safe production norm across the world in order to ensure personnel safety and raise their working efficiency as much as possible. Nissan's subsidiaries in China have tried all means to comply with the headquarters' safety standard. These subsidiaries adopted the Safety Evaluation System (SES), the Fire-Prevention Evaluation System (F-PES) and other safety management, diagnostic tools to identify and address the hidden problems and concerns in the personnel's working environment, so that the employees may work in an easy and safe manner.

### DFL-PV's Safety Management

Based on its safety vision of "Enriching People's Lives with Safe Navigation" and the safety mission of "Manufacturing Safe Cars and Cultivating People with Safety Awareness", DFL-PV established a complete management system on environmental health safety, which not only manages and controls the common one-million-working-hour accident occurrence, accident severity and other safety management results, but also integrates the actual production conditions into the management control system by means of the safety evaluation system and tools for disaster prevention and diagnosis, safety behavior observation and diagnosis and so on, which are aimed at radiating to the whole value chain and ensuring a safe, healthy, comfortable and user-friendly working place.

In order to realize the objective of zero major occupational accident, zero occupational disease and zero major environmental accident, DFL-PV organized employees to carry out safety training and annual fire-fighting drilling as a way of enhancing the employees' sense of safety. In 2014, DFL-PV's factory in Huadu was rated as the national demonstration enterprise in safety culture construction.

DFL-PV	Times of safety inspection	Discovery and elimination of hidden danger		
		Number of items discovered	Number of items rectified	Rectification rate
Company	22	1302	1251	96.1%
Factory	215	11901	11852	99.6%

Safety training / hour	Company	3,881
	Factory	355,417
Per capita safety training / hour		18.9
Fire-fighting drilling in 2014	Times	34
	Attendance	12,299
Serious injuries and fatal accidents /incidents in 2014		0



### ZNA's Safety Management

Centering on system management, hidden danger management, emergency management and occupational health management, ZNA carried out all-round work on safety and health, and organized safety environment education training, safety knowledge competition, speech contest entitled "Safety - up to Me" drivers' technique contest and other related activities to build up the safety culture.

With regard to system management, ZNA promoted the double system management pursuant to the requirements of the ISO14001/OHSAS18001, and invited a third party in supervision and audit. In practice, ZNA introduced the triple post response plan of Dongfeng Motor Company Limited for emergency management, managed to improve personnel working conditions and implemented the occupational health management through declaration of occupational hazards in workplaces, informing occupational hazards in contract, monitoring occupational hazard factors, physical examination for harmful work and other measures.

In 2014, ZNA invested approx. 17.93 million Yuan in occupational health, environmental protection and safety improvement, offered training regarding safety and environmental protection to more than 6,199 staff in all.

ZNA's investment in occupational safety and health	Amount / 10,000 Yuan
Post monitoring, graded assessment and physical examination	31.2
Labor protection appliances	523.4
Health subsidies	15.6
Improving safety of equipment and facilities	306

## Responsibility for Employees

### Guarantee Employees' Rights >>

Protecting employees' legal rights and interests basically embody a corporate social responsibility. Nissan's subsidiaries in China strictly implemented all the recruitment policies, and established highly competitive remuneration and welfare systems based on standard recruitment criteria and code of conduct, which met staff's diverse needs and boosted the healthy and favorable development of the companies.

#### ◇ Employment Policies

Based on the observance and protection of the basic principles and all the requirements in Nissan's global code of conduct and pursuant to the labor laws and regulations of the State and the local policies, Nissan's subsidiaries in China have entered into labor contract with their employees, respected and protected the employees' legal rights and interests, guaranteed the employees' salary, social insurance and all the welfare treatments, etc.

Complying strictly with the national employment policies, DFL-PV has entered into the Collective Contract and the Collective Contract on Labor Safety and Health with the Labor Union to strengthen labor relation guarantee. Meanwhile, it established a labor safety dispute mediation committee to improve the development of organizations related to employees' rights and interests. DFL-PV also specially drafted the Collective Contract on Protection of Female Employees' Rights and Interests to protect female employees' special

rights and interests in regulations.

ZNA has endeavored to improve its system continuously. It issued the performance management system - Performance Management System for Managerial and Technical Staff (third version) and the Communication Manual on Performance Management, and gave 16 lectures, which offered comprehensive guidance and reference to managers in their formulation of performance plan for employees, and guidance and inspection of performance implementation, etc. Furthermore, ZNA also issued such regulations as Regulations on Social Recruitment Management, Measures for the Management of Labor Contract, Measures for Disciplinary Management, etc., and re-amended the Employee Manual, for which 26 trainings for all the staff members had been organized.

#### ◇ Complete Salary and Welfare Systems

##### Salary Management

In combination with their own corporate features and the needs of localities, Nissan's subsidiaries in China established systematic salary management systems in order to provide their employees with competitive remuneration, and to make sure all the employees are entitled to all the legitimate social insurance and welfare.

DFL-PV has, by means of its balanced score card, set up a competitive, fair salary system, and particularly improved its talent incentive system, including long-term incentive publicity and award, key post allowance, special incentive plan, full staff-based special award systemization and differentiated incentive to make the incentive measures all the more



## Summary of Nissan in China

effective. In 2014, DFL-PV unified and optimized the salary system for the technicians in its factories of four regions, which eliminated the salary difference of different regions and raised the internal fairness of DFL-PV.

According to the features of different posts along with the features of the company location and the development strategy, ZNA set up the hierarchical salary system and the salary system for technicians, which offer remuneration responsive to the employees' post value, personal ability and performance, which enable each staff to have higher salary through hard work and to achieve a mutually beneficial relation with the company. In 2104, ZNA finished its nine major salary plans, that is, through standard, optimized adjustment on structural salary, performance-based salary adjustment, promotion-based salary adjustment, six business-based rewards in due time and other measures, ZNA further improved its corporate salary structure and remuneration competitiveness.

DFI also set up a sound salary & welfare system and salary payment strategy for its employees, and offered annual performance bonus pursuant to corporate and employee's performance as a way of motivating its staff. Looking into the future, DFI will offer special awards to teams and individuals that make outstanding contributions.

### Employee Welfare

NCIC and DFI have applied a complete two-dimensional welfare model which, in addition to the national statutory benefits, provides many extra benefits, including holiday allowance, lunch subsidy, traffic subsidy, high temperature subsidy, subsidy for heating in winter, multiple welfare cards for holidays, newlyweds and newborns.

DFL-PV offered its employees preferential policies on purchasing car and house as well as extra benefits such as regular bus, vehicle subsidy, oil card subsidy, meal subsidy and staff dormitory in order to meet the employees' living needs. In addition, DFL-PV has offered its employees annual physical examination series, and staff holding special work post and suffering from occupational disease may have free physical therapy.

In addition to providing its staff with holiday allowance, high temperature subsidy, subsidy for relocation and family visit and other welfare benefits, ZNA offered living subsidies to the needy employees and the relations of deceased employees. It also set up a long-term, normalized staff assistance mechanism by establishing special fund for helping and supporting the poor, which functions by offering financial support to targeted employees who or whose families are confronted with critical conditions. In this way, comprehensive guarantees will be offered to its employees.

# Responsibility for Employees

## Employee Communication >>

Effective, smooth communication with employees is both the key for managing the relation between corporate and employees, and is the lifeline that goes through corporate operations. Nissan's subsidiaries in China have set up favorable communication mechanism and multiple communication channel, and carried out employee satisfaction survey, etc. to disseminate its corporate culture, encourage its employees to voice their ideas and help the company to make the right decisions.

### ◇ Communication Mechanism

In order to facilitate effective communication inside the company and ensure the employees' right to know, to participate, to select and to supervise, NCIC set up the system of democratic management of corporate, of democratic participation and of democratic supervision which is based on worker's congress. In 2014, NCIC upgraded and improved its approach of internal complaints and strive to bring about and maintain an equal, fair, open and safe working environment.

By establishing the system of business condition meeting for the general manager, the employee meeting system, Party branch manual and other supporting systems and guidance documents, ZNA has enhanced the direct communication between leaders and employees, which allowed the employees to handle related problems more easily.

DFI has, targeted at communication with employees, set up a dialogue mechanism



between the top management and employees, including regular meeting for management (above senior manager), full staff meeting, and team-building activities for all the staff and department staff. DFI also encouraged trans-department communication and cooperation.

### ◇ Diverse Communication Channels

NCIC has worked to ensure open and transparent corporate information by setting up suggestion box for employees, intranet corporate information bar and other means. At the same time, the direct line of the top manager of Human Resource Department is available to all the staff members for finding out staff's questions or complaints on rights and interests and offering solutions to them without delay.

In 2014, DFL-PV's Labor Union and eight grass roots Labor Unions held the staff congress respectively for the purpose of keeping employees updated of the production and operation of the company. Besides, DFL-PV issued the Notice on Announcing the Informants' Hot-line Telephone, E-mail and Mailbox for the Special Supervision and Inspection of the Eight Rules of the Central Government, implemented the special supervision and inspection of the eight rules of the central government in the company. It also further accelerated the implementation of the rectification of mass-based education and practical activities, which were supervised and carried out by all the staff members.

ZNA has tried to strengthen the communication among employees by means of diverse forms and channels, including organizing operation report for the general manager, staff congress, group construction interview, consultation meeting on report of labor management, open day, employee satisfaction survey, consultation meeting on report of labor production-related occupational health and environmental protection, and other related meetings and activities.

DFI also attached great importance to communication with employees. It has set up the bulletin board to disclose corporate information, which helped raise the corporate transparency. It also invited excellent staff representatives to the discussion meeting of corporate culture for discussing the brand connotation and corporate values, thus helping the staff to have an in-depth understanding of DFI's corporate culture.

## Responsibility for Employees

### Employee Development >>

Nissan's subsidiaries in China made continuous efforts in creating a study atmosphere for common development with its employees. Based on the ability evaluation and position requirements for employees, these subsidiaries established systematic, multi-directional study and training systems whilst providing continuously-optimized performance evaluation standard and means of smooth occupational promotion, so as to support the employees' career planning and development in an all-round way.

#### ◆ Career Development Support

NCIC will evaluate the ability of its employees on a yearly basis. According to the requirements on the post of each level, NCIC encouraged assisting its employees in working out the short-term, medium-term and long-term development plan. In 2014, NCIC put into effect brand-new processes and documents on performance interview. And the managers will guide and help the employees to set their career goals, to work out the personal ability improvement plan as per the goals, and will provide them with appropriate room for development.

DFL-PV has kept improving its training system. It implemented the training credit management system for its employees, which is connected with promotion and helped bring about the common development of organization and employee. In 2014, DFL-PV set up the universal system construction of the head office, which includes such four aspects as manufacturing, technicians, marketing & research and development, has developed a total of 165 courses. The system is aimed at making study and training an impetus for DFL-PV to achieve continuous growth and greater competitiveness.

In 2014, ZNA, oriented to ability, set about carrying out the evaluation on staff's post ranking. Meanwhile, the evaluation on skill sequence promotion and demotion for employees was also conducted. In addition, ZNA carried out the annual performance communication, assistance to the growth of general staff as well as work shift, intensified competitive employment, basically setting up the mechanism of selecting the superior and eliminating the inferior, and other measures on planning of leaders' career, which are directed at facilitating employees of different ranking of post in realizing their personal value. In 2014, 158 employees were promoted through post ranking evaluation via professional channel, 252 employees were promoted through skill sequence-based post ranking evaluation for employees and 17 excellent deputy sector chiefs have become regular members of ZNA.

DFI has provided multiple channels for its employees' career development and ability improvement through annual performance appraisal management system, including annual promotion plan, core talent development and cultivation plan, leadership improvement training plan and so on. Targeted at employees of different levels, the company designed corresponding training courses, organized employees to take part in brand and product publicity training, and test driving in the market to supplement and improve the internal training system.



# Responsibility for Employees

## Training Systems

Nissan's subsidiaries in China take the employees' great progress as the impetus for its corporate development. Through accurate, professional and innovative training support, these subsidiaries established the online and offline study platform to assist staff in developing professional skills, improving professional quality and ability structure, upgrading the companies' overall talent quality.

### NCIC's Training System

NCIC established all-round, ability-based training system, worked out rich, diversified training programs including basic training, basic skill training, technical training, leadership training, communication & environment health safety training, etc. It also made elaborate efforts in training course design and improving the employees' ability structure.

Type of training	Courses	Trainees
Basic training	New employee orientation, laws and regulations training, etc.	Employees at each level
Communication training	Business English, negotiation skill training, etc.	Self-application by employees
Professional skill training	Departmental business processes, industrial knowledge, "Train the Trainer" course, etc.	Self-application by employees
Management/ leadership training	Thinking technology training, "The 7 Habits of Highly Effective People", trans-department cooperation training, improvement of performance management skills, etc.	Deputy managers and higher-level executives

### DFL-PV's Training System

Centering on staff ability development and construction of organizing ability, DFL-PV carried out hierarchical common training program series, including fresh graduate orientation, career elites TOP training camp, reserve talent cultivation, middle management training, internal trainer cultivation certification, project manager training certification, process manager training certification, V-Actor cultivation certification, etc.

### ZNA's Training System

In 2014, targeted at strengthening the special training of new employees and new cadres, ZNA applied the training system maturity model in carrying out all-round diagnosis of the employees' development system and in finalizing the follow-up key subjects.

ZNA's training plan		
Reservoir plan	Targeted at new cadres	- Three training forms as face-to-face teaching, online course and project discussion; - Comprehensively upgraded the leadership of new cadres and the grasp of knowledge on whole value chain; - In 2014, 6 months' systematic training was offered to 34 young cadres.
Elite class	Targeted at new graduate employees	- Continuously optimized the special training plan and focus on improving curriculum system and curriculum resource; - Finished the work of such main stages as theory training, workshop practice and department practice; - A total of 97 new graduate employees have duly become new members of the company.

# Responsibility for Employees

## Employee Care >>

In order to raise employees' happiness index and balance their work and life, Nissan's subsidiaries in China carried out many activities on showing care and voluntary service to enhance their employees' self-recognition. These enterprises also worked hard in passing positive energy by offering financial and mental aid to disadvantaged groups and employees with special needs.

### NCIC's Employee Care

NCIC paid special attention to protecting the rights and interests of female employees and to showing care to the needy employees. NCIC complied strictly with related regulations on female employees' work during pregnancy, child-bearing period, and suckling period. Besides, the company offered holiday cards, arranged physical examinations and other related measures for female employees. It also specially set up a fund for support of the needy employees, so as to solve their practical difficulties in short of funds. Additionally, visit and care were also offered to these employees at the very first time.

### DFL-PV's Employee Care

In 2014, DFL-PV made continuous efforts in carrying out the "Happy State of Mind" program for its staffs. Guided by the distinctive EAP (Employee Assistance Program) management model, DFL-PV was able to promptly notice the pressure and emotional disturbance of employees and their family members before offering them professional psychological guidance. In this way, the employees' work performance and happy index were improved by a big margin.



EAP Management Model

In 2014, DFL-PV organized the Dongfeng Nissan Day activity among its employees for ten times as well as the three-day Low-carbon Travel - Auto Citizenship Day activity, with a view to guiding its employees in forming the habit regarding volunteer service, reading, auto citizenship, healthy exercise, the consciousness of saving and innovation, to displaying team quality in their actual efforts, and to having a deeper understanding of sustainable development.

In 2014, DFL-PV organized young volunteer employees to carry out volunteer service activities at the staff community - Fengshen Community for eight times. These activities attracted around 300 volunteers who have helped residents to test, repair and maintain their household appliances and offered other convenient service for free, benefiting 600 community residents.

### ZNA's Employee Care

In 2014, ZNA's Recreation & Sports Union which is organized by employees carried out many colorful celebrations and activities, such as the Spring Festival get-together, ball games, and mountain climbing, for which ZNA has offered financial support. ZNA developed a total of 11 recreation & sports unions for its employees, attracting around 972 members.

### DFI's Employee Care

During the team construction activity entitled "Display the Best of You" in 2014, DFI awarded the "Employee Star" prize to excellent employee representatives of different departments, which helped enhance the influence of the brand and boost staff's confidence.

DFI encouraged employees to take part in public service voluntary activities to show care and concern to socially disadvantaged groups. In 2014, DFI organized 20 staffs for the project of showing care to autistic children. The staff brought scarfs, bags, pencil bags, paintbrushes and other practical supplies to children at the Beijing Xingxingyu Autism Research Institute and spent a day of love with them.



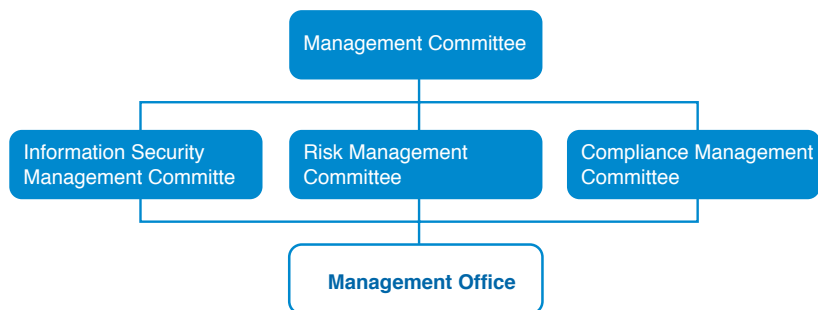
# Corporate Governance



## Governance Framework >>

Carrying forward the headquarters' strategies on corporate governance and internal control, NCIC listed information security, risk management and compliance management as its top priorities. It set up a three-tier management framework, i.e. "Management Committee - Information Security /Risk Management/ Compliance Management Committee - Management Office" and appointed the management office to take charge in the specific routine work, the responsible person of which shall be a member of the management committee above vice president.

### Organizational Structure



## Compliance Management >>

As early as 2001, Nissan put forward the Nissan Global Code of Conduct and established a global compliance committee and three regional compliance committees in order to

do its utmost to promote Nissan's lawful operations all over the world. To accelerate its compliance work in China, NCIC formulated the Rules on Employees' Professional Conduct, Regulations of NCIC Concerning Reception and Gifting in Business Activities and other rules and regulations. It also set up a compliance committee made up of senior executives from Legal Affairs Dept., Human Resource Dept., Financial Dept., and other departments to take charge of the company's overall compliance work.

### Highlights of the Rules on Employees' Professional Conduct

- ⊙ Fair work environment
- ⊙ Company property protection
- ⊙ Protection of company's intellectual property
- ⊙ Management of corporate confidential information
- ⊙ Observance of law

In 2014, Nissan carried out a series of activities regarding observance of law and regulations. For example, the Human Resource Dept. has, by means of E-mail, called upon the employees to study the Regulations of NCIC Concerning Reception and Gifting in Business Activities and the policies on anti-commercial bribery and export control via e-learning. Through cooperation with the Legal Department, Nissan offered in-place training concerning anti-commercial bribery to staff above manager level.

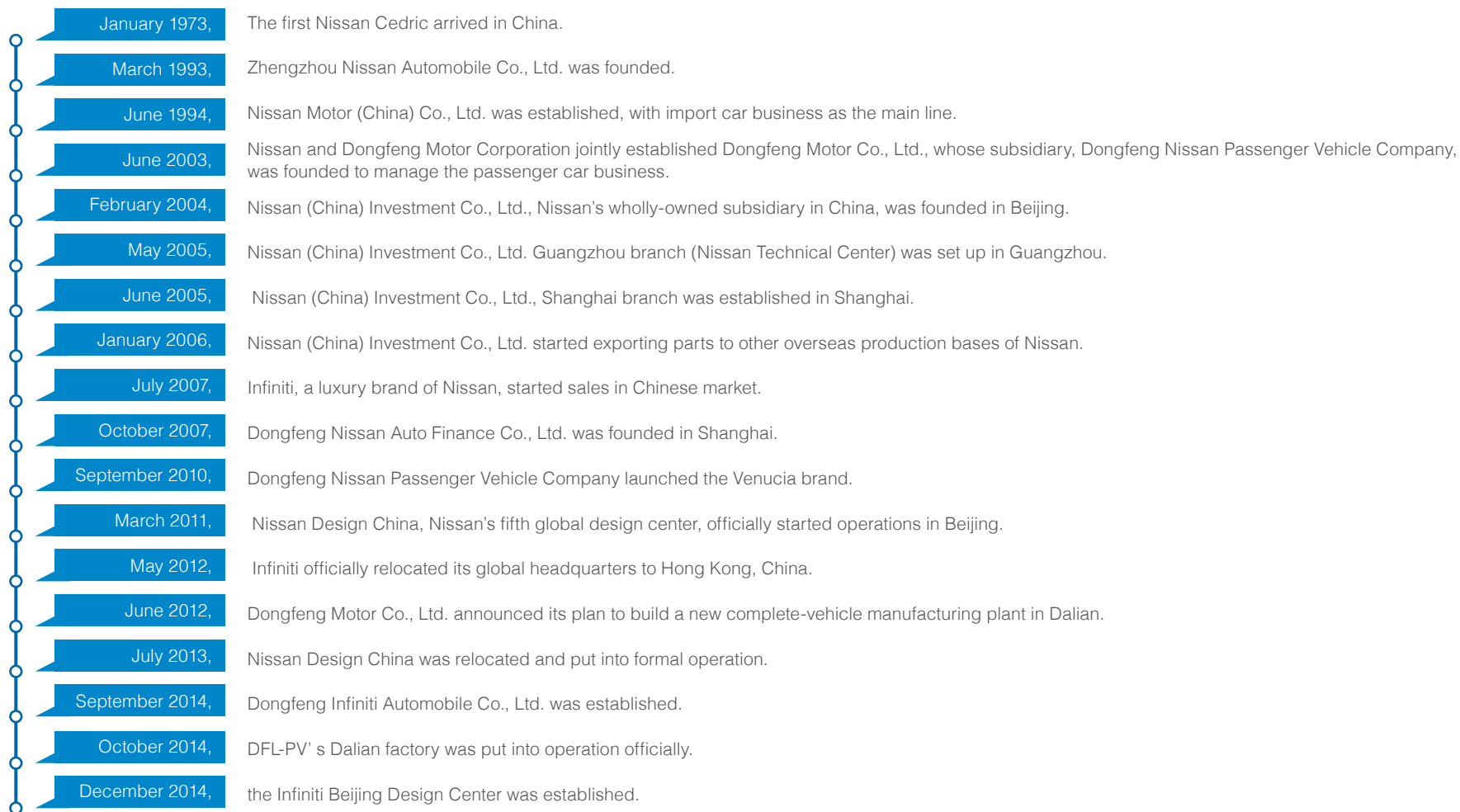
Moreover, as an essential part of the compliance management, NCIC carried out antitrust self-inspection on its business and organized the antitrust compliance training for the Infiniti dealers, so as to ensure the commercial activities of Nissan's subsidiaries in China are in compliance with related laws.

# Appendices





# Milestone of Nissan's Development in China >>



## Social Recognition >>

Corporation	Award/Honor	Presenter
NCIC	The “Best CSR Enterprise” in the appraisal of 2014 China CSR	Southern Weekly
	“Outstanding Enterprise in Duty Performance” in the 2014 CSR forum for the Chinese auto industry	China Association of Automobile Culture
	Jinyi Award of the 2014 Public Contribution of China’s Auto Enterprises	Southern Metropolis Daily
	The 4th China CSR Excellence Award	China Philanthropy Times
	2014 CSR Award for Enterprises with the Most Public Influence	17PR.com
	Guangming CSR Award	China Lifeline Express Foundation
DFL-PV	The Top Ten Young Engineers in 2014	China Youth Daily
	2014 Public Service Activity on Environmental Protection	China Youth Daily
	Sustainable Development Excellent Case Study in 2014	The Economic Observer
	The 2014 Best Employer of Guangdong	Joint Conference for Employers in Guangdong
	The 2014 Annual Public Benefit Activity on Environmental Protection	China Youth Daily
	Nomination at the 2014 Chinese Auto Enterprises CSR Award	Auto Business Review
ZNA	The 4th China CSR Excellence Award	China Philanthropy Times
	The 2014 Best Public Education Practice Award of CSR for Chinese Auto Enterprises	Auto Business Review
	2014 Contribution Award for the Chinese Auto Enterprises -Educational Solicitud	Southern Metropolis Daily
	The 2nd Zhengzhou Role Model in Charity	Zhengzhou Charity Federation
DFI	The 2014 Pioneer Award for the CSR of Chinese Auto Enterprises	Auto Business Review
	“Leader Award” of the First CSR Chinese Culture Award	National Humanity History

### Third-party Comment >>

After reading the 2015 SOCIAL RESPONSIBILITY REPORT OF NISSAN'S SUBSIDIARIES IN CHINA, I am deeply impressed by Nissan's efforts and achievements in realizing the vision of "Enriching People's Lives" and in complying with the environmental philosophy of "a Symbiosis of People, Vehicles and Nature".

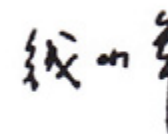
The report covers the efforts of Nissan's subsidiaries in China concerning such aspects as environment, safety, philanthropy, quality, value chain, employee, corporate governance and internal control, which are supported by definite goals, feasible measures and concrete actions. Hence the report involves a large amount of information.

First of all, I totally agree to the elaboration regarding the communication with the parties concerned, because the report explicitly lists all the major parties concerned, and analyzes their focuses of attention respectively from their points of view until ultimately explains in detail Nissan's method of communication and main manifestations according to these focuses. This shows that Nissan has a deep understanding of the communication with the parties concerned, and its measures and mode of implementation are both concrete and effective, for which I am greatly convinced.

What attracts me most is the part concerning "environmental concept and objective". As an auto manufacturer, Nissan is full aware of its duties and challenges in environmental protection. Aiming at keeping the global mean temperature rise of no more than 2°C as specified in the United Nations Framework Convention on Climate Change, Nissan works out the arduous objective of enabling the emission of its new vehicles by 2050 to reduce by 90% than that of the year 2000. To fulfill this goal, Nissan puts forward the Nissan Green Program 2016, that is, "Before the end of fiscal year 2016, Nissan aims to take the lead in the sphere of zero emission vehicle (ZEV), to remain dominant in fuel economy performance in the auto sector, to become a leading enterprise in low carbon emission and in making closed recycling of resources, to become the first automaker that sets the goal of resource recycling in the industry, and to strive to carry out the plan of comprehensive closed recycling." All these allow me to see Nissan's great courage and strong sense of responsibility, and I sincerely hope Nissan will be able to turn these challenging goals into reality and make more contributions to the sustainable development of mankind.

I would also like to see Nissan will give full play to its influence and make more efforts in supplier management in addition to the area of green purchasing. It is hoped that Nissan will earnestly exert a more in-depth influence on its suppliers and help them to voluntarily shoulder social responsibilities in all aspects, which will, in turn, enable Nissan to play a leading role in the fulfillment of corporate social responsibilities.

Qian Xiaojun,  
Assistant to the Dean and Professor of the School of Economics and Management of Tsinghua University  
June 27, 2015



# **NISSAN GROUP OF CHINA**



**NISSAN(CHINA) INVESTMENT CO., LTD.**

**Communications Management Division**

Add: Rm.801, Floor 8, North Tower, Beijing Kerry Centre,  
1 Guanghai Road, Chaoyang District, Beijing 100020, China

Tel: 010-5925 1957

Website: [www.nissan.com.cn](http://www.nissan.com.cn)