



**2016 SOCIAL
RESPONSIBILITY
REPORT OF
NISSAN'S
SUBSIDIARIES
IN CHINA**



About This Report

Period Covered

From January 1 to December 31, 2015. In order to improve data comparability, part of contents is beyond this period.

Organizational Scope

This Report covers Nissan (China) Investment Co., Ltd. (hereinafter referred to as "NCIC"), Nissan's wholly-owned subsidiary in China; Dongfeng Motor Co., Ltd. (hereinafter referred to as "DFL"), Nissan's joint venture in China, and Dongfeng Nissan Passenger Vehicle Company (hereinafter referred to as "DFL-PV"), DFL's subsidiary in charge of the passenger vehicle business; Zhengzhou Nissan Automobile Co., Ltd. (hereinafter referred to as "ZNA"), also a joint venture of Nissan; and Dongfeng Infiniti Motor Co., Ltd. (hereinafter referred to as DFI), a wholly-owned subsidiary of DFL. In this Report, "Nissan's subsidiaries in China" refer to the companies above in general, and "Nissan" refers to Nissan Motor Corporation.

Reporting Cycle

As an annual report, this Report is the third social responsibility report released by Nissan Motor Corporation in China.

Data Specification

All the data used in this Report is sourced from official documents and statistical reports of Nissan's subsidiaries in China, and the data quoted herein is the final statistical data. In the event that the financial data is inconsistent with any annual report, the latter prevails. In addition, all the amounts in this Report are denominated in RMB (yuan) unless specified otherwise.

Reference Standards

This Report is prepared based on the GRI G4 Sustainability Reporting Guidelines and by referring to Chinese standards and international standards.

Reliability Assurance

Nissan's subsidiaries in China ensure that the materials related to this Report are authentic and reliable and that no false record, major omission or misleading statement is contained herein.

Availability

This Report is available for download on the official website of NCIC.
Website: <http://www.nissan.com.cn/csr/china/china/psd.php>

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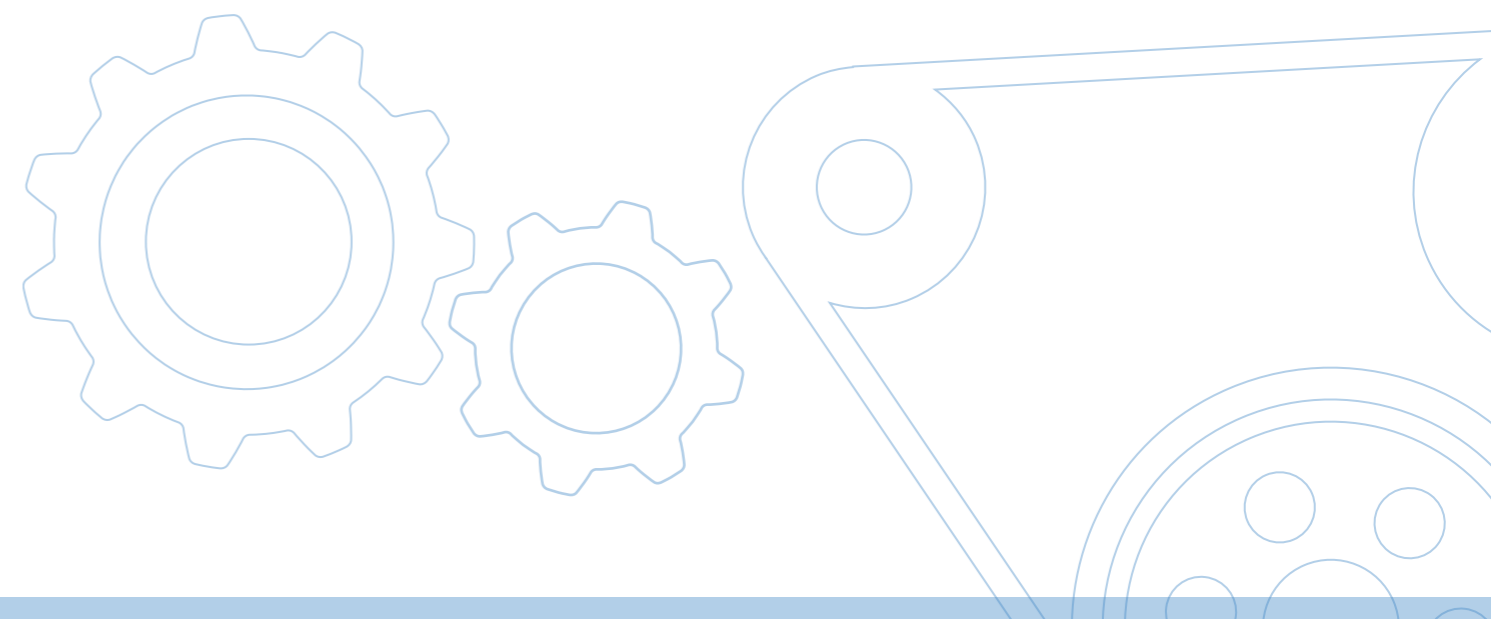


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Message from the Executive



Since 1973 when the first Nissan Cedric was introduced into China, Nissan's business in China has been in active development for more than 40 years.

As one of the multinational automakers entering the market of China at the earliest time, Nissan luckily witnessed the whole development process of China's automotive industry from underdevelopment to prosperity. From a poor country to be developed at the beginning of the reform and opening up to the largest automotive market in the world at present, China has completed the transformation to an automotive society. More luckily, Nissan directly participated in this process. Always upholding the concept of rooting in China in this process, Nissan has become a strong supporter for the development of China's automotive industry by helping promote its prosperity with great enthusiasm and developing together with it. In 2015, Nissan's sales in China reached 1.25 million vehicles, and its export value of auto parts ranked first among those of Chinese vehicle exporters.

While achieving economic benefits, Nissan also noticed a series of serious sustainability issues faced by today's society, such as energy shortage, greenhouse effect, traffic congestion and traffic accidents. Always focusing on these social issues, Nissan considers sustainable development as its core strategy and important responsibility. In order to resolve these issues effectively, we established the corporate social responsibility (CSR) concept of "Blue Citizenship" and defined environment, safety, philanthropy, quality, value chain, employees, economic contribution, and corporate governance & internal control as eight sustainability strategies to continuously promote Nissan's sustainable development in China.

I'm glad to see Nissan's subsidiaries in China, through years of hard work, have made significant achievements in the cause of sustainable development, from creating the more futuristic and modernized "PURE DRIVE" system and developing more environmentally friendly vehicles to carrying out extensive traffic safety research, communication and initiatives, building a safe automotive society and achieving great outcomes in the area of philanthropy. These achievements represent the acknowledgement of great efforts made by Nissan's subsidiaries in China in the area of sustainable development, while encouraging us to work on higher goals.

At present, China is at the critical stage of economic and social transformation. Nissan's subsidiaries in China will actively respond to and grasp development opportunities in the "new normal," by helping promote China's transition from a major manufacturing nation to a powerful manufacturing nation and contributing to the "Made in China 2025" strategy. Meanwhile, we will continue to be committed to the cause of environmental protection and social contribution, and strive to promote sustainable development of China's economy, environment and society.

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

Handwritten signature of Takashi Nishibayashi in Chinese characters: 西林隆



Introduction to Nissan's Subsidiaries in China

Introduction to Nissan's Subsidiaries in China

Founded in 1933 and based in Yokohama, Japan, Nissan Motor Corporation is the second largest automaker in Japan. With altogether 152,421 employees, Nissan has set up automobile manufacturing bases in 20 countries and regions (including Japan) and provides products and services in more than 160 countries and regions around the world. Guided by the corporate vision of "Enriching People's Lives," Nissan delivers unique measurable values, through its superior products, services and CSR activities, to all stakeholders throughout the value chain.

Nissan started its development in China in 1973. Over more than 40 years, Nissan has made remarkable achievements in localized development. Nissan not only established Nissan (China) Investment Co., Ltd., its wholly-owned subsidiary responsible for managing its assets in China, but also co-founded Dongfeng Motor Co., Ltd. (hereinafter referred to as "DFL") with Dongfeng Motor Corporation. As a subsidiary of DFL, Dongfeng Nissan Passenger Vehicle Company is mainly in charge of the passenger vehicle business and engages in production and sales of 17 vehicle models, like New Tiida, Maxima and Neo Teana. In addition, Zhengzhou Nissan Automobile Co., Ltd. mainly pursues the business of light commercial vehicles (LCVs), including production and sales of such models as D22 Pickup, Paladin SUV, Cabstar High-end Light Truck and NV200 CDV. In 2014, Nissan further expanded its business in China and set up Dongfeng Infiniti Motor Co., Ltd., which is wholly owned by the joint venture DFL, in order to enable Infiniti vehicles to deliver values to Chinese consumers on a more sustainable basis.

Nissan (China) Investment Co., Ltd. (hereinafter referred to as "NCIC"), found in February 2004 and with 273 employees altogether, is a wholly-owned subsidiary of Nissan in China and manages Nissan's investments in China together with the headquarters of Nissan Motor Corporation. NCIC is mainly in charge of Nissan's public relations in China, brand management, intellectual property rights and other affairs. Meanwhile, it plays a significant supporting role in Nissan's global operations as well as purchasing and export of auto parts made in China.

Dongfeng Nissan Passenger Vehicle Company (hereinafter referred to as "DFL-PV"), founded in June 2003 and with about 19,000 employees, is one of the few domestic automakers with a whole value chain covering R&D, purchasing, manufacturing, sales, service and other businesses. DFL-PV has two brands, i.e., Nissan and Venucia, and consists of the Huadu plant, Xiangyang plant, Zhengzhou plant, Dalian plant, an engine company and a technical center.

Zhengzhou Nissan Automobile Co., Ltd. (hereinafter referred to as "ZNA") was founded in March 1993 and has more than 4,000 employees. With a whole value chain covering such businesses as R&D, purchasing, manufacturing, sales and service, ZNA serves as the main development base for LCV products of Dongfeng and Nissan brands and has long been committed to specialization of LCVs and upgrade of market segments.

Dongfeng Infiniti Motor Co., Ltd. (hereinafter referred to as DFI) was officially founded in August 2014 and now has 225 employees. DFI independently operates the Infiniti brand under the principles of "One Strategy, One Brand, One Team, One Channel." As a significant upgrade of the ever-stronger strategic partnership between Nissan Motor Corporation and Dongfeng Motor Corporation, DFI integrates rich resources and valuable experience of both sides and shows their determination to jointly expand in China's luxury car market and achieve win-win outcomes.

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.





CSR Concept

Concept Description

Always focusing on a sustainable corporate development path, Nissan actively participates in various social contribution activities while creating economic value. Guided by the global CSR concept of "Blue Citizenship," Nissan's subsidiaries in China are fully committed to eight areas, i.e., environment, safety, philanthropy, quality, value chain, employees, economic contribution, and corporate governance & internal control. By bringing together the strength of love from various parties, Nissan aims to create a better world achieving "a Symbiosis of People, Vehicles and Nature" and to build a sustainable mobility society with actual actions.



- Environment**

Nissan aims to lead a social transformation aimed at bringing about a sustainable mobility society by reducing vehicles' environmental impact throughout their lifecycle and expanding the lineup of effective green products and technologies.
- Safety**

Nissan develops innovative technology, such as Autonomous Drive, 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 provides 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.
- Employees**

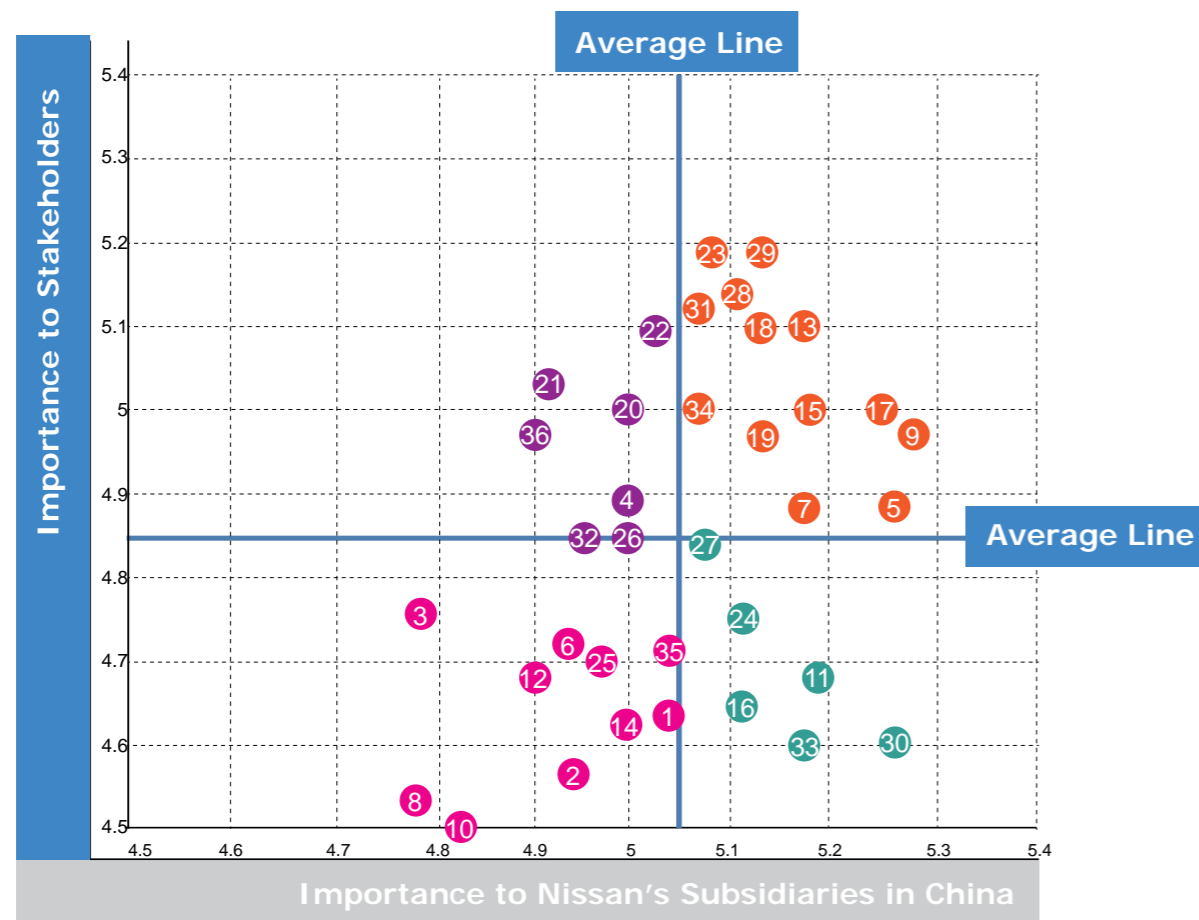
Nissan aims to form an attractive organization where diverse human resources can achieve personal growth through experience in global business.
- Economic Contribution**

Nissan aims for sustainable, profitable growth, contributing to economic development for all of the society.
- Corporate Governance & Internal Control**

Nissan aims to conduct fair, impartial and efficient business activities by adhering to the applicable laws and corporate rules.

Analysis of Material Issues

In order to improve CSR management level and identify material issues important to stakeholders and corporate development, NCIC selected 36 focused issues based on Nissan Global Headquarters' material issues, international standards and industrial development features and in consideration of business operations of Nissan's subsidiaries in China, and carried out a special survey for various stakeholders, including customers, suppliers, dealers, employees and local communities. According to survey results, NCIC created a matrix of material issues for Nissan's subsidiaries in China and chose 13 high-materiality issues that have a significant effect on them and their stakeholders. Moreover, NCIC highlighted these issues in its report to provide an important reference for future enhancement of CSR management and information disclosure.



1	Economic contribution	2	Localized development	3	CSR concept
4	Stakeholder engagement	5	Resource and energy management	6	Recycling
7	Sewage and waste treatment	8	Biodiversity	9	Environmental impact of products and services
10	Green logistics	11	Environmental and social contribution activities	12	Environmental compensation mechanism
13	Product safety	14	Safety promotion	15	Philanthropy
16	Volunteer service	17	Product quality	18	Service support and complaint handling
19	Customer privacy protection	20	Product recall	21	Assessment of human rights
22	Business continuity plan	23	Dealer support	24	Supplier environmental assessment
25	Supplier assessment for impacts on society	26	Fairness and transparency of purchasing process	27	Harmonious working environment
28	Occupational health and safety	29	Employee training and development	30	Employee communication
31	Information disclosure	32	Anti-commercial-bribery	33	Governance framework and risk management
34	Compliance	35	Anti-monopoly	36	Promotion of industry construction

Stakeholder Communication

Nissan's subsidiaries in China highly value their stakeholders' requests and engagement. In daily operations, they continuously improve various communication channels, actively listen to stakeholders' voices to understand their demands, and provide substantive responses based on these feedbacks in order to create sustainable shared values together with stakeholders.

Stakeholders	Material Issues	Communication Channels and Main Countermeasures	Stakeholders	Material Issues	Communication Channels and Main Countermeasures
Governments and Regulators	Lawful operation Tax compliance Environmental friendliness Job opportunities Promotion of sound development of China's automotive industry	Economic contribution Compliant operation Anti-monopoly Environmental management system Traffic safety research	Employees	Harmonious working environment Occupational health and safety Employee communication Employee training and development	Protection of rights and interests of employees Improve the salary and welfare system Create a safe and healthy working environment Set up diverse communication channels Career development channels and all-around training system Carry out employee care activities
Environment	Resource and energy management Recycling Sewage and waste treatment Biodiversity Environmental impact of products and services Green logistics Environmental and social contribution activities Environmental compensation mechanism	Establish an environmental management system Green product lifecycle Carry out environmental training for suppliers "Green Shop" certification Formulate the Nissan Green Purchasing Guidelines Environmental and social contribution practice	Communities	Philanthropy Volunteer service Safety promotion Education of environmental protection	Provide education support and humanitarian aid programs Carry out environmental and social contribution activities Implement traffic safety programs Carry out employee volunteer activities
Customers	Product safety Product quality Product recall Service support and complaint handling Privacy protection	"Triple-layered Protection" safety approach Develop safety technologies Launch the "Enhancing Quality" program Product quality management system Market quality improvement Improve the customer service system Improve customer satisfaction Thoughtful customer service activities	Suppliers	Compliant operation Fairness and transparency of purchasing process Supplier environmental assessment Supplier assessment for impacts on society Assessment of human rights Business continuity plan	Formulate the Renault-Nissan CSR Guidelines for Suppliers Improve the system for assessment, selection and management of suppliers and for handling of supplier violations of regulations Provide improvement guidance and training for suppliers
			Dealers	Compliant operation Product and service quality Dealer support	Establish dealer management mechanisms Provide capacity enhancement training





Environmental Responsibility

Upholding the environmental concept of “a Symbiosis of People, Vehicles and Nature,” Nissan’s subsidiaries in China set strict environmental goals and established a complete environmental management system covering each stage of the whole value chain, from R&D, purchasing, production, sales and after-sales service to recycling, in order to lead and work together with their partners throughout the value chain to contribute to building an environmentally friendly society.

Nissan’s Environmental Concept

Based on its focus on global environmental issues, Nissan Group established the environmental concept of “a Symbiosis of People, Vehicles and Nature” and proposed the environmental goal of “reducing the environmental impact caused by daily operations and products throughout their lifecycle to a level that can be absorbed naturally by the Earth by promoting effective use and recycling of energy and resources.” In order to ensure successful achievement of this goal, Nissan launched its third mid-term environmental action plan, Nissan Green Program 2016 (NGP2016), in 2011, aiming at becoming the leader in zero-emission vehicles by the end of fiscal 2016.

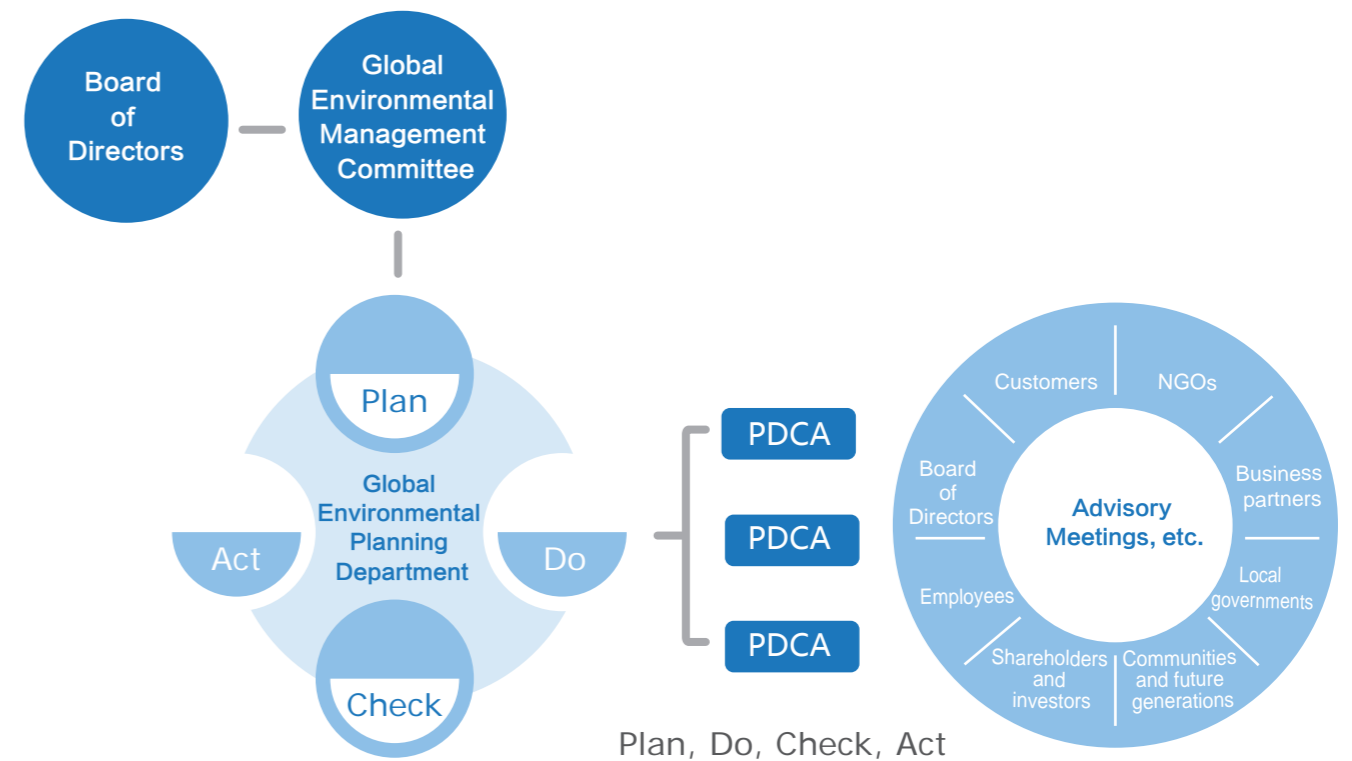
Nissan Green Program 2016

- The Renault-Nissan Alliance has a goal of becoming the leader in zero-emission vehicles (ZEVs) by the end of fiscal 2016, when its cumulative sales of ZEVs will reach 1.5 million.
- To achieve leading fuel economy in the automotive industry, Nissan targets a 35% improvement in average fuel economy of its vehicles sold in the Japanese, Chinese, European and U.S. markets from the 2005 level.
- Nissan will become a leading enterprise in low-carbon emission and closed-loop recycling.
- Nissan will become the first automaker that sets the goal of resource recycling in the industry, and will carry out a comprehensive closed-loop recycling plan by recovering steel, aluminum, plastics and other materials.

Complete Environmental Management System

Nissan established the Global Environmental Management Committee (G-EMC), which organizes two environmental meetings every year to determine environment-related proposals to be put before the board of directors. As a special division of G-EMC, the Global Environmental Planning Department has also been set up to perform specific environmental tasks and duties.

Environmental Management Organization



Taking environmental protection as an important mission, Nissan's subsidiaries in China strive to balance their production and operations with environmental protection and have established a complete environmental management system and strict emission standards to minimize possible negative effect on the environment and realize the goal of green development.

In response to the Nissan Green Program 2016 and upholding the green concept of "a Symbiosis of People, Vehicles and Nature," DFL-PV formulated the Green Program 2015 in 2011 and clearly defined its environmental goals during the 2011-2015 period. Guided by these goals and based on the GB/T24001-2008 environmental management system, DFL-PV has prepared several regulatory documents, such as the Regulations on Safety Management of Hazardous Chemicals and the Contingency Plans for Environmental Emergencies, to prevent and control possible environmental pollution. Meanwhile, the company has made a great effort to promote clean production, energy conservation and emission reduction, aiming at realizing its environmental management goals in steps according to the schedule.

DFL-PV Green Program 2015

- Reducing emission of CO2, COD, SO2 and other pollutants;
- Recycling (reuse of waste materials 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 Product Lifecycle

Nissan strives to apply the green concept at every stage of product lifecycle, including R&D, purchasing, production, logistics, sales and service, in order to minimize resource consumption and reduce production and emission of pollutants as much as possible.

Green Research & Development

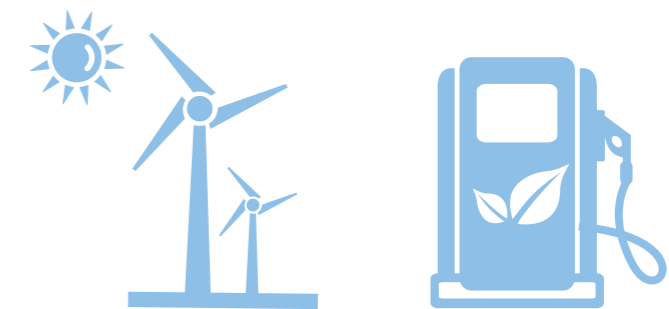
In 2015, DFL-PV continued implementing the "PURE DRIVE" strategy and helped improve the environment through innovative development and introduction of green technology.

In research and development of new energy technology, DFL-PV created the more futuristic and modernized "PURE DRIVE" system that is centered on "Supercharging hybrid system + EV." As of 2015, DFL-PV had successfully brought Venucia e30, Venucia's first 100% EV, and new Murano HEV to the market. Meanwhile, in the area of EV core technology, DFL-PV will cultivate professional technical talents and build our own team for development of new energy.

In improvement of energy conservation for existing vehicles, DFL-PV worked to reduce CO2 emissions from the use of vehicles by improving engine efficiency, promoting expansion of continuously variable transmission (CVT), adopting lightweight design, improving fuel economy of main models, utilizing the intelligent transportation system (ITS) and taking other measures. Besides, DFL-PV prepared the Recycling Design Guide based on the green concept of conservation, reuse and recycling, aiming at making an efficient and innovative use of resources throughout the lifecycle of vehicles, reducing waste materials and minimizing the negative impact of vehicles on the environment.



As the outcome of green research and development guided by DFL-PV's double-brand strategy and new-energy strategy, Venucia e30 has played an important role in expansion of new-energy business, popularization of EVs and promotion of infrastructure construction for new-energy vehicles since its debut in the market in 2015. Based on its mature quality, Venucia e30 was recognized by consumers, the market and authorities, and was awarded various honors, such as "The New-energy Vehicle of 2015 with the Best Steering Performance."



With a cumulative investment of 1.276 billion yuan, Dongfeng Nissan Technical Center primarily established the development and testing capacity for traditional vehicles and the testing capacity for new-energy vehicles in 2015.

Green Purchasing

Nissan's subsidiaries in China have set up a strict green purchasing system to promote the communication with suppliers on environmental issues. Through the China Automotive Material Data System (CAMDS), DFL-PV and ZNA worked with suppliers to establish the nationwide automotive material recycling system (MARS), which requires suppliers meet management objectives for monitoring of hazardous and noxious substances and calculation of recyclability rate and comply with compulsory requirements of national regulations on automotive material recovery and banned substances. In order to control possible environmental risks from the source and in accordance with applicable laws and regulations, DFL-PV requests its suppliers to undergo environmental and safety assessment, while encouraging and supporting them to obtain certification from a third-party environmental system.

ZNA has signed several regulatory documents with its suppliers, such as the Environmental and Safety Agreement and the Guarantee for Non-use of Hazardous Substances. As of the end of 2015, all suppliers of DFL-PV, including suppliers of parts and materials, had complied with the requirements of the Nissan Green Purchasing Guidelines.

Green Factory

○ Green Production Management

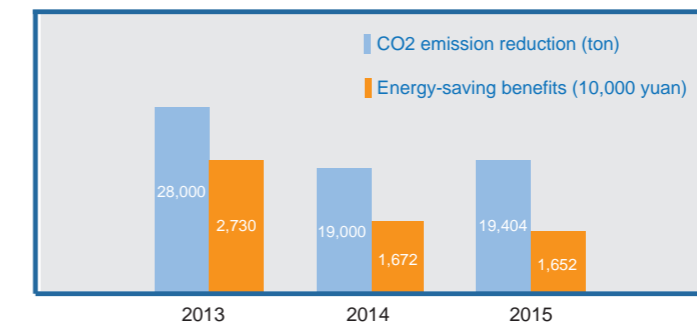
DFL-PV fulfills the green concept at each stage of the production process, including investment in energy-saving projects, preparation of strict emission management standards, quantitative control and emission monitoring. In 2015, DFL-PV set the following goal: "In the production process, CO2 emissions per vehicle are to be reduced to 584 kg, solid waste emissions per vehicle may not be more than 7.2 kg, and VOC emissions per square meter should be not more than 26.5 g." Moreover, the company also formulated a corresponding management plan. In the end, DFL-PV enabled all these indicators to meet the "Challenge 2" objective and achieved zero major environmental accidents.

In the same year, DFL-PV also completed and updated its comments on 29 applicable laws, and identified and updated 5,651 environmental factors and dangerous sources, which are all under control through appropriate measures.

○ Energy Saving and Consumption Reduction

In 2013, Nissan's subsidiaries in China introduced Nissan Energy Saving Collaboration (NESCO), which is responsible for diagnosing energy loss at their factories and proposing new energy-saving countermeasures. Based on Nissan's professional energy-saving technology, the NESCO team has established an inspector training program and set up a global training center to contribute to updating energy-saving measures continuously and responding to climate change.

In 2015, DFL-PV made 9 energy-saving diagnoses by using the advanced diagnosis method of Nissan NESCO and proposed the goal of achieving an annual emission reduction of 13,463 tons. As of now, it has achieved an annual emission reduction of 8,165 tons and made remarkable progress in reduction of energy emissions and improvement of energy efficiency. Meanwhile, by making an investment of more than 10 million yuan, DFL-PV has completed 12 energy-saving projects, achieved an annual CO2 emission reduction of 19,404 tons and realized energy-saving benefits of 16.52 million yuan per year.



For the pre-painting process that has a large water consumption, DFL-PV has taken multiple water-saving measures, including reducing the circulating-water discharge cycle of this process and the spray booth and making use of the countercurrent washing technique and new degreasers, based on the original measure of water circulation. This has greatly reduced the consumption of raw materials and fresh water and enabled the circulating water to maintain degreasing performance for a longer time when flowing through the oil-water separator, thus improving its use cycle.

In addition, DFL-PV provides an active support for the survey of emission reduction conducted by the automotive authorities of Guangdong Province and Guangzhou City to help them formulate emission policies according to the situation of Guangdong Province and Guangzhou City. DFL-PV has also participated in the seminar on the influence of parallel import implemented in Nansha Free Trade Zone and the seminar on a pilot program of the point-based system for new energy to be carried out in Guangdong Province, aiming at providing reference for the government to establish relevant policies.

○ Clean Emissions and Efficient Recycling

In order to reduce VOC emissions in the production process, DFL-PV has introduced water-based paint lines to replace oil-based paints, while using the method of concentration and combustion to dispose of VOCs produced from resin painting and the regenerative thermal oxidizer (RTO) to combust other discharged exhaust gases, thus improving its VOC disposal efficiency to over 99%. In 2015, DFL-PV set up three water-based paint lines in its Dalian plant, line 2 of its Xiangyang plant and line 2 of its Zhengzhou plant respectively, all of which have greatly reduced energy consumption and VOC emissions by using currently the most advanced paint process.

For production wastewater and domestic sewage, which should undergo biochemical treatment and physicochemical treatment first to meet certain requirements, DFL-PV carries out advanced treatment and reverse osmosis treatment through its recycled-water treatment facilities. As a result, part of treated water is reused in production and the rest is reused for flushing toilets, greening, washing and other purposes. Thus, the Huadu base has achieved the objective of zero discharge of wastewater. In addition to the recycling process, DFL-PV carries out a water quality monitoring activity every month to avoid leakage and pollution incidents. In 2015, all the water discharged by DFL-PV met applicable requirements and no leakage or pollution incident happened.

In order to reduce solid waste emissions in the production process, DFL-PV has set management standards for individual solid waste emissions to implement reduction control from the source, while providing recycle bins for recyclable solid wastes and strictly classifying solid wastes for recycling. Moreover, DFL-PV educates employees on garbage classification and carries out supervision on a daily basis. In 2015, the total reusable wastes recovered reached 144,925.95 tons, and the comprehensive utilization ratio of solid wastes was as high as 96.5%, an increase of 0.9% compared to 2014.



DFL-PV works with Yuebao Cement Plant at its Huadu base to turn the waste lime powder produced from the dry spray booth into a raw material of cement for reuse. In 2015, the cement plant helped dispose of 585 tons of waste limestone powder, drying agents and active carbon. This not only achieved the reuse of these wastes, but also saved a disposal cost of 750,000 yuan.

Green Logistics

In the area of storage and transportation, DFL-PV carries out optimization and improvement from two aspects, i.e., vehicle logistics and production logistics. In vehicle logistics, the company has increased the proportion of water transport and used energy-efficient LED lights to replace high-power metal halide lamps for illumination in the warehouse. In production logistics, by using the strategy of "nearer suppliers first," DFL-PV shortened the average transport distance by 3 km, decreased individual volume by 0.015 m³ per year, improved the stowage rate by 0.02% per year and reduced the number of its plant's engine-powered forklift trucks from 26 to 14, thus greatly reducing the energy consumption of storage and transportation.

In terms of packaging, DFL-PV has achieved a 100% recycling rate for logistics packaging materials of domestic production parts.

Green Sales and Service

In the area of sales and service, DFL-PV always upholds its consistent green concept and promotes the "Green Shop" certification nationwide to encourage its dealers to voluntarily take on environmental responsibilities. Meanwhile, DFL-PV endeavors to reduce energy consumption and operation costs and provide green automotive products and services to consumers by establishing a complete environmental management system and improving environmental facilities.

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 and pass the "Specialist's Review." In addition, the shop has to sign the Guarantee for Construction of DFL-PV Green Shop, promise to comply strictly with the requirements for management and operation of the Green Shop, and endeavor to promote its construction and transformation.

Environmental and Social Contribution Activities

In addition to active promotion of the green product lifecycle, Nissan's subsidiaries in China make use of their technologies and quality management advantages to support the cutting-edge research on green topics and drive sustainable development of the industry.

Nissan has cooperated with the China Automotive Technology & Research Center for three successive years and participated in preparation of the Blue Book of New-energy Vehicles by providing their advanced technologies in new-energy vehicles and the information on product development to have automotive professionals, research organizations, experts and the public be aware of the latest developments of new energy in China and to provide reference for government departments to issue relevant policies.

Besides, Nissan's subsidiaries in China organize various environmental and social contribution activities and encourage their employees, dealers, car owners and other stakeholders to take part in environmental actions together. In 2015, DFL-PV carried out many environmental protection activities. Other than encouraging internal employees to adopt the way of green travel, like walking, bicycle riding and hitching, the company launched the activity of garbage classification in offices, altogether sent 150 employees as youth volunteers for tree planting and carried out green actions such as voluntary garbage cleaning for the Huolu Mountain, in order to have more people pay attention to environmental issues and to help build an environment-friendly society.



Safety Responsibility

Taking the pursuit of the most effective safety features in vehicles as its basic responsibility, Nissan develops comprehensive safety technologies based on road conditions to help drivers and passengers avoid unpredictable danger. Meanwhile, Nissan actively carries out safety education and promotion activities, communicates the concept of civilized driving and strives to improve people's road safety awareness in all sides, aiming at building a safer and better automotive society.

Safety Responsibility Concept

Based on its core safety concept of "the vehicle that helps protect people," Nissan has been improving the safety features of its automotive products and set a phased target of "reducing the number of fatalities and serious injuries involving Nissan vehicles to half of the 1995 level by 2015." By continuing to improve automotive safety, Nissan aims to realize the ultimate goal of "a world with virtually no accidents leading to death or serious injury."

Guide by Nissan's safety concept, DFL-PV established its proprietary safety culture system and released the "safe-car" culture manual. Covering such elements as safety vision, safety mission, safety goal, safety value and safety culture model, the safety culture system provides clear safety guidelines for all stakeholders throughout the value chain and helps the company achieve a common understanding on safety inside out.



For employees

"1000" represents a person's lifetime, in which "1" is a person's life and the three "0"s represent a person's career, wealth and family respectively. Without "1", "0"s lose their significance even if a person has better "0"s. Safety is that every employee can go home decently and safely every day.



For customers

"1000" represents a high-quality vehicle of ours, in which "1" is product safety and the three "0"s represent our brand, technology and service respectively. Without "1", customers' mobility is like a pool of water without source. Safety is the guarantee for customers' high-quality mobility.



For our company

"1000" represents our business, in which "1" is safety and the three "0"s represent our yield, benefits and development respectively. Without "1", the value is still 0 even if we have more "0"s. Safety is the foundation for us to survive and develop.



For the society

"1000" represents a corporate citizen's social value, in which "1" is safety and the three "0"s represent credit, image and responsibility respectively. Without "1", our social value is insignificant. Safety is one of the core values of DFL-PV as a corporate citizen.



"Triple-layered Protection" Safety Approach

In order to reduce traffic accidents, Nissan uses the "Triple-layered Protection" safety approach, taking measures in the areas of vehicles, individuals and society to realize its ultimate goal in safety. By developing new technologies and carrying out safety research and safety promotion activities, Nissan works to improve the safety awareness of drivers, pedestrians and the society generally.

Vehicles: Improving Vehicle Safety Technologies

In the area of vehicles, Nissan has developed comprehensive safety technologies based on its unique "Safety Shield" concept and "Human Oriented" principle. These safety technologies can monitor vehicle driving status in real time, activate the most effective shield facilities according to different risk factors and remind, through alarms, the driver to control driving status.

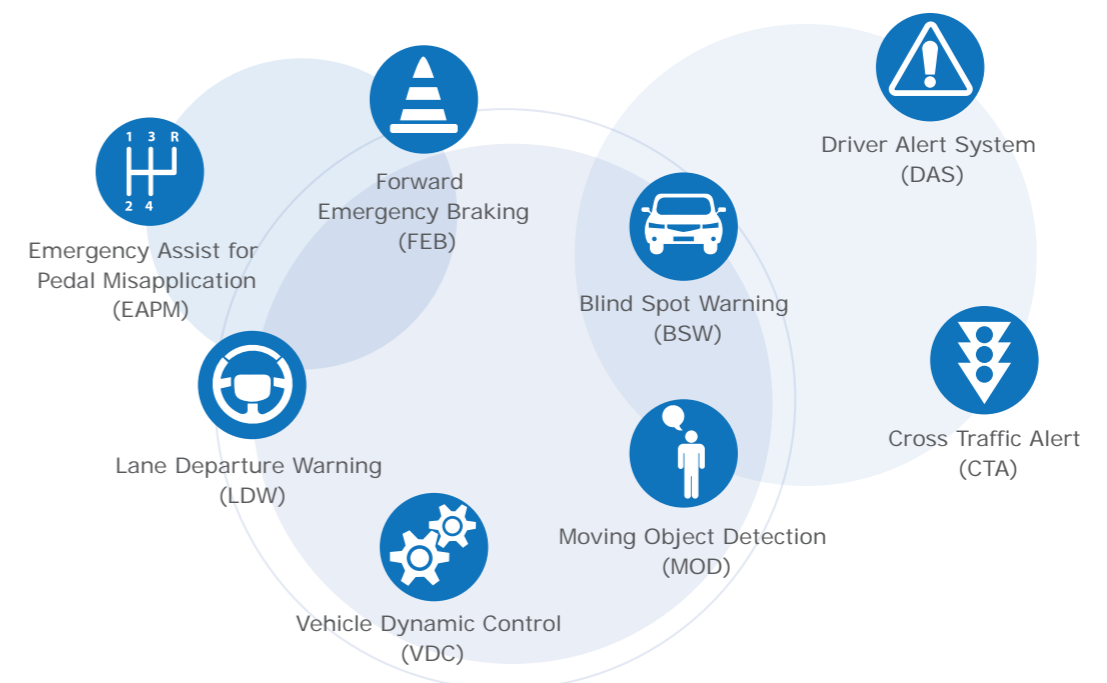
Phase of Risk	Shield Protection System	Function
Risk has not yet appeared	Distance Control Assist System Navigation-enabled Intelligent Cruise Control with full-speed range following capability Adaptive Front-lighting System (AFS) Around View Monitor Driver Alert System (DAS) Moving Object Detection (MOD)	Helps the driver to maintain comfortable driving
Risk has appeared	Predictive Forward Collision Warning Lane Departure Prevention Lane Departure Warning (LDW) Blind Spot Warning (BSW) Blind Spot Intervention Cross Traffic Alert (CTA)	Helps the driver to recover from dangerous conditions to safe driving
Crash may occur	Brake Assist Anti-lock Braking System (ABS) Vehicle Dynamic Control (VDC) Forward Emergency Braking (FEB) Emergency Assist for Pedal Misapplication (EAPM)	
Crash is unavoidable	Intelligent Brake Assist Front Pre-crash Seatbelts	
Crash	Zone Body construction SRS Curtain Airbag System Pop-up Engine Hood for Pedestrian Protection	Helps minimize injuries when a collision is unavoidable
Post-crash	Automated Airbag-linked Hazard Lamps	

Nissan Vehicles Equipped with Advanced Safety Technologies to Reduce Accidents

According to the survey data of the China In-Depth Accident Study (CIDAS) project, most expressway accidents in China are caused by "late sense of drivers" and "negligent driving." With respect to these two causes, Nissan has installed multiple collision avoidance technologies in its vehicles. All Nissan vehicles have been equipped with the Predictive Forward Collision Warning (PFCW) system and the Lane Departure Prevention (LDP) system, which can sense the relative velocities and distances of two vehicles ahead and warn the driver of risks that may be obscured from his/her view, thus effectively avoiding accidents.

DFL-PV believes the best way to respond to risks is avoiding the occurrence of risks. In 2015, DFL-PV introduced the Nissan i-SAFETY intelligent anti-collision safety system, which, by providing such features as real-time monitoring, timely alarming and intelligent braking, serves as a safety shield in the 360-degree space around a vehicle, covering the front, the rear and both sides. As its core safety technology, the Forward Emergency Braking (FEB) system is the technical foundation of Autonomous Drive and has comprehensively improved the backward passive safety features to the level of intelligent active safety. At present, DFL-PV's main models, such as Neo Teana, Lannia, Qashqai, Murano, Maxima and Sylphy, are all equipped with the Nissan i-SAFETY intelligent anti-collision safety system. In the next year, this technology will be installed in all of its vehicles.

i-SAFETY Intelligent Anti-collision Safety System



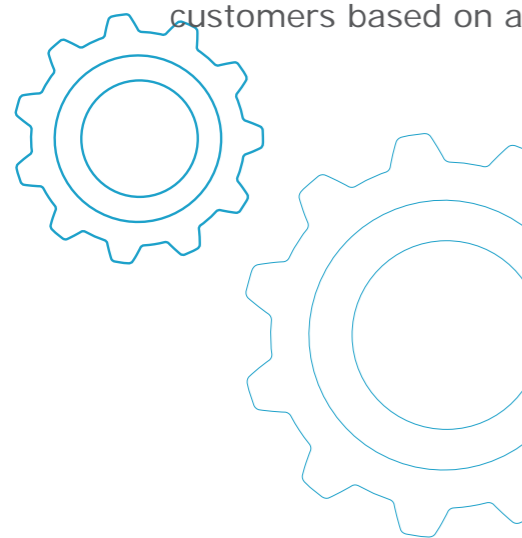
Individuals: Traffic Safety Initiatives

In the area of individuals, Nissan's subsidiaries in China have carried out a series of safety education activities by making use of their advantages, with a view to popularizing traffic safety knowledge, calling for civilized driving and comprehensively promoting the building of a civilized, safe automotive society.

○ DFL-PV's "360° Experience Center of Safe Driving Experience Camp"

In order to spread the knowledge and skills of safe operation and first aid and convey the concept of safe driving, DFL-PV launched the "Safe Driving Experience Camp" program in 2005 and carried out various experience activities for car owners and the general public, aiming at building a platform for promotion of road safety. In 2015, DFL-PV's "360° Experience Center of Safe Driving Experience Camp" set up a rolling simulation area and a collision simulation area, which give visitors an insight into vehicle principles and structure and teach them how to escape safely when an accident occurs, with a view to helping visitors develop the habit of safe driving and calling for building a safe road traffic environment together. As of now, DFL-PV's "Safe Driving Experience Camp" program has been carried out in more than 300 cities nationwide and altogether attracted over 1.6 million visitors, thus achieving a great social effect.

DFL-PV has built a driving safety and vehicle safety platform that is centered on the "360° Experience Center of Safe Driving Experience Camp," and in diverse forms, carried out training on the concept and techniques of safe driving as well as various experience activities for drivers and the general public to convey the knowledge and skills of safe driving and first aid to customers based on a solid foundation.



Society: Communication on Traffic Safety

In the area of the society, Nissan's subsidiaries in China cooperate with all sectors of the society and organize discussion and communication on road safety to help various parties achieve a common understanding on traffic safety, with a view to building a safer automotive society.

○ NCIC's Support for the 2015 China Road Traffic Safety Forum

To promote the building of safe roads as well as the research on safety technologies and policies, NCIC had provided support for, and served as a co-host of, the China Road Traffic Safety Forum for 10 successive years as of August 2015. For the theme of the 2015 forum, "Coordinated Development of People, Vehicles and Roads & Promotion of Traffic Safety," NCIC showed its latest research outcomes and developments in the area of vehicle safety technology and had an in-depth discussion with various experts, leaders of government departments, representatives of automakers and other people concerned on how to manage and coordinate multiple factors that have a significant effect on traffic safety, such as people, vehicles and roads.





Philanthropy

Nissan's Philanthropy Promotion Framework

Nissan has established a global philanthropy promotion framework that focuses on three areas, i.e., environment, education and humanitarian aid. In addition to providing capital support, Nissan implements environmental education programs, calls for attention on education and development of children and youth and carries out humanitarian aid actions by making use of its technologies, products and other resources and working with professional NPOs.

Education Support

Nissan Dream Classroom

Upholding the philanthropic concept of "Driving the Future with Heart" and working with the China Foundation for Poverty Alleviation, NCIC launched the Nissan Dream Classroom program in 2013. Through establishment of extracurricular activity centers under the name of Dream Classroom for middle and primary schools in poverty-stricken areas, as well as cooperation with the United Nations Educational, Scientific and Cultural Organization (UNESCO), NCIC has carried out the Nissan Dream Classroom program across China so as to broaden children's horizons and enrich their extracurricular activities. While improving children's hands-on ability, this program conveys automotive knowledge and traffic safety knowledge, thereby helping more children and youth start the journey towards their dreams.

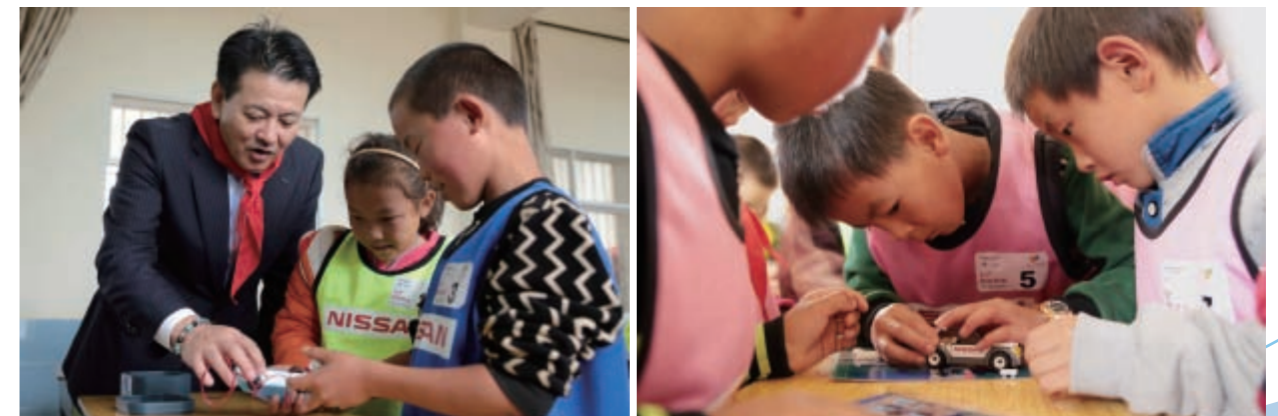
Nissan Dream Classroom Program

The Nissan Dream Classroom program includes five modules, such as Monozukuri Caravan, Eco School and Painting Experience Classroom, altogether more than 20 class hours. The program conveys automotive-related knowledge to students in the form of edutainment and offers interesting automotive experience. Through this program, students can familiarize themselves with the manufacturing process of vehicles, improve their environmental knowledge, exercise their thinking and hands-on ability, and get a lot of fun through visual, acoustic, tactile and other experience.

In 2015, through cooperation with the Beijing Municipal UNESCO Clubs Association, NCIC introduced the Nissan Dream Classroom program, as a school-based curriculum, to Beijing's full-time schools for the first time. Thus, NCIC became the first automaker that incorporated professional automotive knowledge into school courses in China. As of the end of 2015, NCIC had successively carried out this program in many primary schools in Beijing, Shanghai, Sichuan, Guangdong, Hubei, Henan, Yunnan and other regions and cities, and nearly 10,000 students had benefited from this program.

Nissan Brought Its Dream Classroom to Ludian as a Distinctive Action for Earthquake Relief

On September 21, 2015, the extracurricular activity centers under the name of Nissan Dream Classroom were completed in 19 primary schools in Ludian County, Zhaotong City. Meanwhile, the Dream Classroom program officially started its lecture tour in Yunnan Province. Mr. Takashi Nishibayashi, president of NCIC, attended the launch ceremony and together with the Dream Classroom teachers from Nissan, offered students interesting courses such as Monozukuri Caravan and Eco School. In addition, NCIC employees bought a lot of books with rich contents for 19 Nissan-sponsored primary schools in Ludian and donated more than 7,000 safety school bags with reflective strips to ensure safe travel for children.



NCIC's Support for the Third China Youth Model Car Innovation Competition

In August 2015, NCIC, again, worked with the Beijing Municipal UNESCO Clubs Association, the Chinese Society of Education and the Children & Youth Science Center of CAST to support the Third China Youth Model Car Innovation Competition, which is designed to convey innovation knowledge to children and youth and develop their science literacy through a unique competition format. In order to enable more children and youth to have an in-depth insight into cars, love cars and have fun from cars, NCIC introduced Nissan's advanced education concepts to this competition while providing technical support for the competition, with a view to enabling competition participants, through lectures and tutorials, to make the most of their creativity and providing more possibilities for children to realize the dream of "becoming an automotive engineer." For participants with excellent performance in the model car production competition and the car body shell painting competition, NCIC also awarded them the special Nissan Innovation Prize, i.e., an opportunity to take part in the 2015 Nissan Technology and Innovation Tour, aiming at broadening their horizons and helping them realize their dreams with technology.

Nissan Technology and Innovation Tour

In November 2015, NCIC invited eight winners in the China Youth Model Car Innovation Competition to participate in the six-day Nissan Technology and Innovation Tour. By taking these children to visit various museums, buildings and Nissan factories, such as the National Museum of Emerging Science and Innovation of Japan and the Tokyo Skytree, NCIC enabled them to have an intuitive experience of the secret of Nissan's Autonomous Drive technology as well as Nissan's spirits of insisting on innovation and facing challenges bravely, with a view to expanding their horizons and enhancing their understanding of, and interest in, cars.



DFL-PV's Social Contribution Activities

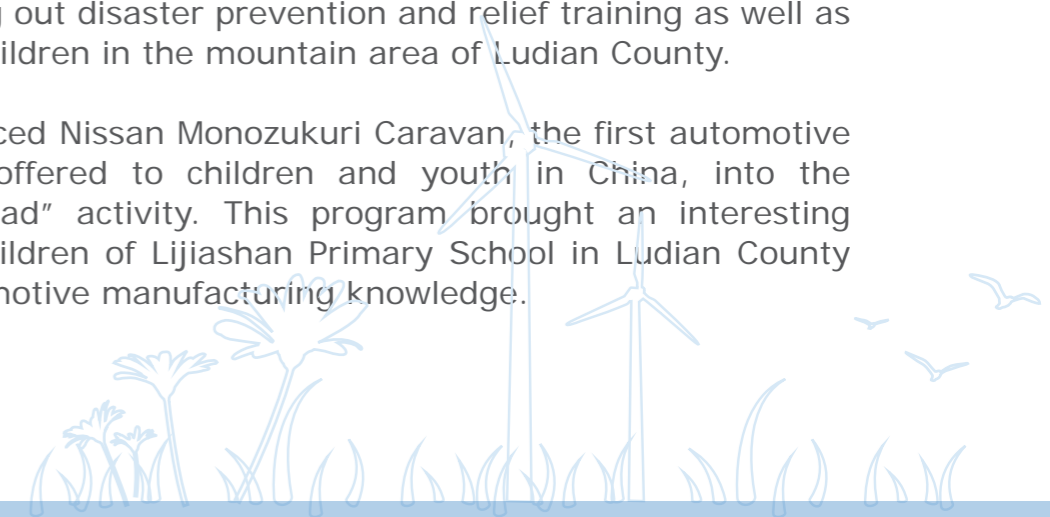
○ Sunny Care – Aiding Future Education

In June 2008, DFL-PV launched the "Sunny Care – Aiding Future Education" program for the purpose of offering teaching assistance, teacher training, monetary and goods donations and other aids to teachers and students in less-developed areas, like mountain areas, poverty-stricken areas and remote areas. Over the past seven years, this program has been carried out in 16 regions of 11 provinces, with a total investment of more than 35 million yuan in teacher training, teaching materials and stationeries. Meanwhile, over 820,000 teachers and students have benefited from this program.



In 2015, through cooperation with the Yunnan Youth Development Foundation, DFL-PV adopted a new way for online and offline interaction and together with various celebrities, launched a social contribution activity under the name of "10,000-step Sunny Road," in which the company called on numerous Internet users to pay attention to the mental health of children in Ludian and pass love to them by donating and showing off step numbers. The activity finally collected a donation of 6.3 billion steps from more than 30,000 Internet users and caused over 40,000 Weibo topic discussions. After the activity, DFL-PV converted the total step number donated by Internet users to a social contribution fund of 3 million yuan, which was used for purchasing stationeries and carrying out disaster prevention and relief training as well as mental counseling for children in the mountain area of Ludian County.

Besides, DFL-PV introduced Nissan Monozukuri Caravan, the first automotive manufacturing lecture offered to children and youth in China, into the "10,000-step Sunny Road" activity. This program brought an interesting experience course to children of Lijiashan Primary School in Ludian County and enriched their automotive manufacturing knowledge.



○ Sunny Career & Golden Future

As of 2015, DFL-PV's "Sunny Career & Golden Future," a college-enterprise joint school running program, had been carried out for five successive years. During this period, DFL-PV made a great effort to fulfill the goal of cultivating talents and offering financial aid and adopted a software- and hardware-combined way, such as donating whole vehicles, engines and other hardware devices for teaching assistance, establishing a DFL-PV scholarship program and using DFL-PV specific teaching materials. As of now, DFL-PV has made an investment of more than 2 million yuan and established broad, multi-layer partnership with over 40 vocational and technical institutes, like Guangdong Technician Institute, Guangdong Lingnan First Technician Institute of Business, and Liaoning Dalian Technician Institute. In the future, DFL-PV will implement the strategy of "welcoming in and going global" to upgrade this program, and cultivate more high-quality, innovative and versatile talents by building oriented workstations, sending senior professionals to give lectures and taking other new measures.

○ DFL-PV's Philanthropic Donations

In June 2015, DFL-PV donated 3 million yuan to Guangzhou Charity Association at the Third Guangzhou Philanthropic Program Promotion Conference. In this fund, 500,000 yuan was used for expansion of the elder care center in Huadu District, 1.8 million yuan donated to Fengshen Kindergarten and 700,000 yuan donated to Fengshen Experimental Primary School.

ZNA's Hand-in-hand Project

In 2010, ZNA launched the Hand-in-hand Project to establish a knowledge platform for children in impoverished mountain areas, with the aim of helping them finish study and achieve a better future. In 2015, ZNA invested additional 3 million yuan in the Hand-in-hand Project. Focusing on education support, this project has worked out the Happy Growth Plan and the Talent Cultivation Plan that are targeted at primary school pupils in poverty-stricken areas, orphans, disabled children and needy college students.

Striving to introduce new concepts on social contribution, ZNA worked with its dealers and car owners to launch the Happy Growth Plan of the Hand-in-hand Project by investing 1.5 million yuan in supply of supplemental teaching facilities to impoverished mountain areas and in improvement the life of orphans and disabled children. On the one hand, ZNA searched for and visited poverty-stricken schools in remote areas, and donated textbooks, extracurricular books, stationeries and teaching facilities to four schools with the aim of offering education resources that these schools fall short of. It also interacted with children of these schools through games, doodling and other ways to help them gain knowledge conveniently and happily. During this process, ZNA cooperated with its nationwide social contribution partners through WeChat and Weibo to carry out online activities for donation of books and other goods, aiming at attracting and calling on more people in the society to pay attention to the issue of reading concerning children in impoverished areas. On the other hand, ZNA completed the foster care program of the Hand-in-hand Project for orphans and disabled children, improved their living conditions, provided better hostels and sent necessities of daily life to them, in order to create better conditions for them to grow healthily and happily.

Meanwhile, ZNA launched the Talent Cultivation Plan of the Hand-in-hand Project. The company provided physical and mental support to poor college students on the one hand, and encouraged college students to take part in social contribution activities and pass on the spirit of contribution on the other hand. In 2015, ZNA offered scholarships, totaling 1.5 million yuan, to 300 college freshmen and held four "Hand-in-hand Dining" activities by inviting well-known media professionals to dine together with the college students who had received financial aid from the Hand-in-hand Project, with a view to providing these students with guidance on study, career and even philosophy. Besides, ZNA actively organized students to participate in social contribution activities and continued cultivating those who had outstanding performance in specific areas and those who were concerned about public welfare undertakings to promote the spirit of "helping others and repaying the society."

DFI's "Gan Ai Planet" Social Contribution Action

Upholding the brand spirit of "Gan Ai," or "Dare to Love," DFI started a social contribution action under the name of "Gan Ai Planet" in 2014, aiming at following the principle of "durability, effectiveness and engagement" and calling on the general public to pay attention to the equal development of people. Successively, DFI cooperated with the One Foundation and the China Development Research Foundation to care for autistic people and improve preschool education and nutritional conditions of children in poverty-stricken areas of central and western China, with a view to building an equal, harmonious and sustainable "Gan Ai Planet."



○ Caring for Autistic People

Through integration of its own resources and cooperation with such caring people as well-known stars, the chairman of the Chinese Museum of Finance and various entrepreneurs, DFI built a platform for autistic people to communicate with the general public in 2015, by providing support for autistic children and teenagers to create the first huge urban ground doodle in China, visiting the Hangzhou Morning Star Children Rehabilitation Center and holding various activities, such as the "Dare to Love and Move On" One Night Party that focused on caring for children with autism and the "Dare to Love Stupid Kids" party, in order to show the complicated inner world of autistic people and helping them integrate into the society.



○ Supporting the Village Kindergarten Program

Based on its concern about the early development of children in poverty-stricken areas, DFI worked with the China Development Research Foundation to invest 3 million yuan in the Village Kindergarten Program for the purpose of building a bright future for children, by providing support in teacher cultivation, children's health, early education, hardware construction and other areas. In June 2015, DFI went to Guzhang County, Hunan Province together with its dealers, car owners, employees and media representatives, in order to carry out the "Sowing the Seed of Love" activity by visiting kindergartens in mountain villages. During this process, these visitors interacted with the children by playing games together and discussing confusing problems related with their growth, and gave them an active lecture on traffic safety knowledge to offer them happiness in their growth process. As of the end of 2015, DFI had sponsored 217 kindergartens in mountain villages.



○ Gan Ai Dream Fund

As a part of the "Gan Ai Planet" action, the Gan Ai Dream Fund is an innovative outcome of DFI by integrating its social contribution action and a reality TV show. In 2015, DFI set up the Gan Ai Dream Fund as the reward for stage champions of reality TV show The Amazing Race. According to desires of the stars who took part in the show, DFI donated 920,000 yuan to the One Foundation, 2.17 million yuan to the China Development Research Foundation, 910,000 yuan to the China Foundation for Youth Entrepreneurship and Employment, and 1 million yuan to Bazaar Charity Fund of the China Siyuan Foundation for Poverty Alleviation, altogether 5 million yuan, which would be used to take care of people with autism, support the Village Kindergarten Program and the entrepreneurship program for college students, and help the victims in the explosion incident occurring in Tanggu, Tianjin, with the aim of fulfilling DFI's commitment to charity.



Humanitarian Aid

As of 2015, NCIC had provided financial support for 10 successive years to the Lifeline Express program initiated by the Chinese Foundation for Lifeline Express and the Ministry of Commerce of China, in order to offer free surgical operations for cataract patients in poverty-stricken areas. By the end of 2015, over 700 cataract patients had regained their sight through surgery.

ZNA has also been carrying out humanitarian aid programs. In 2012, ZNA signed a five-year donation agreement with the Henan Elderly Care Association. As planned, the company would donate vehicles worth of 1 million yuan or more every year to meet the transportation demands of local elder care organizations. In 2015, ZNA donated 13 vehicles, with a total value of 1.05 million yuan, to the Henan Elderly Care Association, thus effectively resolving the issue of transportation for local elder care organizations. Meanwhile, it also donated five service vehicles totally worth of 500,000 yuan to six villages and towns of Zhongmou County via the Zhongmou Charity Association, with a view to providing aid to poor villages and towns.



Quality Responsibility

Providing consumers with guaranteed high-quality products is the largest responsibility of automakers. Hence, Nissan strives to ensure product quality and improve consumer satisfaction from every aspect, from product quality management to improvement of sales and service capacity.

“Enhancing Quality” Program

Upholding the goal of “becoming the top level in the area of quality from the customers’ perspective,” Nissan endeavors to become the best among global automakers and enable its product quality to reach the top level in the industry. Nissan established the “Enhancing Quality” program, in which the company clearly defined its quality enhancement goals and plans by 2016. By working hard on this program, Nissan aims to improve product quality comprehensively.



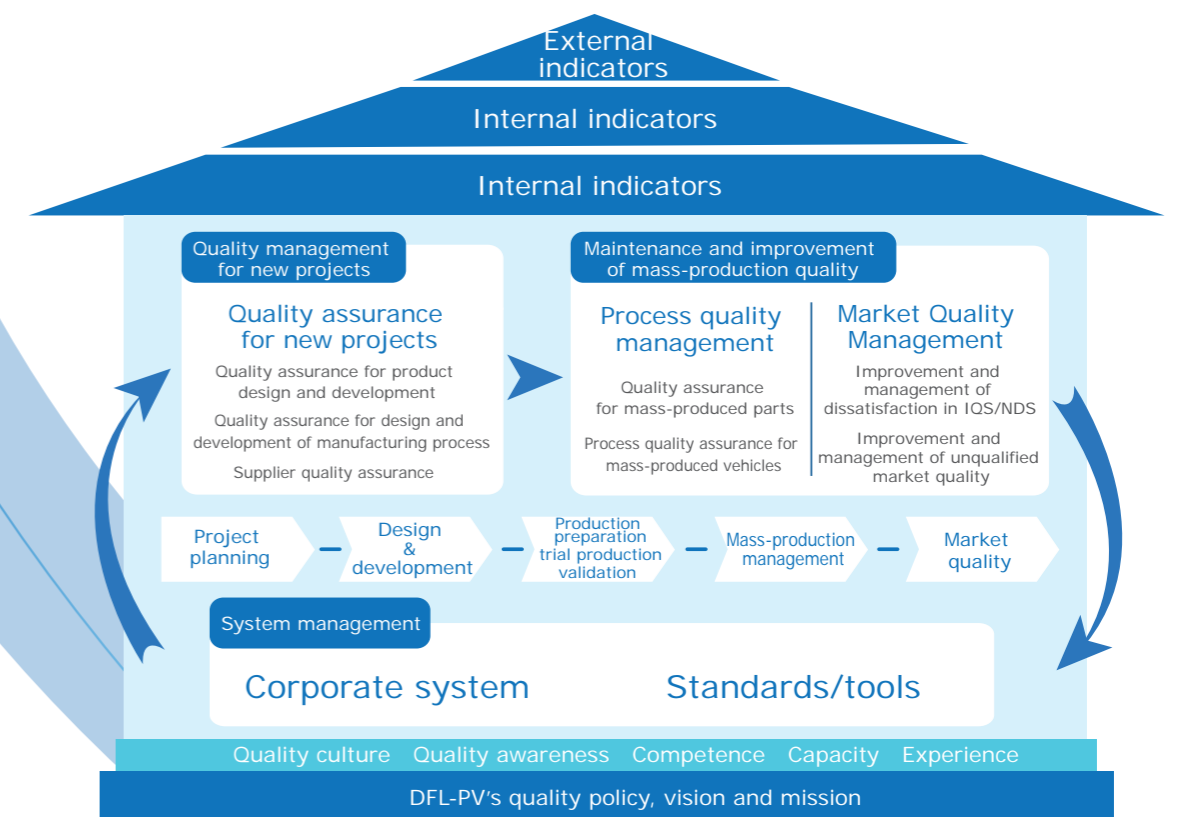
Product Quality Management

Product Quality Improvement

Product Quality Management System

DFL-PV

DFL-PV’s product quality management system is a customer-oriented system that covers the whole value chain, including parts purchasing, new-vehicle development & manufacturing, marketing and other aspects, with the purpose of achieving comprehensive customer satisfaction. During the product development process, the system aims at obtaining customer feedback earlier, carrying out sufficient validation of the applicability in Chinese market and enhancing supervision on the development stage. During the manufacturing process, the system follows the principle of “no unqualified products received, manufactured or delivered,” with a view to ensuring customers’ interests. During the market improvement process, the system focuses on resolving problems quickly and effectively and responding to customers’ voices as fast as possible. From the perspective of customers, DFL-PV aims to achieve comprehensive customer satisfaction with high-quality products.



ZNA

Upholding the operation concept of "quality first" and always complying with customer requirements and applicable laws and regulations, ZNA provides customers with required vehicles, reliable product quality and timely, thoughtful service. By "focusing on customers," ZNA continuously improves its products and quality management system to increase operational efficiency and customer satisfaction. On the one hand, the company strictly fulfills Nissan's globally uniform quality standards and conducts stringent quality control at every stage of the value chain, including product development, design, purchasing, production, manufacturing and after-sales service. On the other hand, the company strictly follows the quality system process and standard requirements to develop new products and to select, assess and manage suppliers; implements QDC (quality, delivery, and cost) visual-board management, 5S (sort, set in order, shine, standardize, and sustain) workplace management and the fast-response quality control meeting system; and carries out control over new products, parts, processes and market quality, with a view to reducing customer complaints and improving brand image.

○ Product Quality Management Activities

DFL-PV

DFL-PV takes many quality management measures from the initial stage to final product delivery, in order to ensure its products are 100% safe and reliable.

With respect to business change, DFL-PV enhances preventive management, works on earlier recognition of suppliers' change points, and carries out sufficient research and discussion on risk points and response plans. In addition, DFL-PV actively takes part in quality control activities for fast response to the market; conducts quick analysis and works out countermeasures as fast as possible for negative phenomena arising in the market; and carries out internal upgrade management for hard cases and expiring cases to avoid those parts with improper manufacturing process coming into the market.

In the area of quality management of currently mass-produced vehicles, DFL-PV carries out various activities, like 4M (man, machine, material, and method) change management, improvement of key suppliers' capacity and collection of customer feedback in the market, to ensure key indicators meet challenging objectives. Through management of mass-produced vehicles, DFL-PV strives to keep process and market issues under control, ensure steady mass production, and lay a solid foundation for achieving the goal of producing more than 1 million high-quality vehicles.

By hosting quality forums continuously, DFL-PV also works on enhancement of internal and external communication and improvement of quality management capacity throughout the value chain. On September 27, 2015, DFL-PV held its sixth quality forum, with a theme of "Top quality helps improve OaO and always accompanies you." Focusing on perceived quality, product quality and sales and service quality, this forum helped to build brand preference among DFL-PV's internal employees, suppliers and dealers and improve their brand awareness, with a view to enabling customers to be highly satisfied with the quality at every contact point.

ZNA

Based on the central idea of "with a focus on customers, improve quality competitiveness through total quality management and quality leadership throughout the value chain," ZNA carried out a series of quality management activities in 2015, such as optimization of the quality management system, quick improvement of market quality, continuous improvement of purchase quality, and detailed specification and enhancement of new-vehicle quality assurance, in order to increase product quality and customer satisfaction continuously.

ZNA keeps improving product quality by continuing to enhance its employees' operation skills; drives steady improvement of its workers' technical level by carrying out company-wide skill practice and ability assessment; and strives to build the "craftsman" culture by organizing and participating in skill competitions at different levels. In Nissan's global skill competition, ZNA took the first place in the segment of final assembly and the second place in the segment of hanging spot welding. This greatly encourages its employees to keep improving their skills.



In response to the summons of Henan Province Federation of Trade Unions and according to its own requirements for factory improvement, ZNA officially set up "Wang Tengfei Improvement Studio," the first studio under the name of its employee, in June 2015, with a view to improving its core competitiveness based on improvements at its manufacturing sites. The studio is composed of 13 outstanding young people from 10 offices of 5 departments, who have altogether won more than 30 awards, including national honors. In addition, "Zhang Jianwei Technical Innovation Studio" and "Zhu Ying Studio" were established later. By building employee studios, ZNA will make the most of high-tech talents, keep improving its innovative capacity, and build the "heart of a craftsman" to improve product quality.

3MIS

Defect rate of 3-months-in-service from delivery of vehicles to customers
As of December 2015, the Nissan brand's 3MIS had reached 1.2%, top level in Nissan's global businesses.

Ensuring Market Quality

Nissan is committed to improvement and enhancement of the "market quality" for customers in actual application of its products. In order to enable customers to use Nissan-brand vehicles safely and comfortably, Nissan has to respond to problems arising in the market as fast as possible. Hence, Nissan has established a complete market quality assurance and improvement system, including a defective-product recall procedure, in China.

DFL-PV

DFL-PV has a complete market quality improvement system and a professional technical team. For any malfunction, DFL-PV can analyze and resolve problems quickly and effectively, and identify defective products. For any product determined to be defective, the technical team established by the company will report to the general quality supervision bureau in accordance with the vehicle recall procedure. Besides, DFL-PV also has a full-fledged system for tracing vehicle-used parts. Once a recall occurs, the company will obtain all information of the relevant vehicle. In accordance with the vehicle recall procedure, the company will contact the user concerned via its service network as fast as possible, and set up a support phone line for the user to consult for detailed information conveniently.

For the usage of its products, DFL-PV currently has an information collection program that covers all channels, to carry out consistent management of the quality information fed back by customers through each channel. These channels include TR reports, warranty applications, technical hotlines, 7-day exchange service, an 800 product complaint system and an online product quality complaint system.

ZNA

ZNA has established a complete system for management of significant quality information as well as a mechanism for management of market quality information processing activities. Moreover, the company regularly holds meetings and seminars to review important quality information and discuss how to process this information. By taking these measures, ZNA can effectively meet the national requirements on product recall management, protect consumers' rights and interests and ensure its product quality.

DFI

The recall system of DFI is strictly in accordance with the requirements of the headquarters, which has globally synchronous recall announcement time and globally consistent improvement and repair measures. For defective products, DFI reports to the General Administration of Quality Supervision, Inspection and Quarantine of China in accordance with applicable recall management regulations and releases all recall information on its official website, while notifying its dealers of all relevant information. When a recall is announced, the company will, in the following month, notify car owners of defective products and of emergency measures to avoid damage and appropriate measures to eliminate defects. Through its stringent system and process, as well as timely, accurate response measures, DFI endeavors to improve market quality and protect consumers' rights and interests.

Sales and Service Quality

Nissan strives to provide the customer service that exceeds customers' expectations and to keep improving customer satisfaction by carrying out effective management of sales and service quality.

Customer Service Concept and System

DFL-PV

To provide thoughtful service to customers, DFL-PV upholds a service concept of "providing customers with ease of mind in terms of quality, cost, maintenance, time and emergency." DFL-PV has been expanding its sales service network and strives to offer more convenient and superior service to customers. Through 13 years of fast development, DFL-PV now altogether has 755 Nissan-brand 4S shops in operation, and its nationwide city coverage rate and auto market coverage rate have reached 86.2% and 98%+ respectively. Its channel coverage efficiency takes a leading position among those of Chinese automakers. Through the mode of lightweight primary and secondary outlets, DFL-PV is expanding its sales channels to fourth-tier and fifth-tier cities as well as district and county markets. This will greatly shorten its service radius for customers and enable customers to use its high-quality sales and after-sales service in the most convenient way.

In order to improve the professionalism of customer service staff, DFL-PV carries out professional ability training and relevant communication activities for them every year. At present, the customer service center has a staff of more than 230. In 2015, its average time for handling customer complaints reduced to 2.5 days from 5 days in 2012. In the same year, the customer service center also set up expert hotlines for customers and improved the CIP system to monitor the process and effect of its response to, and handling of, customer complaints.



DFL-PV was conferred the Customer Care Prize of the Year in the 2015 (4th) China Car Customer Care Awards activity co-hosted by the Auto Driving & Service magazine and Tencent Auto.

ZNA

To help build the sales system, ZNA has established a four-tier, full-coverage customer relation system, which includes the customer relation center, regional agents, customer relation teams of dealers, and personnel serving key customers in the secondary network. Meanwhile, ZNA carries out classified management for dealers according to their sales volumes, sets different standards for customer relation systems of dealers, and meets the requirements of customer relation management from such aspects as organizational structure, arrangement of full-time and part-time personnel and implementation of core tasks, in order to build a better platform for dealers to serve customers.

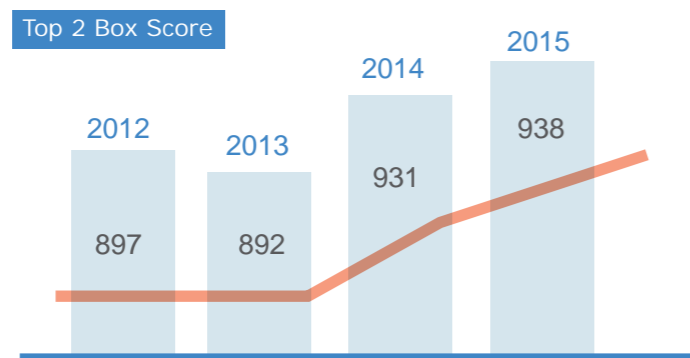
DFI

In 2015, DFI's customer service system for dealers further enhanced customer relation management. While making improvements based on the results of manufacturer quality surveys, front-line customer service managers should get in touch of customers, listen to their voices, improve the ability of resolving customer complaints, and carry out various customer care activities to provide thoughtful service to customers.

Improvement of Customer Satisfaction

DFL-PV

To improve customer satisfaction, DFL-PV in 2015 optimized its after-sales service process and carried out training for more than 6,000 service consultants countrywide; established a centralized management and improvement system to handle customer feedback and promoted its operation; and made trial use of WeChat to conduct surveys, with the aim of collecting customers' comments. In the same year, DFL-PV also conducted customer satisfaction surveys through phone calls, and its Top 2 Box score (an internal survey indicator with a full score of 1,000) was 938, achieving the expected objective. In the JDP CSI survey, DFL-PV ranked in top 10 among 58 brands. In 2015, its customer service complaint rate was 1.52‰, lower than the expected objective of 3‰; and its average time for handling customer complaints was 2.51 days, lower than the expected objective of 4 days.



ZNA

To listen to primary customers' real voices and have a deep insight into customers, ZNA carried out customer demand survey activities by sending groups of internal personnel who have a close relationship with customers, such as those in charge of sales, vehicle models, quality assurance, after-sales service and technology, to 180 workplaces and living places of customers to conduct interviews and surveys. Moreover, ZNA also carried out comprehensive customer analysis for a part of level-B dealers. By analyzing customer features and evaluating customer values, ZNA worked to help its dealers understand demands of local customers and work out more accurate marketing strategies and resource allocation plans based on market conditions and customer features.

In order to keep existing customers and have a close communication with them, ZNA established a car owner club, which serves as an important platform. In 2015, the third-phase system of ZNA's car owner club was set up successively in workplaces of additional 44 dealers.

DFI

DFI has held car-owner meeting symposia under the name of Voice of Customers successively. By having lunch together in a relaxed atmosphere, its representatives often discuss with customers and dealers on vehicle maintenance and driving experience. Moreover, the company organizes brand awareness activities and other programs to help carry out further comprehensive improvement and meet customers' demands, with a view to improving customer satisfaction. In internal improvement, DFI carries out process improvement and dealer guidance on such activities as "test ride & test drive," "vehicle delivery" and "price negotiation & agreement signing," and integrates them into the quality survey system.

DFI has continuously conducted surveys on customer satisfaction with its sales and after-sales service and listened to customer feedback piece by piece. For customers who have expressed dissatisfaction in their comments, dealers should repair relevant defective products, and may not get the quality bonuses until the results of repair work are confirmed by DIF. These bonuses are offered to further encourage dealers to carry out appropriate quality management, and aim at achieving win-win outcomes in terms of sales and customer satisfaction. In 2015, DIF ranked second in the segment of luxury cars in the J.D. Power SSI survey and took the third place in the same segment in the J.D. Power CSI survey.

Thoughtful Customer Service Activities

DFL-PV's "Warm Way Home" Activity

DFL-PV carries out the "Warm Way Home" customer care activity during the Spring Festival and the National Day holidays every year, by setting up service stations at entrances and exits of main expressways to provide free service, like vehicle maintenance, to drivers passing by. This activity has been acknowledged by, and received favorable comments from, many drivers. As of now, DFL-PV has set up more than 1,600 service stations and served over 48,000 drivers.

DFL-PV's Customer Care Activity in Face of Natural Disasters

In May and June 2015, many provinces in the south of China suffered heavy rains and a lot of drivers' vehicles were damaged. Therefore, DFL-PV initiated its emergency plan at the first moment and provided seven distinctive care services, i.e., free vehicle inspection, green service channels, extension of service time, special technical support, emergency rescue service, assistance with claim settlement, and daily reporting of repair progress, as well as suggestions about safe driving, to drivers in the 16 regions struck by natural disasters. During this activity, DFL-PV altogether served 49,000 drivers.



Value Chain Management

Nissan's subsidiaries in China are concerned about value chain improvement and ecological health. Guided by the values of mutual trust, mutual respect and transparency, they have maintained a stable, equal and mutually beneficial partnership with suppliers and dealers and made concerted efforts to achieve sustainable development.

Supplier Management

Management Methods

NCIC assesses parts suppliers in accordance with the Renault-Nissan Alliance's global standards and according to their quality, cost, delivery, R&D and management levels, and identifies the best suppliers in a fair and transparent way. Based on the headquarters' global supplier policy, Nissan's subsidiaries in China established a supplier management system in line with NCIC's brand strategy and China's conditions, and keep optimizing and enriching their management methods.

In order to ensure and improve the overall capacity of parts supply, NCIC carried out a series of improvement activities, including THANKS (Trusty and Harmonious Alliance Network Kaizen Activity with Suppliers), for parts suppliers to help them reduce costs and improve comprehensive competitiveness while enhancing product quality.

With the supplier management concept of "strategy, efficiency and synergy," DFL-PV develops together with its suppliers from three aspects: oriented by customers, exceed the limit of service quality and improve the competitiveness of strategic suppliers; carry out comprehensive optimization in multi dimensions and with multi measures, and overcome the bottleneck of efficiency improvement; and enhance the synergy to maximize its benefits.

Renault-Nissan CSR Guidelines for Suppliers

1. Safety and Quality: Providing products and services that meet customer needs, etc.
2. Human Rights and Labor: Prohibition of child labor and forced labor; compliance with working hour and remuneration laws, etc.
3. Environment: Implementation of environmental management; reduction of greenhouse gas emissions, etc.
4. Compliance: Compliance with laws; corruption prevention, etc.
5. Information Disclosure: Open and impartial communication with stakeholders, etc.

Evaluation and Selection of Suppliers

Nissan established the Alliance Supplier Evaluation Standard (ASES) system to evaluate new suppliers. At such stages as planning, design, production preparation and mass production, Nissan uses 240 indicators to carry out evaluation. Based on evaluation results, Nissan classifies suppliers into different classes, like class A, B, C and D, and cooperates with suppliers with higher ranks.

For suppliers that it has cooperated with, Nissan uses the supplier scorecard to evaluate quality of accessory products and market quality, and monitors suppliers' plants based on ASAS-P (Alliance Supplier Audit Standard in Production Phase), which is used to validate management systems. Meanwhile, Nissan regularly verifies whether each plant maintains a system that is capable of providing high-quality parts and whether they take new measures to further improve product quality.

As China becomes the most important global logistics base of Nissan, Nissan is promoting a global purchasing plan based on the QCDDM (quality, cost, delivery, development, and management) supplier evaluation system, in order to build its competitive strength in quality and costs of parts.

DFL-PV carries out strict control at the bidding stage, by identifying suppliers' weaknesses in quality management and technical capacity and ruling out those with quality risks. Besides, DFL-PV strives to promote a green purchasing system, requires its suppliers to undergo investigation and assessment of environmental and safety conditions, and plays a significant role in the third-party environmental system certification for its suppliers. At the end of 2015, all parts and material suppliers of DFL-PV complied with the Green Purchasing Guidelines.

By following the standards of past years and based on the demand to build a supplier platform, ZNA carries out comprehensive inspection and evaluation of recommended potential suppliers from such aspects as technical development, quality assurance, cost control, comprehensive operation and management, and delivery. If any supplier is qualified, ZNA will direct the purchasing committee to incorporate the supplier into its supplier platform.

Supplier Improvement

In the area of supplier improvement, DFL-PV, together with its suppliers, completed dismantlement and analysis of competitive vehicles and carried out new-vehicle cost improvement activities in 2015. By organizing suppliers to jointly find out improvement cases, DFL-PV worked on helping them make continuous improvement and control costs from such aspects as structure, material and process, and strived to enhance their capacity of self-improvement. On the other hand, DFL-PV also organized technical exhibitions and communication among suppliers and held seminars on development of specific technologies to enhance their confidence for research on new technologies and further accelerate development and application of new technical products. In order to help its suppliers lay a solid foundation for management of parts production sites, DFL-PV selected some suppliers, based on materiality and necessity of parts and desires of suppliers, to carry out diagnostic surveys. In addition, the company prepared teaching materials

according to quality status and worked to enhance top management's understanding, improve the ability of site administrators for discovering and resolving problems and increase the competitiveness of value chain quality through cultivation of executives, training of workgroups on site theories, production line practice, improvement of various site benchmarks and other approaches. ZNA maintains a mutually beneficial relationship with its suppliers and helps them improve their capacity by optimizing the supplier system, providing support for them to participate in early product design, establishing a partnership with them and carrying out supplier assistance activities. Meanwhile, these measures also have a positive effect on ZNA's cost control, new project development and operation improvement, thus helping the two parties achieve win-win development. In 2015, ZNA worked with its suppliers through the V-FAST program, the Rank-Up activity, experience communication and other mutual-aid approaches, in order to meet each other's demands, resolve difficult problems, optimize management benchmarks and comprehensively improve suppliers' capacity of process quality assurance. In the same year, ZNA carried out 245 project/product audits for suppliers and handled 1,885 problematic points. ZNA also organized ANPQP training and firewall knowledge training, which altogether had 317 participants from 131 suppliers.



— ASSES Evaluation —

D → C

Through ZNA's support and improvement efforts, the ASSES evaluation of Zhengzhou Jiangdong Auto Parts Co., Ltd. was improved from level D to level C.

In 2014 and 2015, ZNA carried out the ASSES Rank-Up activity for Zhengzhou Jiangdong Auto Parts Co., Ltd., a strategic supplier of ZNA. By taking a series of measures, from analysis and explanation of compensation claim issues in the market to identification and specification of improvement subjects, ZNA helped Zhengzhou Jiangdong find out 228 improvement subjects, with the improvement rate of problematic points reaching 86%. Moreover, Zhengzhou Jiangdong's grading result was improved from level D to level C in the ASSES reevaluation, thus meeting Nissan's quality management requirements.

Dealer Management

Nissan's subsidiaries in China work closely with their dealers and strive to achieve win-win by keeping improving their dealer management mechanisms, carrying out dealer training and improving service quality and operation efficiency.

Dealer Management Mechanisms

DFL-PV's Dealer Management

In 2015, DFL-PV focused more on improvement of its dealers' proceeds and customer satisfaction by taking the following measures: firstly, providing a series of flexible and practical business policies from the perspective of dealers and responding to the demands of market development in a delivery-oriented way; secondly, striving to allocate more marketing resources to third-tier and fourth-tier markets and making quick decisions for regional markets; thirdly, issuing a better financial policy to reduce dealers' inventories and fund pressure; lastly, upgrading the traditional 4S shop system comprehensively, building a new operation model based on functional diversification, size differentiation and hardware modularization, and promoting expansion and innovation of sales channels.

ZNA's Dealer Management

Aiming at creating shared values, ZNA maintains a value-based partnership with its dealers, guides them to transition from vehicle-based profitability to value-chain-based profitability, and helps them achieve "safe, stable and efficient" development.

In 2015, ZNA established a dealer advisory council and enhanced communication and cooperation between the council and manufacturers, thus building a platform for dealers and manufacturers to establish an equal, mutual-respect relationship and achieve joint development. Moreover, ZNA improved the dealer alarm mechanism and analyzed its dealers' business on a quarterly basis to find out weaknesses in shop operations in a timely manner and provide support for improvement. With regard to changes of market environments and dealers' sales, ZNA carried out early-warning management for shops with the risk of sudden breakdown and helped dealers mitigate risks and recover normal operation. ZNA altogether helped 32 dealers recover normal operation in 2015.

DFI's Dealer Management

To adapt to the market, DFI works to introduce flexible-sized shops in third-tier, fourth-tier and fifth-tier cities, with the aim of reducing initial investments, decreasing dealers' fund pressure and accelerating expansion of outlets. In 2015, the company altogether set up 27 new dealerships. Meanwhile, DFI focuses on improvement of dealers' profitability and has developed a dealer profitability assessment and improvement system to ensure their long-term, stable operation.

Dealer Training

DFL-PV's Dealer Training

DFL-PV carries out customized training, including product training, sales skills and business courses, with respect to different ability and competence requirements at various stages. Meanwhile, DFL-PV provides level-based CA certification training by classifying CAs into three levels, i.e., junior sales advisor, intermediate sales advisor, and senior sales advisor. Based on the path of CA growth, the company conducts



training in two ways, i.e., direct training and internal training, to cover all requirements for ability and competence at every CA growth stage.

In 2015, DFL-PV carried out the following training activities: 3-day direct training for junior sales advisors, covering basic automotive knowledge, product knowledge, sales etiquette, system operation, potential customer tracking & management, etc., with 3,261 participants; 3-day internal training for intermediate sales advisors, covering sales skills, after-sales business and other subjects, with 2,813 participants; and 3-day direct training for senior sales advisors, covering potential customer grading & management, sales performance management & analysis, self-management & self-encouragement, etc., with 625 participants.

ZNA's Dealer Training

ZNA improved its training system and set corresponding training courses and guidance strategies for different regions, dealers at different development stages and personnel with different duties to help its dealers foster strengths and circumvent weaknesses. In 2015, there were altogether 891 people participating in ZNA's training, which effectively improved dealers' management and sales capacity. Meanwhile, ZNA established 13 training bases across China based on its 4S shop recourses, thus effectively reducing the costs for its dealers to participate in training.



On-site Guidance to Improve Dealer's Customer Management Capacity

In March 2015, the Huasheng Shop in Shijiazhuang had a less-than-35% conversion rate of sales leads for main models and a less-than-20% customer purchase probability due to its improper management of potential customers. In two successive months, ZNA sent instructors to the shop for guidance. Staying in the shop for three days each month, the instructors worked to help the shop improve its management process, conduct training on methods of management of potential customers, and establish a system for management and assessment of potential customers. As of the end of May 2015, the conversion rate of sales leads and the customer purchase probability had increased to 74% and 33% respectively. Meanwhile, the shop's net sales ranked third in China.

DFI's Dealer Training

DFI strives to establish a comprehensive talent selection, cultivation and retention system for its dealers, to cultivate more talents who are skilled in management, sales, after-sales service or technology, and to ensure sustainable development of talents in its dealer network. Hence, DIF founded Dongfeng Infiniti Training Institute, which upholds the vision of "enabling DFI's dealer system to have the most enterprising high-quality talents in the automotive industry." Based on cultivation of teacher teams, optimization of training facilities and establishment of training systems, DFI works to comprehensively improve its training and certification system by offering more specific training courses, promoting internal training for dealers, holding national skill competitions and taking other measures.

In 2015, DFI made a great effort to ensure the sufficiency of dealers' personnel and improve its guidance and training process; completed building of the AC assessment system for important posts; carried out various training programs covering all businesses of dealers; and offered high-quality training courses and professional certification schemes. These training programs included pre-opening training for new dealers, management training, sales & product training and after-sales training, with the aim of helping employees with different duties enhance professional ability through comprehensive and practical training and thus improving professional knowledge level and service quality of dealers' personnel.

DFI's Training Data

 Training courses
237 face-to-face courses
50 online courses

In 2015, Dongfeng Infiniti Training Institute altogether organized 237 face-to-face courses and provided 50 online courses, through the online study system, for dealers' personnel to study.

 Training hours
Face-to-face training 6100h
Online courses 16744h

In 2015, Dongfeng Infiniti Training Institute altogether carried out 6,100 hours of face-to-face training, and the online study time of dealers' personnel was 16,744 hours.

 No. of participating dealers
96 dealers

In 2015, there were altogether 96 dealers participating in face-to-face training and online courses.



Responsibility for Employees

Employees are the foundation for Nissan's subsidiaries to develop sustainably in China. Attaching great importance to protection of employees' rights and interests, Nissan's subsidiaries in China strive to ensure employees' physical and mental health by building comfortable and safe working environments, establishing smooth communication channels, offering complete welfare policies and making use of comprehensive training systems.

Human Resource Development Concept

In accordance with the HR management concept of "Uniting every one of us to meet the challenges" and based on an accurate management model, NCIC endeavors to optimize employee career development plans, comprehensively improve employees' competence to their posts, unleash employees' potential and enhance the competitiveness of talents.

DFL-PV's HR management concept is "Care · Equity, Focus · Solidarity." When the V Plus HR Management mid-term strategy was completed in 2015, DFL-PV continued to adhere to the action target of "building up an outstanding team, marching toward a bright future" and promoted the corporate culture of "Happy state of mind, happy work, happy life, and happy growth" to improve its HR management capacity. In the future, DFL-PV will implement the Dual-core HR Strategy, a mid- and long-term plan with two core strategies of "establishing an efficient organization" and "building a happy organization," to build a high-performance organization and the brand of a caring employer.

Following the principle of "letting the right people do the right thing" and implementing the corporate development concept of "mutual trust, concomitance, and common development," ZNA keeps promoting reform in HR management and is committed to providing a better working environment and development space and fulfilling its responsibility for employees.

With the HR concept of "people oriented," DIF strives to improve employees' loyalty and devotion and enable HR to become a strategic partner for corporate development, by enhancing employee training and communication, providing various employee welfare measures, promoting its corporate culture and taking other measures.



Occupational Health and Safety

Nissan's subsidiaries in China have established a relatively complete occupational health and safety management system and make use of standardized safe-production specifications, the Safety Evaluation System (SES), the Fire-Prevention Evaluation System (F-PES) and other diagnostic tools for safety management to eliminate potential safety hazards in working environments and ensure the safety, healthiness, comfort and human-friendliness of employees' workplaces.

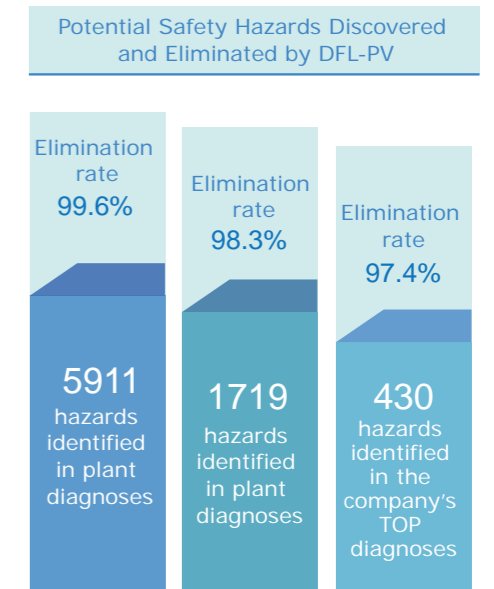
DFL-PV's Safety Management

Based on the 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 environmental, health and safety management system and carried out a series of safety activities, including video training on safety, "Safety & Environmental Protection Month" and emergency exercises, to improve employees' safety awareness.

In 2015, DFL-PV totally provided 274,776 hours of safety training, 17.2 hours per trainee. Meanwhile, DFL-PV organized 24 fire-fighting exercises and achieved zero fatalities and serious injuries, zero occupational accidents and zero serious environmental incidents in the year. In addition, DFL-PV's precise safety management was also recognized by the society. For example, its second Huadu plant's score in the diagnosis made by Nissan's safety evaluation system ranked first among those of global Nissan organizations, and its Huadu plant, Xiangyang plant and Zhengzhou plant were awarded the titles of the National Benchmark Enterprise in Safety Culture, the National Model Enterprise in Safety Culture and the Model Enterprise of Henan Province in Safety Culture, respectively.

ZNA's Safety Management

Following the policy of "prevention in the first place and integrating prevention with control," ZNA signed the Production Safety Responsibility Agreement with individual units and the Safety Responsibility Agreement for Key Hazardous Positions with 19 key departments having high safety hazards, and set workplace safety indicators for workshops, work sections, workgroups and individuals respectively to fulfill and improve its environmental, safety and health standards together with employees.



In 2015, ZNA altogether organized 21 emergency exercises of safety accidents, with nearly 6,000 participants taking part in its exercises and training. Moreover, the company carried out six special safety inspections and discovered 199 potential safety hazards, with a rectification rate of 95.4%. Taking lessons from Tianjin Binhai explosion accident, ZNA also carried out a special inspection and treatment of hazardous chemicals and took comprehensive measures to prevent safety hazards from occurring, with a view to building a healthy and safe working environment for its employees.

Protection of Employees' Rights and Interests

Complying with and adhering to the regulations of Nissan Group's Global Code of Conduct as well as various basic requirements, Nissan's subsidiaries in China strictly implement all the employment policies and make a great effort to protect employees' legal rights and interests. Moreover, they have built competitive salary and welfare systems to share the fruits of their development with employees.

Implementation of Employment Policies

Based on the compliance with China's national employment policies, DFL-PV entered into the Collective Contract and the specific Collective Contract on Labor Safety and Hygiene with its employees and the labor union and established a labor safety dispute mediation committee to strengthen the protection of employees' rights and interests. In addition, DFL-PV also specially drafted the Collective Contract on Protection of Female Employees' Rights and Interests to protect female employees' special rights and interests.

While keeping improving its employment system, ZNA issued the ZNA Employee Attendance Regulations, the Social Recruitment Regulations, the Labor Contract Management Rules, the Employee Discipline Management Rules and other relevant employee management regulations and optimized its employee promotion policy to protect employees' rights and interests comprehensively.

Improvement of Salary Management

In consideration of its own features and local demands and based on the assurance of each employee's statutory social securities and corporate welfare, NCIC provides competitive salaries to its employees while optimizing and improving its performance assessment and salary management system to help employees increase personal ability and achieve career development objectives.

By using the balanced score card and a result-oriented employee performance assessment system, DFL-PV has established a salary system with both external competitiveness and internal fairness. Meanwhile, DFL-PV keeps improving its talent incentive system and rewards employees who make particular contributions, through long-term incentive and rewarding programs, key post allowances, special incentive plans, full-attendance bonus regulations, differentiated incentives and other measures.

ZNA issued the Regulations on Performance Management for Managerial and Technical Staff, the third version of its performance management regulations, and the Performance Management Communication Manual. In consideration of the characteristics of its region and industry and the requirements of its development strategy and according to the features of different posts, ZNA set up a hierarchical salary system and a special salary system for technicians to provide employees with salaries corresponding to their post value, personal ability and performance and keep encouraging them to develop.

According to market survey results, DFI established its salary strategy system. Moreover, DFI keeps improving the management of employees' salaries and welfare, maintains a balanced bonus distribution plan and adjusts salaries for teams and individuals with outstanding contributions to fully mobilize the enthusiasm of employees.

Smooth Communication with Employees

Smooth internal communication helps build a harmonious employee-employer relation. By building complete communication mechanisms and diverse communication channels, Nissan's subsidiaries in China strive to find out and understand employees' ideas, to reduce and overcome communication barriers, and to help ensure healthy corporate operations.



Comprehensive Communication Mechanisms

With the aim of ensuring employees' rights to know, to participate, to select and to supervise, NCIC established the system of employee representative assemblies to promote the mechanism of democratic management, democratic participation and democratic supervision within the company, while endeavoring to build an equal, fair, open and safe working environment.

ZNA established the system of business situation meetings for general managers, the system of employee representative assemblies and relevant documents to conduct internal communication. In addition, ZNA regularly carries out employee satisfaction surveys and works on enhancement of direct communication between leaders and employees to handle internal employee issues more conveniently and efficiently.

DFI established a dialogue mechanism between the top management and employees. In addition to distribution of questionnaires and set-up of the anonymous suggestion box, DFI holds meetings for senior managers or higher-level executives, all-hands meetings and team-building activities on a regular basis to provide safe, reliable channels for employees to voice their opinions.

Diverse Communication Channels

In 2015, NCIC established a new "Thanks Card" mechanism, in which leaders send Thanks Cards to employees with outstanding performance to enhance employees' recognition to the company. NCIC also continued to set up the suggestion box for employees and assigned a special person to check the box. In addition, NCIC's complaint mailbox is open to all employees and used to collect information about incidents reported by employees.

In 2015, DFL-PV held two staff congresses and established the system for employee representatives to put forward proposals, thus leading to more employees paying attention to, and participating in, management of major issues of the company. Other than that, DFL-PV also held dialogues between general managers and employee representatives. Through discussion on such topics as listening to the voice, clearing up doubts, resolving difficulties, gathering strength and exceeding 1 million, the managers answered all of the 26 questions raised by employees and gave employees the chance to fully express their opinions.

Laoxu Tea House

Laoxu Tea House is a series of seminars attended by Mr. Xu Jianming, deputy chief of Dongfeng Nissan Technical Center, and employees. In an open and free atmosphere, they discuss work, life and focus issues that employees are concerned about, like future development of new models. With Mr. Xu's wise, humorous speeches and patient, detailed explanation, Laoxu Tea House helps eliminate the gap between the technical center's leaders and employees and motivate employees to actively express their opinions, and provides more opportunities for employees of different departments of the technical center to communicate with each other.

ZNA set up diverse channels to strengthen communication with employees, including general-manager report meetings on business situation, staff congresses, workgroup building interviews, labor management briefing and consultation meetings, open days, employee satisfaction surveys, briefing and consultation meetings on production-related occupational health and environmental protection, and other relevant meetings and activities. In 2015, ZNA carried out the 9th employee satisfaction survey, which was divided into six modules, i.e., the sales company module, Changzhou-subsiary module, international business module, function module, manufacturing module, and product module. During the survey, ZNA altogether distributed 1,245 questionnaires and collected back 1,136 valid questionnaires. Meanwhile, ZNA organized nine employee speeches in Zhengzhou, Changzhou and Zhongmou.

DFI also attaches great importance to communication with employees. It invited representatives of internal excellent employees to the corporate culture seminars for discussing the brand connotation and corporate values, with a view to enhancing their understanding of DFI's corporate culture. Meanwhile, it also worked to understand employees' doubts and promote communication between the company and employees by holding employee satisfaction surveys, regular all-hands meetings and departmental meetings.



Employee Development

Aiming at joint development with employees, Nissan's subsidiaries in China provide comprehensive study and training systems, increasingly optimized performance assessment standards and clear career development paths to help employees establish reasonable career development plans.

Career Development Paths

According to the requirements of different posts, NCIC carries out ability assessment for employees on a yearly basis to help them establish clear short-, mid- and long-term development plans. Meanwhile, the company incorporates career development objectives into its performance assessment system and provides guidance for employees to work out appropriate career plans. Based on assessment results of 2015, NCIC altogether promoted 38 employees, with a promotion rate of 14%.

DFL-PV has established double-channel, multi-tier career development paths that match employees' ability, with the aim of providing sufficient promotion space to employees. The company carries out ability assessment based on employees' seniority and performance and works to ensure employees who meet job requirements can achieve fast growth and development. In 2015, DFL-PV altogether promoted 865 employees.

In 2015, ZNA set up a new promotion system; improved the classification of employees and posts; optimized the assessment for part-time to full-time conversion; simplified the evaluation process to promote the flow of talents; and incorporated the conversion of accumulated points into its professional-title evaluation to set the performance assessment direction of high contribution, high ability and high recognition. In the same year, ZNA altogether promoted 542 employees.

Focusing on its corporate culture, DFI reorganized the management system of annual performance assessment and launched a career planning program for key talents to help employees determine their career development objectives and plans clearly. In 2015, DFI altogether promoted 35 internal employees.

Employee Training Systems

The progress of employees is the source of power for a company to develop stably. Through accurate, professional and innovative employee training systems, Nissan's subsidiaries in China have set up complete online and offline study platforms to help employees develop professional skills and improve professional quality and ability structure, with a view to upgrading the companies' overall talent quality and achieving win-win between the companies and their employees.

NCIC's Training System

NCIC is committed to developing training courses that better meet employees' demands and provides diverse compulsory and elective courses, including fundamental training, basic skill training, technical training, leadership training, communication training, and environmental, safety and health training. Meanwhile, NCIC offers e-learning and face-to-face training, with an employee coverage rate of nearly 100%. During the training process, 72% of trainees took elective courses.

DFL-PV's Training System

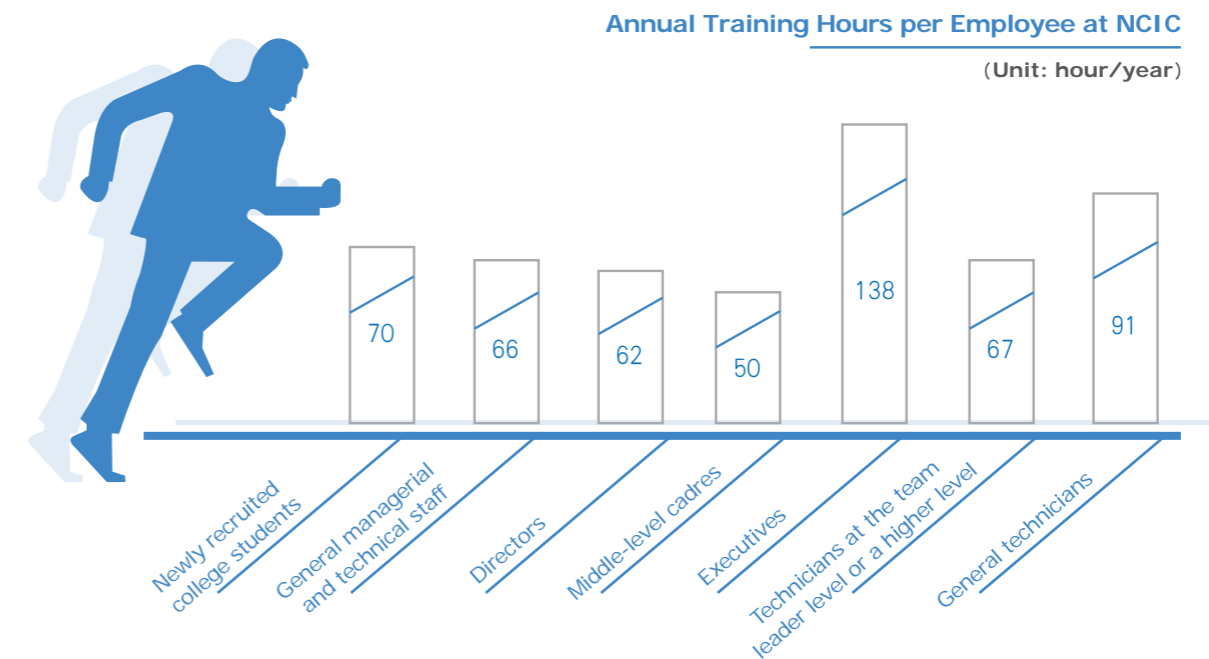
In addition to overall training, DFL-PV offers four hierarchical certification and training programs, i.e., process management, project management, V-Up, and lecturer training, with a focus on employee ability development and organizing ability building. In terms of overall training, DFL-PV totally provided 6,706 employee training sessions in 2015, an increase of 63% compared to the last year, and the cumulative number of trainees reached 196,574, an increase of 60%. Meanwhile, the four certification and training programs altogether had 1,227 participants.



In the same year, DFL-PV also carried out construction of hardware and software facilities for employee training and helped employees acquire knowledge and improve ability more efficiently through its offline corporate university, online micro-lecture resource zone and study community.

DFL-PV's "Culture of Trainers"

DFL-PV builds the "Culture of Trainers" through a systematic training model. By holding the over-100-day "Lion Championship" activity, DFL-PV delivered 24 face-to-face training courses and 120 micro-courses, thus comprehensively improve its trainers' knowledge generalization ability, micro-course design and development ability and teaching ability.



ZNA's Training System

In 2015, ZNA made a comprehensive diagnosis of its employee development system by taking into account the requirements of employee ability development and using the training system maturity model. It also actively carried out diverse forms of employee training, with annual training time per trainee of 40 hours. For newly appointed cadres at the deputy-section-chief level or a higher level, ZNA worked to improve their leadership by delivering lectures on the overall economic situation, organizing on-site study of Jiao Yulu's spirit and carry outing the three-phase training on Drucker's management theories. For newly recruited college students, ZNA established a permanent elite class, and in 2015 optimized the course system, which now includes four training stages, i.e., outward bound training, theoretical training, workshop practice, and department practice. Meanwhile, the company set up a knowledge management platform and a WeChat public platform to help new employees study and understand corporate business. In 2015, there were altogether 127 college students joining the ZNA family as new employees.

DFI's Training System

DFI designed appropriate training courses for employees at different levels and organized training programs on various subjects, such as leadership improvement, common competence and corporate culture. In combination with the internal training channel of "Gan Ai Lecture Room," the company strived to ensure the training time per trainee was not less than 21 hours. In 2015, DFI cumulatively provided 4,200-hour training sessions for its employees.

Employee Care Activities

In order to raise employees' happiness index, Nissan's subsidiaries in China carried out various employee care activities to help employees achieve work-life balance.

NCIC's Employee Care

NCIC is highly concerned about employees' health and life. By improving various welfare measures continuously and taking care of special employees, NCIC aims at enabling employees to focus on work without worries behind, to fully relax in spare time, and to achieve work-life balance ultimately.

In the area of employee welfare, NCIC provides many additional welfare measures, such as annual physical examination, festival cards, lunch subsidies, local high-temperature subsidies in summer and subsidies for heating in winter, in addition to national statutory welfare, with a view to sharing the fruits of corporate development with employees. In the area of special-employee care, NCIC strictly implements applicable regulations on female employees working during pregnancy, childbirth or lactation period, sets additional examination items for female employees in physical examination and sends festival cards to them on the Women's Day as a way of caring for female employees. For employees who have difficulties in their life, NCIC has set up an aid fund and provides necessary support and aid to employees in need to help them overcome difficulties and resolve actual problems.

In terms of work-life balance, NCIC provides various welfare measures and holidays to employees and in 2015 introduced a flexible working system, in which employees can, based on business features of their departments, decide when to work at their discretion on condition that they work eight hours per workday. Moreover, NCIC organizes spring and autumn tours every year to enable its employees to fully rest and relax in spare time.

DFL-PV's Employee Care

Continuing to uphold the concept of "building Dongfeng Nissan's good habits and becoming Dongfeng Nissan's most beautiful people," DFL-PV held the "Dongfeng Nissan Day" activity for ten times in 2015, in order to improve employees' qualities, such as customer awareness, working and living in a civilized manner, and personal morality. Moreover, DFL-PV also carried out a year-long health program, a reading program and various cultural and sports activities to help employees broaden their horizons, build their bodies and enrich their lives. In consideration of young, single employees' demands, DFL-PV organized more than 30 social networking activities, provided a platform for over 1,500 single employees to make friends, and held a group wedding ceremony for 30 couples.

Every year, DFL-PV regularly organizes young volunteers to provide free community service, such as inspection, repair and maintenance of small appliances and computers as well as photo lamination. In 2015, DFL-PV organized 10 community service activities. Cumulatively having 300 participating volunteers and serving 500 people, these activities were favorably commented by local residents. In addition, DFL-PV cumulatively sent 50 young volunteers to senior centers and old folks' homes in Xiangyang, Zhengzhou and Huadu District, Guangzhou. These volunteers visited more than 100 old people and brought warm care to them.

ZNA's Employee Care

ZNA holds diverse cultural and sports activities through 11 cultural and sports associations self-organized by employees and provides financial support. In 2015, these associations successively organized many contests, such as the Table Tennis Challenge Competition, "Unparalleled" Badminton Championship, fishing contests, "Chinese New Year Cup" Football Tournament, Zhongmou County Weekend Basketball League, and DFAC "New Energy Cup" Basketball Tournament, with a view to mobilizing employees' enthusiasm for life. In addition to the events organized by these associations, ZNA also carried out various festival celebration activities, like a series of employee activities organized on the Women's Day and the Dragon Boat Festival, and spring and autumn tours, in order to build friendships among employees and enrich their entertainment life.

ZNA's care for employees also materializes in daily life, e.g., presenting birthday cake coupons to each employee, distributing reading cards as gifts on the Children's Day to employees who have children, conveying greetings to all female employees on the Women's day, visiting employees who are under treatment in hospital, and providing popsicles and ice cubes in summer. In order to ensure employees' living quality, ZNA provides shuttle buses for employees living in Zhengzhou, as well as working meals for every employee to guarantee their nutritional balance. In addition, ZNA has single apartments to help new employees go through the adjustment period.



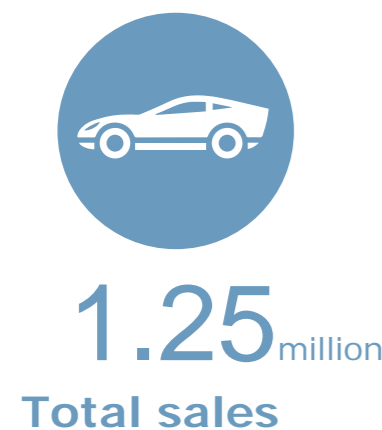
DFI's Employee Care

DFI cares for its employees from many aspects. In addition to providing annual physical examination, gym membership cards, air purifiers, haze-proof masks and every Thursday's fruits, the company also offers a five-day high-temperature vacation to employees, as well as supplemental medical insurance to their spouses and children. Meanwhile, travel allowances are provided for employees who have worked for the company for more than five years. Besides, DIF sends greetings to employees and their families on every festival and organizes team building activities to enhance teamwork and cohesion among employees.



Nissan's Economic Contribution in China

Nissan views China as one of the most important overseas production bases and sales markets. At the critical stage of China's economic transformation, Nissan's subsidiaries in China strive to adapt to the "new normal," and focus on development in the market of China by working on technical innovation and providing diverse automotive products and services to enrich people's lives. In 2015, Nissan's global sales reached 5.422 million vehicles. With total sales of more than 1.25 million, Nissan's subsidiaries in China created 93,264 jobs and contributed significantly to the prosperity of China's automotive market.



Since its entry into China's market, Nissan has been expanding its business in China to meet consumers' diverse demands. In 2014, Nissan and Dongfeng Motor Corporation jointly established Dongfeng Infiniti Motor Co., Ltd. based on DFL-PV and ZNA, existing joint ventures of the two giants, with a view to operating the Infiniti brand independently. In 2015, Nissan set up the third global production base of Infiniti in Xiangyang, Hubei Province to meet Chinese consumers' demands for luxury cars.

During this process, Nissan's subsidiaries in China made a great effort to promote industrial development in local regions. Over 12 years of localization and expansion, DFL-PV has contributed greatly to local tax revenue and employment and advanced the development of auto-related industries by driving the development of parts suppliers in production of whole vehicles. At present, Huadu District of Guangzhou, where DFL-PV does business, has achieved comprehensive and coordinated development of a whole supply chain of the automotive industry, which integrates automotive R&D, whole-vehicle manufacturing, parts production, automotive trading, automotive talent markets and automotive colleges as a whole. In response to the automotive industry development plan of the Central Plains Economic Zone and by making use of the effect of industrial agglomeration, ZNA, another important joint venture of Nissan in China, has been working on full integration of industrialization and informatization, as well as acceleration of technical innovation, to contribute to economic development of the Central Plains region.

While continuously driving local economic development and developing diverse automotive products and services, Nissan's subsidiaries in China have provided support for the Chinese government and the authorities concerned to work out auto-related standards. Meanwhile, they are dedicated to public welfare undertakings for the purpose of promoting the development of China's automotive industry and the progress of the whole society of China.



Corporate Governance

Governance Framework

Following the headquarters' strategy on corporate governance and internal control, NCIC takes compliance management, information security and risk management as its top three priorities in corporate governance. It set up a coordinated three-tier management framework, i.e., "Management Committee – Information Security / Risk Management / Compliance Management Committee – Management Office," and assigned routine work to the Management Office. In addition, all responsible persons concerned are members of the Management Committee at the vice-president level or a higher level.

Compliance Management

In 2001, Nissan established the Global Compliance Committee and three regional compliance committees in accordance with the Nissan Global Code of Conduct, in order to promote its legally compliant operations around the world. With a view to advancing Nissan's compliance work in China, NCIC set up a compliance committee that is composed of senior executives from the legal, HR, financial and other departments, and formulated the Rules on Employees' Professional Conduct, the Regulations of NCIC on Reception and Gifting in Business Activities and other regulatory documents to control employees' behavior. Meanwhile, NCIC called on its employees to use e-learning to study training courses on compliance-related subjects, like anti-commercial-bribery and export control policies, aiming at promoting its overall compliance work together with employees.

Focusing on business compliance in management of customs affairs, NCIC established the NCIC Customs Compliance Management System based on multi-department cooperation in 2015. Besides, NCIC also worked to control conventional and unconventional import and export business and improve the approval process and the supervision system, with the aim of maintaining and improving NCIC's customs credit rating, and completing the AEO customs certification before 2018. Under the support of the Nissan Global Headquarters' legal department, NCIC carried out on-site anti-commercial-bribery training for management staff and employees at the manager level or a higher level at the offices of Beijing, Shanghai and Guangzhou in March 2015, in order to improve management staff's anti-bribery awareness.

Customs Compliance Training

To improve employees' customs compliance awareness and avoid the risk of violations, NCIC in 2015 carried out multiple training programs, such as "Classification of Mechanical and Electrical Products," "Specifications on Control of Management Risks for Goods Temporarily Imported or Exported & Implementation of Other Special Trades" and "Analysis of Adjustments to Inspection and Supervision of Old Mechanical and Electrical Products & Discussion of Innovations in the Inspection and Quarantine Supervision System," with a view to enhancing employees' problem solving ability and ensuring the compliance of the company's customs affairs. In 2015, there were cumulatively 80 employees participating in the customs compliance training.

Information Security

For the purpose of effective guarantee of information security and by complying with Nissan's security system and information security management specifications and adhering to the concept of "Prevention First," NCIC established the Information Security Management Committee that is composed of executives at the deputy-general-manager level or a higher level, to improve the information security process across the company. Meanwhile, ZNA, DFL-PV and DFI also formulated corresponding information security policies in accordance with the headquarters' policies to ensure the consistency with NCIC's policies in information security management. When entering into contracts with suppliers, Nissan's subsidiaries in China will pay attention to clauses concerning information security.

Based on the starting point of "Prevention First," NCIC worked out the 2015 Information Security Action Plan, which is centered on six areas, i.e., information security policies and specifications, management committee meetings, classified management of accounts/information, education and improvement of information security awareness, security incident management, and self-assessment. Meanwhile, NCIC focused on four actions: promoting classified management of information based on confidentiality level, comprehensively reporting information security incidents, increasingly using the company's servers to store confidential information, and providing training on information security awareness. Hence, the company set up a three-tier reporting process for information security incidents: reporting to operators – reporting to management staff at the general manager level – reporting to the vice president. The company extensively carried out information security training through e-learning, with an employee participation rate of 100%. According to self-assessment results, NCIC also drafted the next year's work plan for the purpose of prevention.

In order to improve the efficiency of information security training, NCIC sent four issues of its information security newsletter to employees in 2015. The newsletter covers information security precautions, incident reporting process, personal precautions, tips of information security management and other specific content.



Timeline of Nissan's Development in China

January 1973	The first Nissan Cedric arrived in China.
March 1993	Zhengzhou Nissan Automobile Co., Ltd. was founded.
June 1994	Nissan Motor (China) Co., Ltd. was created to focus on the import car business.
June 2003	Nissan and Dongfeng Motor Corporation jointly established Dongfeng Motor Co., Ltd., whose subsidiary, Dongfeng Nissan Passenger Vehicle Company (DFL-PV), was founded to manage the passenger car business.
February 2004	Nissan (China) Investment Co., Ltd., Nissan's wholly-owned subsidiary in China, was founded in Beijing.
May 2005	Nissan (China) Investment Co., Ltd. Guangzhou branch (Nissan Technical Center) was set up in Guangzhou.
June 2005	Nissan (China) Investment Co., Ltd. Shanghai branch was established in Shanghai.
January 2006	Nissan (China) Investment Co., Ltd. started exporting parts to other overseas production bases of Nissan.
July 2007	Infiniti, a luxury brand of Nissan, started sales in China's market.
October 2007	Dongfeng Nissan Auto Finance Co., Ltd. was founded in Shanghai.
September 2010	DFL-PV launched the Venucia brand.
March 2011	Nissan Design China, Nissan's fifth global design center, officially started operations in Beijing.
May 2012	Infiniti officially relocated its global headquarters to Hong Kong, China.
June 2012	DFL-PV's Dalian whole-vehicle project was launched.
July 2013	Nissan Design China was relocated and put into formal operation.
September 2014	Dongfeng Infiniti Motor Co., Ltd. was officially established.
October 2014	DFL-PV's Dalian plant was officially put into operation.
December 2014	Infiniti Design Beijing was founded.

Social Recognition

Corporation	Award/Honor	Presenter
NCIC	2015 GlodenBee Leading Enterprises Award	China WTO Tribune
	The "Best CSR Enterprise" in the appraisal of 2015 China CSR	Southern Weekly
	Guangming CSR Award	Chinese Foundation for Lifeline Express
DFL-PV	2015 CSR Automaker selected from Mobile Internet	iyourcar
	2015 New Media Communication Case with the Most Likes	qctt.cn
	2015 China CSR Outstanding Enterprise Award	Xinhuanet
	2015 China Automaker CSR Innovation Nomination Award	Auto Business Review
ZNA	2015 Car-owner Social Contribution Award	Auto Driving & Service
	2015 China CSR Model Award	The CSR Award Ceremony 2015
	Charity Model Award of the 12th (2015) China Charity Ranking	China Philanthropy Times
	The 3rd Zhengzhou Charity Awards – Caring Enterprise	Zhengzhou Charity Federation
DFI	2015 Responsible Entrepreneurship Award	China Newsweek
	2015 China Automaker CSR Pioneer Award	Auto Business Review
	2015 Public Service Award	chexun.com
	TTA CSR Award	Tencent Auto
	2015 CSR Performer Award	iQIYI Auto

Third-party Comment

The 2016 Social Responsibility Report of Nissan's Subsidiaries in China is comprehensive and covers the following main parts: environmental responsibility, safety responsibility, philanthropic responsibility, quality responsibility, supply chain management, responsibility for employees, economic contribution, and corporate governance & internal control. This Report describes NCIC's perception and fulfillment of the CSR concept comprehensively and in details, and its structure meets the requirements of relevant standards. Providing data, comparisons, outlooks, pictures and facts, it is a valuable report with a standard writing format and substantive contents.

NCIC's fulfillment of its social responsibility in 2016 has many remarkable highlights in the areas described above. Due to limited space, I only give comments from three aspects.

Firstly, Nissan's effort in improvement of vehicle safety technologies is most praiseworthy. Nissan develops comprehensive safety technologies based on its unique "Safety Shield" concept and the "Human Oriented" principle. At present, NCIC has started to apply its research outcome, i.e., the intelligent anti-collision safety system, in new products to monitor vehicle driving status on a real-time basis, with a view to reducing accidents caused by "late sense of drivers" and "negligent driving," which frequently occur in China's expressways, and ensuring personal safety of drivers and passengers to a greater extent. Development and application of this innovative research outcome will create economic benefits for NCIC and improve driving safety for the general public. It is a typical example of creating shared value for both the corporation and the society.

For the 36 material issues important to stakeholders and corporate development, NCIC carried out an extensive survey for stakeholders and selected 13 high-materiality issues based on survey results. In its report, NCIC highlighted the issues that are highly valued by stakeholders. This approach is really useful. It will help improve readers' trust in, and understanding of, survey results if this Report discloses the structure, quantity and other demographic characteristics of survey objects more specifically.

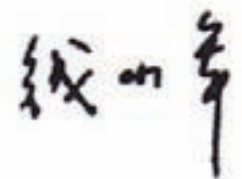
The owners of private cars in China have increased sharply over the last 20 years, with the ownership rising from 2 vehicles per 1,000 people in 1995 to about 106 vehicles per 1,000 people in 2015. China has already entered the fast-development stage for "second purchase of vehicles." The disposal of discarded vehicles has gradually become a serious social and environmental issue. I hope Nissan, NCIC in particular, pays attention to this issue and makes use of its strong strength in scientific research to ensure dismantlement and disposal of discarded vehicles, as well as resource recycling, and to contribute to conservation of natural resources and protection of global environment. I believe Nissan, including NCIC, will earn the recognition of the general public and the government based on its efforts, thus obtaining new competitive advantages.

Qian Xiaojun

Professor and Vice Dean

School of Economics and Management, Tsinghua University

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**NISSAN GROUP
OF CHINA**



Nissan (China) Investment Co., Ltd.
Communications Management Division

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

Tel: 010-5925 1957

<http://www.nissan.com.cn>