

Case Study : CSR Report 2009 of Nissan Motor Co., Ltd (Nissan CSR Scorecard)

WARNING: In this case study KPIs are broadly interpreted. They are defined for each Nissan's CSR activity and value and are measured in metric units.

Nissan
Sustainability Report
2009

016

Nissan's Approach to CSR

Nissan CSR Scorecard

The CSR Steering Committee uses our CSR scorecard as a tool to manage, confirm and review our progress in each of nine key areas we have defined for CSR activities. The table below shows some of the values behind Nissan's present activities in these areas and the indices used in the scorecard to gauge our performance.










Nine Key Areas

Integrity	Quality	Safety
Economic Contribution	Environment	Value Chain
Brand	Employees	Philanthropy









FY2008 target achievement rate: Achieved Mostly Achieved Not Achieved Not Calculated

Nine Key Areas	Major Activity or Value	Scope of Application	Indicators of Progress	FY2006 (Result)	FY2007 (Result)	FY2008 (Target)	FY2008 (Result)	FY2009 (Target)	Long-Term Vision
Integrity Nissan aims to be fair and impartial in pursuing its business activities by adhering to the law and corporate rules.	Establishment /effective management of internal control system	Compliance/ Code of Conduct	Consolidated companies	Establishment/ global development of compliance promoting organizations and codes of conduct	97.8% completed	100.0% completed	Established a global evaluation system for prevention of non-compliance and a medium- to long-term action plan	Introduce a global internal reporting system	A fully functioning framework (process) for the prevention of conduct violations
		Risk Management		Establishment/ global development of an effective risk management system	—	—	1. Continued implementation of hazard risk measures and establishment of business continuity plan (BCP) 2. Addressing new influenza issues 3. Raising awareness among employees	Enforce countermeasures for emerging risks of FY2008	Contribute to raising corporate value with a global risk management system; obtain better external understanding through appropriate information disclosure
		Information Security		Addressing personal data protection issues and establishment of stable information security	—	—	1. Enforce measures on personal data protection 2. Global deployment of information security policy	Establish stable information security management	Contribute to pursuing stable corporate activities and social responsibility by globally implementing PDCA cycles on information security









FY2008 target achievement rate:  Achieved  Mostly Achieved  Not Achieved  Not Calculated

Nine Key Areas	Major Activity or Value	Scope of Application	Indicators of Progress		FY2006 (Result)	FY2007 (Result)	FY2008 (Target)	FY2008 (Result)	FY2009 (Target)	Long-Term Vision
Economic Contribution Nissan aims for sustainable, profitable growth, contributing to economic development for all of society.	Suspension of "Nissan GT 2012," Nissan's medium-term business plan, to concentrate on ameliorating performance	Consolidated companies	Consolidated Net Sales		¥10.4686 trillion	¥10.8242 trillion	Increase revenue by 5% on average over 5 years of "Nissan GT 2012" (Suspension of "Nissan GT 2012" from February 2009)	 ¥8.4370 trillion	Focus our efforts on obtaining positive free cash flow in the automotive business and continue activities to maintain competitiveness after the current crisis	Achieve growth with sustained profitability; continue providing long-term value to all stakeholders, including customers, shareholders, employees, business partners and regional communities
			Dividend		¥34/share	¥40/share	¥42/share	 ¥11/share		
Brand Nissan works to create a trusted brand known for its attention to people, the environment, and the communities where we do business.	Raising the value of the Nissan brand among stakeholders	Customers worldwide (indicators at right apply to conditions in Japan)	CSR index in Nikkei Corporate Image Survey of individuals (used for reference purposes as part of in-house brand management index)	Score for "reliability"	36.1 (29th among approx. 1,000 companies)	28.6 (86th among approx. 1,000 companies)	Aim for a higher score by enhancing reliability	 31.9 (58th among approx. 1,000 companies)	Upgrade trust and respective survey scores by communicating small-to large-scale activities like EVs under "Blue Citizenship," a communication platform founded at the end of 2008	Aim for ongoing, steady improvement in scores by positioning the Nikkei index as one measure of how well our corporate activities reflect the values sought by society
				Score for "adaptability to social change"	14.5 (7th among approx. 1,000 companies)	10.2 (39th among approx. 1,000 companies)	Aim for a higher score by swiftly reflecting values the market is seeking	 Not in top 100 of approx. 1,000 companies		
		Fortune's "World's Most Admired Companies Top 50"			Nissan: below 50th, score 5.31 (Toyota 2nd, Honda 23rd, Toyota Auto Body 28th, Sony 41st, Canon 46th)	Nissan: below 50th, score 6.12 (Toyota 3rd, Honda 18th, Toyota Auto Body 31st, Sony 39th)	Aim to be acknowledged as a global company in line with our competitors	 Nissan: not in top 100, score 0.12 (Toyota 3rd, Honda 32nd, Sony 39th, Toyota Auto Body 46th)		
Quality Nissan creates products and services recognized as being of world-class quality.	Score of external indicator that is most influential to customers	Global	[North America] Consumer Report		—	—	Improve rankings of respective KPIs	 Target achieved for FY2008	Improve rankings of respective KPIs	Quality leadership
			[Europe] U.K.: <i>What Car?</i> Germany: ADAC Italy: <i>Quattroruote</i>		—	—		 Italy: <i>Quattroruote</i> gave Qashqai high marks, placed it in top three picks		
			[GOM] China: J.D. Power Initial Quality Study South Africa: Pied Piper Prospect Satisfaction Index Brazil: <i>Quatro Rodas</i>		—	—		 China JDP IQS: Teana No.1 in 2007 and 2008 (Upper Premium Midsize Segment), Tiida 2nd, Livina 3rd		
	Achievement of Sales and Service Quality objectives, resulting in the highest levels of customer loyalty and service retention	Global	Customer satisfaction survey results relating to Sales and Service Quality in focus countries (Nissan and Infiniti)		—	—	Steadily improve Sales and Service Quality by pursuing Top-Level Quality objectives in focus countries	 Top-level achievements maintained in countries where Nissan was leading; new achievement of Top-Level Quality in Canada (sales quality, vs. major competitors)	Continue Sales and Service Quality improvement through achievement of Top-Level Quality objectives in focus countries	






FY2008 target achievement rate:  Achieved  Mostly Achieved  Not Achieved  Not Calculated

Nine Key Areas	Major Activity or Value	Scope of Application	Indicators of Progress	FY2008 (Result)	FY2009 (Target)	2010 goals (NGP2010)
Environment Nissan seeks to reduce the environmental burden over the lifecycle of a vehicle and to contribute to the creation of a sustainable mobility society.	Implementation and promotion of Nissan Green Program 2010 (NGP2010)	Global operations	Reduction of CO ₂ emissions	 <ul style="list-style-type: none"> Released the clean diesel X-TRAIL 20GT in Japan The X-TRAIL 20GT won the Minister's Prize in the Japanese Transport Ministry's Eco-Products Awards and the Agency for Natural Resources and Energy Director-General's award in the Energy Conservation Grand Prizes Livina capable of running on E100 fuel marketed in Brazil Developed the world-first "Eco Pedal" system to support eco-driving Launched new "Eco-Drive and You" service as part of Carwings navigation system The "Eco-Drive and You" service received the Steering Committee Chairperson's Award in the Eco-Products Awards 	Steadily implement NGP2010 (as detailed at right) and achieve targets	<ul style="list-style-type: none"> Steadily attain each country's fuel efficiency standards and further fuel economy progress Market vehicles with Nissan's proprietary hybrid technologies in North America and Japan by fiscal 2010 Introduce all-electric vehicles in Japan, U.S. by FY2010; mass-market globally by FY2012
			Production	 <ul style="list-style-type: none"> Achieved 10% reduction from FY2005 levels in global per vehicle CO₂ emissions 		<ul style="list-style-type: none"> Reduce CO₂ emissions from factories worldwide by 7% from 2005 levels by fiscal 2010 (global per vehicle CO₂ emissions)
			Dealers, offices	 <ul style="list-style-type: none"> Began CO₂ management at offices/dealers in Japan, offices/sales companies in U.S. and Europe from FY2008 Acquired CASBEE S rank for new Yokohama headquarters, Nissan Advanced Technical Development Center 		<ul style="list-style-type: none"> Begin measurement of emission levels by fiscal 2007 and launch emission management in fiscal 2008
			Achievement of clean emissions (to preserve air, water and soil quality)	 <ul style="list-style-type: none"> Introduced ultralow precious metal catalyst in the Cube 		<ul style="list-style-type: none"> Introduce vehicles complying with each country's future emission standards ahead of requirements Develop technologies to reduce emissions to near-atmospheric levels
			Production	 <ul style="list-style-type: none"> 1.0% increase in volume of VOC emissions in Japan (from FY2005 levels; for bodies and bumpers) 		[Global] Achieve VOC reductions exceeding each country's standards [Japan] Achieve 10% reduction in volume of VOC emissions (from fiscal 2005 levels)
			Recycling of resources (promotion of the 3Rs)	 <ul style="list-style-type: none"> Achieved 100% recycling rate (at five Nissan plants and one business office) and at three affiliate factories (Japan) 		[Global] Achieve top factory recycling rates in each country [Japan] Achieve 100% recycling rate (at Nissan and affiliate factories, according to Nissan calculations)
			Among dealers, in the market	 <ul style="list-style-type: none"> Achieved 95.7% recovery rate (Japan) 		[Global] Aim for 95% recovery rate in 4 major markets [Japan] Achieve 95% recovery rate in FY2010 (5 years ahead of legal requirement)
			Management	 <ul style="list-style-type: none"> Partnered with Portugal, Yokohama City, Tennessee, other governments to promote electric vehicles Selected for Climate Disclosure Leadership Index for second straight year Recognized by Japanese Ministry of the Environment as "Eco-First" company Started "Nissan Waku-Waku Eco School" with NPO Weather Caster Network Carried out environmental e-learning for Nissan Motor employees 		<ul style="list-style-type: none"> Strengthen environmental management at business partners Strengthen environmental management in all facets of operations Enhance environmental awareness among employees Promote comprehensive measures in conjunction with other sectors Disclose environment-related information and enhance communication with stakeholders
			Joint efforts with society			

FY2008 target achievement rate:  Achieved  Mostly Achieved  Not Achieved  Not Calculated

Nine Key Areas	Major Activity or Value	Scope of Application	Indicators of Progress	FY2006 (Result)	FY2007 (Result)	FY2008 (Target)	FY2008 (Result)	FY2009 (Target)	Long-Term Vision
Employees Nissan aims to be an attractive organization where diverse human resources can achieve personal growth.	Build a learning-oriented corporate culture	Nissan Motor Co., Ltd.	Trainee satisfaction: Based on surveys of employees undergoing annual training courses. Scores (on a scale of 1 to 5) are the lowest of the averages for each course	4.0 or higher	4.3 or higher	Implement training programs that raise the skills of individual employees; maintain and enhance trainee satisfaction	 4.2 or higher	Implement education programs to enhance competency. Maintain/upgrade satisfaction degree of attendees	Create a learning-oriented corporate culture and a setup allowing individual employees to achieve personal growth
	Enhance management quality, employee motivation based on employee attitude surveys	Global	Improved scores for management quality, employee motivation; share of positive responses to questions in employee attitude surveys	Quality of management: 54% Employee motivation: 55%	Surveys not implemented in FY2007	Promote activities to enhance quality of management and revise corporate culture based on employee attitude surveys. Raise scores on quality of management/employee motivation	 Quality of Management: 48% Employee Motivation: 54%	Promote activities to enhance quality of management and revise corporate culture based on employee attitude surveys. Raise scores on quality of management/employee motivation	Improve quality of management and create an organization that inspires and enhances employee engagement
	Support for self-initiated career development	Nissan Motor Co., Ltd.	Number of successful applicants under Open Entry (employees can apply for advertised position openings) and Shift Career (employees can apply to the department or occupation of their choice, regardless of availability) Systems	111 (Open Entry and Shift Career Systems)	125 (Open Entry and Shift Career Systems)	Carry out further promotion of optimum human-resource placement through Open Entry and Shift Career Systems	 83 (Open Entry and Shift Career Systems)	Further advance assignment of employees to relevant positions based on Open Entry/Shift Career Systems	Provide support for career development that emphasizes employees' self-initiative
	Creating safe and worry-free workplaces	Nissan Motor Co., Ltd.	Frequency of labor accidents (injuries or deaths per 1 million worker-hours)	0.24	0.27	0.27 and no serious accidents	 0.19 and no serious accidents	0.20	Build and maintain safe, worry-free workplaces
			Intensity of labor accidents (Intensity=total working hours lost/total working hours x 1,000)	0.002	0.105	No serious accidents	 0.003	No serious accidents	
	Promotion of diversity through active utilization of women's abilities	Global	Share of women in middle management and management positions	Japan (Nissan Motor): 4% Americas: 14% Europe: 10%	Japan (Nissan Motor): 5% North America (U.S.): 13% Europe: 11%	Maintain/increase share of women in middle management and management positions	 Japan (Nissan Motor): 5% North America: 10% Europe: 12%	Maintain/increase share of women in middle management and management positions	Provide greater value to customers through diversity
			Employee survey score on diversity	Global 47%	Surveys not implemented in FY2007	Maintain/increase employee survey scores on diversity	 Global 46%	Maintain/upgrade scores	
	Promotion of diversity through cross-cultural recruitment	Nissan Motor Co., Ltd.	Share of non-Japanese employees	1%	1%	1%	 1%	Maintain/increase share of non-Japanese employees	

FY2008 target achievement rate:  Achieved  Mostly Achieved  Not Achieved  Not Calculated

Nine Key Areas	Major Activity or Value	Scope of Application	Indicators of Progress	FY2006 (Result)	FY2007 (Result)	FY2008 (Target)	FY2008 (Result)	FY2009 (Target)	Long-Term Vision
Safety Nissan develops innovative technology and plays an active role in safety promotion, making the automobile society safer for all.	Establishment of quantitative reduction targets for Nissan-related traffic deaths, etc., real-world analysis of accidents to build safer cars and implementation of driver-education programs	Japan	Reduction from 1995 levels in Nissan-related traffic deaths and injuries (figures unavailable for 2 years due to the use of official statistics)	Japan (Nissan Motor): 41% (Figures for calendar 2006)	Japan (Nissan Motor): 45% (Figures for calendar 2007)	Make efforts to halve deaths and injuries by 2015 through the development of safety-related technologies based on Nissan Safety Shield approach	 Figures for calendar 2008 to be calculated after data is published	Make efforts to halve deaths and injuries by 2015 through the development of safety-related technologies based on Nissan Safety Shield approach	Halve deaths and injuries involving Nissan vehicles by 2015
Value Chain Nissan promotes ethical, environmentally sound actions in all stages of the supply chain.	Reduce the environmental impact of products through green procurement activities	All primary suppliers to Renault-Nissan Purchasing Organization (RNPO; responsible for 100% of total Renault-Nissan procurement by value, April 2009)	Extent to which values and codes of conduct are shared with suppliers	Introduced a framework basing the selection of suppliers for RNPO on their commitment to CSR perspectives	Began promotion of integrated CSR management with business partners (policy set forth at January 2008 suppliers' meeting)	Ensure that CSR policies and concepts are shared more fully by our suppliers	 <ul style="list-style-type: none"> Held suppliers' meeting on Nissan GT 2012 (May 2008) Held suppliers' meetings on sales, production plans for FY2009 (March, May 2009) Held monthly meetings to explain production plans, share information on rapidly changing environment with suppliers in a timely way 	Extend CSR to suppliers by sharing best practices on CSR activities	Support reinforcement of suppliers' CSR structure with regard to extent of CSR permeation
	Reduce the environmental impact of products through green procurement activities	All primary suppliers around the world	Ascertaining compliance with Japan's green procurement guideline for environment-impacting substances in purchased parts, and promotion of such activities with regard to global guideline	Preparations completed for launch of green procurement activities on a global basis	Global "Nissan Green Procurement Guidelines" launched (suppliers' meeting held in Japan in March 2008)	Initiate global deployment of "Nissan Green Procurement Guidelines" (starting from Europe)	 Began deployment of "Nissan Green Procurement Guidelines" in Europe	Initiate deployment of "Nissan Green Procurement Guidelines" in Asia	Reduce Nissan's environmental impact throughout the lifecycle by establishing structures for suppliers; enhance management scope by extending activities to the whole value chain
	Promotion of CSR activities at sales companies	Sales Companies (Japan)	Share values and support voluntary activities	Shared examples of compliance infractions and prevention strategies	Dealers Executive Meeting (December 2007) and General Affairs & HR department managers meeting (February 2008)	Reinforce internal control and self assessment	 General Affairs and HR department managers meeting (November 2008)	Establish a compliance self-assessment program	Encourage voluntary activities and provide support to strengthen CSR system
Philanthropy Nissan contributes to the prosperity of people and communities (e.g. through partnerships with NGOs).	Clarification of Nissan's philanthropy policy, reinforcement of in-house organization and enhancement of philanthropic activities	Global	Clarification of Nissan's philanthropy policy and establishment of an in-house promotion organization	Established in-house, cross-functional Corporate Citizenship Steering Committee and enhanced linkage among related groups	Launched Nissan Monozukuri Caravan program for elementary school students (Japan)	Perceive social needs going beyond single countries or regions; plan and implement coordinated programs to address them	 Launched "The Science of Survival," Nissan's first global environmental program; started exhibitions in London (April 2008) and New Jersey (October 2008); succeeded in communicating a consistent message globally	Continue implementation of global programs. Consider a humanitarian program that supports potential social needs on a global level	Continually implement an original philanthropy program centered on "support for education," "environmental awareness" and "humanitarian relief," balancing global perspectives with the most appropriate activities for each region