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NISSAN NORTH AMERICA, INC.

Annual Report – Financial Year 2023 – Prepared pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (“**the Act**”).

Introduction

This report has been produced by Nissan North America, Inc. (“**NNA**” or the “**Company**”) for the financial year ending March 31, 2024 (the “**Reporting Period**”). The report sets out the steps that the Company has taken to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the Company or of goods imported into Canada by the Company. The report also provides supplementary information as is required under the Act.

Steps Taken To Prevent And Reduce Risks Of Forced Labour And Child Labour Are Used At Any Step Of The Production Of Goods Imported Into Canada

NNA places the utmost importance on compliance with the law and human rights while conducting its business activities. This is consistent with Nissan Group’s long history of developing a framework for respecting and promoting human rights.

During the Reporting Period, NNA took the following steps to prevent and reduce the risk of forced labour or child labour in our importation supply chains. These include:

- NNA implemented new practices to ensure its commitment to voluntary participation of employees and candidates in its workforce. Hundreds of hours have been spent globally reviewing best practices, feedback from governments and NGOs, performing due diligence and understanding the new regulatory requirements around the world.
- NNA established a cross-functional team consisting of members from various groups including Purchasing, Supply-Chain Management, Engineering, Quality, Corporate Compliance, Customs Compliance, Legal, Government Affairs and Corporate Communications to enhance the Company’s ability to find and eliminate any inputs in vehicles or parts from forced or child labour. The team is continually reassessing remediation plans, training plans for employees and suppliers, and establishing documented processes to ensure continuity of the team findings and strategies.
- NNA, along with global related parties, have made and continue to make considerable global investments in cutting-edge systems, cross-functional teams and employee deployment. The resources are used to promote a supply chain without forced and child labour by analyzing supplier risk throughout the supply chain.
- In 2023, the Nissan Global Human Rights Policy, in place since 2017, was further updated to support the eradication of forced and child labour. Training on Human Rights was also escalated as a required training topic to the Nissan workforce.

Structure, Activities And Supply Chains

NNA is incorporated under the *Delaware General Corporation Law* (Title 8, Chapter 1 of the Delaware Code) and is headquartered at One Nissan Way, Franklin, TN 37067, USA. NNA is a wholly owned subsidiary of Nissan Motor Co., Limited (“NML”), a holding company based in Japan, and an affiliate of Nissan Canada Inc. (“NCI”).

NNA coordinates most Nissan operations in the United States, Canada, and Mexico, including responsibilities, in some instances, for design, manufacturing, marketing and sales, engineering, automotive styling, and consumer and corporate financing.

NNA, through its subsidiaries, manufactures vehicles that are sold to global affiliates, including NCI. In connection with its manufacturing activities, NNA imports parts into the USA from its global supplier base, which assists the Company meet the requirements of the Canada–United States–Mexico Agreement (CUSMA). The parts imported into the USA by NNA are transported on racks belonging to its suppliers, including those in Canada. After the parts are transported to NNA’s facilities, the Company re-imports the racks into Canada as a non-resident importer so that the racks may be returned to its suppliers.

NNA also markets and sells Nissan and INFINITI vehicle lines through approximately 1,100 dealers in the United States. The Nissan vehicle lineup includes the Rogue, Versa, Sentra, Altima, Pathfinder, Frontier, Murano, Armada, GTR, Leaf, and Ariya. The INFINITI Vehicle line-up includes the Q50/QX50/QX55, Q60/QX60 and QX80.

Policies & Due Diligence Processes In Relation To Forced Labour And Child Labour

NNA and its parent, NML, have implemented and are committed to robust due diligence processes. It is NML’s policy to adhere to the highest human rights standards and participate in all local customs security programs.

NNA conducts extensive research on each supplier’s profile to determine the company’s fiscal soundness and ability to deliver goods and services within contract parameters. NNA’s Supply Chain Logistics Group works cross functionally with purchasing, inventory control, customs and other groups to ensure shipments move efficiently but also in compliance with local, national and international standards and regulatory requirements. NML purchasing and NNA purchasing work with vendors and customers to set up contracts which reflect NNA’s core values and business interests in according with generally accepted purchasing standards and all applicable laws.

Consistent with its general policies, NNA requires that its Canadian suppliers observe Nissan Global policies and adhere to all contract terms and conditions, purchase order conditions, and master service agreements, which include compliance with relevant law provisions, that cover forced and child labour. NNA’s corporate Purchasing Sourcing Policy sets out requirements for the selection of new suppliers including carriers.

Additionally, NNA benefits from NML’s global policies and due diligence processes. NNA and NML clearly articulate their position against the use of forced and child and labour in multiple external and internal policies and statements. These policies and processes ensure that all persons affiliated with NML, including employees and suppliers, conduct themselves in accordance with

applicable laws and the highest standards of conduct. NML has strongly and publicly articulated a position in opposition to the use of forced and child labour in both policies and statements, which are further discussed below.

Due Diligence Processes

NNA and its parent, NML, are committed to maintaining a supply chain free of forced and child labour. This commitment begins in its initial interactions with its suppliers. NML's supplier contracts include provisions prohibiting forced and child labour. For example, NML's standard Master Purchase Agreement requires suppliers to certify knowledge of and compliance with the U.N. Global Compact. Further, a supplier is required to ensure any sub-supplier also conforms to these requirements. Once signed, NML maintains regular communication with its suppliers throughout the complete sourcing and post-start of production processes. Through interaction with various NML groups, vendors can be requested to provide additional documentation and participate in ongoing training to ensure compliance with forced labour laws and contractual provisions.

Additionally, NML requests that suppliers provide evidence that they have participated in a third-party social accountability assessment from a list of third-party vendors. If that vendor has not participated in a suitable social accountability assessment, NML may use a third-party vendor or specialized software to conduct an assessment of social responsibility concerns, including forced labour as warranted by risk profile.

Finally, NNA engages with suppliers to remain aware of risks within the automotive supply chain and to communicate the specific risks and requirements to prevent forced labour within the Nissan Supply Chain. For instance, NNA maintains active involvement with industry groups, such as AIAG and Autos Drive America. Likewise, it communicates with suppliers through specially targeted supplier newsletters, webcasts, and supplier summits. NML has provided many suppliers with forced and child labour training material, which reinforces the message about importance of a secure and safe supply chain, free of forced and child labour.

Policies and Other Processes

Human Rights Philosophy & Policy Statement

As articulated in NML's [Human Rights Philosophy](#), NML considers the strict adherence to applicable laws and practices and the respect of human rights to be fundamental to its business activity in every country and area where it operates. The human rights of all stakeholders must be respected, and all NML employees must uphold the highest ethical standards. NML does not tolerate infringements on human rights in the supply chain, such as forced and child labour, consistent with its respect for human rights.

NML's [Human Rights Policy Statement](#) discusses NML's approach to responsible business conduct and the realization of respecting human rights in the course of its business operations. NML is committed to upholding the highest ethical standards which we enshrine in our company rules. This policy was most recently updated in 2023.

Consistent with its respect for human rights, NML is a signatory to the UN Global Compact, the world's largest corporate sustainability initiative to align strategies with universal principles, including human rights.

Global Code of Conduct

The [Code of Conduct](#) contains NML's core principles for conducting business with honesty and integrity, and in full compliance with established laws and regulations in all locations in which NML operates. NML requires all employees and, when possible, labour partners and contractors to complete annual Code of Conduct training. That training requires participants to certify their understanding of the Code of Conduct and commit to comply with it.

NML Human Rights Policy Statement

As articulated in NML's [Statement on Actions for Human Rights & Due Diligence](#), NML is committed to respect all human rights as set out in the Universal Declaration of Human Rights (UDHR), as well as the International Covenant on Civil and Political Rights (ICCPR), the International Covenant on Economic, Social, and Cultural Rights (ICESCR), and the International Labour Organization Declaration on Fundamental Principles and Rights at Work (ILO Core Labour Standards).

NML's Statement on Actions for Human Rights & Due Diligence

NML's [Statement on Actions for Human rights & Due Diligence](#) articulates Nissan's respect for all human rights as set out in the Universal Declaration of Human Rights (UDHR), as well as the International Covenant on Civil and Political Rights (ICCPR), the International Covenant on Economic, Social, and Cultural Rights (ICESCR), and the International Labour Organization Declaration on Fundamental Principles and Rights at Work (ILO Core Labour Standards).

NML Global Guideline on Human Rights

NML [Global Guideline on Human Rights](#) further reiterates NML's commitment to ensure that all NML entities and partners respect human rights. Included in these Guidelines is NML's process—including a formal grievance mechanism—to facilitate reporting of potential misconduct, including concerns about human rights violations within the supply chain. Unless prohibited by law, NML provides an anonymous reporting mechanism for employees, contractors and suppliers to report concerns, including those involving forced and child labour.

Corporate Social Responsibility Guidelines for Suppliers

NML expects all suppliers in its global supply chain to comply with its Corporate Social Responsibility Guidelines for Suppliers ("**CSR Guidelines**").

The CSR Guidelines provides suppliers with detailed guidance about the standard which NML expects in its supply chain, including as concerns human rights and labour. With specific respect to forced and child labour, the CSR Guidelines instruct suppliers to:

- Prohibit child labour

- Prohibit forced labour
- Ensure a safe and healthy working environment
- Promote Corporate Social Responsibility in their own supply chains

Employee Code of Conduct

All NNA employees are required to comply with NML's Global Code of Conduct. The Code of Conduct sets out NML's expectations as to how all its staff conduct themselves, and covers a wide range of topics. The sections of the Code that are relevant to forced labour and child labour include the requirements for all staff to:

- Treat colleagues, customers, suppliers and business partners with respect, dignity, fairness and courtesy
- Maintain fair and open relationships with business partners and suppliers
- Preserve and safeguarding company assets
- Engage in practices and business transactions that are lawful, fair and competitive
- Reject unethical or illegal business practices or actions
- Report all violations of the Code of Conduct.

All staff are required to undergo Code of Conduct training which contains theoretical business situations designed to ensure staff understand how to apply these principles in their day-to-day work and sign a commitment to comply with the Code of Conduct.

Global Whistleblowing Policy and Speak Up Program

NML's Global Whistleblowing Policy is a key component of its compliance program as well as the Company's core values. The Whistleblowing Policy guarantees protections to employees who report violations of the Code of Conduct or other company rules. Any person can ask a question or report an allegation of actual or suspected non-compliant behavior through the SpeakUp hotline. Where allowed by local law, including in the USA, a person can submit a report anonymously.

Minerals Sourcing Policies

NML's policies regarding the sourcing of minerals in its supply chains are contained in the [Global Mineral Sourcing Policy Statement](#) and the [Actions for Minerals Sourcing](#). These documents articulate NML's commitment to respecting human rights and the responsible sourcing of minerals in its supply chain, and further discuss the due diligence processes that NML undertakes as part of its mineral sourcing.

Business And Supply Chains That Carry A Risk Of Forced Labour Or Child Labour Being Used And The Steps Taken To Assess And Manage That Risk

NNA has a supply chain with global reach. To properly document the supply chain, NNA maintains supply chain mapping for its various businesses, with significant support from NML. Supply Chain Management (“SCM”) groups use mapping to examine existing processes. In partnership with a cross-functional task force, NNA prioritizes screening for potential forced and child labour within the supply chain based on feedback from local Customs authorities, industry group best practices, and publications from academic sources.

A major component of the Nissan forced and child labour mitigation strategy is obtaining data for manufacturing parts at a component level. With NML, the SCM group screens manufacturing parts and their suppliers through a process referred to as the Component Supply Chain Chart (“CSCC”). The CSCC creates visibility into tier-n sourcing for components that NNA purchases. To improve the efficiency of data collection and risk analysis, NML is working with a third party consulting firm to develop and implement a system to streamline CSCC data solicitation and recordkeeping into a web-based portal.

A CSCC has been a requirement of the manufacturing part sourcing process for many years. On this form, Tier One vendors are asked to provide the names of sub-assembly parts, and the name and location of the supplier supplying those parts. The document is a requirement for a part to move forward to vehicle installation and production, or for aftermarket usage. Certain parts, including those with a country of origin of China, and those containing silica, electronics and textiles undergo an additional review to ensure none of the sub-suppliers have been identified as entities suspected of using forced or child labour. A current ongoing project is to automate the solicitation and examination of the CSCC document. Part review is planned to be expanded to include all parts, and will incorporate multiple third party systems using machine learning/AI, shipping and financial records, and other information inputs to help Nissan look for the risk of forced/child labour in the finished vehicle and parts supply chains. The system screens against 180 restricted entity lists which cover Forced Labour, Financial Sanctions and Broad Sanctions, Terrorism, Export Controls, Corruption/Fraud, Countermeasures and Deforestation/Environmental lists.

Measures Taken To Remediate Any Forced Labour Or Child Labour

NNA is not aware of any incidents of forced or child labour in its supply chain and thus the question of remediation has not arisen. NNA will nevertheless remain vigilant in this regard and will continue to act in accordance with Nissan’s commitment to respecting human rights and avoiding forced and child labour in its supply chains.

Measures Taken To Remediate The Loss Of Income To The Most Vulnerable Families That Results From Any Measure Taken To Eliminate The Use Of Forced Labour Or Child Labour In Its Activities And Supply Chains

NNA is not aware of any incidents of forced or child labour in its supply chain and thus the question of remediation has not arisen. NNA has therefore concluded that there was no loss of income for

vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour within its supply chains.

The Training Provided To Employees On Forced Labour And Child Labour

NNA requires all employees to complete training on forced labour and human rights. NNA also provides additional training or incorporate forced and child labour awareness training into their modules on related subjects. Employees are also encouraged to attend training sessions provided by governmental entities, non-governmental organizations, trade groups and logistics/compliance service providers.

Similarly, Nissan maintains records of all trainings, which include “FY23 Nissan Human Rights Training”, and other targeted trainings, including the “Uyghur Forced Labor Prevention Act Training” for NNA employees. “Global Code of Conduct: training is required for all employees globally annually. Nissan also works to train the supplier base through ongoing communication specially targeted through supplier newsletters, webcasts, and supplier summits which include overviews of the specific risks and the requirements to prevent forced labour within the Nissan Supply Chain.

How NNA Assesses Its Effectiveness In Ensuring That Forced Labour And Child Labour Are Not Being Used In Its Business And Supply Chains

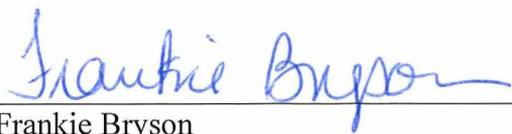
NNA’s policies and procedures are subject to internal audit review and continuous evolution with the goal of further advancing its commitment to human rights.

Approval And Attestation

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of Nissan North America, Inc.

In accordance with the requirements of the Act, and in particular section 11 thereof, I, the undersigned, attest that I have reviewed the information contained in this report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind Nissan North America, Inc.

Per: 
Frankie Bryson
Director, Customs and Trade, North America
29 MAY 2024