



Modern Slavery Statement 2021

This is Nissan's second modern slavery statement (**Statement**), provided under section 14 of the *Modern Slavery Act 2018 (Cth)* (the **Act**).

The single joint Statement covers the following Nissan group entities:

- Nissan Motor Co. (Australia) Pty Ltd (**NMA**)
- Nissan Financial Services Australia Pty Ltd (**NFSA**)
- Nissan Casting Australia Pty Ltd (**NCAP**)

(collectively, **Nissan**).

Nissan is committed to operating ethically and responsibly and establishing and adhering to the highest ethical standards across our group. We will not tolerate any forms of slavery or human trafficking in our business or supply chains.

In our first Modern Slavery Statement for the 1 April 2019 to 31 March 2020 reporting period (**Inaugural Statement**), we detailed that as part of our commitment to modern slavery compliance, we had engaged an independent adviser to undertake a detailed review of modern slavery practices across Nissan's Australian operations and supply chains. The review involved stakeholders from across Nissan, and included a detailed analysis of our operations and supply chains and modern slavery risks, an assessment of our controls to address these risks, and recommendations for improvement.

This Statement describes Nissan's structure, operations, supply chains, modern slavery risks and controls during the period 1 April 2020 to 31 March 2021 (the **Reporting Period**) as required under the Act. It provides an update on the implementation of the new controls Nissan committed to implement to minimise its modern slavery risks as referred to in our Inaugural Statement. Our modern slavery statement for the next reporting period will provide further updates on these initiatives.

1. Structure and operations

Where Nissan's structure, operations and supply chain have remained the same as that set out in our Inaugural Statement for the Reporting Period, we have re-stated this below.

NMA, NFSA and NCAP all share the same ultimate holding company, Nissan Motor Co Ltd (**NML**), which is based in Japan.

NCAP and NMA are fully owned by Nissan International Holdings BV in the Netherlands. NFSA is fully owned by NMA.

a) NMA

During the Reporting Period, NMA engaged in the importation, sale and distribution of Nissan branded motor vehicles, parts and accessories and INFINITI branded parts and accessories) (**Nissan Products**) in Australia.

NMA has a network of authorised franchise dealers (**Dealers**) across Australia who have a Dealer Agreement with NMA under which they purchase Nissan Products from NMA, and sell, and offer repair and maintenance services in relation to Nissan Products to customers.

During the Reporting Period, NMA's headquarters were based in Dandenong South until 30 September 2020 when NMA moved to new premises in Mulgrave, Victoria. NMA also had regional offices in:

- Victoria - to support Dealers located predominantly in Victoria and Tasmania;
- NSW - to support Dealers located predominantly in NSW and ACT;
- Queensland - to support Dealers located predominantly in Queensland;
- Western Australia - to support Dealers located predominantly in Western Australia, and also Northern Territory, North West Victoria, South West NSW and South Australia; and
- South Australia – to further support Dealers located predominantly in South Australia, Northern Territory, North West Victoria, South West NSW and Western Australia.

At the commencement of the Reporting Period, NMA had 242 employees.

b) NFSA

NFSA provides regulated consumer loans and commercial finance to retail customers and NFSA approved dealers. NFSA also offers insurance-related products for Nissan motor vehicles.

During the reporting period, its head office was co-located with NMA.

At the commencement of the Reporting Period, NFSA had 222 employees.

c) NCAP

NCAP manufactures aluminium castings to be used in the manufacture of Nissan electric vehicles, light trucks and commercial passenger vehicles for the Renault, Nissan, Mitsubishi Alliance Group, which are sold internationally, including in Japan, USA, Thailand and Mexico. In addition, NCAP manufactures towbars for all locally sold Nissan vehicles.

NCAP's manufacturing plant is located at 209-235 Frankston - Dandenong Rd, Dandenong South in Victoria. It employed 134 full time employees and up to 70 casual staff (fluctuating based on demand) during the Reporting Period and operates three shifts a day, five days per week.

2. Supply chains

Nissan had more than 1,000 suppliers during the Reporting Period, which include both local and overseas suppliers, and suppliers of goods and services.

a) NMA

All vehicles NMA distributes and sells in Australia are imported and are manufactured in plants operated by Nissan affiliated companies in various countries, including in Japan, Thailand, UK and USA. Each of these manufacturing plants is subject to global Nissan compliance policies and procedures that include controls regarding responsible labour practices¹.

NMA also sources replacement parts and accessories for Nissan vehicles from overseas suppliers, some of which are Nissan affiliated entities and others are independent third party manufacturers. These suppliers are located in countries including Japan, New Zealand, USA, Thailand and France.

During the Reporting Period, NMA had more than 600 suppliers of goods and services to support its Australian operations. The suppliers of goods include vehicle, parts and accessory suppliers, suppliers of goods for the Dealers (e.g signage) and a range of products for general corporate use. NMA also procured a range of services, including vehicle delivery services, warehousing services, corporate services such as advertising and marketing services, and professional advisory services.

b) NFSA

During the Reporting Period, NFSA used around 90 suppliers, most of which were based in Australia, and most were suppliers of services rather than goods. These services included financial services, credit reporting services, debt recovery services, insurance services, marketing services and professional advisory services such as accounting and legal services.

NMA, NCAP and NFSA also outsource their accounts payable functions and general ledger services to a Nissan affiliated company in India.

c) NCAP

During the Reporting Period, NCAP had more than 300 suppliers, 96% of which were based in Australia, and 4% overseas (including in Japan, South Korea, USA, Netherlands, China and Italy).

NCAP obtained raw materials (including aluminium) for its manufacturing operations through brokers who source the materials from raw materials suppliers, some locally, but majority overseas, including in Japan, China, Indonesia, Malaysia and South Korea.

In terms of services, NCAP sources various corporate services locally, including marketing, insurance, utilities, transport, logistics and professional advisory services. It also uses third party suppliers of labour hire services to manage its manufacturing-related workforce.

3. Risks of modern slavery in Nissan's operations and supply chains

As set out in our Inaugural Statement, in 2019 Nissan engaged a third party adviser to assist in the assessment of the modern slavery risks inherent in Nissan's operations and supply chains. This included an assessment of the sectors and industries in which our suppliers operated during the FY20 reporting period, as well as their geographic locations. There have been minimal changes to our operations and supply chains in this Reporting Period.

¹ Further information regarding these controls is detailed in the "Controls" section below.

a) Operations

The risks of modern slavery in Nissan's Australian operations remain low for this Reporting Period. There is no known vulnerability to modern slavery in its activities (the distribution of vehicles, the provisions of financial services and manufacturing), and these sectors remain highly regulated in Australia.

b) Supply chains

For NMA, some of the overseas countries from which it sources Nissan Products, such as Thailand and India have been assessed by the Global Slavery Index² as having a medium to high vulnerability of modern slavery. While these countries have an inherently higher risk of modern slavery, NMA primarily sources Nissan Products from Nissan affiliated companies who are subject to Nissan global policies regarding responsible procurement³.

NFSA's supply chains have been assessed as having a low risk of modern slavery, as the bulk of its procurement activity is focussed on obtaining corporate services from large, well-known Australian-based service providers, where the modern slavery risks are inherently low.

The main theoretical modern slavery risks in NCAP's supply chains relate to the significant volume of raw materials that it sources indirectly (via brokers) from countries that have been rated as having a medium risk of modern slavery (e.g China and Malaysia).

4. Controls to address Nissan's modern slavery risks

As set out in our Inaugural Statement, Nissan has a number of formal policies and controls in place designed to promote ethical and legally compliant business conduct and minimise the risk of modern slavery in our operations and supply chains. In this Reporting Period, Nissan focused on introducing and implementing improvements to enhance those modern slavery controls, as follows:

a) Supplier contracts

Nissan's standard contracts for the procurement of goods and services contain specific provisions requiring its suppliers to:

- comply with all applicable modern slavery laws;
- take all necessary steps to ensure that there is no modern slavery in their supply chains;
- implement and maintain appropriate due diligence procedures for their own suppliers;
- notify Nissan of any suspected modern slavery in their supply chains; and
- keep records to trace the supply chain of all goods and services provided to Nissan.

During the Reporting Period, Nissan made further amendments to its standard contracts to expressly require suppliers to implement processes to comply with our new Supplier Code of Conduct (discussed at section 4.0 below). Nissan also updated its Purchase Order terms and conditions to include an express obligation on our suppliers to comply with Nissan's policies and procedures.

² See <https://www.globallslaveryindex.org/2018/data/maps/#prevalence>.

³ Further information regarding these global controls is detailed in the "Controls" section below.

b) Employee Code of Conduct

All Nissan employees are required to sign and comply with Nissan's Code of Conduct. The Code of Conduct sets Nissan'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 modern slavery include the requirement 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;
- engage in practices and business transactions that are lawful, fair and competitive; and
- reject unethical or illegal business practices or actions.

All staff are required to undergo Code of Conduct training annually 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. Nissan Executives and employees must respect the human rights of others and may not discriminate against or harass others based on race, nationality, gender, religion, disability, age, place of origin, gender identity, sexual orientation or for any other reason; nor may they allow such as situation to go unchecked if discovered.

In this Reporting Period, the Code of Conduct training was updated with a 99.0% global completion rate of indirect employees. Factory-focused training material was prepared for factory workers who received training via regular shift-start messaging or in a seminar setting.

c) Compliance Committee

Compliance with the law and Employee Code of Conduct is overseen by Nissan's "ANZ Compliance Committee" that meets quarterly and is made up of representatives from various Nissan departments including Legal, Finance and HR.

The Compliance Committee is independent of the Management Operating Committee, and focusses on preventative, detective and remedial action in relation to business compliance. The ANZ Compliance Committee reports to Nissan's regional and global compliance functions.

During the Reporting Period, the Compliance Committee monitored and reported on Nissan's progress in implementing the various modern slavery controls addressed in this section. The Compliance Committee also considered complaints to the SpeakUp Line (discussed at section 4.e) below). There were no reports relating to modern slavery referred to the Committee during this period.

d) Corporate Procurement Policy and tendering process

The Corporate Procurement Policy is designed to guide the procurement of goods and services with processes underpinned by fairness, accountability and transparency. It guides Nissan's Procurement Department and its dealings with suppliers.

During the Reporting Period, the Policy was updated to:

- contain processes to assess suppliers' modern slavery compliance practices prior to their engagement/selection. This has been incorporated into Nissan's tender evaluation processes and documents, including targeted questions regarding modern slavery in our revised due diligence questionnaire;

- integrate principles regarding responsible labour and procurement practices from the global “Renault-Nissan Corporate Social Responsibility Guidelines for Suppliers” to ensure that these principles clearly form part of our local control framework;
- expressly refer to the Nissan SpeakUp Line for the reporting of any concerns; and
- integrate Nissan’s new “Small Supplier Payment Policy” (discussed at section 4.k) below).

During the next reporting period, we will update the policy to also include a process for the ongoing monitoring of suppliers after their appointment, where they are identified as having an inherently higher risk of modern slavery in their operations.

Nissan is continuing to strengthen our due diligence procedures for new suppliers and to better understand modern slavery risks in respect to our current suppliers. In the next reporting period Nissan will focus on enhancing our internal processes in respect to the assessment, monitoring and management of these risks. Going forward, Nissan also proposes to invest in a new sourcing and contracting IT system which will assist Nissan in improving supplier engagement, conducting supplier due diligence and assessing and managing modern slavery risks for Nissan’s suppliers.

e) SpeakUp System and Whistleblower Policy

NML introduced SpeakUp in 2017 as a whistleblower hotline⁴. The SpeakUp Line is an avenue by which employees and suppliers can report violations of Nissan’s policies or laws and regulations. It is managed by a third party contracted by NML. It allows for the collection, investigation and resolution of various types of complaints, including complaints related to allegations of potential human rights abuses.

Nissan implemented a new Whistleblower Policy on 1 January 2020⁵. The Whistleblower Policy also applies to suppliers (including their employees, contractors, consultants and service providers) and provides certain protections for reports regarding conduct by Nissan or its related body corporates that a whistleblower observes or reasonably suspects to be illegal, unethical or otherwise improper.

Nissan is committed to thoroughly investigating, addressing and responding to concerns raised, and protecting whistleblowers from retaliation.

During the Reporting Period, Nissan actively promoted the SpeakUp Line and Whistleblower Policy to:

- its current suppliers as part of a communication advising Suppliers of the new Nissan Procurement webpage (discussed at section 4.g) below); and
- prospective and new suppliers, by introducing the new Nissan Procurement webpage which expressly refers to the SpeakUp Line and the Whistleblower Policy.

⁴ See <https://secure.ethicspoint.eu/domain/media/en/gui/103583/index.html>

⁵ See https://www.nissan.com.au/content/dam/Nissan/AU/Files/Nissan_Australia_Whistleblowing_Policy.pdf

f) Supplier Code of Conduct

During the Reporting Period, Nissan implemented its Supplier Code of Conduct. We sent a copy of the Code to all of our current suppliers, advising that we expect our suppliers to review the Code and self-assess their compliance with it. Suppliers were required to sign and return a form acknowledging the Code and committing to comply with it. In this communication, we also directed our current suppliers to our new Nissan Procurement webpage.

All prospective and current suppliers can access the Code from the Procurement webpage. Prospective and new suppliers are also required to fill out a New Vendor Form located on the webpage to enable Nissan to assess whether the supplier meets Nissan Group requirements. The New Vendor Form provides that compliance with the Code is mandatory.

The Code covers a range of compliance and ethical topics that Nissan requires its suppliers to adhere to. It includes strict modern slavery obligations and Nissan requires its suppliers to commit to these obligations.

We are continuing to consider and assess the responses received from our current suppliers for compliance with the Code.

g) New Nissan Procurement webpage

During the Reporting Period, we launched our new Nissan Procurement webpage which is a dedicated page for suppliers launched on Nissan's website. It provides detailed information on Nissan's expectations of its suppliers and their supply chains. The webpage contains direct links to the Supplier Code of Conduct, New Vendor Form, Small Supplier Payment Policy, Whistleblowing Policy and SpeakUp Line.

h) Employee Training

In addition to our mandatory annual Code of Conduct training, in December 2020, our independent adviser provided training on modern slavery compliance to our Management Operating Committee, Procurement and HR teams and other relevant stakeholders across Nissan.

Training on modern slavery will be given annually to the Procurement and HR teams and other relevant decision makers.

We will also be including a component on modern slavery compliance in an on-boarding session for all new employees which is currently being developed.

i) NCAP raw materials

During the Reporting Period, we sent communications to our raw materials suppliers:

- advising of Nissan's expectation that suppliers support the protection of human rights of workers, as well as individuals and communities affected by their activities; and
- requesting information about their policies and controls from a modern slavery compliance perspective by way of completing a modern slavery questionnaire.

The responses received indicated that the relevant suppliers had implemented modern slavery policies and processes and no concerns were identified.

We are continuing to develop the internal criteria for assessing supplier responses to provide a risk rating for modern slavery risks and appropriate risk mitigation strategies.

j) NCAP labour hire arrangements

During the Reporting Period, NCAP was required to undertake a tender for its labour hire provider. The chosen labour hire provider was subject to the updated due diligence process in the tender and assessed on its modern slavery policies and controls. The labour hire contract includes express obligations in respect to modern slavery compliance and compliance with Nissan's Code.

k) Nissan Small Supplier Payment Policy

During the Reporting Period, Nissan introduced a new "Small Supplier Payment Policy" for current eligible small business suppliers and new suppliers, enabling them to apply for shorter payment terms. Nissan is aware of the significant financial strain small businesses face and the consequential impacts for its workforce, in particular vulnerable workers. The purpose of this Policy is to assist small businesses with financial viability and cashflow.

Suppliers can access an application and the Policy via the Nissan Procurement webpage.

l) Nissan Global Policies and Procedures

A significant proportion of the goods and services procured by Nissan are sourced from Nissan affiliated companies overseas, who operate under the direction and control of Nissan's parent company, NML.

Since January 2004, NML has participated in the United Nations Global Compact, a corporate responsibility initiative built around universal principles regarding human rights, labour, the environment and anticorruption.

NML has also published its "Nissan Human Rights Policy Statement"⁶, which it expects all of its employees to respect. It contains the following statement: "*We are committed to fair labor conditions and the highest standards of health and safety. We do not permit the use of child labor or forced labor. We do not allow discrimination or any form of harassment, and we are committed to respecting diversity.*"

To ensure that NML's suppliers act responsibly and ethically, in December 2015, it published the "Renault-Nissan Corporate Social Responsibility Guidelines for Suppliers"⁷. NML requests all suppliers who receive this to sign a "Supplier Commitment" to these guidelines accepting its terms and conditions. Section 2.2.3 of the Guidelines ("Human Rights and Labour") prohibits child labour, forced labour, and requires adherence to local laws regarding remuneration and working hours. Section 3.2.2 of the Guidelines ("Assessment") also provides that Nissan may ask a supplier to take a compliance assessment conducted by a third party. NML evaluates its supplier's sustainability activities, including respect for human rights, through third party assessment.

⁶ See https://www.nissan-global.com/COMMON/DOCS/CSR/LIBRARY/nissan_human_rights_policy_e.pdf.

⁷ See https://www.nissan-global.com/EN/DOCUMENT/PDF/SR/CSR_Alliance_Guidelines.pdf.

To help suppliers review their corporate activities from a sustainability perspective and take sustainability actions, the Guidelines explain expected initiatives in respect to a number of categories including “Human rights and Labor: Prohibition of child labor and forced labor, complying with working hours and remuneration laws etc”. In addition, suppliers are requested to undergo assessments by third parties. The Guidelines mandate that suppliers comply with laws and regulations. If suppliers are found to be in a state of non-compliance, the Guidelines prescribe required responses, such as filing a report immediately, conducting an investigation and formulating corrective measures. In fiscal year 2020 no human rights violation was recorded and no supplier was found to be at serious risk of engaging in forced labour or child labour.

During the Reporting Period NML has:

- implemented the “Nissan Global Guideline on Human Rights (June 2021)” which supports the “Nissan Human Rights Policy Statement” and outlines specific initiatives for respecting human rights, with the aim of ensuring compliance with the policy statement. Based on this guideline, Nissan is further strengthening its initiatives to respect the human rights of its employees on a global level. At every level of NML’s global supply chain, it aims to conduct ethical, social and environmentally conscious business activities. NML also works together with suppliers, contractors and other business partners to achieve this goal.
- revised its “Nissan Human Rights Policy Statement”.
- issued its “Sustainability Report 2021”⁸ which outlines its efforts toward a cleaner, safer and more inclusive society. It sets out how NML is strengthening its focus on human rights and defines both its long-term vision and its shorter term goals up to 2022, which include to:
 - enhance monitoring of each compliance risk area and establish a framework to oversee progress of each monitoring activity;
 - enhance third party compliance systems to ensure the entire Nissan business process is compliant; and
 - ensure that all suppliers follow the Renault-Nissan CSR Guidelines for Suppliers.

For the next reporting period, where appropriate Nissan will look to integrate the principles from these NML global policies regarding responsible labour and procurement practices into our local control framework.

m) Global Human Rights Risk Review of Specific Companies

As part of NML’s sustainability strategy “Nissan Sustainability 2022”, NML has cooperated with Business for Social Responsibility (BSR), a US organisation promoting sustainability, to implement a human rights assessment, allowing NML to identify four key areas of potential risk related to human rights, namely supplier labour conditions, employee labour conditions, product safety and customer privacy. In 2019, NML worked with BSR to conduct a human rights assessment at Nissan South Africa (Pty) and determined that human rights risks were low at that company.

⁸ See <https://www.nissan-global.com/EN/SUSTAINABILITY/LIBRARY/#link>

In the current Reporting Period, NML expanded on its human rights assessment reviews of affiliated companies in the ASEAN area, conducting such reviews at Nissan Motor Thailand (NMT) and group companies (Nissan Powertrain (Thailand) Co., Ltd. And SNN Tools & Dies Co., Ltd.). Action plans were formulated to remediate items identified as requiring improvement and the companies are executing those action plans to make improvements on an ongoing basis.

n) COVID-19 risk management for employees and suppliers

Nissan offers our condolences to those affected by the COVID-19 outbreak, and expresses gratitude to healthcare and frontline workers for their tireless work during the pandemic. At Nissan globally, the health and safety of stakeholders including communities, employees and our suppliers (and their employees) are our highest priorities.

During this Reporting Period, Nissan globally worked closely with our suppliers to navigate and manage the changing environment and to foster the relationships we maintain with them. NML introduced countermeasures against COVID-19 and all global sites are taking consistent countermeasures. These include promoting work from home, staggered/flexible work hours, providing masks, and undertaking other initiatives. When entering NML premises in Japan a body temperature check, hand sanitation and mask wearing are required. In India, “COVID-19 family kits” were distributed containing masks, disinfectant and other items to support both employees and their families. NML installed Co2 monitors and circulators at the production lines and employee break times were staggered to strengthen ventilation measures. NML continues to strengthen our COVID-19 measures for protecting employees, their families and society on all global sites.

5. How we assess the effectiveness of actions taken

This Reporting Period we have concentrated on improving and enhancing our modern slavery controls framework. At this early stage, we are unable to adequately assess the effectiveness of the controls we have implemented. However, Nissan intends to design and develop a framework to ensure that we can review the effectiveness of the controls we have implemented. As part of this framework, we intend to establish a cross-functional group across Procurement and Legal for NMA, NCAP and NFSA which will meet regularly to monitor the responses to our modern slavery controls and consider proposed key performance indicators to be able to measure the effectiveness of our modern slavery framework and changes required going forward.

Nissan is committed to ensuring it implements appropriate processes for investigating, assessing and handling modern slavery risks in its business and supply chains.

6. Consultation Process

The corporate structure for NMA, NCAP and NFSA is set out above. Nissan takes a group approach to addressing modern slavery risks. In order to prepare this single joint statement, we engaged with each of NMA, NFSA and NCAP and communicated with relevant entities in our operations.

This Statement, and Nissan’s modern slavery control framework, are the collaborative effort of a cross-functional team, including representatives from Procurement, Legal, Human Resources, and Compliance, in consultation with senior management across NMA, NFSA and NCAP

The Nissan Australia group of companies, and our affiliated overseas companies, have a shared commitment to continuous improvement in the management of modern slavery risks in our operations and supply chains.

This statement was approved by the Board of Directors for NMA Group and NCAP on 30 September 2021.

Adam Paterson

Adam Paterson
Managing Director NMA



Peter Jones
Managing Director NFSA and NCAP