

## Enhancing Value for Stakeholders

## With Our Business Partners

Together with its business partners, Nissan aims to achieve sustainable, profitable growth on a foundation of mutual trust. Rather than insisting solely on our own demands, we always strive to listen carefully to the ideas and suggestions of our suppliers and dealers from an equal footing. We place a special focus on working together with them as partners, developing cooperative relations that enable us to bring in best practices in order to stay ahead in the fierce competition of the auto industry.

### WITH OUR SUPPLIERS

#### Nissan's Fair, Impartial Procurement

Nissan uses a fair, impartial and completely transparent business process when selecting suppliers. We provide a wide variety of opportunities for other companies to do business with us, regardless of their nationality, size or history with us. When making selections, the relevant Nissan divisions meet to examine from a range of perspectives the proposals that suppliers have given us. We explain our final decision to every supplier that has taken part in the selection process.

We make every effort to maintain the highest standards of impartiality and fairness in our business transactions, abiding by the Nissan Global Code of Conduct (item 4: Be Impartial and Fair). As well as maintaining close communication in our day-to-day dealings with suppliers, we also take heed of their ideas using questionnaires and direct meetings, checking our business practices from an external perspective.

Nissan works hard to promote correct business practices throughout the supply chain. We have disseminated internally a leaflet on guidelines for appropriate business practices in the automobile industry, focusing on the industry's principles of procurement and important points relating to subcontracting and antimonopoly law, and we hold briefings with our suppliers on these issues.

#### CSR Guidelines for Suppliers

The purchasing divisions of Nissan and Renault have produced a booklet, *The Renault-Nissan Purchasing Way*, outlining the important values and processes to be adhered to when doing business. This booklet has been shared with the primary suppliers of the Renault-Nissan Purchasing Organization since 2006. Since that time, our business activities have expanded rapidly in areas as diverse as Asia, Eastern Europe, South America and South Africa, while emissions reduction and other environmental issues have become the subject of increasing global focus. We are expected to work together with our suppliers, who are spread around the world, to put CSR into practice.

To address this situation, in 2010 we produced the *Renault-Nissan CSR Guidelines for Suppliers* and began distributing them to all global primary suppliers. Their aim is to help our suppliers review their business activities from a CSR viewpoint and further instill CSR activities. As well as setting out Nissan's CSR and procurement policies, the guidelines have sections detailing issues like safety and quality, human rights and labor, and the environment. In drawing up this document we made use of the CSR guidelines of the Japan Automobile Manufacturers Association, Inc. and the Japan Auto Parts Industries Association for reference. Both Nissan and Renault will continue working to further mutual understanding and trust and to build mutually beneficial relationships with them.

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The Renault-Nissan Purchasing Way and Renault-Nissan CSR Guidelines for Suppliers are available for download from our website.

[http://www.nissan-global.com/EN/COMPANY/CSR/STAKEHOLDER/BUSINESS\\_PARTNERS/](http://www.nissan-global.com/EN/COMPANY/CSR/STAKEHOLDER/BUSINESS_PARTNERS/)

**Working Together to Promote CSR Management**

Nissan has business partners throughout the global markets, and our aim is to promote ethical, environmentally conscious business at all stages of the supply chain. We work together with our suppliers to promote enhanced CSR-based management, such as by having new suppliers submit written statements of commitment to preventing pollution and abolishing child labor and forced labor. We held a briefing on CSR and socially responsible procurement in 2008 for 170 suppliers, at which we explained Nissan's CSR policy and CSR procurement policy and our efforts in these areas. We asked suppliers to ensure rigorous compliance with laws and regulations and to strengthen their internal systems relating to CSR.

With measures that include the guidelines mentioned above, Nissan will continue to support the establishment of a CSR mindset among its suppliers.

**Enhanced Communication with Suppliers**

The Renault-Nissan Alliance held its first ever suppliers' meetings in Paris and Yokohama in March 2010 in order to explain directly the Alliance purchasing objectives and strategy from fiscal 2010 onward. The meetings, hosted by the Renault-Nissan Purchasing Organization, were attended by some 1,200 people from around 800 suppliers. At the meetings, Renault and Nissan executives explained the companies' guidelines and strategy for the medium to long term and took questions from the suppliers' top managers.

In addition, Nissan has held monthly production plan briefings since December 2008 to keep suppliers up to date on production and sales information in the rapidly changing market environment. We are working to boost our communication activities to further enhance the relationship of trust with our suppliers.

**Activities to Improve Manufacturing Approaches**

Nissan has been working to continually produce more competitive products through its Monozukuri Activities, a collaboration among suppliers and Nissan that commenced in 2008.

Since 2009, we have been expanding these activities through our Thanks Activities initiative, in which the groups work together to improve product quality, reduce costs and streamline production with an emphasis on trust and cooperation between Nissan and its suppliers. We held a briefing in January 2010 to share the details and the benefits of the activities with a large number of suppliers, thereby helping the activities to become more deeply ingrained. The briefing was attended by some 350 people from around 200 companies.

With the goal of working together to become cost leaders in today's adverse markets, we are further strengthening the Thanks Activities to increase production volume per part, promote localization and improve logistics.

**Recognizing Supplier Contributions Worldwide**

Each year Nissan recognizes the contributions of its suppliers with awards presented in each of the regions where we operate, as well as with two worldwide supplier awards, the Global Quality and Global Innovation Awards. These are presented to suppliers that have contributed to our business performance at the global level.

Global Quality Award recipients are selected by our purchasing, quality and other divisions using standard criteria applied worldwide. Global Innovation Award recipients are selected from suppliers nominated by our production, development and quality divisions in the two categories of product technology and process management. In fiscal 2009, three companies received Global Quality Awards, and Global Innovation Awards were awarded to two companies in the product technology category.

Nissan hopes that this awards system will encourage suppliers in the global supply chain to embrace our management approach, which balances the economic activities of quality, cost reduction and technological development with environmental concern and social responsibility.

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 Please see our website for more information on the quality initiatives we undertake with suppliers.  
[http://www.nissan-global.com/EN/QUALITY/GLOBAL\\_SP/](http://www.nissan-global.com/EN/QUALITY/GLOBAL_SP/)

**Global Rollout of Our Green Purchasing Guidelines**

Nissan set out environmental standards for its suppliers of vehicle parts and materials in the Green Procurement Guidelines in 2001, asking suppliers across Japan to cooperate by reducing their environmental impact. We expanded this coverage to include suppliers worldwide in fiscal 2007, and in 2008 we reissued the guidelines as the Nissan Green Purchasing Guidelines. We have asked our primary suppliers to comply with the new guidelines, and we are promoting management of environment-impacting substances and continually reducing their use throughout the supply chain, including the sources from which our suppliers procure goods. At the end of 2009, 90% of our domestic suppliers had acquired certification under either ISO 14001, an international environmental management standard, or Eco Action 21, an environmental evaluation program set up by the Japanese Ministry of the Environment.

In fiscal 2008 we advanced the Nissan Green Purchasing Guidelines in the European region, and in 2010 we updated them in line with the *Renault-Nissan CSR Guidelines for Suppliers* and set about explaining them to encourage even greater efforts toward environmental management.

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The Nissan Green Purchasing Guidelines are available for download from our website.

[http://www.nissan-global.com/EN/COMPANY/CSR/STAKEHOLDER/BUSINESS\\_PARTNERS/](http://www.nissan-global.com/EN/COMPANY/CSR/STAKEHOLDER/BUSINESS_PARTNERS/)

**WITH OUR DEALERS**

**The Nissan Sales and Service Way**

Nissan has established the Nissan Sales and Service Way (NSSW) as a set of global guidelines helping dealers to better respond to the individual needs of customers, seeing things through their eyes to provide professional, high-value service. We conduct various activities to increase customer satisfaction and to improve our sales and service quality based on these guidelines. These activities include dealer training to improve product-related knowledge, service skills and customer care, as well as the provision of guidance to improve dealership operations in response to customer satisfaction surveys. We are also developing personnel and systems to put these improvements into place and enhance the customer focus of our job process, with care given to the voices of customers collected through our call centers and other means.

Nissan carries out these initiatives globally while keeping in mind differences in cultural conditions and customs across countries and regions. In this way we seek to provide the best customer service during the purchase and ownership experiences, as well as in other areas. (See page 53.)

**Working with Dealers for CSR Management**

To promote consistency in the CSR management approaches taken by Nissan and its dealers, we carry out activities on an ongoing basis aimed at helping dealerships in Japan enhance their compliance. As a specific measure, we organize self-inspection programs at all dealerships to grasp their current compliance management status and bring about improvements. These programs have led to increased awareness and improvements on a voluntary basis. To bolster dealers' own initiatives in this area, we also held a meeting in September 2009 for dealership representatives to share information on recent trends in compliance.

Nissan aims to further improve its CSR management by ensuring its sense of compliance is shared with dealerships and working to build stronger internal controls.