



## KEY CSR AREAS

## Value Chain — Promoting CSR Throughout the Supply Chain

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.

Nissan's value chain today extends around the globe due to the expansion of the company's business interests. We strive to improve our CSR management by sharing our fundamental values and principles with our business partners, thereby promoting consistency in the CSR activities undertaken throughout the supply chain.

### With Our Business Partners

#### 1. Pursuing CSR with Suppliers

All of Nissan's suppliers are important business partners for the company. We work with them to build relationships based on the three values of trust (work fairly, impartially and professionally), respect (honor commitments, liabilities and responsibilities) and transparency (be open, frank and clear).

#### 2. Pursuing CSR with Dealers

Nissan undertakes various measures to ensure that its approach to compliance is shared with dealerships and to enhance its internal controls. We aim to further improve our CSR management by strengthening the lines of communication with dealers.

Pursuing CSR  
with Suppliers

Pursuing CSR  
with Dealers

## 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 received from suppliers. 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 through regular 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 distributed them to all 7,600 of our global primary suppliers. The aim is to help our suppliers review their business activities from a CSR viewpoint and further instill CSR activities. The guidelines set forth Nissan's CSR and procurement policies in five main sections on safety and quality, human rights and labor, the environment, compliance and information disclosure. We drew up this document with reference to the CSR guidelines of the Japan Automobile Manufacturers Association, Inc. and the Japan Auto Parts Industries Association. We will work to ensure that all suppliers starting business with us from fiscal 2010 onward abide by these guidelines.

### Activities to Improve Manufacturing Approaches

Nissan has been working to continually produce more competitive products through its Monozukuri Activities program, a collaboration among suppliers and Nissan that commenced in 2008. Since 2009, we have been expanding these activities through joint collaborative activities called the Thanks Activities initiative, which emphasizes trust and cooperation between Nissan and its suppliers. With the goal of working with our suppliers to become cost leaders in today's challenging market conditions, we are striving to improve product quality, cut costs and rationalize our manufacturing through measures that include increasing production volume per part, promoting localization and improving logistics.

From January 2010 onward we have been holding briefings on a regular basis in order to share the details and the benefits of these activities with our suppliers and to ensure their uptake. The March 2011 briefing was attended by some 400 people from around 200 supplier companies.



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/)



Please see our website for more information on the quality initiatives we undertake with suppliers.

[http://www.nissan-global.com/EN/QUALITY/PRODUCTS/GLOBAL\\_SP/](http://www.nissan-global.com/EN/QUALITY/PRODUCTS/GLOBAL_SP/)



### 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. This awards system aims to 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.

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 2010, three companies received Global Quality Awards, and Global Innovation Awards went to eight companies in the product technology category.

### Global Expansion of Our Green Purchasing Guidelines

Nissan sets forth environmental standards for its suppliers of vehicle parts and materials in the Nissan Green Purchasing Guidelines, asking suppliers to cooperate by reducing their environmental impact. We released the guidelines for companies in Japan in 2001, and in 2008 we updated them and have since been expanding coverage to include Europe, Asia, and other regions worldwide. We have asked our primary suppliers to comply with the new guidelines, extending their coverage to their suppliers as well. In this way we are promoting management of environment-impacting substances and continually reducing their use throughout the whole supply chain. We updated the guidelines once more in 2010 in line with the *Renault-Nissan CSR Guidelines for Suppliers* and held briefings to explain them. The Nissan Green Purchasing Guidelines are published on the Nissan Global website.



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

### 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 enable fuller understanding of and improvements to their current compliance management status. The programs carried out during fiscal 2010 have led to increased awareness and improvements on a voluntary basis. To bolster compliance initiatives in cooperation with dealers, we held a meeting for dealership representatives in March 2011 to share information on recent trends in compliance and on our initiatives for fiscal 2011.

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.

## Area Leaders' Messages

### A Common CSR Approach Throughout the Supply Chain

**Naoki Shimbo**

Senior Manager  
Purchasing Administration Department



In 2006, Nissan's purchasing division issued a booklet, together with its counterpart in Alliance partner Renault, to share with suppliers the values and principles important to us in our business dealings. Since then, our business has expanded around the globe, making it necessary to pursue CSR activities together with those suppliers. The jointly produced *Renault-Nissan CSR Guidelines for Suppliers*, distributed to Tier-1 suppliers globally in fiscal 2010, will help all of our partners review their activities from a CSR viewpoint and make CSR a more essential part of their business. Nissan will continue to deepen its relationships of trust with suppliers and build mutually beneficial partnerships with them.