

THE RENAULT-NISSAN PURCHASING WAY



The Renault-Nissan Alliance has set the following three performance objectives:

1. To be recognized by customers as being among the best three automotive groups in the quality and value of its products and services in each region and market segment.
2. To be among the best three automotive groups in key technologies, each partner being a leader in specific domains of excellence.
3. To consistently generate a total operating profit among the top three automotive groups in the world, by maintaining a high operating profit margin and pursuing growth.



The Renault-Nissan Purchasing Way

Alliance objectives can only be achieved through long-term supplier relationships that are focused on performance, growth and profit, and are beneficial to both companies.

Renault and Nissan have the expertise, tools and processes to optimize the supply chain jointly with suppliers.

This guide explains the “Renault-Nissan Purchasing Way” - the values and processes promoted by the purchasing departments of Renault and Nissan to optimize supplier performance. Renault and Nissan strongly believe that this commitment to work with, and support our suppliers is unique in today’s market.

Collaborating with our suppliers as business partners is essential, in order for us to develop and produce attractive products and services for our customers. We are convinced you will support us in making our objectives a reality.

A stylized handwritten signature in black ink, consisting of the letters 'O', 'D', and 'E' followed by a horizontal line.

Odile DESFORGES

*SVP Purchasing - RENAULT
Chairman & Managing Director
RENAULT-NISSAN Purchasing Organization*

A handwritten signature in black ink, written in a cursive style, reading 'Hiroto Saito'.

Hiroto SAIKAWA

*EVP Purchasing
NISSAN MOTOR CO., LTD.*



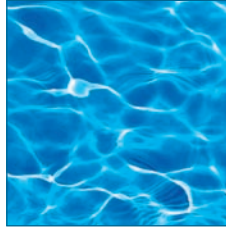
Scope

This guide applies in principle to all purchasing activities made by Renault and Nissan including RENAULT-NISSAN Purchasing Organization (RNPO) worldwide.

The principles and processes extend to all Renault and Nissan departments involved in the supplier relationship.

The purchasing departments, as the primary supplier interfaces, have a specific, commonly executed role in the success of supplier relationships, and with associated performance results. Working under the principles in this guide, the purchasing departments focus on:

- Signing contracts with suppliers as representative of Renault and Nissan
- Ensuring decisions are implemented
- Applying countermeasures, if necessary
- Making sure communication takes place between all relevant parties to create and maximize opportunities
- Exploring and promoting opportunities at the time of decision
- Sharing best practices
- Developing internal competencies to understand and use performance levers.



Values

The Alliance has defined its own values:

Trust

Work fairly, impartially and professionally.

Respect

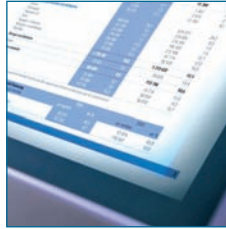
Honor commitments, liabilities and responsibilities.

Transparency

Be open, frank and clear.

The purchasing departments at Renault and Nissan expect every supplier to share these values, as part of the Alliance extended enterprise.

Supplier responsibility towards sustainable development is consistent with these values. Suppliers should be compliant with all relevant social, health, safety, environmental and ethical legislation. In particular, Renault and Nissan forbid the use of child and/or forced labor, and will not work with suppliers that do, nor with suppliers which have no policy for occupational risks prevention.



Supplier Selection - The Principles

The Renault and Nissan purchasing departments have very clear procedures for the identification and selection of candidate suppliers.

Their purpose is to create best value for the end-customer, by integrating the supplier's components and services into the final product.

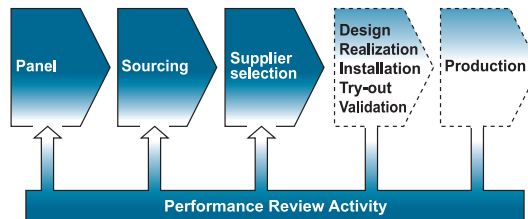
These procedures are consistent throughout Renault and Nissan and are applied worldwide.

Selection is made on clear, open and transparent internal processes, based on a factual evaluation of suppliers' results, compared to Renault and Nissan requirements.

The Renault and Nissan targets and objectives are based on market-leading benchmarks. These studies are organized and shared with suppliers to ensure fairness.

A 'Panel Committee' selects candidate suppliers for business with Renault and Nissan, based on their QCDDM performance (Quality, Cost, Delivery, Development and Management).

A "Sourcing Committee" then selects suppliers for each project, using a transparent process to manage the Request For Quotation (RFQ). Supplier's performance is continuously reviewed and shared with suppliers throughout this process.





Supplier Selection - The Principles

Renault and Nissan have standard expectations from each supplier to have a pro-active and independent attitude to meet their QCDDM responsibility, in each region where they are located.

The key success factors are a supplier's ability to make proposals, to implement continuous improvement and to increase speed through efficient time management.

Renault and Nissan have developed specific tools and processes to support their suppliers in achieving their QCDDM commitments. However, suppliers that do not, or cannot, honor their contractual obligations must also understand and accept they may be responsible for penalties or compensation.

Respecting commitments is important, in order to maintain healthy and sustainable business relationships.

Additionally, Renault and Nissan may have specific requirements on technological choices, quality or delivery. These requirements are always addressed and discussed with the supplier openly and frankly in sufficient time for the supplier to implement them. If a supplier has any reservations or concerns, these can be clearly explained and discussed. Measures are then taken to ensure that the project can proceed efficiently and smoothly.



Supplier Support - Joint Optimization through Collaboration

Renault and Nissan have developed a range of tools and processes, specifically designed to improve supply chain management together with suppliers. These tools cover the following areas:

Multi Functional Team for development

PDT (Nissan) and GSFA/GFE/GFS (Renault) aim at close cross-functional collaboration.

Technical

Renault and Nissan have devised processes designed to simultaneously achieve cost improvement and quality enhancement, Renault: Synergie 500, and Nissan: 3-3-3.

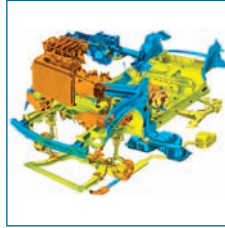
Process Improvement

The Alliance Supplier Improvement Program (ASIP) enables Renault and Nissan process specialists to work with suppliers to improve process efficiency, saving time, money and materials.

Supply Chain management

Nissan Production Way (NPW) and Système de Production Renault (SPR), synchronized production, creation of supplier parks close to our production facilities, Leading Competitive Countries (LCC) activity offer suppliers the opportunity to upgrade service levels as well as their own efficiency.

Tier-n supplier management is under tier-1 responsibility. Even if Renault and Nissan can support tier-1, and also reserve the right to obtain relevant information from tier-n suppliers when necessary.



Supplier Support - Joint Optimization through Collaboration

Development and innovation Cooperation

Early Phase Development (EPD), Project Partner Scheme, and Co-Innovation (Renault) create close cooperation with suppliers. This gives suppliers access to long-term development strategy and projects within Renault and Nissan.

Quality

Alliance New Product Quality Procedure (ANPQP), Alliance Supplier Evaluation Standard (ASES), Calculation of Quality in the Project (CQP), Rank-up, Step-up, are tools/processes which help improve quality at Renault and Nissan, as well as at suppliers.

Performance Analysis

Top Management Meetings (TMM) and Performance Review Meetings (PRM) are regularly implemented to give suppliers feedback on their performance, share improvement action plans and long term strategy.

Award System

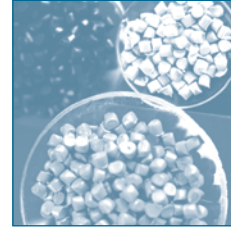
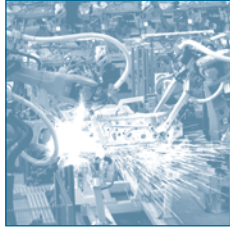
Awards, such as the 'Renault Supplier Quality Award' and the Nissan 'Global Quality Award' and 'Global Innovation Award', are given regularly to suppliers, to recognize outstanding innovation and quality performance.



Supplier Benefit

This guide explains the principles of the long-term relationships that Renault and Nissan purchasing departments wish to develop and maintain with suppliers. Suppliers who commit fully and willingly can expect:

- Fair, transparent and impartial competition
- Increased competitiveness through access to Renault and Nissan support processes and performance improvement tools
- The opportunity to increase volumes in current and future business operations with Renault and Nissan
- The opportunity to follow Renault and/or Nissan into new countries and new markets
- End-customer and market recognition of their products and services by association with Renault and Nissan global brands.



Renault

Nissan





RENAULT NISSAN