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## With Our Business Partners

### Sustainable Growth Based on Mutual Trust

Nissan aims to achieve sustainable, profitable growth with its business partners 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

#### Fair and Impartial Procurement Policy

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. In fiscal 2008, we worked together with other Japan Automobile Manufacturers Association, Inc. (JAMA) members to improve business operations through increased recognition of the systems and rules relating to the handling of after-sales parts for models no longer in production.



**「自動車産業適正取引ガイドライン」のポイント**  
～調達経路の工夫が公正競争と競争力強化を可能とする～

政府は、平成18年2月15日にとりまとめた「経済力向上戦略」の中で、下流取引の適正化の推進を掲げ、主要取引先と取引関係の透明化のためのガイドラインを策定しました。自動車産業適正取引ガイドラインは、この一環として、自動車・部品製造業が遵守すべきガイドラインとして経産省が策定したものです。

このガイドラインの目的は、自動車メーカーから、部品・材料サプライヤーに至るまでサプライチェーン全体の透明化、その信頼性による十分な競争環境の構築です。公正競争の確保、取引関係の透明化、現場での改善、企業経営での両利、これら4つのポイントが、自動車産業の発展を支える重要な要素です。

本ガイドラインの策定は、自動車、部品として、お互いにとっての信頼を醸成することから、今まで行っていた各社独自の調達方針やサプライヤーとの取引関係を基に、互いに信頼を醸成し、さらなる競争力向上を図ることが目的です。

本ガイドラインはガイドラインとして、公平・公正・透明な競争環境を、自動車産業に広げ、適正な取引関係を築くことこそが目的であり、この競争環境に基き、お互いの信頼が深まり、互いに信頼が深まることにより、お互いの競争力が高まり、お互いの競争力が高まることを目指しています。

All Nissan employees receive this leaflet covering governmental guidelines for appropriate automotive industry practices.

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### Fair Business Stipulated in Purchasing Guidelines

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, which is shared with our suppliers, clearly states our fundamental principles of fairness and impartiality in our dealings with suppliers and the complete transparency of our selection process. It sets forth the basic thinking, objectives, processes and management tools of the Alliance partners with regard to their global purchasing activities. Both Nissan and Renault have distributed the booklet to the primary suppliers of the Renault-Nissan Purchasing Organization in order to further mutual understanding and trust and to build mutually beneficial relationships with them.

### Promoting CSR Management with Suppliers

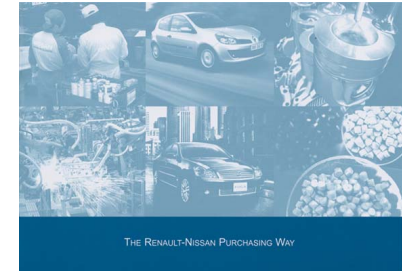
Nissan has business partners throughout the global markets, and our aim is to promote ethical, environmentally conscious business at all stages of the supply chain. We work together with our suppliers to promote enhanced CSR-based management, such as by sharing *The Renault-Nissan Purchasing Way* with them and 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 January 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.

We plan to introduce best practices in the future in order to check that our suppliers have established CSR activities and to improve CSR management. To promote CSR efforts by the auto industry as a whole, we participate in a conference organized around JAMA to examine CSR in the supply chain.

### Strengthened Communication with Suppliers

Nissan's purchasing division hosted a meeting for major domestic and overseas suppliers in May 2008 in order to explain directly the aims and initiatives in our medium-term business plan, Nissan GT 2012. The meeting was attended by 1,200 people from 620 suppliers. At the meeting, Nissan executives explained the main objectives of the medium- to long-term plan 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.



The Renault-Nissan Purchasing Way



<http://www.nissan-global.com/EN/COMPANY/LIBRARY/>

This booklet is available for download from our website.



A suppliers meeting covering CSR procurement issues



By holding meetings for suppliers, Nissan shares information with them in a timely fashion.

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### Three-Way Collaboration for Best Practices

The Nissan 3-3-3 Program is an initiative involving collaboration between suppliers and our purchasing and product development divisions. The aim is to improve quality and reduce costs in order to keep developing competitive parts. The three parties aim to develop best practices by exchanging ideas based on the scientific judgment of cost-reduction engineers and on close communication between Nissan and the suppliers. We also dispatch staff to our suppliers around the world to improve their production processes and boost their competitive strength. With the goal of working together to become cost leaders in today's adverse markets, we are further strengthening the 3-3-3 Program to increase production volume per part, promote localization and improve logistics.



Suppliers work closely with us in the Nissan 3-3-3 Program.

### Global Recognition for Supplier Contributions

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 2008, three companies received Global Quality Awards, and Global Innovation Awards were awarded to 11 companies in the product technology category and one company in the process management 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.



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

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



Nissan recognizes suppliers' contributions with its global awards programs.

### The Nissan Green Procurement 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 Procurement 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 2008, 94% 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.



Sharing information on the Nissan Green Procurement Guidelines

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In fiscal 2008 we advanced the Nissan Green Procurement Guidelines in the European region, and their coverage is slated to expand to Asia and the United States in the future.

Messages from Our Stakeholders

**Improving Our Products Through Close Communication**



**Masahiro Umezawa**  
Assistant Manager  
Design Dept. 1  
Suspension Spring Division  
NHK Spring Co., Ltd. (Japan)

I am in charge of the design and development of vehicle suspension springs. I am pleased that cars sold in Japan and around the world are equipped with our technology, but I also feel a heavy responsibility. Most of the suspension springs that we design are made of metal. Weight differs according to the type of spring used, but roughly 10 kilograms of springs go into one compact car, and upwards of 50 kilograms in one pick-up truck. In order to contribute to solving the environmental problems that are of utmost concern at the moment, I believe we must improve our springs' functionality while also working to make them lighter. Nissan has widely employed our suggestions for reducing weight. I would like to continue communicating closely with Nissan and to offer even more suggestions, responding to increased expectations in the future.

**WITH OUR DEALERS**

**The Nissan Sales and Service Way**

Nissan 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 services. We conduct various activities to increase customer satisfaction and to improve our sales and service quality based on these guidelines.

Examples of such measures include training for dealership staff to increase product knowledge and customer care skills, the establishment of outlet facility guidelines to enhance Nissan's brand image and customer satisfaction surveys. We carry 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 possible in car purchases and maintenance, repair services and other areas.

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## Recognizing Initiatives to Raise the Nissan Brand

Nissan instituted the Global NSSW Awards program to recognize dealerships around the world that have made substantial contributions to the Nissan brand through the implementation of high-quality customer satisfaction initiatives in their day-to-day sales activities. In fiscal 2008, Global NSSW Awards were presented to 42 dealers from 33 countries, including two in Japan, six in North America, 15 in Europe and 19 in the General Overseas Markets. Through this award program we seek to continually strengthen Nissan's brand value and customer satisfaction activities by motivating our dealers on the sales and service front line.



The 2008 Global NSSW Awards ceremony

## Efforts to Recognize Dealer Competency

Established in 2000, the Global Nissan Award program serves to evaluate and recognize the competency of Nissan-operated dealerships worldwide in the areas of new vehicle sales, after-sales service, branding and customer satisfaction. Four dealerships were selected from among about 140 worldwide to receive the Global Nissan Award in fiscal 2008. Additionally, two dealerships received a Special Award for capturing the top market share in their respective markets.

We strive to maximize value to customers by increasing the motivation of every employee at our dealerships, the symbol of the Nissan brand in the marketplace.



CEO Carlos Ghosn presents a 2008 Global Nissan Award.

## Skill Improvement for Dealership Technicians

The biennial Nissan International Service Technical Contest (NISTEC) recognizes the exceptional skills of outstanding Nissan technicians, thereby motivating dealer service technicians around the world to further develop their technical skills. Sixteen technicians were selected to receive the 2008 NISTEC Global Award based on the results of regional contests held in 2007 and 2008. Having standardized contests in each region, followed by feedback and evaluation of skills based on Nissan's analysis of the competition results, has contributed to further raising the skill level of technicians.



The 2008 NISTEC Global Award recipients at the awards ceremony

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Cooperating with Dealerships in CSR Management (Japan)

To promote a consistent approach to CSR management, Nissan regularly holds special meetings for dealerships in Japan to explain the company's compliance-centered internal control system. At these meetings, dealerships are encouraged to improve the standards of their codes of conduct and to continue to thoroughly educate employees in this area. At the compliance meeting held in November 2008, attended by 47 compliance officers from dealerships across Japan, discussion focused on reconfirming such ideas as the company's role toward society and customers, as well as on how to carry out sound corporate activities to improve Nissan's brand value.

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.



Compliance officers from dealers in Japan discussed Nissan's CSR management approach.

Messages from Our Stakeholders

A Focus on Satisfying the Customer



**Jose Martins**  
General Manager  
Oakville Nissan Ltd. (Canada)

Today more than ever, the customer is the central focus in any successful business. In this competitive market, to sustain profitability and growth it is important not only to earn new customers' business, but also to satisfy and retain the current customer base. Customer retention is a reflection of a company's investment in providing quality service throughout the entire organization. While Nissan's brand identity and exceptional product quality certainly provide a strong foundation for retailers, a compelling product line-up alone does not keep the customers coming back. The specific standards set out by the Nissan Sales and Service Way guide us in attaining our total customer satisfaction goal, which benefits all stakeholders: Nissan, retailers and ultimately the consumer. As a dealer I am grateful for Nissan's continual pursuit of superior customer satisfaction, as it is directly responsible for sales growth, customer trust and retailer profitability.