

Autoliv

CORPORATION

Introduction to Autoliv:

Our company is the worldwide leader in automotive safety, a pioneer in both seatbelts and airbags, and a technology leader with the widest product offering for automotive safety.

All the leading automobile manufacturers in the world are our customers. We service them from 80 subsidiaries and joint ventures in 29 countries.



Our Mission:

To create, manufacture and sell state-of-the-art automotive safety systems.

Our Vision:

To substantially reduce traffic accidents, fatalities and injuries.

Our Values:

Our core values are part of Autoliv's "corporate DNA". Much like the human body, our genetic code is everywhere and affects everything we do. It determines who we are – our identity.

Our Strategy:

Our strategy is to be vehicle manufacturer's first-choice supplier through:

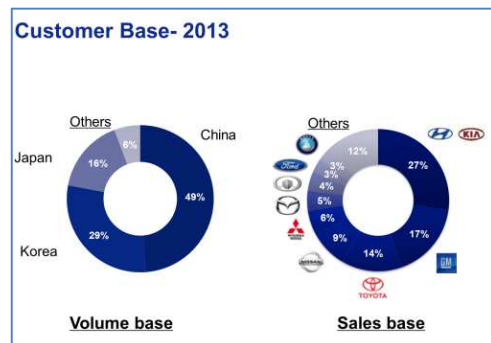
- Technological leadership
- Complete system capabilities
- Highest-value safety system solutions
- Cost efficiency
- Quality excellence
- Global presence
- Highest level of service and engagement
- Dedicated and motivated employees

FACILITY

The core products manufactured by ACI are airbag inflator for the Asian Automotive market. Our factory is located in the Fengxian district, 30km south of Shanghai, China.

- September 2004 : Formal business license
- August 2006 : Facility built up
- June 2007 : First production line SOP
- July 2008 : TS16949 certification
- July 2011: First full automatic line SOP
- August 2011: 20 million inflators produced from SOP
- June 2012: ISO14001 certification
- December 2013: Challenge the ShigoPrize
- 7 Pyrotechnic frontal lines
- 6 Pyrotechnic side lines
- 4 Hybrid side and curtain lines
- Annual capacity is 20 million units
- Building size is 8000 sqm
- 479 employees among 365 direct labor

Main customers of ACI are airbag module plants located in Asia. Those modules are then delivered to both global OEMs and Chinese OEMs (As represented in the Customer graph below).



- 49% of our volume shipped in China
- 29% of our volume shipped in Korea
- 16% of our volume shipped in Japan
- Top three OEM customers are HKMC, GM and TOYOTA.

PRODUCT

The inflator is one of the key components of an airbag system. Its main function is to generate gas to inflate the bag located in the airbag. It requires advanced technology allowing a functioning time less than few milliseconds depending on airbag





technology. The way to inflate the bag depends on the inflator technology used:

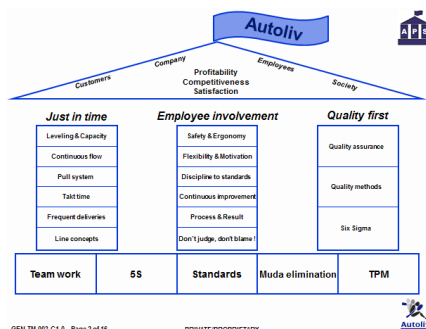
- Pyrotechnical inflator ignites an explosive material that generates gas during its combustion.
- Hybrid inflator release the gas located inside its chamber.

In recent years, a growing number of airbags have been installed in various locations within the car in addition to the driver airbag increasing tremendously the size of our market. The pyrotechnical type is ideal for weight reduction while the hybrid type is use for quick functioning time depending on customer needs.

PROCESS

With the Autoliv Production System (APS), Autoliv is engaged in a process of continuous improvement and breakthrough with the aim of being the leader in our industry and progressing each day in satisfying our customer, employee, shareholder and society expectations.

APS is the formalization of the Autoliv Manufacturing Culture. This is the culmination of Autoliv Worldwide Manufacturing Experience. The Autoliv Production System is a set of approaches and tools to help every Autoliv plant to grow towards excellence. With APS, every plant is working towards the same manufacturing vision which is our DNA.



ACHIEVEMENTS

Quality

- Customer PPM reduced from 8.5 in 2009 to 0.96 in 2013
- Supplier PPM reduced from 5125 in 2009 to 33 in 2013
- ISO/TS-16949 – Passed in July 2008 and 100%

success rate in customer audit

Cost:

- APS Workshop cost saving CNY 10.34m in 2013
- VEVA cost saving CNY 9.18m in 2013
- LMBU (Labor Minutes Per Unit) reduced from 4.34 in 2009 to 2.10 in 2013
- We have built more than 150 machines in-house by ourselves till 2013
- Inventory turns improvement from 4.0 in 2009 to 7.2 in 2013

Delivery:

- The average of customer on time delivery from 2009 to 2013 achieved 99.91%
- The average of supplier on time delivery from 2009 to 2013 achieved 96.31%

Morale:

- Submitted kaizen suggestions 13,126 and implemented 11,098 kaizen suggestions in 2013 which is over 25 per person /year
- 72 workshops completed in 2013 and the participation rate is 86.73%
- Quarterly employee recognition through APS ceremonies
- Team building for all employees (yearly offsite management meeting, Chinese traditional celebrations, ...)

PEOPLE

We are committed to the development of people's skills, knowledge and creative potential. We create value through skilled and dedicated employees. Autoliv encourages people to drive their own development and career and we support personal initiative, creativity and entrepreneurial behavior. We build a culture of learning and development through cross functional mobility in other Autoliv companies and countries. Autoliv strives for a diverse leadership composed of men and women of different nationalities and backgrounds that treats all people with respect and fairness. The organization is managed through teams and networks in an honest and open two-way communication process.

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