

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 30 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 manufacturers' 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 ACW are steering wheels for the Asian Automotive market.

Our factory is located in the Fengxian district, 30km south of Shanghai, China.

- December 2005 : Obtained business license
- August 2006 : Started construction, 12,800 sqm (extendable to 20,600 sqm)
- January 2007 : Shipped first part to customer
- 2007 : 0.4 Million units produced / CNY 75m sales revenue / 5% market share in China

- 2010 : 3.4 Million units produced / CNY 572m sales revenue / 19% market share in China (97% CAGR, 2007-2010)

We are serving both Global OEMs (Audi, BMW, GM, Honda, Mazda, Nissan, PSA, Samsung, Suzuki, Toyota) and Chinese OEMs (Chery, Greatwall, Geely, SGMW, Dongfeng, FAW, SAIC).

58% of our production is currently shipped overseas (Japan, Korea, Australia and Mexico).

Our facility produces complete steering wheels under one roof with:

- 7 die casting cells
- 47 polyurethane foaming clamps
- 16 leather wrapping lines
- 11 final assembly cells

The number of employees is 1034 among which 924 are operators.

PRODUCT



The steering wheel is the part of the steering system that is manipulated by the driver.

The steering wheel is a safety part contributing to occupant restraint by absorbing energy during a crash. It also must meet the most stringent design and manufacturing constraints such as reliability, esthetic, durability, fit & finish, ergonomic, weight & inertia and emission & environment.

Steering wheels for passenger automobiles are generally circular, and are mounted to the steering column by a hub connected to the outer ring of the steering wheel by one or more spokes.

The steering wheel is usually integrated with driver airbag and is the usual location of the button to activate the car's horn. It may have other functions such as cruise control and audio systems to minimize the extent to which the driver must take their hands off the wheel.

ACHIEVEMENTS

Quality

- Customer PPM reduced from 15 in 2007 to 3 in 2010 with a CAGR of 94%
- Supplier PPM reduced from 7066 in 2007 to 1436 in 2010
- ISO/TS-16949 – Passed in December 2007 + 100% success rate in customer audit

Customer recognitions:

- WD HAC (Dongfeng Honda) Supplier of the year 2009
- DPCA (Dongfeng Peugeot) Quality award 2009
- CFMA (Changan Ford Mazda) Quality award 2010
- Great Wall Quality award 2010
- SGM (Shanghai GM) Quality award 2010

Cost:

- APS Workshop cost saving CNY 16.93m in 2010
- VEVA cost saving CNY 10.15m in 2010
- 2007-2010 productivity improvement of 49%
- Scrap reduction from 1.83% in 2007 to 1.03% in 2010 calculated as a percentage of sales
- Inventory turns improvement from 7.9 in 2007 to 19.5 in 2010

Delivery:

- Improved customer on time delivery to 99.91% in 2010
- Improved supplier on time delivery to 97.78% in 2010

Safety and Environment:

- Received Safety award 2009 / 2010 by the development zone safety bureau
- Became the first Autoliv facility to use 100% water base glue instead of solvent glue (For leather wrapping)
- 100% of water base painting in Polyurethane production area (4 old small projects remained with solvent painting)
- Utility cost from 6.9RMB/Unit in 2007 to 3.06RMB/Unit in 2010

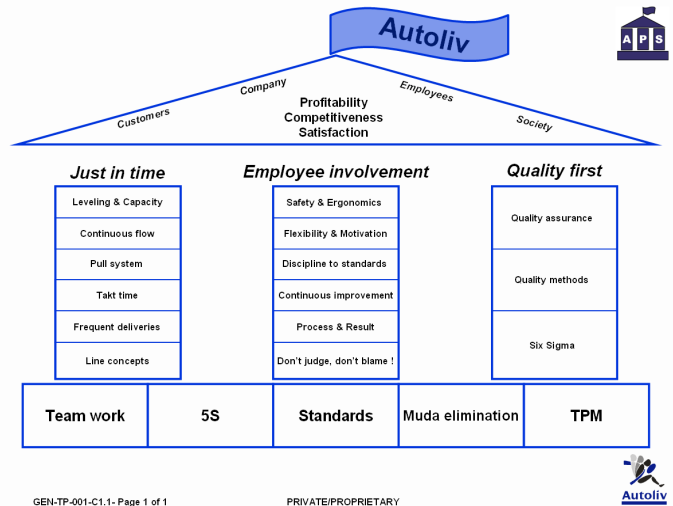
Morale:

- Submitted kaizen suggestions doubles from 21.69/Person in 2007 to 45.38/Person in 2010. Implemented over 29,489 kaizen suggestions in 2010 which is over 27 per person / year
- 138 workshops completed in 2010
- Quarterly employee recognition through APS ceremonies
- Team building for all employees (yearly offsite management meeting, sports events, Chinese traditional celebrations, ...)
- 9.95 training days per employee in 2010

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.



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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