

ACHIEVEMENTS

In the five years since receiving the Shingo Prize we have continued to make improvements in all aspects of our business. We have implemented five missions of the work site, which are: Safety, Quality, Employee Morale, Delivery and Cost. Focusing on these five key areas has lead to the following significant achievements:

Safety

- Reduced Workers Compensation Cost per Labor Hour by 25%
- Created and implemented/developed a Behavior Based Safety Program

Quality

- Reduced Customer PPMs by 96 %
- Reduced Supplier PPMs by 265%

Employee Morale

- Kaizen suggestions increased by 253%
- Created and implemented Team Problem Solving Projects
- APS Fun Day Activities
- Community Involvement Activities
- On-site Health Clinic (FirstChoice)
- On-site fitness center
- Implemented new hire training cell
- Created APS (Autoliv Production System) University

Delivery

- 98.5% on time delivery to customers
- Reduce conveyance between Ogden and Brigham by 50%

Cost

- The company consolidated three inflator facilities by moving Ogden and Denver Inflator production to Brigham, resulting in significant overhead reductions
- Increase in parts built per person by 82%

People

The 1,070 employees working at the Brigham facility are our greatest asset. Through their Kaizen ideas we have

been able to make continuous improvements in all aspects of our business.

Since receiving the Shingo Prize award we have continued to Kaizen our Kaizen program. We have gone from an individual based Kaizen system to a team based system. This has provided greater buy in from the teams and better utilized the finder/fixer skills within each team. The Kaizen process has been greatly simplified and has facilitated a more rapid turn around time for implementing improvements to our worksite and processes.

We have also created a new-hire training cell. In this cell we teach key Safety, Quality and APS principals. This introduces our new employees to the manufacturing environment at IBC, which has reduced anxiety and has improved productivity upon reaching the production floor.

We have continued to build upon our work-fit program by adding an in-house fitness center. This allows our physical therapist to work closely with individuals who may be experiencing ergonomic issues at work. It is also a proactive approach to improving employee's health. Additionally we have added an on-site health clinic to provide easier access to health care for employees and their dependents for a lower co-payment.

In 2003, APS University was launched. The mission of the University is to train and mentor leaders in the APS principles so they can in-turn become teachers and mentors. Since its inception there have been approximately 200 Autoliv graduates. The IBC staff has also helped launch APSU programs in Mexico and Canada. In addition, there have been approximately 100 suppliers go through the University which creates a win/win situation for everyone.

Process

The IBC Facility continues to provide a broad offering of lifesaving airbag inflator products. Our customers depend on us to build high performance products that are 100% reliable. By applying the

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principals of the Autoliv Production System (APS) we have been able to satisfy the needs of our internal and external customers.

At the IBC Facility, APS is our way of life! We provide each associate the opportunity to learn and use these tools through monthly training on various APS topics. We teach them to apply those tools in workshops and other problem solving opportunities.

In addition to applying the tools of APS to improve our processes, we have taken the opportunity to share our philosophy with our suppliers. Through these efforts we have been able to spread our culture to these key business partners. These efforts have helped them reduce cost through eliminating waste in their processes.

We have provided these tools to strategic business partners and assisted local businesses in helping them start on their own lean manufacturing journey. We do this by providing tours of our facility and sharing key APS concepts with them.

Product

Autoliv has been the pioneer in the field of airbag inflation devices for over 35 years and today is the world's largest producer of airbag inflators. We are widely recognized for our innovation and our inflators are used in a full range of applications for driver, passenger, side, and knee bolster. Our products are proven to meet the most stringent governmental and customer specifications worldwide, and our manufacturing practices ensure that our products satisfy the most demanding requirements for reliability and performance.

Incorporating the lean manufacturing principals of Autoliv Product Development System (APDS), we consistently win patent approval for our pyrotechnic and stored gas inflator designs that perform reliably and – more importantly – that continue to save lives.

Facility

At the time of our Shingo certification in 2003, the Inflater group consisted of two facilities, one located in Ogden and one in Brigham City. Those two facilities were consolidated in the first quarter of 2004. Since that consolidation, and through continually applying APS principals, we are building approximately 20% more inflators annually with nearly 50% fewer employees than prior to the consolidation.

The Brigham City Facility consists of a 586,000 sq. ft. building which sits on 89.5 acres of land. We currently have over 60 manufacturing lines and ship to 36 locations worldwide. Included within the Brigham Facility is a Metrology Lab, a Machine Build group and an Environmental Testing Lab.

Due to our improvements in line design and output we have been able to free-up additional floor space which has allowed our Service Parts Facility to move from its prior location in Ogden to be housed here. With our additional available floor space we are currently working with several potential partners on manufacturing non-automotive products using some of our core technologies and processes.

Corporation

With headquarters in Stockholm, Sweden, Autoliv Inc. is a Fortune 500 company and the world's largest automotive safety supplier with sales to the entire leading car manufactures in the world. Autoliv develops, markets, and manufactures, integrated safety systems including airbags, seat belts, safety electronics, steering wheels, anti-whiplash systems, seat components and child seats.

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