

Press Release

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Ten Years of Partnership between VW Powertrain and Voith Industrial Services in China

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- **Voith Industrial Services honored with Award of Special Contribution and Golden Supplier Award**
- **Specialized outsourcing services provider supports rapid growth**
- **Strong partnership based on mutual trust**

After only ten years' development, Shanghai Volkswagen Powertrain Co., Ltd. (VWPT) has grown into a pacemaker of the Chinese automotive industry, thanks to not only advanced products and manufacturing system brought from Volkswagen Group, but also advanced manufacturing ideas inherited and innovated by VWPT.

“We have developed a strategy of assuring quality, reducing costs and continuously strengthening core competencies – which is based on outsourcing various non-core activities including tool management, equipment maintenance, chemical management, etc. VWPT's rapid growth is inseparable from the great support of and the close partnership with specialized outsourcing service providers”, says Fengqing You, Manufacturing Director of VWPT.

After an intense analysis and market survey of the current domestic and international situation, the Polish engine plant affiliated with the Volkswagen Group as well as the status quo of VWPT, they decided to outsource equipment maintenance – which is the most important part among all their outsourced business – and cooperate with Voith Industrial Services Shanghai Co., Ltd. Having a focus on automobile manufacturers, Voith Industrial Services has fifty years of specialized experience and a well-established relationship with the Volkswagen Group. The cooperation between VWPT and Voith Industrial Services dated back to 2004 when VWPT was established. Voith Industrial Services provides maintenance of all production machines and equipment, maintenance of all technical equipment, operation of all mechanical rooms, spare parts management and documentation management on site. To address the growing market demand, VWPT has been increasing its capacity through continued plant expansion.

Ten years later, Fengqing You concludes that outsourcing can help the enterprise to reduce its costs, to improve its core competencies as well as to downsize its structure and relieve pressure coming from manpower and management. Voith Industrial Services provides specialized support and services for VWPT in terms of equipment maintenance outsourcing, developing an improved maintenance plan according to the running state. Additionally, outsourcing can help the enterprise to develop a green plant. VWPT is always at the forefront of the industry regarding fulfilling corporate social responsibilities. Every year, in a joint effort with Voith, VWPT develops its measures and goals for energy conservation and consumption reduction and puts forward a green solution for energy conservation and emission reduction.

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Ten years ago, the outsourcing market in China was not mature and this meant some risk. "Therefore, it was especially important to select a service provider who was specialized enough, the costs had to be controllable, the cultural concepts held by both parties had to be compatible, the cooperative strategies developed by both parties had to be unifiable", says Fengqing You.

Voith honored with the Award of Special Contribution by VWPT

Over the last decade, Voith has cooperated with VWPT to ensure equipment stability through a package of equipment management concepts. Therefore, Voith Industrial Services was honored with the Award of Special Contribution by VW Powertrain on its tenth anniversary. With the service concept of "Create added value for customers", the industrial services provider supports the rapidly increasing productivity of VWPT. Only two suppliers who have accompanied VWPT for ten years received the award, which stands for the development of both VWPT and the suppliers. Voith Industrial Services is proud to be one of the winners.

To fulfill its commitment towards customers, Voith Industrial Services provides technical resources shared worldwide, makes full use of the internal and external trainings and cooperates between departments.

The outsourcing supplier Voith Industrial Services always gets high scores in categories like safety, quality, costs, response, cleanliness and organizational development. Additionally, it always achieves good results by optimizing processes and by upgrading technology. By now, Voith has recruited a lot of talents and has actively participated in special projects as well as in site management, making a great contribution to VWPT.

Golden Supplier Award

In addition to the Award of Special Contribution, Voith Industrial Services has also been awarded with the Golden Supplier Award for the last three consecutive years. The Award of Special Contribution is of huge

significance for Voith Industrial Services. It is not only strong encouragement for Voith and the staff on site but it is also recognition of Voith's efforts and development during the last decade. Moreover, it also represents the mutual trust between customer and supplier, which is based on cooperation and innovation and created by in-depth communication between each other.

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During the past ten years, Voith has effectively consolidated its technological resources worldwide, made full use of internal and external training, coordinated and improved sound communication among all parties. Moreover, Voith has also improved the key performance indicators (KPIs) and followed through their implementation to ensure successful realization of the KPIs every year.

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The team of Voith Industrial Services is delighted to have won the Award of Special Contribution from VWPT, which will encourage it to become even better in the upcoming years. Along with VWPT's development, the industrial services provider will continue providing responsible actions, innovative solutions and sustainable high-quality services to support VWPT to develop in an even more efficient and stable way.

Just recently, the team of Voith Industrial Services has received another contract from VW Powertrain. The new contract comprises production equipment maintenance, technical facility management, the operation of the central supply system (for example: emergency generator, air compressor, and chiller), documentation management and spare parts management. It runs for a period of 2 years.



Picture caption:

Ten years of partnership: Voith Industrial Services receives the Award of Special Contribution from VW Powertrain.

About Voith Industrial Services:

Voith Industrial Services, a Group Division of Voith GmbH, is one of the leading providers of technical services for key industries such as the automotive, energy, chemical and petrochemical industries as well as mechanical engineering. In 2013/2014, the company generated with its 18,500 employees sales of € 1.18 billion at its more than 170 locations worldwide.

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About Voith:

Voith sets standards in the energy, oil & gas, paper, raw materials and transport & automotive markets. Founded in 1867, Voith has nearly 39.000 employees today and generates € 5.3 billion in sales. It has locations in around 50 countries worldwide and is one of the large family-owned companies in Europe.

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