

I'M ALWAYS AMAZED BY HOW QUICKLY WINTER SEEMS TO FADE AWAY AFTER A FEW WARMER DAYS IN MARCH.

The grass becomes greener, the trees begin blooming, and days become noticeably longer. It's time for lawn mowers instead of snow blowers as thoughts turn to Spring Break, Easter festivities, and March Madness.

But things didn't go as usual this year, did they? Of course, most of us have adjusted schedules and adapted behaviors as a result of the global concern over the COVID-19/Coronavirus outbreak. Unfortunately, we had to make the difficult decision to cancel our 2020 Power of Exchange (POE) event as a result of these health concerns. We look forward to POE returning to our calendar in 2021.

As the news continues to unfold each day about this extraordinary situation, it occurred to me how closely the word "challenge" relates to the word "change." For example, the Coronavirus threat is challenging many companies and organizations to completely rethink how and where they get business done. While some companies seemed to be caught off guard, many businesses had already broken from tradition and quickly activated remote workspace protocols, shifts in their supply chains, and alternative customer management systems.

In this edition's Feature Story — which was already scheduled to address rethinking traditional ways of doing business — we take a look at how this type of forward-thinking and contingency planning might contribute to economic recovery and continued success.

Responding to changes also shapes long-term business strategies, such as the Toyota Environmental Challenge 2050. This initiative supports our commitment to reducing automobile-related environmental burdens so they reach levels as close to zero as possible. From manufacturing changes, vehicle performance factors to minimizing and optimizing water usage and encouraging recycling-based systems, the plan's intention is creating a future society in harmony with nature.

We asked Kevin Butt, Director of Environmental Sustainability for Toyota Motor North America, to share how Toyota 2050 is helping us redefine "business as usual" and leading us towards a more sustainable society. Be sure to read his article in this newsletter's Executive Spotlight on **PAGE 3.**

AS THE NEWS CONTINUES

TO UNFOLD EACH DAY

ABOUT THIS EXTRAORDINARY

SITUATION, IT OCCURRED TO

ME HOW CLOSELY THE WORD

"CHALLENGE" RELATES TO THE

WORD "CHANGE."



Chuck Hendrix
SUPPLIER DIVERSITY
SR. MANAGER, PURCHASING
SUPPLIER DEVELOPMENT,
TOYOTA MOTOR NORTH AMERICA



EXECUTIVE MESSAGE

HOW HAVE YOUR ROLES AND RESPONSIBILITIES CHANGED WITH TOYOTA OVER TIME?

I joined the company in 1992 as Assistant Manager, Environmental Affairs, for Toyota Motor Corporate Services, where I was responsible for starting Toyota's first corporate environmental office. I worked on new site assessments, compliance, program development, established the ISO 14004 program, environmental education, Environmental Regulatory and Legislative issues, and other related initiatives.

My next rotation was for three years as GM for stamping, body weld, and paint. Then, I transitioned back to Environmental Affairs to enhance the company's systems and programs. Over time, I realized we needed a more progressive sustainability outlook and was asked to start Toyota's Environmental Sustainability office. This group looks at long-term programs that will enhance operational sustainability beyond compliance. We think beyond investor ROI and build value by reducing Toyota's overall environmental footprint in carbon, water, waste, and materials.

WHAT IS THE TOYOTA ENVIRONMENTAL CHALLENGE 2050?

I'm thrilled to be leading this exciting and important corporate initiative to refocus Toyota's efforts on developing new technologies that reduce reliance on natural resources. The program sets specific goals for reducing carbon emissions by 2050 and moves us toward a society where people, cars, and nature can coexist in harmony.

To achieve success, Toyota set six challenges with the aim of going beyond zero environmental impact to achieve a net positive impact by 2050:

- 1. New vehicle zero CO2 emissions
- 2. Life cycle zero CO2 emissions
- 3. Plant zero CO2 emissions
- 4. Minimizing and optimizing water usage
- 5. Establishing a recycling-based society and systems
- 6. Establishing a future society in harmony with nature

HOW WOULD YOU DESCRIBE THE RELEVANCE OF SUSTAINABILITY IN TOYOTA'S BUSINESS OPERATIONS AND COMMUNITIES?

This is the new normal. Toyota must find ways to reduce our environmental footprint and decrease our demands on material consumption and waste generation. Investors, Team Members, and our customers are watching and demanding that we become more responsible for our activities. Given the state of the world today, people are becoming increasingly conscience of their environment. Therefore, we must become even more aggressive to keep Toyota in a more sustainable position.

HOW WILL TOYOTA CHALLENGE SUPPLIERS TO HAVE POSITIVE IMPACTS ON SOCIETY AND THE ENVIRONMENT?

Our suppliers are our partners! We will ask them help reduce our environmental footprint throughout the supply chain by sharing our knowledge and know-how to help them revise their processes. But we won't simply spend money to achieve our goals. Instead, we'll also focus on operational and material cost savings to generate economic sustainability. By doing this at scale, the impacts to both the environment and operating costs will be dramatic.

It will take all of us working together to achieve Challenge 2050 success.



Kevin ButtDIRECTOR, ENVIRONMENTAL SUSTAINABILITY
TOYOTA MOTOR NORTH AMERICA



BPG SPOTLIGHT

Toyota's employee-driven Business Partnering Groups (BPGs) help build inclusion and foster professional development throughout our company. These internal volunteer networks are based on shared characteristics and/or life experiences. Each of Toyota's 13 BPGs work to support the company's business objectives and partners with management to strengthen access to innovative ideas and diverse voices representing the future of Toyota.

We will be featuring our BPGs in the Partner Spotlight section of the Toyota Supplier Diversity Newsletter throughout 2020. This month, we connected with three BPGs at our R&D facilities in Ann Arbor and York for their insight. For additional information about Toyota's BPGs, please visit the Diversity & Inclusion section of the Toyota.com/usa website.

SHARE A BIT ABOUT YOUR BPG'S HISTORY, PURPOSE, AND MEMBERSHIP.

AAC / The AAC-R&D was founded in 2014 with the mission to continuously recruit, develop, and retain African American (AA) talent at Toyota. We also bridge the gap between AA communities and the corporate workplace through outreach. Our membership reflects diversity as a result of our efforts to build community between team members at R&D.

TERRA / Since launching in 2018, TERRA R&D quickly grew from a handful of passionate people to over 200+ members. We regularly conference with Toyota's other two TERRA chapters to ensure alignment, which is easy considering we all have the same goal: Supporting the Toyota 2050 Challenge. Our activities include education-centric events and empowering grassroot efforts driven by members.

WIIT / Women Influencing and Impacting Toyota (WIIT) has been around in some form since 2008, making it the longest-standing business partnering group in R&D. While we've reinvented ourselves once or twice in our 12-year history, our mission is to promote the talent and visibility of the women of Toyota.

HOW DOES YOUR BPG CONTRIBUTE TO CHANGE AND THINKING/ACTING DIFFERENTLY AT TOYOTA?

AAC / We strive to grow the skills and knowledge of team members by teaching skills they may need before they are needed. For example, in 2019 we hosted a Microsoft Teams and One Note training to help our members prepare for transitioning to these systems in the future. In hindsight, this was extremely relevant with the mandates to work from home during the Covid-19 outbreak.

Our BPG contributes to change by sharing our culture and creating events that educate while allowing team members to develop strengths within Toyota's cultural priorities. AAC-R&D team members collaborate across boundaries to build relationships and share best practices through activities such as our Table Talks. This event enables both mentorship and reverse mentorship opportunities with team members and various levels of management.

Lastly, we focus on professional development topics at our monthly General Body Meetings and leverage our membership who are Subject Matter Experts (SMEs) to provide training. AAC challenges the notion that it's necessary to be at a certain job level in order to help develop others. As a result of our contributions, AAC-R&D was named chapter of the year at the 2019 National AAC Symposium.

Toyota Business Partnering Groups

African American
Collaborative (AAC)



Toyota Environmental Resources for Responsible Action (TERRA)



Women Influencing & Impacting Toyota (WIIT)





HOW DOES YOUR BPG CONTRIBUTE TO CHANGE AND THINKING/ACTING DIFFERENTLY AT TOYOTA? [CONTINUED]

TERRA / Like all BPGs, TERRA has a great group of conscientious, outspoken, and passionate volunteers whose personal goals align with our sustainability goals. Starting with that foundation, we encourage our members to be outspoken stewards of the land, air, water, and animal resources both at home and at work. We pride ourselves in standing up for "the little guy" or those without voices (such as rivers, waterways, the air, pollinators, animals, etc).

To us, people become more considerate when their worldview expands to consider actions beyond themselves. By creating events that are educational and family-friendly, TERRA members are encouraged to learn, grow, and play in nature as friends and families.

WIIT / WIIT leadership events are targeted to Grow our People's Capabilities, reinforcing the NA cultural priorities. We promote strong personal ownership of one's career path, learning from peers and mentors and through WIIT career development panel discussions, & leading from where you're at.

Additionally, becoming involved in WIIT is an excellent way to develop and leverage connections with others across R&D and Collaborate across Boundaries. In our 2019 Connector Café Gallery Walk, we posed interesting questions and crowd-sourced the answers to gather innovative ideas from event attendees.

HOW DOES YOUR BPG SUPPORT THE TOYOTA 2050 CHALLENGE AT WORK AND IN THE COMMUNITY?

TERRA / TERRA R&D's entire mission was built on supporting the Toyota 2050 Challenge and we are making great progress in educating team members and our community about the initiative's overall goals and priorities. At work, TERRA R&D collaborated with Environmental Operations to reinstate a recycling program and launch a composting program on site.

In our community last year, two of our TERRA members partnered with the Ann Arbor Summer Festival's 'Festival Footprint Brain Trust.' TERRA members brought the Toyota TBP practice to the table while advocating the ideals of sustainability. As a result, the festival was able to reduce levels of overall waste to the landfill by 81% over the previous year.

WHAT'S NEXT FOR YOUR GROUP IN 2020?

AAC / We will continue to emphasize making sure our members are prepared to lead our company as we transition to a mobility company, but we will also be focusing more on strategically creating opportunities for team members to build genuine relationships. We believe that is the best way to make sure that all team members at R&D can thrive in a truly diverse and inclusive environment and extend that to our customers and supplier partners.

TERRA / 2020 is sure to be an interesting year. For example, we planned to host several activities on campus for Earth Month in April but with team members temporarily working from home due to the COVID-19 crisis, we are transitioning some of our events to be digital, which is super cool! Plus, we are reducing our carbon footprint while staying safe at home. For the rest of the year, we hope to partner with some of our fellow BPGs for Days at the Park, Movie Nights, Vegetarian BBQs, and National Public Lands Day.

WIIT / Throughout 2020, we'll continue our intentional focus on leadership development, networking, and mentoring through collaboration with other BPGs at R&D. We'll inspire and empower team members by providing opportunities to learn from leaders within the organization and industry through the Automotive News Leading Women Conference and the Toyota North American Women's Conference. A leadership skill development workshop and two leadership/professional development series will carry us into 2020. Plus, WIIT will be offering STEAM outreach opportunities such as the SWE Girls Engineering Exploration for metro Detroit middle schoolers and U of M SWE professional development workshops.



RETHINKING · · · · TRADITION

NOTHING SENDS INNOVATION INTO A SCREECHING HALT MORE
THAN THE PHRASE, "WELL, THAT'S THE WAY IT'S ALWAYS BEEN
DONE." WHILE HOLDING ON TO TRADITION MAY WORK WELL FOR
A CHERISHED FAMILY RECIPE, EMBRACING CHANGE GENERALLY
YIELDS MORE POSITIVES THAN NEGATIVES. THIS HOLDS
ESPECIALLY TRUE IN OUR FAST-PACED GLOBAL ECONOMY.

Technological advances and shared services facilitate collaboration and encourage cost savings. Expanded partnerships can increase capacity and refresh a company's capabilities. Plus, the challenge to become more sustainable and environmentally responsible continues to transform business practices across industry sectors.

We've certainly experienced these shifts at Toyota and recognize the value gained when different perspectives for getting work done introduce new ideas in the marketplace.



ALTERED STATES: WORKPLACES & WORKSPACES

Trends continue to indicate that providing employees with a comfortable workspace encourages collaboration and empowers people to do their best work. Instead of standardized 'cubicle farms' or completely open floorplans, strategic workplace design can help companies improve employee satisfaction and create an environment where team members are excited to come to work each day.

Capital One recently released the findings of the Work Environment Survey, which asked 3,500 full-time professionals about the design elements, amenities, and tools they most want to see in their workplaces. The findings, including several categories outlined below, help illustrate the impacts those things can have on employee productivity and performance.



HOSPITALITY AMENITIES / integrating rest and relaxation spaces into the office design may seem unexpected. This includes non-traditional break areas, quiet spaces for meditation or prayer, and private rooms for new mothers. Creating these progressive accommodations at the office reflect an employer's holistic approach to employee satisfaction.



RIGHT TECH MIX / companies providing both on-site technology as well as platforms that connect employees working from different locations have found themselves better able to maintain productivity during the current global health crisis. Working from home has become a new reality in many businesses and will likely remain even after physical distancing is relaxed. Digital connectivity enables improved work performance and collaboration, offers flexibility on how and when work gets done, and encourages a better work/life balance.



VERSATILE SPACE / understanding the individual ways employees work and the tools they need for success offer the best guidelines for workspace design. Considering factors such as privacy, proximity to team members, and mobility highlight the role that movement and flexible environments have on performance and productivity.



RESOURCE RECOMMENDATION

The 2019 CapitalOne Work Environment Survey details how deeply employees value adaptability and flexibility in their work spaces and schedules. Top talent increasingly expects employers to encourage and cultivate mental and physical well-being in the workplace. As a result, business owners and hiring manages should find the survey's insight to be useful in identifying how to best attract and retain the best workforce possible.



BORROWING NEEDED SUPPORT

The overhead costs associated with business materials, services, and resources often overwhelm a company's bottom line — especially in the early days of launch and growth. Operating capital and profits can be exhausted by conventional business models built upon the customary expectation of owning property and equipment (especially big-ticket or seldom used items) and hiring full time staff to fill every position on the organizational chart.

Of course, renting physical items and supplementing staff with temporary workers relieves some of the direct business expense burden. But other routes to consider might be to tap into today's "Sharing Economy" or benefit from the experience and talent available through your community's diverse suppliers. Both alternatives can help optimize budgets while accessing top-of the line services and resources.

What is the Sharing Economy? According to one definition, it's "the peer-to-peer-based activity of obtaining, giving, or sharing the access to goods and services, coordinated through community-based online services." Business-use examples might include using Airbnb rather than hotels for corporate travel or guest accommodations. Another choice could be to engage the online/mobile service TaskRabbit, which matches local freelance labor with consumers for help with everyday chores such as cleaning, moving, deliveries, and handyman work.

Shared co-working spaces can bridge the gap when extra space is needed to host clients, provide flexible workspace during renovations, or offer team members an off-site office alternative. And vehicle services such as Uber and Lyft or ZipCar can replace fleet rentals or cut down on expense reimbursements for business travel mileage. New sharing services continually enter the market, so it's worth a look to see what may be available to fit your needs.

CAPABILITY & CAPACITY BUILDERS: DIVERSE SUPPLIERS

Needing specific expertise to support a potential client request? Not enough time or resources to complete a big order? Rather than letting the opportunity pass by, keep in mind the possibilities available by contracting with a supplier to extend your capacity. Better still is seeking to establish a relationship with a diverse-owned company. Not only will your business be representing a more inclusive economy, but if you're a Tier I Supplier (for Toyota or others), you'll be contributing to your Tier II Supplier target spend.

The value of being able to lean on a diverse supply base can't ever be overstated. But as a reminder — or if you need to make the business case to partners and stakeholders — here are several key points to substantiate your position:

Diversity incorporates different backgrounds and life experiences into your supplier mix, helping to overcome homogenous thinking with fresh new perspectives.

Because most diverse suppliers are small businesses, they are usually able to offer greater flexibility, better customer focus and lower cost structures than larger businesses.

Smaller, diverse suppliers are less likely to be tied down by restrictive policy, red-tape or innovation-stifling bureaucracy.

Research indicates the strongest business relationships are often made with smaller, more diverse suppliers.

Your customer base is diverse, so your business needs to be diverse as well.

Partnerships with diverse suppliers generates a competitive advantage when facing changing customer demographics.



TOYOTA ADVANCING ON ENVIRONMENTAL CHALLENGE



As Kevin Butt, Director of Environmental Sustainability for Toyota Motor North America, noted in this edition's Executive Message, the Toyota Environmental Challenge 2050 sets forth significant shifts in the company's functions. Traditional methods are being completely revamped to transform the way the company operates—incorporating assertive targets to achieve environmental sustainability and dramatic societal change within the next three decades.

The ultimate goal is for Toyota to establish a future society in harmony with nature. By working in partnership with team members and suppliers, the transformation process is already well underway.

PIVOTING TO PRODUCE HAND SANITIZER

PERNOD RICARD SA

PERNOD-RICARD-USA.COM

After hearing about recent sanitizer shortages in America's supermarkets, Melissa Hanesworth and Tara Engel of Pernod Ricard SA, the French spirits empire behind Absolut vodka and Jameson Irish whiskey, felt they had to act. By leveraging their expertise at Pernod Ricard's New York-based North American division, the two crafted a proposal to retool the corporation's distilleries for something in high demand—industrial quantities of hand gel.

Within 48 hours, they had placed a bulk order of chemicals and worked with the White House coronavirus task force to obtain clearance from regulators to begin manufacturing. On March 20,



Pernod Ricard's facility in Fort Smith, Arkansas, where it makes Malibu coconut rum and Seagram's gin, had produced 1,000 gallons of hand sanitizer. The gel will also be made at the company's bourbon and rye distilleries in Kentucky, Texas, and West Virginia. All of it will be donated for distribution to hospitals and wherever else it's most needed.

Pernod Ricard's production of hand gel comes as a wave of beverage-alcohol companies moonlight to fill cleansing-alcohol needs. As of late March 2020, the American Craft Spirits Association said three in four of its distillery members are now producing alcohol for use as disinfectant.



PARTNERSHIP CREATES CUSTOM DRIVE-THRU TEST SITES

SAMPLESERVE SAMPLESERVE.COM // TENTCRAFT.COM

The urgent need for COVID-19 testing facilities brought together two Michigan companies from disparate industries to create an innovative solution. SampleServe, a medical and environmental app developer, and TentCraft, a special events tent manufacturer, are collaborating to create rapid drive-thru testing facilities.

SampleServe supports mobile field testing through a suite of apps and Bluetooth technology that significantly reduces the time needed for sample collection and processing time for "paperwork." Combined with TentCraft's custom-designed drivethru tent facilities, the pair will be able to offer scalable, temporary facilities capable of conducting hundreds and thousands of rapid COVID-19 tests quickly and safely.





FREE 3D PRINT FILES AVAILABLE



HP HP.COM

3D printing has surfaced as an ongoing avenue for exploration and innovation. HP opened up its proprietary design files for 3D printed parts to support containment efforts so they can be produced anywhere in the world and are also helping end-customers bridge potential supply chain interruptions by expanding distributed print-on-demand capabilities.

Free design files have been posted **ONLINE** including a mask adjuster and a hands-free door opener. HP plans to post more applications and resources as they become available.

OFF THE ICE





Hockey equipment manufacturer Bauer and sister company, Cascade, have shifted production to make full-face, single-use masks for medical staff, first responders, and others with medical equipment needs. The companies are also in the process of developing visors that can be cleaned, disinfected and reused.

According to Bauer VP of marketing Mary-Kay Messier, engineering teams collaborated to consider what they could do to make a difference while hockey was shut down. Within four days they had come up with a concept, tested a prototype, gone through a few versions, received feedback from frontline workers, and delivered a shield that actually works.

CONCLUSION

Change is inevitable. And as recent world events clearly demonstrate, being nimble and collaborative expedites responsiveness and increases the probability of solving even the most complex problems. Clear communication and transformational thinking are mandatory as we all pivot to new realities.

Perhaps the lessons learned from current global health and environmental crisis situations will prompt even more willingness to embrace innovative methodologies and diverse perspectives in seeking answers and creating solutions. After all, the possibilities are truly limitless when we commit to working together.







WBENC NAMES TOYOTA AS A TOP CORPORATION

Even though WBENC was unable to hold their 2020 Summit & Salute event, we are honored to share that Toyota was named as one of the 2019 America's Top Corporations for Women's Business Enterprises (WBEs). The annual honor recognizes WBENC National Corporate and Government Members who choose to integrate policies and programs across their organization to enable growth and innovation and reduce barriers for women-owned businesses.

TOYOTA was awarded the Platinum level distinction. Platinum distinction recognizes companies with leading programs who are setting the highest standards while driving innovation in all areas supporting WBEs.

WBENC celebrates Top Corporation honorees who successfully drive the sustainable inclusion of women-owned businesses within corporate and government supply chains and empowered local communities through economic growth and job creation.



CONGRATULATIONS TO ABM WINNERS

Although we were not able to hold our traditional Annual Business Meeting this year, we were still able to recognize several of our suppliers for top performance in areas such as Quality, Technology & Development, Supplier Diversity, and Value Improvement.

Pictured are the Supplier Diversity winners:

- · Superior Supplier Diversity Award Adient
- Excellent Supplier Diversity Award (two winners) Gentex + PKAF PPG Kansai Automotive Finishes





MEET THE TEAM



Chuck Hendrix SENIOR MANAGER

- Oversees the Manufacturing and Sales Divisions
- Building of TOYOTA's Supplier Diversity Processes
- Development of Diverse Companies
- Organizations: WBEC-South Board Vice-Chair, AIG, BDR, NBL



Stephanie Burton MANAGER

- Internal Strategy Development
- Development of Diverse Companies
- Power of Exchange & Opportunity Exchange
- · Organizations: AIG, BDR
- Driving Impact a Toyota/Adient Business Module



Tim Yamada MANAGER

- Internal Diversity Strategy Development Financial Services
- Development of Diverse Companies
- Organizations: Disability: IN, NGLCC, WBC-Southwest, WBEC West, DallasFortWorth MSDC
- Toyota Mentorship Program for Small and Diverse Businesses



Erin Caudill ANALYST

- Tier I Reporting & Activities
- Power of Exchange & Opportunity Exchange
- Organizations: NMSDC, NVBDC, Great Lakes WBC, Michigan MSDC, Southwest MSDC, Southern Region MSDC, WBEC South, WBEA, APACC and MHCC



Adrina Walker ANALYST

- Tier II Program Management
- · Power of Exchange & Opportunity Exchange
- Newsletter and Social Media Management
- Organizations: WBENC, Mid-States MSDC, TriState MSDC, WBEC-ORV, CAMSC, WBE Canada



Alyssa Kirkopolous **ADMINISTRATOR**

- Power of Exchange & Opportunity Exchange
- Execution of the Team's Sponsored Events

UNDERSTANDABLY, MANY
OF OUR PARTNERS ARE
SUSPENDING EVENTS
AND ACTIVITIES DURING
THE UPCOMING MONTHS.

For the latest updates on rescheduled events, please visit the websites of our partner organizations. Most importantly, please join us in showing continued support of our partner organizations through this time of change and uncertainty.



CANCELLATION NOTICE

Because health and safety are a top priority for Toyota, we regret to announce the cancellation of our 2020 Power of Exchange event scheduled for July 14 in Dallas. At this time, we are optimistic that Power of Exchange will return in 2021.

We appreciate your understanding and look forward to seeing you at our next event!





Dream in a mobility mindset.

