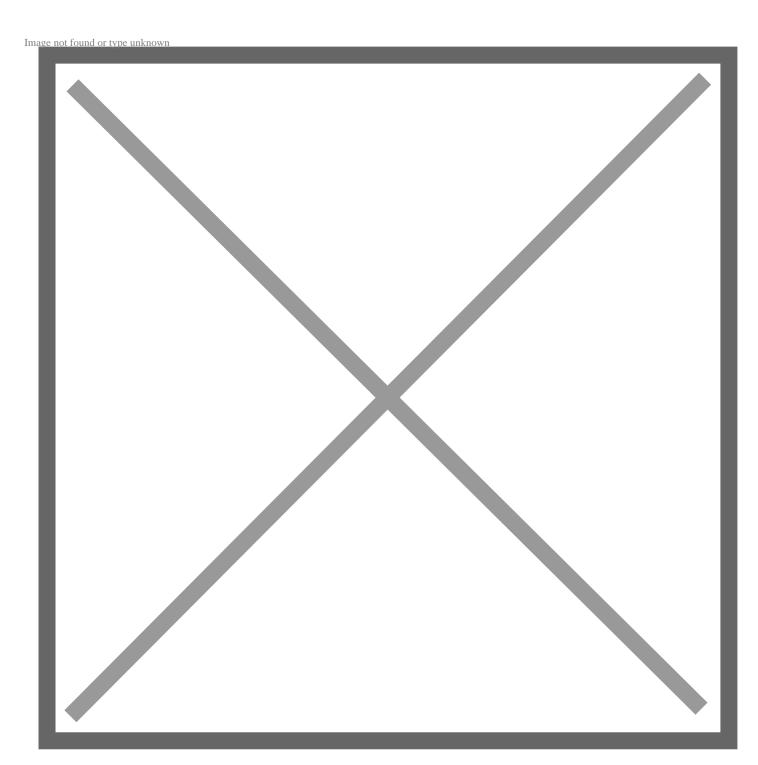
# Charting a Course Through 2020 Following the Toyota Way

December 22, 2020



Along with the rest of the world, Toyota began 2020 with plans. New vehicle reveals, milestones in manufacturing and innovation, community outreach objectives, a full calendar of employee events, and more, were ready to hit the ground running.

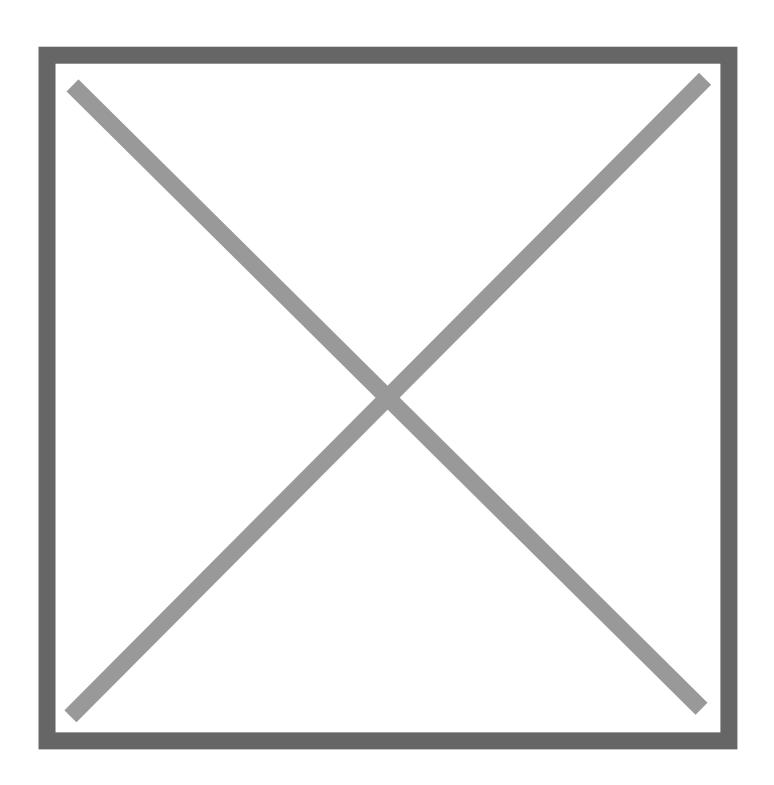
Like you, and like so many of us, Toyota was ready.

Then, in March of 2020, the COVID-19 pandemic became the crisis that threatened to bring the wheels of their big plans to an abrupt stop.

In that surreal moment, as awareness of the scale of the crisis became clear, something else crystallized just as quickly. Toyota was indeed ready, just not in the way it initially thought. The pillars of the Toyota Way are always in place and, as conditions on the ground shifted, those pillars stood firm. Through the foundational principles of Respect for People and Continuous Improvement, Toyota's "North Star" led the way.

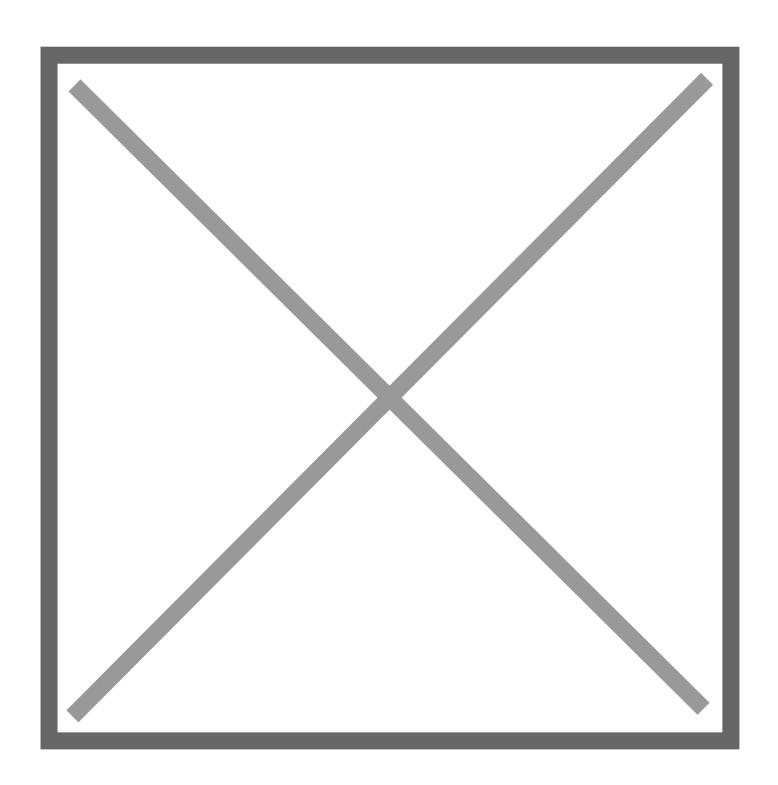
### A New Year

2020 began with a major leap in mobility innovation and January's Consumer Electronics Show (CES) offered the perfect forum for announcing Toyota's plans to build a prototype city of the future: Woven City. A fully connected ecosystem powered by hydrogen fuel cells, Toyota announced that Woven City will function as a "living laboratory" to help test and develop technologies, such as autonomy, robotics, personal mobility, smart homes and artificial intelligence in a real-world environment. In a similar visionary vein came the announcement of a new collaboration with Joby Aviation, an aerospace company that is developing and commercializing allelectric vertical take-off and landing (eVTOL) aircraft. Toyota had set its sights on the sky, as well as on land, in its quest to deliver "Mobility for All."



January was significant for another major initiative forged from a fundamental respect for the dignity of all people and the commitment to seek new ways to do and be better. The start of 2020 saw the creation of the Social Justice Action Committee; a powerful resource for allyship at Toyota. Though they could not know what was to come, this group undertook the important work of strengthening equity, diversity and inclusion.

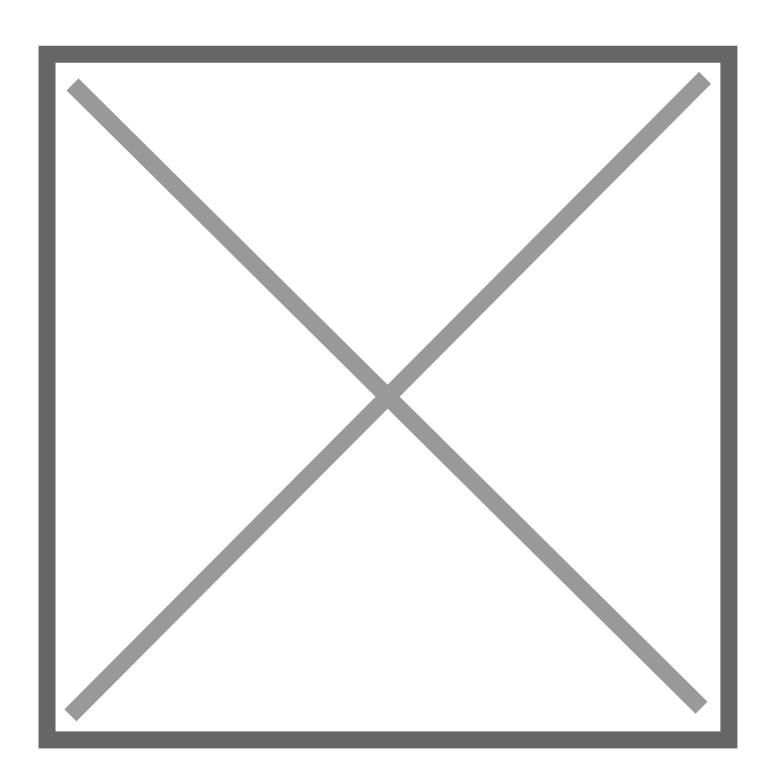
February brought the first auto show of the year and the roll out of <u>seven new Toyota SUV and pickup editions</u> in Chicago. And in Daytona, the <u>2021 GR Supra</u> was introduced. Though snow flurries swept across the country, these weeks would turn out to be the calm *before* the storm.



# **The Big Pivot**

March is said to come in like a lion and out like a lamb. In 2020, the opposite was true. As the month opened, the U.S. saw the first signs of the escalating crisis that would soon transform the world as we knew it. And it wasn't long before the COVID-19 pandemic began impacting the nation, and Toyota along with it. Toyota's response was swift and steadfast: We are here for you.

By April, a new and changing reality meant evolving forms of support. With North American assembly plants paused, Toyota quickly began to deploy its strengths to shift from making vehicles to making a difference. For example, Toyota's Manufacturing Projects Innovation Center in Georgetown, Kentucky, adapted its 3-D printing capability to make <u>face shields</u>, which were donated to front-line medical workers treating COVID patients.



At the same moment, Toyota dealers across the country were <u>stepping up to help</u> their local communities, with all hands on deck to help provide lunches to school-age children, free Wi-Fi and more in their communities.

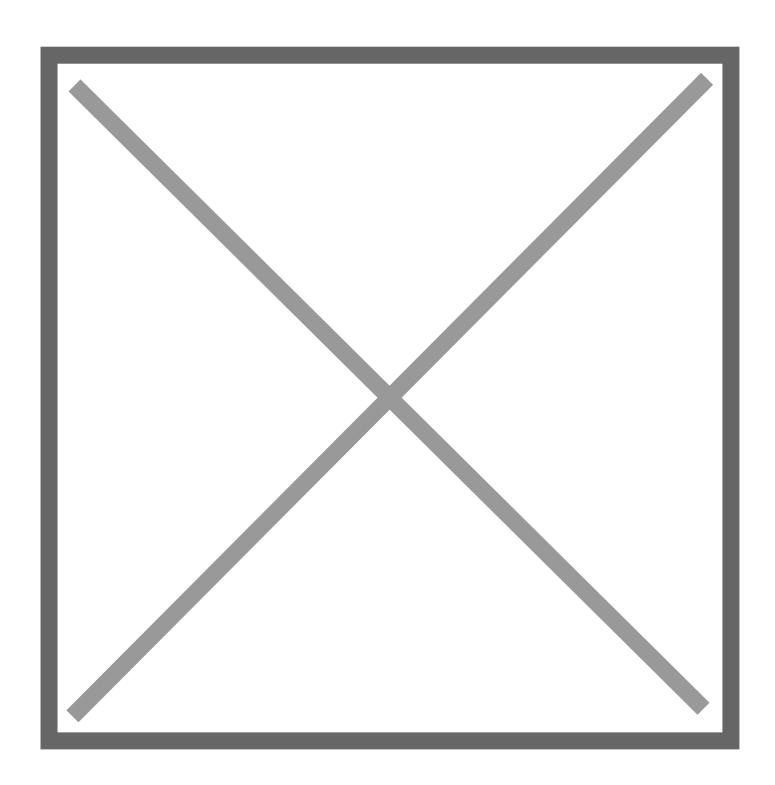
The company made time, though, to serve the core mission of quality in a new way as Toyota Motor Credit Corporation created <u>Mazda Financial Services</u>, offering a suite of products to Mazda dealers and customers in the U.S.

But perhaps the biggest milestone during the pivotal month of April was the introduction of the new North American TMNA President and CEO, Tetsuo "Ted" Ogawa. In the middle of unprecedented challenges, Ogawa took the helm to create calm, following the course set by a steadfast respect for people.

### It's About People

Following Ogawa's lead, throughout the spring and into early summer, the focus was on respect for the needs and contributions of others. In May, Toyota saw the milestone of a Top 10 Ranking for Diversity (out of its 2020 top 50 Companies for Diversity®)—the only automaker ranked in the Top 10. Toyota dealers continued to show up for their communities, and the <u>Toyota USA Foundation</u> built upon the company's ongoing COVID-19 relief efforts. Toyota Financial Services (TFS) was named one of the most community minded companies in the nation. In 2020, TFS issued its fifth <u>Diversity and Inclusion (D+I) bond</u> in the amount of \$750 million, placing a spotlight on high-quality Minority- and Women-Owned Business Enterprise (MWBE) certified firms. The year also saw the issue of the company's fifth <u>Green Bond</u>, an important component of TFS' diversified funding program to serve and enhance Toyota's extensive commitment to environmental causes.

In June, to honor the memory of George Floyd, Toyota <u>reinforced their message</u>—We see you. We hear you. And, we stand with you and for you—taking a moment to reflect by stopping the manufacturing line for 8 minutes and 46 seconds and offering a moment of silence across the organization.



And the African American Collaborative—a Toyota employee resource group—through a video produced to mark Juneteenth, reinforced the "respect for people" values inherent in social justice and equality for all.

# **The Mobility Moment**

Despite the obstacles presented by the pandemic, Toyota kept planning for the future. The transformation from a traditional auto company into a mobility company did not slow down. In fact, the news came in June that Toyota will achieve its <u>5-year U.S. investment commitment</u> one year early.

The belief in "Mobility for All" is, at its root, a belief in a better society, and each division of Toyota plays a part. At Toyota's engineering center in Michigan, the team behind the 2021 Sienna leaned into the same ingenuity, collaboration and continuous improvement practices to adapt to working from home that went into the conception and execution of the all-new minivan.

But perhaps nowhere was the respect for people taken more to heart than when Toyota Motor Manufacturing went back to work to return to assembling the quality vehicles customers expect and, after the multi-week shutdown, the vehicles customers needed. New health and sanitizing protocols were put into place and <a href="mailto:employees spoke">employees spoke to the care and consideration taken</a> to help them do their jobs safely. The Toyota family looked out for one another—as it does even without a crisis reminding us what matters most.

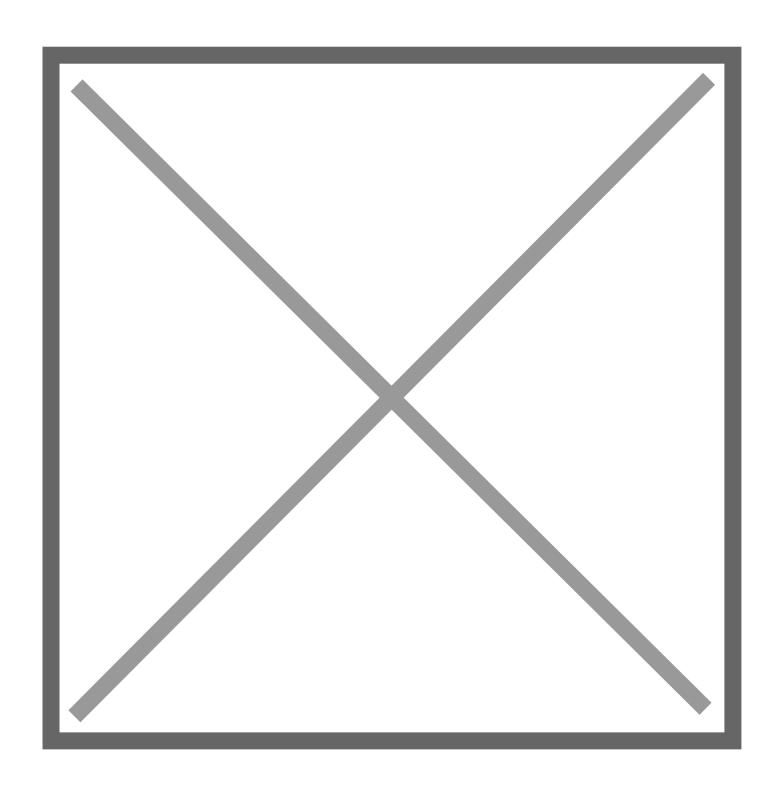
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### "We Are Toyota"

The year saw other innovations as the teams continued to respond to the unexpected. The Toyota Production System Support Center (TSSC) worked with Bullard, a maker of personal protective equipment (PPE) based in Kentucky, to bring the Toyota Production System (TPS) to their <u>process</u>. The result was a drastic increase in productivity of the critical equipment in urgent demand by healthcare workers and first responders.

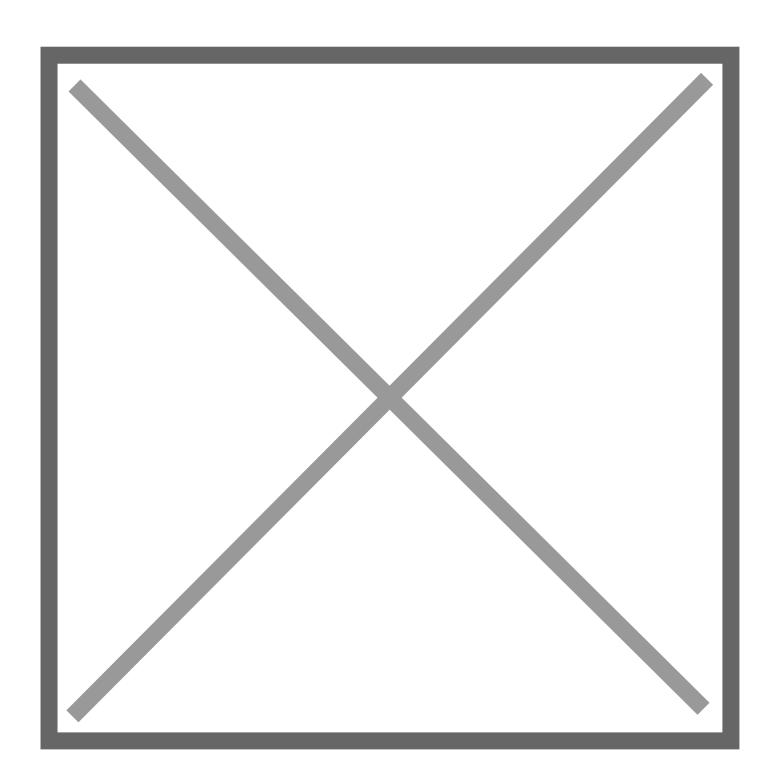
With the cancellation of major auto shows for most of 2020, launching new vehicles also required Toyota ingenuity. Reveals of the <u>2021 Venza</u> and <u>Sienna</u> were held virtually in a <u>showcase</u> format that built on and expanded the excitement of live events.

In late autumn, the <u>2020 Specialty Equipment Market Association (SEMA)</u> took to the digital sphere in two waves in place of the annual throwdown in Las Vegas. <u>Wave One</u> rolled out two imaginative reinventions: the rugged overland-ready Tacoma and ambitious, hand-lettered 2021 GR Supra 3.0. <u>Wave Two</u> introduced two more creative treatments for best-loved models: a GR Supra sport top and TRD sport trailer. Flexible, resourceful problem solving is a core feature of the Toyota Way.



As school returned to session in September—largely remote in most of the country—educational initiatives took center stage. First, online tools were created through an <a href="e-learning-hub">e-learning hub</a> offering virtual plant tours and free STEM-based lessons. For in-person learning, Toyota's Safe@School initiative, including efforts focused on looking at school bus ventilation, resulted in a \$143,200 grant to install ionization units on buses. Indeed, helping get people back to normal depends on thoughtful and sustainable protocols. A <a href="back-to-work playbook">back-to-work playbook</a> created for Toyota was shared across the industry and with school districts.

And finally, with winter fast approaching, Toyota USA Foundation grants totaling more than \$3.3 million were awarded to help address the digital divide for those with little or no internet access.



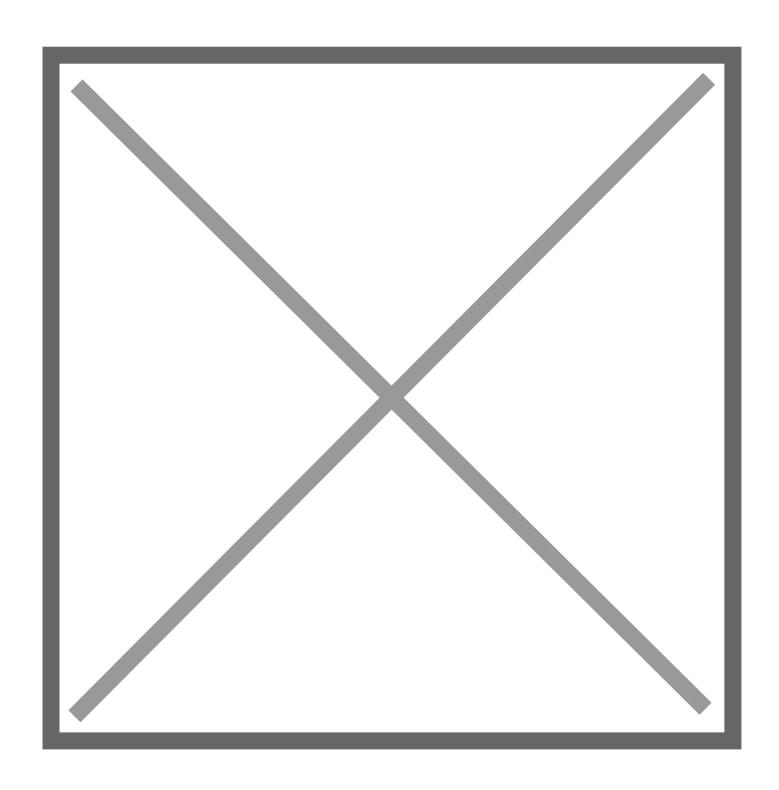
# **Relationships Are Everything**

As this historic year comes to a close, what's clear is that through partnerships we can accomplish more than we ever imagined. This is especially true in advanced technology, which is fueling the mobility movement. In October, Toyota and Hino Truck announced joint development of a Class 8 fuel cell vehicle (FCEV) for the

North American market offering commercially viable, extended range, and zero emission hauling. In November, Iwatani Corporation of America and Toyota made public their plans to collaborate on seven new hydrogen refueling stations in Southern California, greatly expanding light and heavy-duty hydrogen infrastructure in the state.

In another kind of relationship-building, during Hispanic Heritage Month in October, Toyota Latino Business Partnering Group TODOS celebrated 20 years of fostering inclusion. Connecting its members for professional development and volunteer opportunities, TODOS embodies the spirit of service paired with a sense of belonging.

It's fitting that in this year of shared sacrifice and shared uncertainty that it should culminate in a note of coming together with <u>Giving Tuesday</u>. Supporting 25 non-profits with grants totaling \$700,000, Toyota provided funding for food, supplies and more groups on the front lines of the crisis that has overwhelmed so many families, neighbors and friends.



## Thankfully, Some Things Stay the Same

Despite the obstacles and hairpin turns presented this year, Toyota saw the importance of staying the course. The <u>commitment to sedans</u> is a core piece of the Toyota Way, recognizing the customer and fulfilling expectations. In 2020, Toyota didn't just hold steady with its sedan lineup, at a time when other brands are all but eliminating them, it doubled down with a breathtaking range of options across Corolla, Camry, and Avalon models. The Camry has been America's best-selling passenger car for 18 years and counting, and now offers 17 choices, from V6, 4-cylinder, hybrid, all-wheel drive, TRD, XLE, XSE, and others.

The introduction of the 2021 Toyota Venza CUV added another new face to the lineup. And in December, the launch of the <u>all-new second generation Mirai</u> sedan raised the bar for style and tech in hydrogen fuel-cell electric vehicles (FCEV), while expanding choice to multiple grades and exclusive paint colors.

### The Road Ahead

Respect has always formed the foundation of the Toyota Way: respect for people, new ideas, for the power of collaboration. In the quality mindset, there is also a respect for the problems to be solved. A successful process depends on each step in it and each individual contribution. As 2020 has shown time and again, the path forward is a shared journey, and diverse skills are needed for its success. Together, much can be done. As Ted Ogawa said at the beginning of the pandemic, "We may not be able to predict the timing, but we will get through this situation and emerge stronger."