

At Toyota, Diversity and Inclusion Invites All to the Table

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No one could have predicted the COVID-19 pandemic, or the parallel crisis of social unrest that swept across the U.S. last spring. But when each arrived, Toyota's long-standing core pillars of "Respect for People" and "Continuous Improvement" formed the foundation to the company's response to both.

As a committed champion of diversity and inclusion, Toyota established its Diversity Advisory Board in 2002, seeking objective outside perspectives and solutions to broadening its coalition of voices. Toyota encourages bringing "your whole self to work," and fosters a supportive environment where all job levels are asked to contribute new thinking. As part of a process of continuous exploration into how to do better for its team members, dealers, customers, suppliers and communities, Toyota has more recently invited its wide-ranging stakeholders to a seat at the table of allyship.

Leading these critical efforts are Sandra Phillips Rogers, group vice president, general counsel, chief legal officer and chief diversity officer at Toyota Motor North America (TMNA) and Sean Suggs, TMNA's new group vice president of Social Innovation.

At this decisive juncture, the two sat down to discuss Toyota's culture of inclusion and the challenges faced by businesses today. What they found is the common thread between diversity, innovation, and the life-changing power of mobility.

Can you talk about the foundations of Toyota's culture of diversity and inclusion?

Sandra Phillips Rogers: Diversity and inclusion (D&I) really is our North Star. Respect for people is in the fabric of our culture. It creates the framework, and it's a commitment that the company has made over a number of years. It's a centering principle.

Sean Suggs: Sandra's right, respect for people resonates through every pillar of our company. No matter which division you go to, all members talk about respect for people, and it gives us a one team feeling that regardless of the situation, we know there's a baseline respect that we will hold for each person in our company. It's a powerful DNA tool, and I think it gives us a competitive advantage. It lets everyone in the company know that they're not alone. If there's a challenge ahead, we're going to persevere and tackle it together.

"When you can get team members who feel comfortable in a workplace, they're going to give you their best ideas. They're going to give it 100%, 110%, day after day." – Sandra Phillips Rogers

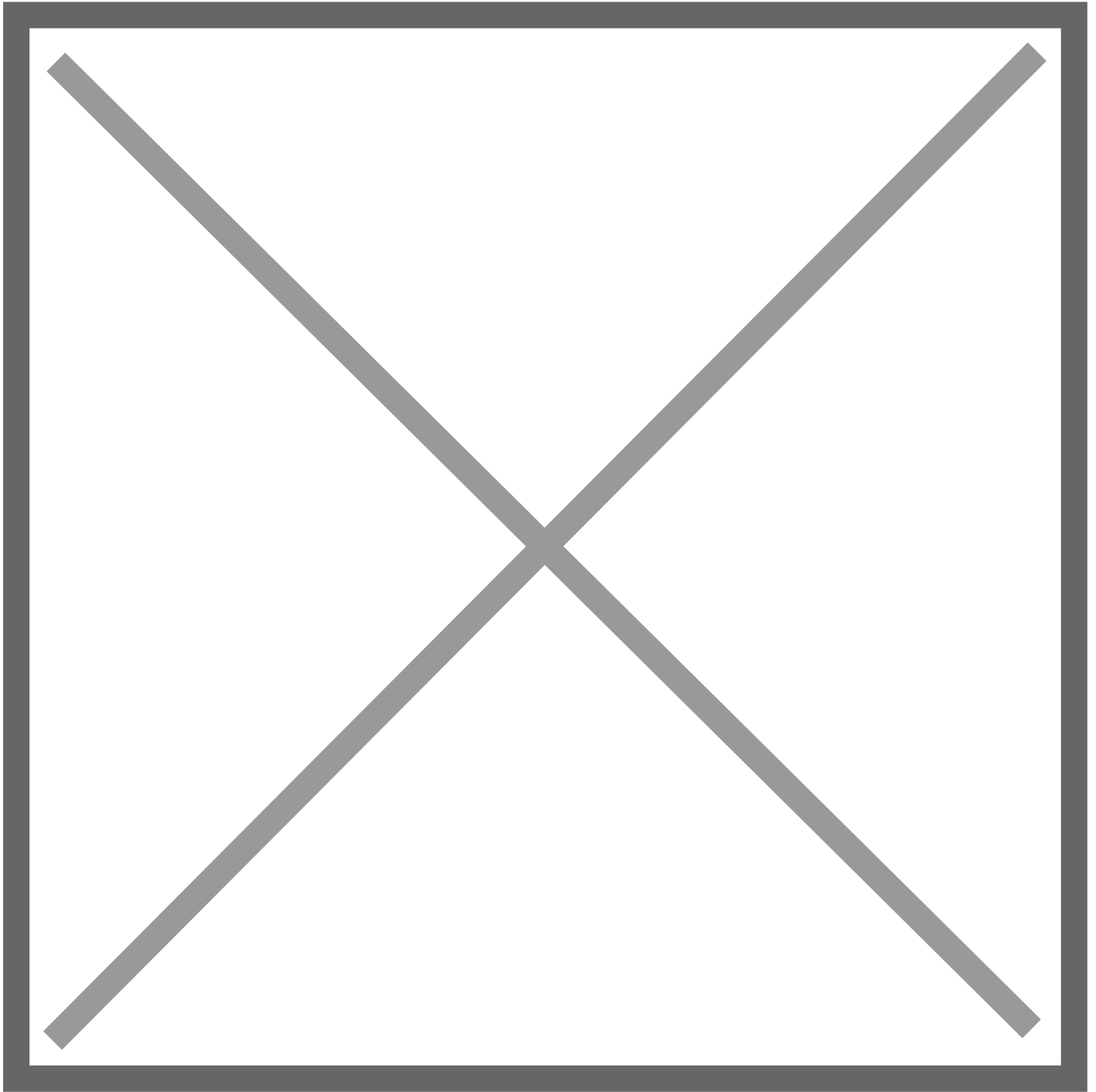
Sean, as the incoming chief of Social Innovation for TMNA, were you given any advice when you agreed to take on the role?

Suggs: Yes, Listen to Sandra! [laughs] At the end of the day, it's about our team members and our company. It's about our customers, and it's about our community, and figuring out a way to make sure we're maximizing each one of those three very, very important components daily. And, also, be a good listener and understand the current situation. That's the true "Toyota Way" in us.

Would you say that sense of safety and camaraderie fosters innovation? How might it propel growth moving forward?

Rogers: Absolutely. I think, when you boil it down, it's about: how do you feel coming to work every day? How do you feel doing your job? How do you feel in the teams that you are a part of? It's important to be able to bring your full self to work and know that you're going to a place where you can be and do your best. A place where your ideas are heard and acted upon, and that's really the difference maker. When you can get team members who feel comfortable in a workplace, they're going to give you their best ideas. They're going to give

it 100%, 110%, day after day. It really is a competitive advantage, and we need that now more than ever as we transform to a mobility company.



Team members who are comfortable and confident in their workplaces also support the continuous improvement pillar as well, right? If so, how?

Suggs: The continuous improvement piece is critical. Every team member comes to work, thinking of a better way. And it's not just their processes they're thinking about. They're also thinking about how the company can

get better every single day. To me, that also adds to our competitive edge. We're always looking for a better way.

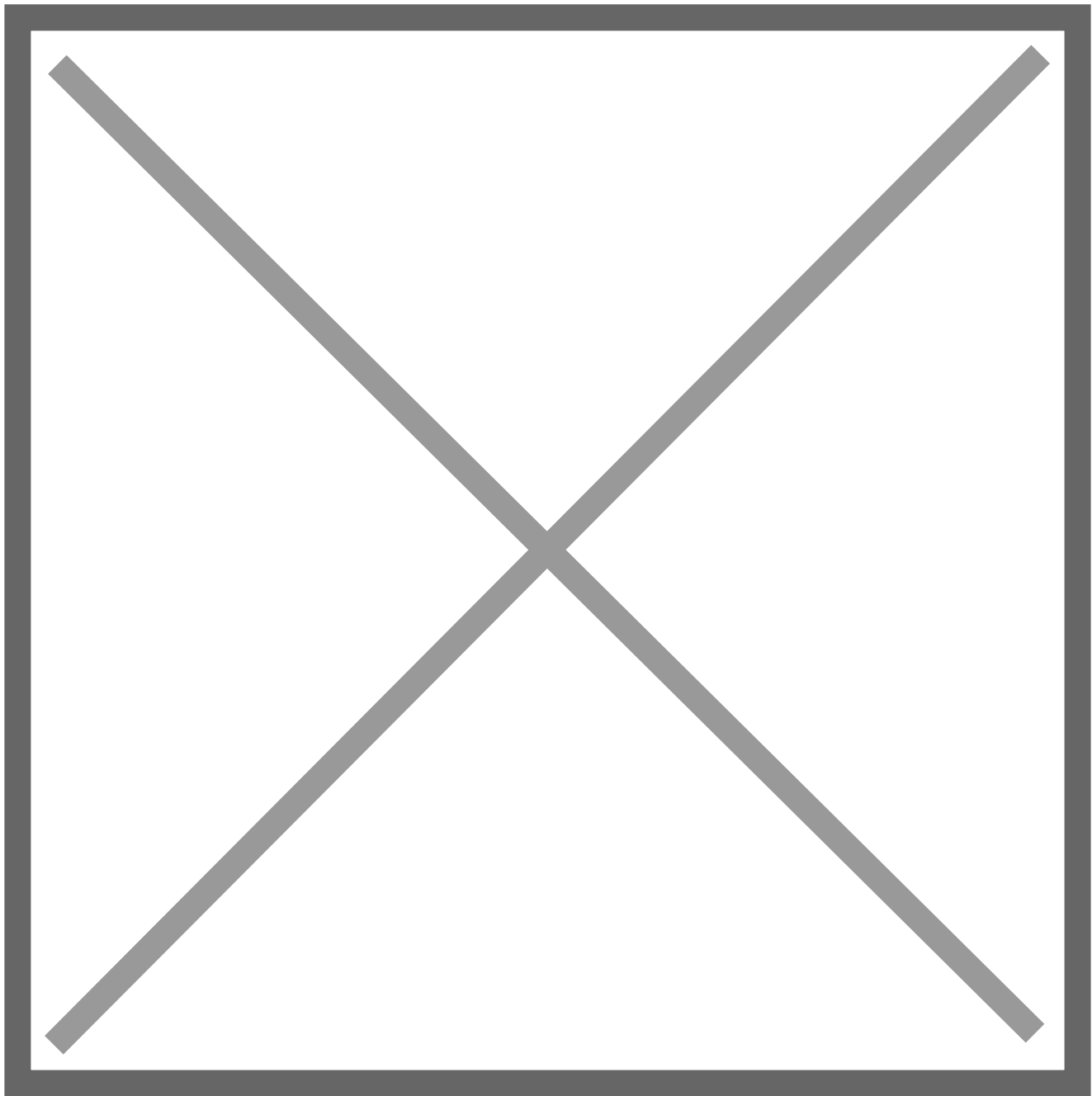
COVID-19 is a good example of that. Across North America, the collective body of our team members and leadership team got together and created a playbook on how to handle this pandemic from a safety perspective. The Mendi mindset [a Japanese term central to Toyota leadership that means treating workers like family] leads to caring about our team members. We actually reached out to our team members every single day while we weren't building vehicles to see how they were doing. How is your family? What can we do to support? That went a long way, I think, in letting them know that we care about them first before that car and that truck. We continually asked, "How are we treating each other?" "How do we come out of this better than we were before it started?" That was our mentality.

Nearly 20 years ago, Toyota's Diversity Advisory Board was established. What problems did the company anticipate, and what are some of the issues the company is committed to solving today?

Rogers: The Diversity Advisory Board was established in 2002. I wasn't with the company yet.

However, the company realized that there was more we needed to do to make sure that we were advancing diversity and inclusiveness. It was clear that we needed to be educated, and that we had to understand the needs, history and background of the communities where we live and work, as well as the needs of our customers and business partners. I think it was extraordinary and groundbreaking for an external group of D&I professionals from all walks of life and backgrounds to be available to the company to help navigate and give guidance around diversity and inclusion best practices.

We sought ways to create a culture where, for example, we recognize Hispanic Heritage Month, which we do every September, or to observe an annual Diversity and Inclusion Month. All of that groundwork was laid in the early 2000s with the Diversity Advisory Board, along with our commitment to hiring and working with minority-owned suppliers, and to focus on diversity in recruiting. We've been at it for a while and take our commitment very seriously.



I can't tell you how many times since I've been the chief diversity officer that I've called up our chair, [former U.S. Secretary of Labor] Alexis Herman and asked for her wisdom and guidance. I think it's a real advantage to have that external viewpoint, to really pressure test what we're doing internally.

Suggs: The other thing that I really like about our Diversity Advisory Board is their engagement. They don't just sit in a boardroom. They actually come to some of our sites and try to learn about us, our DNA and who we are, so they can assist us, not just with best practice sharing, but also offer advice that we may not have thought about. Most of our members have visited across a lot of our locations to learn about what we do more specifically, so that they can help us in a lot of different ways. It's been a wonderful asset for us to learn and grow from our Diversity Advisory Board.

“Mobility, at its core, is about overcoming challenges.” – Sandra Phillips Rogers

Why is it important to continue to foster diversity and inclusion?

Rogers: We are on a journey and it is important that we continue to make progress forward. This isn't a journey where you take a couple of steps back. You have to keep going. I think our team members and our community partners are looking to us to be a part of this solution. And so, that is why I think it's important that we continue to put focus on diversity and inclusion.

What are some of your current D&I priorities?

Rogers: My priorities as a CDO are threefold. One is to work with our senior executives and to continue to encourage engagement on D&I. The second is to learn how we can continue to align with the business, to show progress towards our D&I goals in aligning with Toyota's business priorities. For example, we're number one in the African American, Hispanic, and Asian American sales markets. So, how can we continue to show how D&I drives that business outcome? And the third priority is to focus on the development of underrepresented team members at critical levels in their careers so that they can realize their fullest potential.

Suggs: I'll give you an example from our Mississippi manufacturing center. Our Blue Springs plant has the highest percentage of African American team members in North America. With Sandra's leadership and the leadership team across North America, we quickly reacted to the death of George Floyd, honoring him by pausing our production line for over eight minutes and 46 seconds. In fact, production was paused at each of our manufacturing facilities. I cannot tell you how many team members came up to me afterward with tears in their eyes to express pride in how this company stood for something that meant something to *them*. We are not there yet. I can tell you that in full transparency. But the decision to pause production went a long way, and the team members know that we're working on the right things not only to heal the workers inside the company, but our communities outside of it as well.

“No matter which division you go to, all members talk about respect for people.” – Sean Suggs

In this new era of social justice, what is Toyota's D&I plan of action?

Rogers: There are five things that we're focused on with our social justice plan of action: advocacy, education, investment, team member engagement and development, and business partner alignment and engagement. Also, our demographics suggest that in order to be the company and the employer of choice that we are, we have to pay attention to the demographics in the communities where we live and work. In many instances, they are shifting, too.

Toyota is a top 10 company for diversity. How do you think the company has achieved this ranking?

Rogers: I think we have an excellent recipe in terms of our culture for inclusion. I think that is the number one reason why we have made progress year over year, and that really does come from our business partnering groups [employee-driven networks within Toyota based on shared experiences], from our D&I champions, and the team members who are boots on the ground, trying to drive diversity and inclusion within our organization. I think a part of that is the tone at the top, and what our senior executives have committed to around diversity and inclusion. This is really the principal reason why our ranking is now in the Top Ten.



Suggs: I agree, Sandra. I'd add to that by reinforcing the role of business partnering groups. We're at a hundred business partnering groups across North America, which is amazing. What that gives the team member is not only a connection to our internal business, but to their communities as well. The programs the BPGs help support in organizations outside of work are tremendous. For example, in 2020, we increased funding for BPGs to bolster grass-roots support of local community initiatives for social and racial justice. The new grants allowed BPG leads at each location the opportunity to support local causes.

Community outreach gives the team members a sense that our company not only cares about producing cars and trucks, but it also cares about building up the communities in which they live. So, I think that's another powerful factor behind our ranking.

“When you have freedom to move and you have access to mobility, you can have a better life.” –
Sandra Phillips Rogers

The theme of Toyota's 2020 D&I Month was allyship. What does allyship mean to you? How does it improve companies?

Rogers: Allyship means giving voice to groups and causes that might not have a voice under different circumstances. I think it's a wonderful way and maybe the *best* way to help promote equity and engagement. It's intentional, and it's purposeful. Allyship recognizes that in order to make progress, everybody has to dig in.

Many times, when we were grappling with how to deal with the social justice issues that came from George Floyd's death, we were trying to increase the range of voices so that they weren't always those of the African American team members. We sought voices reflective of our broad and great diversity, not only of demographics of gender or race or religion or sexual orientation, but also from different job levels, whether they're senior executives or group managers or analysts, trying to be as inclusive as possible.

Suggs: Our team members want to know that somebody else in a powerful position sees them, hears them and will assist them. I think that's what allyship is all about.

Rogers: COVID-19 really exposed the disparities in our communities in terms of health and education and economic empowerment, and that was particularly true for our Hispanic and African American communities, and also for our Asian-American communities. The disparities and food insecurities that were created by COVID-19, those are human rights issues. I think what we've seen inside Toyota is that team members have now got a pretty good look at what things may feel like for African American or Hispanic team members. Our leaders have engaged in some difficult conversations.



Suggs: Another example of disparity that we're seeing right now is with kids going back to school virtually. A lot of the communities where our facilities are located have no broadband or even Internet access. School kids may have been given a device, but they can't get connected. So, we're reaching out now to find out through our Toyota Foundation how can we support communities to make sure the students can get connected to the schools.

According to a 2016 report by the U.S. Census Bureau, more than half of U.S. households have high connectivity. So, in September, through the Toyota USA Foundation, we [announced grants](#) totaling more than \$3.3 million to support students in the 13 states where we operate. In addition to bolstering education equity, the

grants support wireless internet access for any member of the public who needs it.

“With our continuous improvement mindset, we’re always trying to be flexible and agile to adjust to the current need.” – Sean Suggs

Toyota is undergoing a historical transformation from a traditional automotive company to a mobility company. Can you speak to that?

Rogers: Mobility, at its core, is about overcoming challenges. When I’ve heard [Toyota Motor Corporation President] Akio Toyoda and [TMNA President and CEO Tetsuo “Ted”] Ogawa-san talk about mobility, what they’re talking about is the freedom to move. When you have freedom to move and you have *access* to mobility, you can have a better life. So, when we can help the single parent who doesn’t have reliable transportation to a job get that transportation, so that he or she can go to work and make money and improve the life of his or her family and, in real life, achieve their fullest potential, that’s what we mean by true mobility.

How does the company’s belief in mobility for all fit into your strategy for D&I?

Suggs: I really do believe mobility means limitless possibilities for all. And that’s what we’re going to strive for over the next few years to make happen.

Rogers: Mobility and diversity and inclusion are the same. It’s about equity. It’s about having the opportunity to fulfill your highest aspirations and purpose inside of Toyota or inside of any company. And, I see D&I driving it all, because it really is. When you think about inclusivity, it’s about being a part of something.

That’s good business for us because we want team members to be engaged and at their best. I think our mobility journey and the belief in freedom to move as a basic right, that’s what diversity and inclusion is all about. The freedom to move means the freedom to reach your highest potential.

Suggs: I think that’s a mic drop.