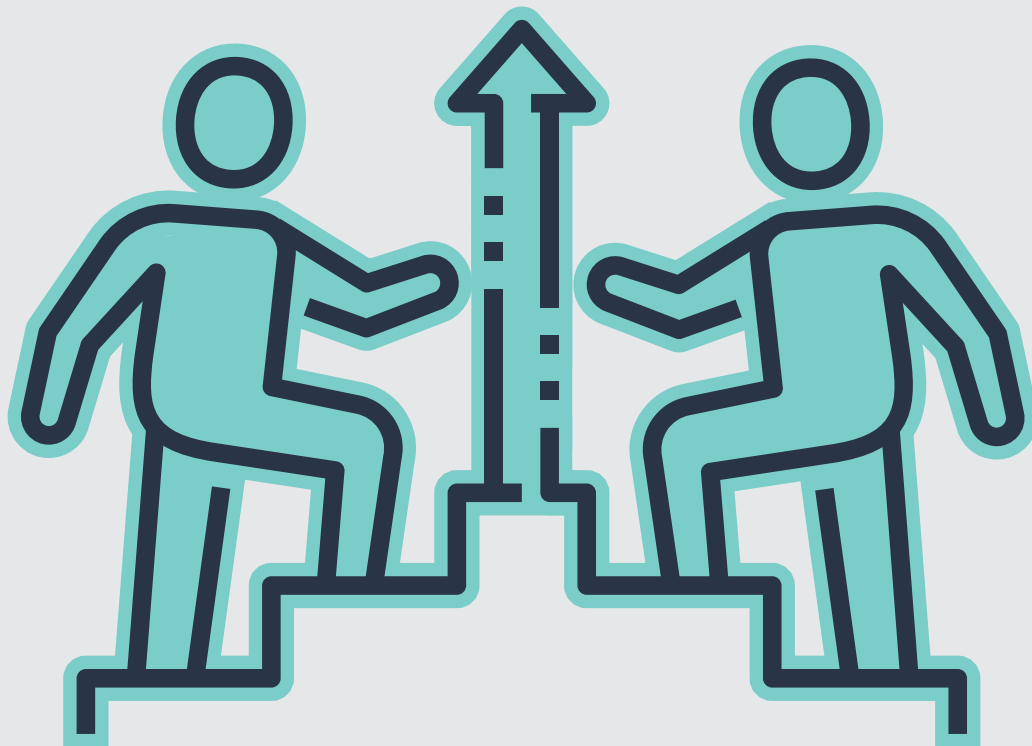


SUPPLIER DIVERSITY

NEWSLETTER



**AMPLIFYING
COMPANY SUCCESS
THROUGH EMPLOYEE ENGAGEMENT**

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FROM THE EDITOR

Chuck Hendrix

Senior Manager,
Purchasing Supplier Diversity
TOYOTA Motor North America



“
Year after year, I remain impressed by the hundreds of eager diverse entrepreneurs and TOYOTA suppliers who - with great energy - find new and exciting ways to engage and connect with one another.

GREETINGS,

Robert Griffin III sums up the importance of teamwork quite nicely: “Football is football and talent is talent. But the mindset of your team makes all the difference.” Still processing the tangible energy from the 28th TOYOTA Opportunity Exchange (as well as being in full football season mode!), I find this quote extremely relevant to the success of our annual supplier diversity event.

Year after year, I remain impressed by the hundreds of eager diverse entrepreneurs and TOYOTA suppliers who - with great energy - find new and exciting ways to engage and connect with one another. Just as remarkable? The ongoing level of excellence and support displayed by TOYOTA team members, who not only participate but also plan and execute this dynamic forum.

From Purchasing and Supplier Diversity representatives on the tradeshow floor to those behind the scenes, countless individuals raise the bar to make Opportunity Exchange an impactful supplier and professional development conference year after year. It should come as no surprise then that TOYOTA team members also continue to be an invaluable part to the overall growth and development of our Supplier Diversity process. Our ‘2017 Highlights’ on pgs. 12 & 13 offers a quick glimpse at some of the notable honors we’ve received this year thanks in large part to the men and women I work with each and every day.

Realizing how vital team members are to how we move the needle here at TOYOTA, we explore the business value of employee engagement and what this can mean for your organization. With a new year on the horizon, there’s no better time than now to reassess what’s working for your company and to also recharge for what’s to come over the next 12 months. And what better way than to look within and discover opportunities to harness the very talent around you?

From the TOYOTA Supplier Diversity team, Happy Holidays to you and yours and best wishes for a successful, productive and game-changing 2018!

Best regards,
Chuck

EXECUTIVE MESSAGE

James Lentz

Chief Executive Officer
TOYOTA Motor North America



“
Everything
we produce at
TOYOTA is a
result of the
hard work and
commitment
of our team
members.”

When a good portion of our procurement division moved to Michigan, there was a level of collaboration that was inspiring. Almost immediately, team members began working side-by-side with technical engineers and suppliers to improve parts we design and purchase. Our accessories division, logistic services and manufacturing plants, joined in, collaborating across boundaries to install more accessories on the production line. The result? Greater value added to our cars, trucks and SUVs before reaching TOYOTA customers.

For us, One TOYOTA has always been more than a building; it's a mindset. Of course, physically relocating our main headquarters, as well as opening a new supplier center (among others) served as a huge step for our organization. However, equally as impressive has been the instrumental role our company philosophy has played in helping us build an even more inclusive work culture.

Back when One TOYOTA was just an idea, company leadership created a cultural framework to help guide how we do business. Among our five focus areas is 'growing our people's capabilities,' or a concerted effort to develop our team members. This entails us collectively nurturing a place where individuals are recognized for their unique abilities and have equitable opportunities to collaborate and contribute. From one-on-one mentorships to relationship-building through our Business Partnering Groups, we're constantly exploring productive ways to ensure everyone has meaningful work and opportunities to grow, develop and become their best selves.

In addition, we're finding that our efforts to establish a more welcoming and inviting workplace - one that's considered a "best place to work" - is paying off huge dividends with prospective team members as well. Job candidates today tell us they want careers with purpose, a work culture that aligns with their values, and the opportunity to grow within their company. And through our recruitment and retainment efforts, which focus on team member engagement and development, we are discovering talented individuals with a desire to strive for 'always better' for themselves, as well as for our organization.

Everything we produce at TOYOTA is a result of the hard work and commitment of our team members. As we continue our quest for a more diverse and inclusive corporate culture, we look forward to exploring how we can empower and inspire TOYOTA employees, dealers, suppliers and strategic partners to challenge what's possible, together.

PARTNER SPOTLIGHT



COMPANY PROFILE

CORE CAPABILITIES

Seat and component assembly; sequencing

HEADQUARTERS

Mantachie, MS. SAI's three sister companies (Systems Consultants Associates, Systems IT and Systems Electro Coating) and non-profit (the Center for Social Entrepreneurship) are all located in Central Mississippi.

ORGANIZATIONAL PARTNERSHIPS/AFFILIATIONS

- **Certified MBE with NMSDC**
- **Certified WBE with WBENC**

SUPPLIER RELATIONSHIP WITH TOYOTA

Tier I Supplier

SIX QUESTIONS WITH...

TONI D. COOLEY

PRESIDENT & CEO,

SYSTEMS AUTOMOTIVE INTERIORS (SAI)

Since opening its doors, Systems Automotive Interiors' (SAI) mission has remained the same: "to serve, compete, and excel." Under the dynamic leadership of Toni D. Cooley, the TOYOTA Tier I Supplier currently produces over 150,000 reliable, safe and comfortable seats annually for the 2018 Corolla. A strategic alliance between Systems Enterprises and TOYOTA Boshoku America, SAI now employs more than 120 people at its bustling 33,000 sq. ft. plant, twenty-five miles east of TOYOTA Motor Manufacturing Mississippi's Blue Springs facility. With three sister companies and a 501(c)(3) non-profit, the growing enterprise is leaving a lasting mark on Mississippi and beyond.

First, tell us about your company - how and why did SAI get started?

In 2007, TOYOTA announced plans to expand its manufacturing footprint by building an automotive plant right in our backyard. Representing Systems Electro Coating at the time, we originally sought direct supplier opportunities with TOYOTA or to partner indirectly through some of the company's suppliers. Over time, thanks to consistent relationship-building efforts, a number of possibilities emerged for our business. However, before we could finalize any deal, the national economy tanked - so much that the TOYOTA Blue Springs plant build was mothballed. Knowing it was a temporary delay, TOYOTA Boshoku America and our team continued our quest to establish a joint venture, which paid off tremendously. In 2011, we launched Systems Automotive Interiors. Like its sister companies, SAI exists to demonstrate that Mississippians have the aptitude to learn, deliver, and fine tune its marketplace offerings, regardless of the system in which it operates.

Describe how you first connected with TOYOTA and how you've been able to cultivate that partnership.

We first engaged TOYOTA through the Mississippi Development Authority and by attending various supplier and contractor conferences throughout Mississippi. Out of all the events we attended, TOYOTA's Opportunity Exchange stands out as one of the most formally developed and leadership-driven programs on the market. Initially, we pitched our electro coating business to TOYOTA. During this process, we were able to demonstrate our ability to learn and assemble the right team of people, as well as institute the necessary systems for a quality manufacturing operation. From there, a partnership was born.

PARTNER SPOTLIGHT

CONTINUED

Since then, we've been able to cultivate and continuously grow our relationship in a multitude of ways. First, we adopted the collaborative behavior of TOYOTA's production and engineering teams. We then made it a priority to represent Mississippi's supplier base at a local, national and international level, as well as continuously educate our team on its role in promoting the TOYOTA Way.

What role would you say your employees and colleagues play in the overall growth, development and success of SAI?

Our team members are indispensable. In my experience, a successful team requires a wide range of talent – from visionaries and strategists to executors and finance experts. At SAI, we know that past, present and future success is inextricably linked to our entire team, team members and management alike, with each carrying out his and her critical functions. As each person in the SAI “family” grows in knowledge, ability, skills, and motivation, our organization grows as well.

Based on your experience, why is workforce development and team member engagement so important for entrepreneurs and corporations to prioritize in today's market?

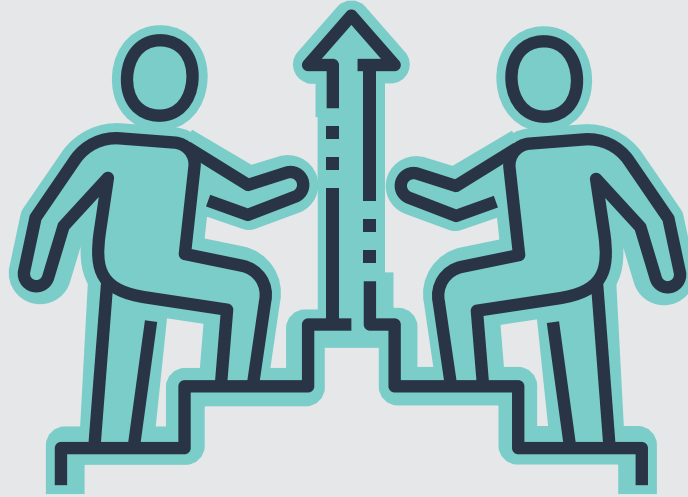
Thanks to their direct knowledge of the inner workings of our company, as well as knowledge of and proximity to the product, we find that the next great idea often comes from our team members. For us, it's been proven that sincere, earnest employee engagement drives team member satisfaction, retention and company loyalty. Through their commitment and service, a more involved staff also helps solidify our company's reputation in the community and marketplace.

What steps are you and the leadership at your company taking today to engage, empower and equip your team to be their best selves at work?

Team member empowerment begins with ensuring that we, as leadership, create meaningful opportunities for our staff to grow professionally. To accomplish this, our executive team engages in annual strategic planning for SAI, as well as our non-profit and sister enterprises. We also host professional development and team building activities, including a recent trip to a local 'escape' room. This past summer, one of our senior leaders facilitated an 8-week 'book club' for all supervisors, based on *Monday Morning Leadership* by David Cottrell. In all our efforts, we find that using technology and the arts to educate unleashes the creativity of our team in a way that truly benefits how we do business.

Lastly, what's next for SAI?

SAI's grand strategy is one of significant growth. First, we want to move the company from #27 to #20 on *Black Enterprises'* Top 100 list in the industrial category. We are also aiming to reach sales of \$200M by the end of fiscal year 2018. And finally, like we've made the move from consultancy and information technology to electro coating and now interiors, we have our sights set on further diversifying our product mix by bringing on a new commodity or service by the end of 2018. In spite of the ever changing consumer demand and global landscape, we will continue to adapt to ensure our company's success and longevity.



AMPLIFYING COMPANY SUCCESS THROUGH EMPLOYEE ENGAGEMENT

Health and wellness efforts. Lunch and learn sessions. Office celebrations. For many workplaces, Human Resources operates as the sole champion and facilitator of employee engagement in the workplace. After all, there has always been a strong correlation between nurturing an invested staff and an organization's overall production and profitability. Although HR experts are well-versed in talent management and overall development, leaders and individual team members, too, can play a very instrumental role in cultivating a more welcoming and inclusive workplace.

According to a August 2017 Gallup survey, as little as 32% of U.S. workers identify themselves as being involved in, committed to and enthusiastic about their work. Worldwide? A measly 15%. What's even more eye-opening is the effect disengagement in the workplace can have on a company's bottom line. Gallup estimates that actively detached employees cost the U.S. upward of \$500 billion in lost productivity per year.

Given today's challenging race to recruit and retain top talent, employee engagement is rightfully becoming an 'all hands on deck' priority for many organizations.

HAPPY TEAM MEMBERS = PRODUCTIVE WORK ENVIRONMENT

Doug Conant's motto remains firm: "to win in the marketplace, you must first win in the workplace." The former President of the Nabisco Foods Company and former CEO of the Campbell Soup Company, Conant realized a game-changer for his corporations through a 'people-first approach.' And that is: individuals who genuinely love what they do - and who they do it with - possess the power to change a company's trajectory.

The proof is in the pudding - businesses with persistent engagement efforts better attract, recruit and retain talented individuals, as well as foster a more enlivened work environment. When team members become more passionately engrossed in their work, new ideas spark and working together becomes a more seamless and productive process. The result? A more enthused and dedicated staff, who is proactive and consistent in advancing the company's mission and vision.



ENGAGED OR NOT ENGAGED? THAT IS THE QUESTION

So, what are the various types of engagement levels often encountered in the workplace? Gallup identifies three primary groups:

- **ENGAGED** employees work with passion and feel a profound connection to their company. They drive innovation and move the organization forward.
- **NOT-ENGAGED INDIVIDUALS** are essentially "checked out." They're sleepwalking through their workday, putting time - but not energy or passion - into their work.
- **ACTIVELY DISENGAGED** people aren't just unhappy at work - either knowingly or unknowingly - undermine what their invested coworkers accomplish.

ENCOURAGE, MOTIVATE, INSPIRE

The economic and social impact impassioned employees have on companies both large and small is astounding. Here are four ways you can help nurture and advocate for a better work environment in your organization:

KNOW WHAT MOVES PEOPLE.



The first step in motivating team members to give their best is realizing everyone is stimulated by different influencers. In his book *Drive*, New York Times best-selling author Dan Pink lists three ways people are galvanized to improve performance: **(1) AUTONOMY** – a desire to be self-directed, **(2) MASTERY** – an innate need to become better at what they do, and **(3) PURPOSE** – a yearning for a sense of deeper purpose in their tasks. With these factors in mind, discover what impassions people to do their best work and be their best selves.

DISCOVER AND ASSESS

Whether a decision-maker at your organization or in a leadership position, advocate for a company-wide engagement survey. Measuring and tracking how employees feel about their role and responsibilities - and the overall work culture - serves as an important indicator of the health of your business and is a good way to spot areas for improvement. After developing a comprehensive survey, assess results and identify areas and next steps for implementation as well as execution.

SET AND DEFINE ACHIEVABLE GOALS IN REALISTIC, EVERYDAY TERMS.

Through weekly huddles or in one-on-one meetings with managers or colleagues, identify ways you can better integrate engagement efforts into routine interactions and activities. Write down - and share with others - doable initiatives and objectives to create and achieve meaningful day-to-day experiences for your fellow team members.

OPEN LINES OF COMMUNICATION

Screwfix, a U.K.-based hardware retailer, prides itself on maintaining a transparent and honest work culture. To support this, the company makes it a point - every two weeks - to open the floor for staff members to provide feedback about anything - without rules or guidelines. The goal? To allow employees to share their thoughts, reservations and suggestions unapologetically. As a result of their dedicated effort to invite and embrace team member feedback, Screwfix has since introduced and launched a successful customer card that's created a new source of revenue for the growing enterprise.



EMBRACE TALENT AND OPTIMIZE INNOVATIVE THINKING.

Extensive research has proven that focusing on welcoming and valuing people's abilities is the most direct route to individual and organizational growth. Resolving to view people as a reservoir of talent - and then accessing this pool of ingenuity - not only fosters loyalty and enthusiasm but also boosts the quality of work produced.

THE MORE, THE MERRIER

A few years ago, The New York Public Library (NYPL) took what many consider a radical approach to developing a new strategic direction for the organization. Looking to become more nimble and agile due to the print industry's increasing shift to digital mediums, NYPL leaders invited more than 2,500 employees to partner and work directly with senior leadership on various projects. The result? A more invested staffing community inspired and motivated to bring the library's vision to life.



New York
Public
Library

ACTIVELY PROMOTE CREATIVITY TO HELP PEOPLE DO WHAT THEY LOVE MOST.

Understanding what enthruses one another sends a message of respect and demonstrates a personal interest. So, make it a point to encourage your co-workers to share what excites them. Additionally, help them find ways to pursue their passions in the workplace.

UNLOCKING NEW TALENTS

Consider passion projects for yourself and/or your team members. Although not necessarily spelled out in the job description, these creative side tasks tap into personal interests, while often still aligning with big picture objectives outlined in a person's role or position. For someone interested in event management, perhaps coordinating a social hour to help build rapport among colleagues could tap into unused skill sets. Or maybe a colleague who's intrigued by philanthropy can reveal new areas of opportunity for the company by putting together a corporate responsibility proposal.

CONCLUSION

Due to its increasing importance in today's fast-paced and ever-evolving workplace, employee engagement is quickly becoming a shared responsibility for many organizations - from Human Resources to individual team members. Although imperative to remain both competitive and innovative, staff inclusion and outreach efforts should also remain fun! Remember that recognizing and harnessing your team's unique strengths not only improves problem-solving and decision-making but also enhances creativity, unleashing new, dynamic ideas. By placing greater value on embracing each other's skill sets and input, you can do your part in ensuring everyone has meaningful work and opportunities to grow.

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2017 OPPORTUNITY EXCHANGE RECAP

One day. Over 1,400 attendees. Countless connections made. Held in Detroit for the first time ever, Opportunity Exchange recently wrapped up its 28th year of building relationships between TOYOTA Tier I Suppliers and diverse companies. And that it did through two interactive seminar sessions, a special keynote from Jen Groover, and a dynamic tradeshow. TOYOTA extends a huge 'thank you' to the hundreds of diverse companies, TOYOTA team members, strategic partners, and suppliers for making this year's event possible. We're excited to see what's in store next year and we hope to see you there!

HIGHLIGHTS FROM THIS YEAR'S EVENT:



▲ OE Luncheon program

▼ Don't Fear the Disruptors Seminar Session



▲ Keynote Speaker Jen Groover



▲ Real Talk from the Automotive Industry Panel



▲ L to R: Rev. Jesse Jackson, Noby Tanaka, Robert Young, Wil James, Jim Holloway, Chuck Hendrix



◀ Diverse companies and Superior Maintenance Company, a Toyota Tier I Supplier, networking

2017 HIGHLIGHTS



◀ **HONORED FOR ADVANCING SUPPLIER DIVERSITY AND DEVELOPMENT BY THE NATIONAL MINORITY SUPPLIER DEVELOPMENT COUNCIL (NMSDC):**

TOYOTA recognized as Co-Corporation of the Year (COY) at NMSDC's 2017 Conference and Business Opportunity Exchange in Detroit, MI.

NMSDC TOP 8 WINNER: TOYOTA recently received the 'Top 8' award, which acknowledges corporations that have won the NMSDC COY multiple times in the Council's 45-year history.

NMSDC TOP 45: Adrienne Trimble, general manager of Diversity & Inclusion at TOYOTA Motor North America, was also recognized at this year's NMSDC National Conference. A longtime advocate for the Council and its quest to engage diverse businesses, Adrienne was celebrated as one of the top 45 individuals within the NMSDC network - past or present - who have been most influential in shaping and growing the Council since its launch.



▼ **RECOGNIZED AS A WBENC TOP CORPORATION (GOLD LEVEL):**

TOYOTA honored at the 2017 WBENC National Conference for successfully driving the sustainable inclusion of women-owned businesses within the corporate supply chain.



◀ **SUPPLIER DIVERSITY EXCELLENCE ACKNOWLEDGED BY THE SOUTHERN CALIFORNIA SUPPLIER DEVELOPMENT COUNCIL (SCMSDC):**

TOYOTA received the council's COY Award and Monetta Stephens, TOYOTA Supplier Diversity Manager, took home the Hollis Smith Legacy Award for her unwavering support of SCMSDC and its mission.

2017 HIGHLIGHTS

CONTINUED



◀ DFW MSDC CORPORATION OF THE YEAR:

Toyota recently awarded the Council's top honor at the E Awards in Dallas, TX.

RECIPIENT OF GREAT LAKES WBC'S "BEST IN CLASS" EXCELLENCE IN SUPPLIER DIVERSITY AWARD:

The Council's top honor, this recognition celebrates organizations that have excelled in Women Business Enterprise spend; Women Business Enterprise capacity building; corporate integration of supplier diversity and advocacy of women-owned businesses.

WBE EFFORTS CELEBRATED BY WBEA:

Toyota awarded "Outstanding Growth in Spend & Utilization of WBEA WBEs in 2016" at the Cutting-Edge Awards in Houston, TX.

DRIVING IMPACT - A TOYOTA/ADIANT BUSINESS MODULE: The two-year business module program came to a close this fall, graduating 14 diverse companies and 9 corporations.

▶ TOYOTA FINANCIAL SERVICES (TFS) MENTORING: OPENING NEW DOORS FOR WBES

In partnership with WBEC-West, TFS created the WBEC-West Platinum Supplier Program (PSP). Designed to offer WBEs insight into how they can improve their operations, as well as sharpen their approach with potential corporate clients, this program invited two graduates to apply to a year-long mentorship program with TFS.

DiversityInc

LISTED AS #34 ON DIVERSITYINC'S 'TOP 50 COMPANIES FOR DIVERSITY'

TOYOTA recognized for 10th consecutive year.



◀ EVENT SPOTLIGHT -

MICHIGANMSDC HOLE-IN-ONE:

At the 33rd Annual MMSDC Golf Tournament, Toyota sponsored a hole-in-one competition on the 14th hole. Greg Oszust, from the Detroit-based Walbridge construction company (which built TOYOTA's Production Engineering building in Georgetown, KY) won the big prize: a 2016 Camry.

CALENDAR

JANUARY

24 / AUSTIN, TX | WBC-SOUTHWEST WOMAN ENTREPRENEUR'S EXCHANGE

FEBRUARY

01 / FRISCO, TX | WBC-SOUTHWEST PARADE OF STARS AWARDS GALA

20 / SAN ANTONIO, TX | SMSDC STAKEHOLDERS MEETING

22 / JACKSON, MS | WBEC-SOUTH WOMEN IN BUSINESS LEADERSHIP LUNCHEON

MARCH

06 / DALLAS, TX (TMMTX) | DFW MSDC HARD HAT EXPO

08 / DEARBORN, MI | APACC EAST-WEST BUSINESS CONNECTION

20 - 22 / DALLAS, TX | WBENC SUMMIT & SALUTE

29 / SAN ANTONIO, TX | WBEA TIER II EVENT

HAPPY HOLIDAYS TO YOU AND YOURS!

- TOYOTA SUPPLIER DIVERSITY TEAM

MEET THE TEAM



CHUCK HENDRIX | SENIOR MANAGER

Oversees the Manufacturing and Sales Divisions; Building of TOYOTA's Supplier Diversity Processes; Development of Diverse Companies



STEPHANIE BURTON | MANAGER

Internal Strategy Development; Development of Diverse Companies; Opportunity Exchange



SAHAR HAQUE | MANAGER

Internal Strategy Development; Development of Diverse Companies; Power of Exchange



TIMOTHY YAMADA | MANAGER

Internal Diversity Strategy Development - Financial Services; Sponsorship of Diverse Companies; Organizations: NGLCC, WBCS, WBEC West



ERIN CAUDILL | ANALYST

Tier II Program Management; Opportunity Exchange; Organizations: NMSDC, BDR, NACC, Southern Region MSDC, and WBEC South



DANIEL ELLIS | ANALYST

Tier I Reporting & Activities; Opportunity Exchange; Organizations: NVBDC, APACC, Great Lakes - WBC, MHCC, MichiganMSDC, NBL



ADRINA WALKER | ANALYST

Marketing/Branding; Opportunity Exchange; Organizations: WBENC, Mid-States MSDC, Ohio MSDC, ORV - WBC, TriState MSDC, WBE Canada, CAMSC



TAYLOR YOUNG | ANALYST

Internal/External Supplier Diversity Websites; Internal Content Development; Power of Exchange; Organizations: ABA, AICCCAL, Dallas-Fort Worth MSDC, Southern California MSDC, Southwest MSDC, WBEA



ALYSSA KIRKOPOLOUS | ADMINISTRATOR

Executive Management Coordination; Opportunity Exchange; Power of Exchange; Execution of the Team's Sponsored Events

THANK YOU!



Wishing Monetta Stephens all the best as she retires from TOYOTA after more than 31 years of service. Her leadership and insight into cultivating meaningful relationships with our partners will leave a lasting impact on our team, and for that, we say 'thank you!'