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## **DEEP DIVE SESSION 4: TOYOTA SUSTAINABLE DEVELOPMENT - SCRIPT**

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**YUMI OTSUKA**

**AT COMMENT ON OUR MISSION**

Those comments from Akio Toyoda make it very clear.

Our mission is to provide goods and services that make people throughout the world ... happy.

As our President said,

“we will be resolute in producing happiness for all.”

This thinking has changed Toyota’s vision of the future.

We now see ourselves as a mobility provider, not just a car maker.

By supporting 'mobility for all',  
we can make a sustainable contribution  
to our mission of mass-producing human happiness.

So sustainability is not just something we think about occasionally.  
It is central to what we have been doing, all the time.

SAKICHI TOYODA

This thinking may be new,  
but the seeds of today's progress  
were planted in Toyota's past.

As our President said in the video,  
Mobility for All has evolved  
from Toyota's timeless values and beliefs –  
and so has our focus on people.

Our founder, Sakichi Toyoda,  
believed in taking a "YOU perspective" –  
and thinking about other people.

Akio Toyoda referred just now to how Sakichi Toyoda  
set out to help his mother, when making hand looms.

He saw his mother struggling and wanted to find a better way.  
So he invented an automated loom  
which could be operated with one hand.  
It made his mother's work easier –  
but also increased productivity.

Similarly, he noticed workers were damaging their lungs,  
sucking thread through wooden pipes.  
So he developed a system to make threading easier –  
which preserved his workers' health.

In other words, he imagined a better way -  
which served people and business alike.

## TOYOTA'S TRANSITION TO MASS PRODUCER OF HAPPINESS

To make this a reality in the 21<sup>st</sup> century,  
we are moving faster and further than ever before.  
To mass produce happiness  
we need to make more than cars, vans and trucks.  
We need to align with the Sustainable Development Goals, Green Deal and a  
better future.

We have always put our customers first,  
But now we have extended this commitment,  
putting people first –  
and aiming to serve society as a whole.

This explains why we see the SDGs as an inspiration.  
They create clear points of focus,  
letting us contribute through what we do already–  
and what we hope to do next.

## INSPIRING INDIVIDUALS

This way of looking at things is uniting us –  
not just as a business,  
but as individuals.

When I talked to President Toyoda recently,  
he made it clear to me that every person in the company  
should be focusing on what they can do,  
to help people - and the planet.

Remember his comment in the video just now?  
“Mobility” includes the meaning  
that “each person should take action”.

At Toyota, we think you can be a good business person as well as being a good human being.

In fact, we believe you can only succeed, sustainably, when you act responsibly and with integrity.

[PAUSE]

## BUSINESS AND SUSTAINABILITY ARE COMPATIBLE

At this point, you might wonder how these goals and ideals can work alongside traditional business needs for growth and profit.

Obviously, to remain viable, Toyota has to generate revenue. So we look at opportunities through two lenses. One determines the right thing to do. The other finds a way to make it work for us as a business.

Inspired by our history and the SDGs, we believe that there is no alternative to sustainability in our business goals.

## STRONG FOUNDATIONS

These beliefs are built on strong financial foundations.

When we presented Toyota's financial results, in May, we were in the middle of the pandemic's first wave. Even in a shrinking market, we showed that our business was profitable - and would stay that way.

That's because we have always planned for the long-term, establishing the resources needed, to overcome short-term difficulties.

To be ready for today, we have spent the last ten years transforming our business, adapting our technologies and approach, well ahead of market needs.

Obviously, this version of sustainable thinking has helped our business and shareholders.

Now, as we look at the future, we want to make a broader, deeper impact.  
[PAUSE]

## OUR POTENTIAL

I am truly excited by what we can achieve in the coming months and years.

Our technologies can reduce reliance on fossil fuels.  
Our electrified vehicles can help contain global warming.  
Our technologies and designs can bring our target of zero traffic fatalities closer than ever.  
Our ambitious colleagues can build a Woven City – an urban area of the future.

And we can do even more, by asking others to help us, and by working in partnership - together with other companies and you. Let's work together to make a better future.

## CHANGING THE WAY WE WORK

But the other way we can make a positive difference is by changing ourselves –

and the way we do business within Toyota.

So let me hand over to my colleague Miguel Fonseca,  
to explain our ambitions  
and progress so far ...

## **MIGUEL FONSECA**

Thank you, Otsuka-san

[to camera] You've just heard about a powerful concept - the idea that economies must work for people and the planet - an approach which is reflected in sustainable, long term returns.

### SOCIAL AND EMPLOYMENT CHANGES

You've heard how Toyota is making its contribution, through our products and services. But here in Europe, we're also following the SDG's lead through our social and employment practices – and these are guided by three explicit goals.

### DIVERSITY AND INCLUSION: WOMEN

The first is to promote an '**inclusive and diverse society**' – an idea which starts with Toyota, but extends to our partners and customers.

We are bringing inclusive design into our products and services and using our 'Start your Impossible' program to promote inclusivity – inspired by the spirit of our Olympic, Paralympic and Special Olympics athletes.

Within Toyota we're putting real emphasis on attracting, developing and progressing our female talent.

Our long-term vision and ultimate aim is to mirror society and achieve 50-50 representation in all grades.

This is ambitious and it will take time to achieve, but we have set ourselves challenging targets for 2025 and 2030 and implemented a bold and impactful 3 year plan to deliver transformative change.

We are committed to develop talent internally, and have already taken action to ensure 50% female graduate hires into the company.

In addition, we have launched several successful initiatives to drive the rapid progression of women, particularly into management and executive roles. Our initial ambition is to reach a minimum 25% female representation within the entry-level management grade by 2025.

In the past 2 years, over 50 high-potential women have taken part in a mentorship program, and we are about to launch our third sponsorship program to increase the visibility and active support for women within the company.

Just a few weeks ago, in November, we held our first-ever European Women Conference.

This brought together almost 200 Toyota talented females and executives from across Europe to raise awareness, engage the whole company in a constructive dialogue and empower women to accelerate transformation.

In addition to these highlights, a network of volunteers has maintained a constant focus on gender diversity, running regular internal and external events.

#### DIVERSITY AND INCLUSION: GENERAL

Alongside this focus on women, our Diversity and Inclusion strategy has led to 240 managers being trained in unconscious bias. And from January, all TME employees will be trained on inclusive behavior.

This adds up to a huge training commitment – supported by a new Concern Resolution Procedure. It's also a prime example of how Toyota can change, at speed.

[PAUSE]

## EMPLOYMENT EQUITY

Our second big target is '**employment equity**'.

Our commitment to long-term sustainable employment starts with ensuring fairness and opportunities for every Toyota employee in Europe.

It also includes employment and development opportunities, through education and re-skilling.

For example, we have trained the digital and IT teams in Agile, implementing new ways of working across the company.

We have also worked with the digital school ISDI in Madrid training more than 250 managers on how to apply a start-up mentality to problem resolution and innovation.

This flexible mind-set helped us last March, when we had to pack up our laptops and move our office into our homes overnight.

This accelerated our digital transformation as never before! But it also gave us the chance to strengthen bonds with our employees, paying special attention to flexibility for parents and carers.

We were also able to support mental and physical wellbeing, providing services and support tools, whilst increasing engagement and listening.

Now, we are reflecting all these changes in our policies, giving our people more flexibility on how, where and when they work.

## SUSTAINABLE INNOVATION

Our third Social and Employment change ambition

is to improve society through constant '**sustainable innovation**'.  
One of our initiatives in this area is The Toyota Start-up Awards.  
These provide an accelerator program  
for start-up companies who excel in the field of inclusive mobility.

In the 2020 edition we have given Awards to 5 start-ups.  
Each is currently benefiting from the Toyota Startup Accelerator Program,  
dedicated coaching  
and Toyota expertise –  
turning "Mobility for All" into a reality.

## OPERATIONAL CHANGE

To support these changes,  
we are re-shaping our operations,  
giving us the structures, systems and mindset needed -  
as we transform from an automotive business  
to a mobility company.

## DELIVERING REAL PROGRESS

I have just shared some real, substantial examples  
of amending the way we conduct business.  
Each provides practical proof that Toyota is adapting to –  
and leading – a changing world ...  
not only by introducing new technologies –  
like fuel cells and battery innovations -,  
but also, by making social contributions.

Each of these initiatives reflects a step forward in our mission –  
of 'manufacturing human happiness'.

**I am sure you will agree that there is no better mission**  
to be proud of.  
Thank you.  
END