

# FORD OTOSAN

## DIVERSITY, EQUITY AND INCLUSION PLAYBOOK





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# INTRODUCTION

At Ford Otosan, we are an integral part of an extensive value chain, fostering strong collaboration with all stakeholders. Our robust business partnership extends to dealerships across Türkiye, ensuring widespread accessibility to maintenance, repair, and service solutions via authorized service centers nationwide.

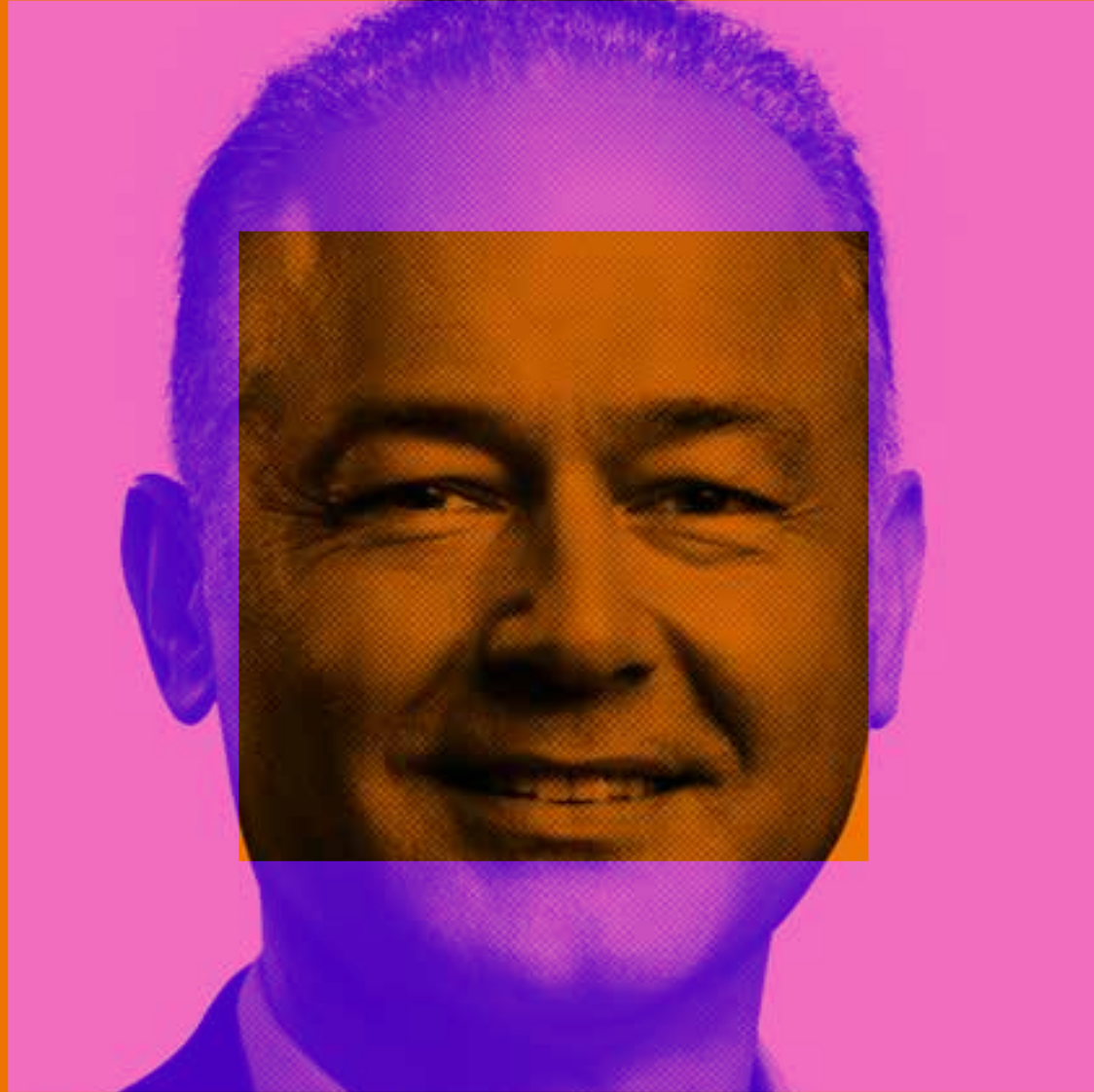
Our diverse range of models caters to customers spanning generations, each with unique preferences and requirements.

Ford Otosan, a publicly-traded company with equal ownership by Ford Motor Company and Koç Holding, boasts over 20,000 colleagues across four key locations as of 2023. Our sites in Kocaeli, Istanbul, Eskişehir (Türkiye), and Craiova (Romania) not only shape the professional careers of employees from varied age groups and backgrounds but also cultivate social connections and networks, learning opportunities, and personal growth.

Ford Otosan's Diversity and Inclusion Declaration underscores our commitment to diversity, equity and inclusion in business practices. As we strive to foster an environment where different talents aspire to work together, we also acknowledge that all our leaders play an important role in championing our diversity, equity and diversity (DEI) vision.

Our playbook serves as a comprehensive guide, offering practical insights, resources, and information to empower all stakeholders to contribute to these objectives. This playbook focuses on the meaning (WHAT) of DEI within a wide ecosystem, encompassing employees, leaders, dealers and business partners within our supply chain, the importance of their impact on Ford Otosan's business areas and all groups that have access (WHY), and what needs to be done and how to effectively implement (HOW) diversity, equity and inclusion across our businesses and ecosystem.



**Dear Colleagues and Stakeholder,**

At Ford Otosan, we uphold the responsibility of cultivating a community where every individual is afforded equal opportunities and feels a sense of belonging. It is with great pleasure that we introduce our Diversity, Equity, and Inclusion (DEI) Playbook, a roadmap that will steer us on this journey.

This playbook embodies our commitment to nurturing an environment where every voice resonates, every perspective is cherished, and every individual can thrive. Diversity, equity, and inclusion stand as cornerstones in our progress toward a sustainable future. In an era marked by rapid transformation, our ability to drive positive change and forge a resilient future hinges upon our ability to harness diverse perspectives, experiences, and talents. Such diversity fuels creativity, propels innovation, and creates significant impact not only on our production processes but also on every facet of life.

When each member of our team is empowered to contribute and progress equitably, we unlock the full potential of our workforce. Equity transcends boundaries, permeating the fabric of our entire ecosystem. An inclusive workplace empowers individuals to embrace their authentic selves

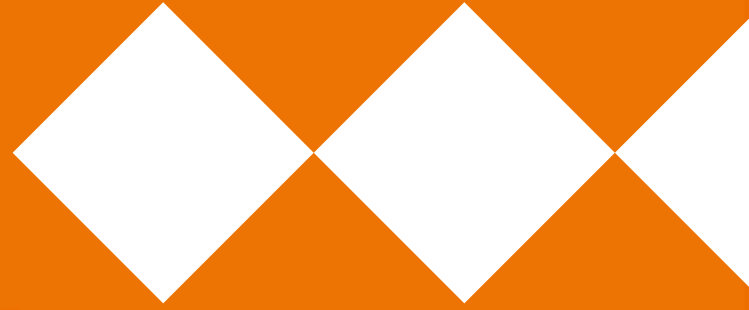
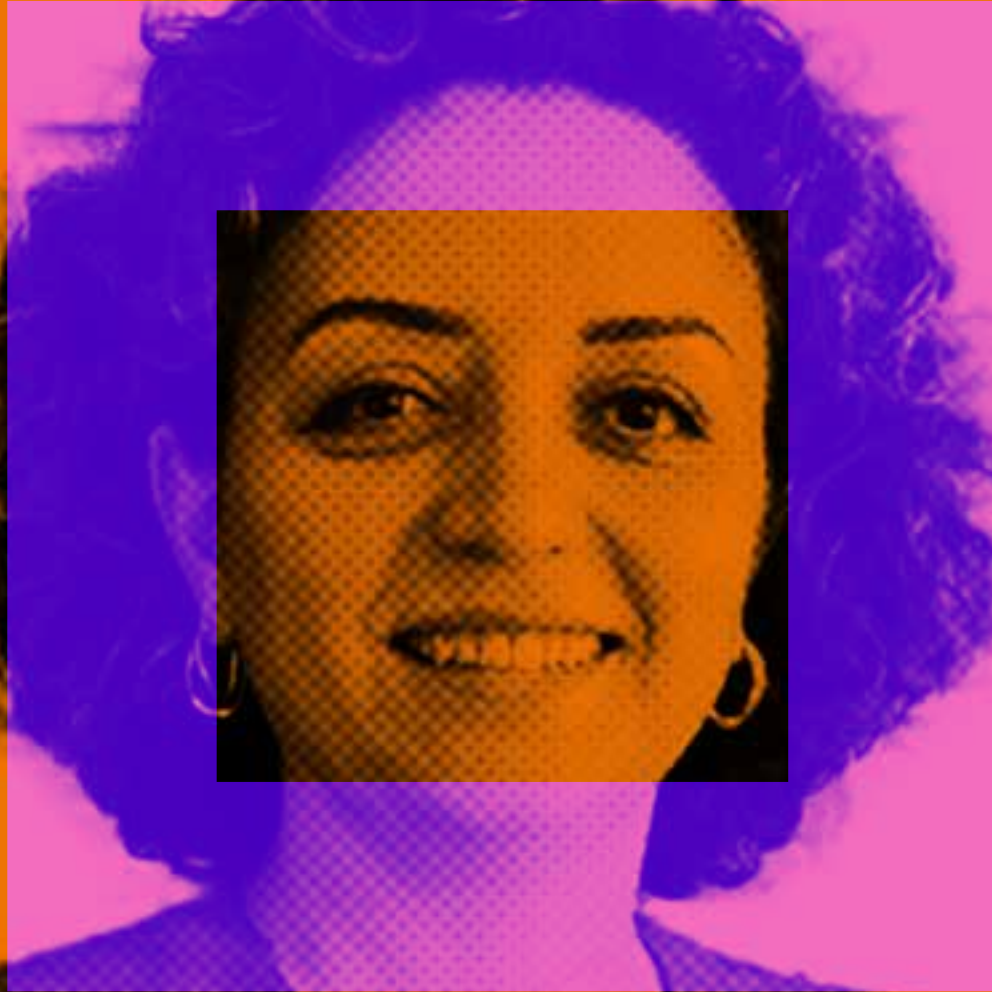
and cultivate synergy through a collective perspective. At Ford Otosan, our aim is to foster an environment that supports every member of society, in alignment with our corporate values. We meticulously review our business practices, considering diverse social identities and needs, and leverage these insights to shape more inclusive recruitment policies.

We expressly reject all forms of discrimination based on gender, sexual orientation, ethnicity, age, marital status, beliefs, lifestyles, expressions, or physical attributes. Our commitment to DEI principles underscores our resolve to cultivate a workplace where each individual is valued, respected, and provided equitable opportunities to realize their potential.

By embracing diversity, equity and inclusion, we drive both our company and our ecosystem toward a brighter future. We hope that this playbook will inspire everyone, encouraging us all to create a more equitable society.

**Güven Özyurt**  
**Ford Otosan Leader**



**Dear Reader,**

As the automotive industry undergoes a profound transformation toward the electric and connected vehicle era, shaping the future of our sector, we maintain our confidence in our company's capacity to forge a brighter tomorrow for both our team members and our customers. While the path ahead is rife with challenges, the prospect of effecting meaningful change fills us with excitement.

The onus falls upon our leaders to nurture and empower our teams throughout this transformation journey. To cultivate an environment where our team members can truly flourish, we must foster inclusivity, enabling each individual to bring forth their unique talents and perspectives. By creating conditions wherein every person has equitable access to opportunities for success, we lay the groundwork for a future that benefits our colleagues, partners, customers, and communities alike.

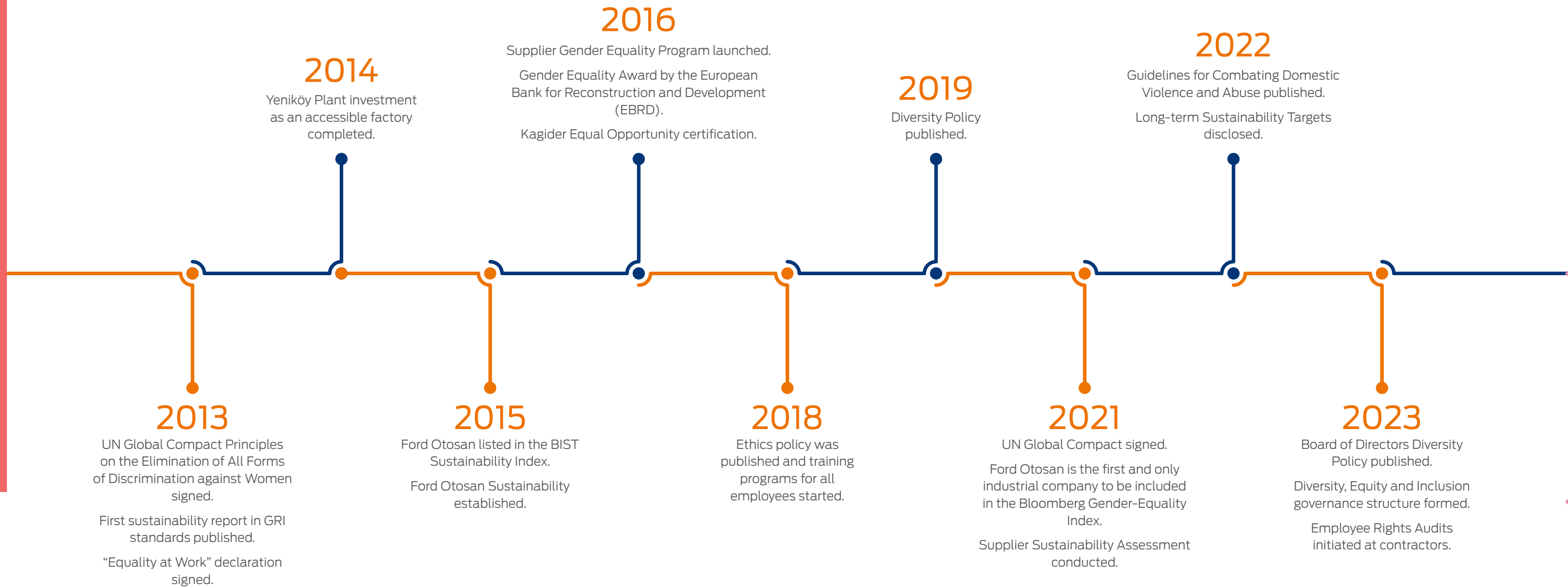
I am delighted to share this playbook, serving as an open resource encapsulating essential insights into diversity, equity, and inclusion practices at Ford Otosan and guiding us as we navigate the path toward transforming the future.

**Elif Barutçu**  
**Diversity, Equity and Inclusion Product Owner**



# FORD OTOSAN'S DIVERSITY, EQUITY AND INCLUSION FRAMEWORK

Ford Otosan published its diversity, equity and inclusion policies with the declaration adopted in 2019. Addressing DEI through a dedicated policy allows us to provide a core strategic framework, which incorporates the ongoing work on sustainability and gender equality at Ford Otosan with the diversity, inclusion and diversity practices in the transformation areas (Organizational Transformation, Culture & Leadership Transformation and Agile Transformation). Furthermore, the Board of Directors Diversity Policy lays out Ford Otosan's DEI vision.



## Background of the DEI Process at Ford Otosan

# DEI EVOLUTION AT FORD OTOSAN





## EVOLUTION OF DIVERSITY AT FORD OTOSAN

Action Plan Workshop and Action Plan (August 2022)

DEI Product Owner appointed (December 2022)

FORD DEI Transformation Team (December 2022)

DEI Playbook drafted (February 28, 2023)

Women's Development Journey and Unconscious Biases training programs developed (delivered regularly since March 2023)

DEI efforts initiated at suppliers and dealers (April 2023)

Unconscious bias training at suppliers (October 2023)

WEF – DEI Lighthouse process initiated with the Ford Romania team (our 2024 project)

## KEY TOPICS OF DEI MANAGEMENT

Diverse Workforce and Recruitment Processes

Personal and Professional Development and Career Processes

Inclusion in Business Processes and Work Environment

Work-Life Integration, Employee Health and Well-being

Social Engagement and Building an Ecosystem

# DEI PROCESS AT FORD OTOSAN



# FORD OTOMOTİV SANAYİ A.Ş.

## DIVERSITY POLICY

### DIVERSITY AS A VALUE

1. We regard the diversity of our employees, suppliers, customers and stakeholders both as a goal and also as a fundamental part of our value creation process.
2. We consider diversity in the creation of positions and teams.
3. We recognize that our individual differences make us who we are and nurture our values, perspectives and activities.

### FAIR, EQUAL, COURTEOUS AND ETHICAL RELATIONSHIPS

4. We define all relationships with other people, living creatures and nature based on rights, fairness and ethical principles.
5. Integrity, fairness and courteousness underpin our relationships. We do not allow violation of personal freedoms or degradation of honor and dignity.
6. We strive to build inclusive relationships in all our corporate processes.

Creating an inclusive environment that promotes authenticity and equity.

Encouraging diversity as a value.  
Engaging in inspiring activities to nurture fair, equitable and courteous relationships among all employees within multi-cultural work environments.

Active Diversity Management  
Developing an active diversity management to enhance diversity with creativity, increase corporate wealth, and sustain inclusion.

Institutionalizing the DEI monitoring and assessment processes.

DEI in the personal and professional development processes.

DEI Ecosystem  
Building a DEI ecosystem encompassing the dealers, suppliers and all stakeholders.

### DIVERSITY CULTURE AND BUSINESS PROCESSES

7. Maintaining a corporate climate that taps into the potential of individuals and enables all to express their opinions freely is among our key priorities.
8. We treat everyone equitably in all our business processes without discrimination against gender, sexual orientation, ethnicity, age, marital status, beliefs and opinions, lifestyles and expressions, and physical differences, and implement an effective equality policy.
9. We take precautions to prevent discrimination, prejudice and unconscious bias during recruitment, promotion and professional development processes.
10. Candidates are nominated to the Board of Directors solely by considering their knowledge and experience. We prioritize diversity on the Board of Directors and aim to appoint members with diverse experiences and skills. Our goal is to achieve a minimum female representation of 25% on the Ford Otosan Board of Directors

### EQUITABLE COMMUNICATION

11. We denounce the use of sexist, homophobic, racist, speciesist, discriminatory and stereotype-reinforcing language in all communications. We promote open, fair, non-violent forms of communication and adopt an equitable communication policy.

### ZERO TOLERANCE TO VIOLENCE

12. We firmly stand against all kinds of violence, oppression, bullying and harassment. We develop business relationships, stakeholder relationships and safe environments free of violence, bullying, pressure and harassment.

### RESPONSIBILITY

13. We play an active role in balancing the number of employees from disadvantaged groups (women, disabled, etc.) in the Turkish automotive industry.
14. We strive for active diversity management to leverage the creativity of differences, enrich the organization, and sustain inclusion.
15. We strive to partner with suppliers, dealers and stakeholders that value equity and diversity in all their relations.

# WHAT?

Diversity, equity, inclusion, and belonging are four core concepts that serve in tandem to drive dynamism, productivity and innovation. They help each team member reach their potential, benefit from equal opportunities and feel valued.





## EQUITY & FAIRNESS

“Ford Otosan strives to provide everyone with the tools they need to succeed and advance in alignment with their needs.”



## DIVERSITY

“FORD OTOSAN aspires to be present in all facets of life, enriched with employees from all walks of life, different backgrounds and experiences.”



## BELONGING

“Ford Otosan aims for its employees to develop a sense of belonging with the company, irrespective of their titles, seniority, education, background, age, gender, lifestyles and other differences.”



## INCLUSION

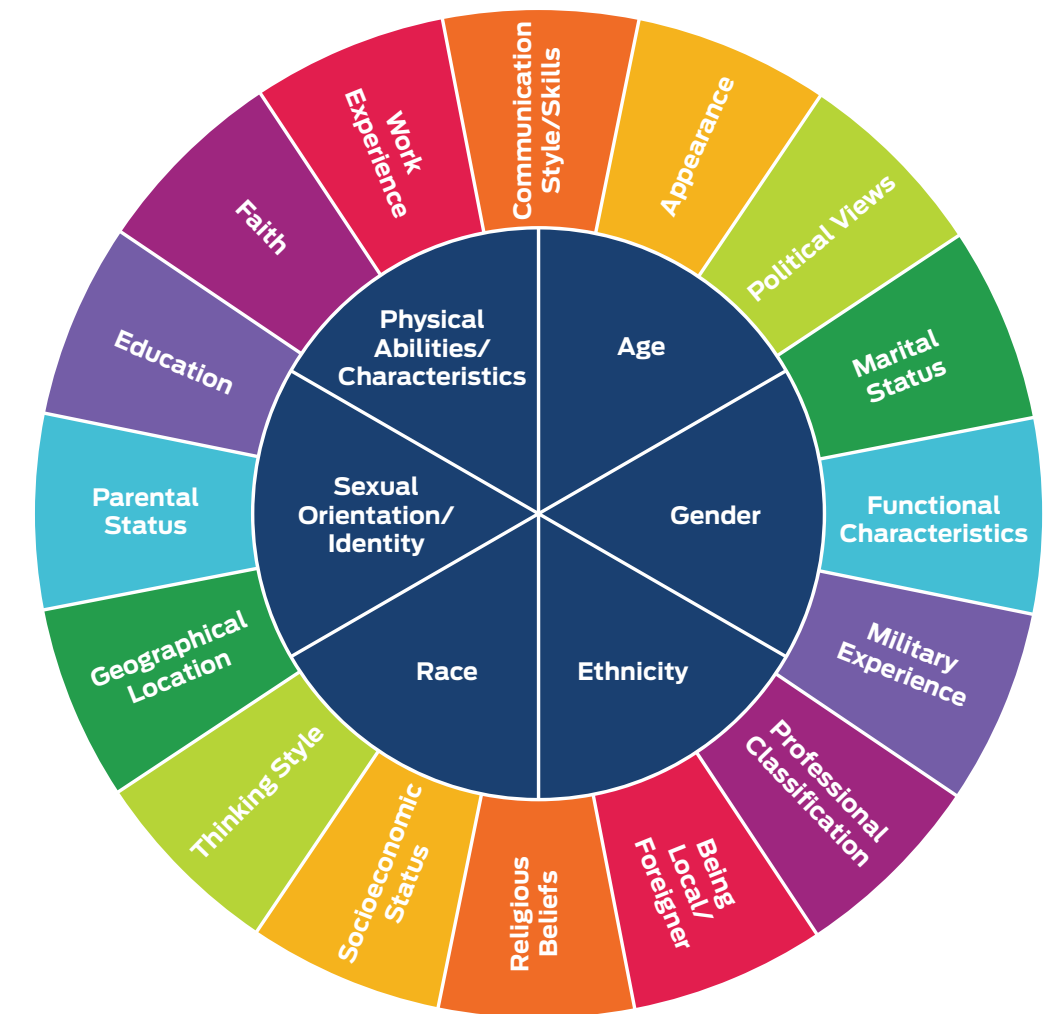
“FORD OTOSAN works to provide a work environment where all ideas and perspectives are voiced and valued, regardless of the individuals’ titles, backgrounds, ages, gender, education level, or other characteristics.”

# MINIDEI GLOSSARY

“Just because your team is diverse in a statistically significant ratio does not mean it is transformative. True transformation only occurs in a work environment where all team members with different characteristics are nurtured.”

## DIVERSITY

In its simplest definition, diversity refers to all our differences. In a narrower sense, differences encompass demographic characteristics such as gender, ethnicity, age, marital status and education and in a broader sense, they also include imperceptible characteristics such as cultural, technical and cognitive differences. Overall, diversity embodies the different backgrounds, perspectives and experiences that each of us brings.





# DIVERSITY CATEGORIES

Diversity is as varied as the traits of people. At Ford Otosan, we group diversity under some key categories:

## GENDER DIVERSITY

Refers to the equal or fair representation of employees of different genders. Even though gender diversity is most commonly used to mean gender parity in organizations, the term is more encompassing. It is also used to describe sexual identities that present expressions beyond the gender binary. Diversity in employment means that women and men have equal rights, responsibilities and opportunities.

## AGE DIVERSITY / GENERATIONAL DIVERSITY

For the first time in history, four generations are working together within companies: The Baby Boomer Generation, born between 1946 and 1964 and known as the most populous generation; Gen X, born between 1965 and 1980; Gen Y, born between 1980 and 2000; and Gen Z, born in 2000 and later. Each generation has different technological skills, communication styles, and work habits. They are also different from each other in terms of retention policies and pay expectations. Therefore, taking into consideration the dynamic interactions between and within generations to create social change and impact becomes crucial.

## DISABILITY DIVERSITY

According to the OECD's EU and Türkiye data, approximately 15% of the world population consists

of people with disabilities. In other words, there are 1 billion disabled people in the world. According to official figures, there are over 2.5 million disabled people in Türkiye. However, this figure could be much higher in reality because it does not include people who have not applied to authorized hospitals to obtain a disability report in the National Disability Data System and who have not contacted the state for assistance. On the other hand, TURKSTAT data indicates that disabled people constitute 6.9% of the population. According to the World Report on Disability, the employment ratio of working-age persons with disabilities is 53% for men and 20% for women. In Türkiye, 35.4% of disabled men and 12.5% of women are employed, based on the persons with reported disabilities. Considering all persons with disabilities, these ratios are much lower in actuality. Paid employment is crucial for integrating persons with disabilities into society. The influences of social and cultural belief systems and misconceptions that perpetuate disability stigmas and stereotypes are among the key barriers to equity.

## SCHOOL DIVERSITY

A stark reality of our country presents itself in the form of favouring certain schools or disciplines, starting from recruitment, career management, promotion, performance management, recognition and rewards. When the high school and/or university in a résumé is favoured over competence and experience for the job, it may lead to excluding graduates of other schools and thereby the potential value they might create for the organization.



“Equity is about weaving justice into the fabric of the organization.”

## INCLUSION

Inclusion means respecting employees regardless of their identities and valuing their differences. As a practice that can be improved, inclusion refers to including employees with different identities in all organizational processes and decision-making on all levels from leadership positions and the efforts to ensure that all people work together in harmony.

## BELONGING

The sense of belonging is a universal feeling and about making a person feel trusted and valued. Belonging means that persons feel accepted as they are, without the fear of criticism, rejection or exclusion. It refers to the feeling that you are an integral part of a team. When each team member feels that they are valuable and make a meaningful contribution to the organization, they truly become a part of it.



Diversity is a fact.

Equity is a choice.

Inclusion is an action.

Belonging is an outcome.”

– Arthur Chan.

## EQUITY

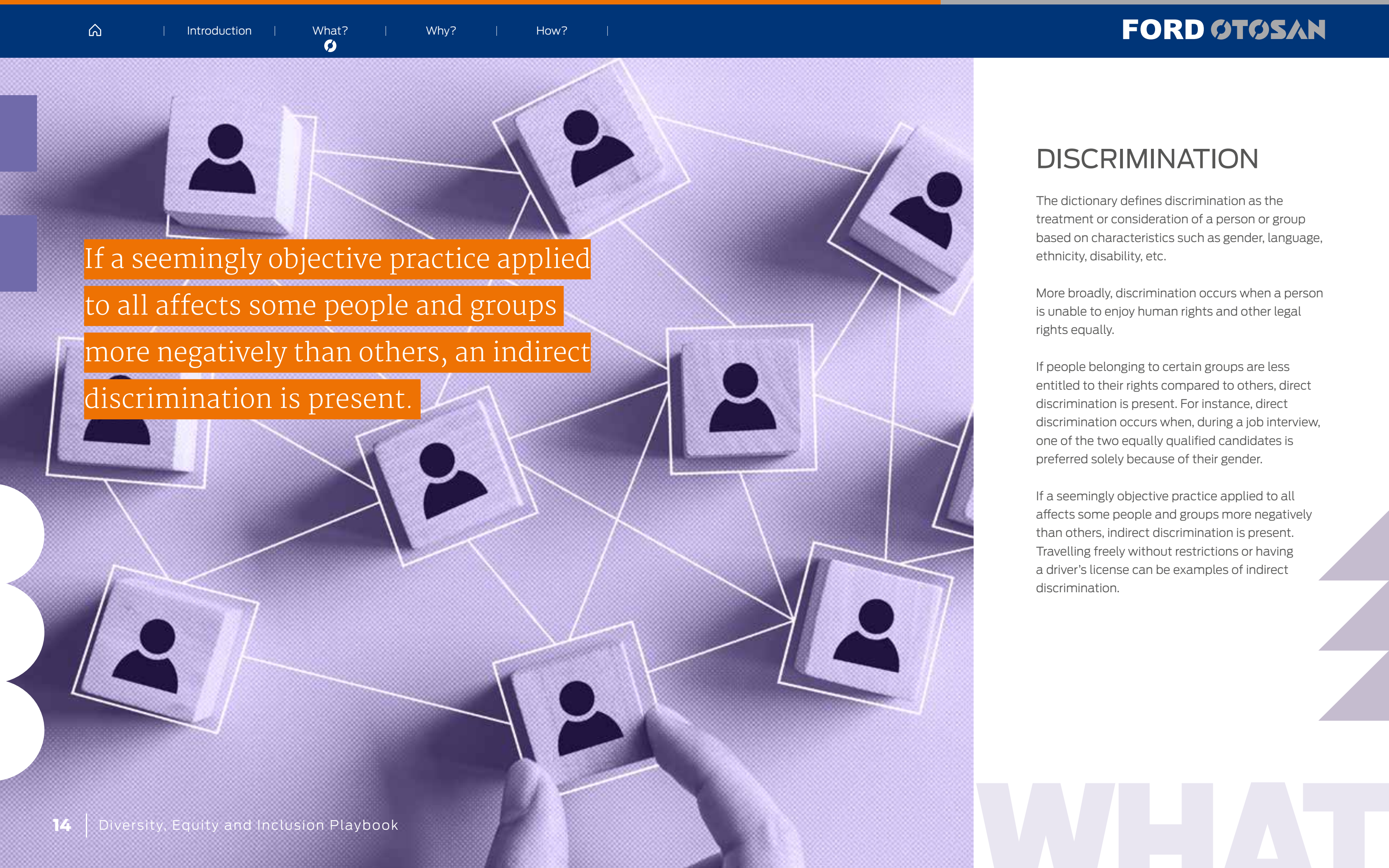
The dictionary defines equity as the policy or practice of accounting for the differences in each individual’s starting point in terms of social and political rights, regardless of their physical and spiritual differences. However, this definition of equity is lacking since it assumes that everyone starts from the same point. Therefore, a perspective that recognizes that not all people have the same life experiences and that some are disadvantaged is needed.

## EQUALITY OF DIFFERENCES OR TRUE EQUITY

Equality of differences can be used interchangeably with the concepts of equality or true equity and focuses on achieving equity in terms of the outcomes. However, introducing regulations or eliminating legal obstacles is not sufficient when we seek to achieve equity in outcomes. Therefore, eliminating these obstacles is crucial and can only be possible by developing policies to support the disadvantages.

Equity is the cornerstone of a successful diversity and inclusion practice. This concept recognizes that each team member has different starting points and aims to ensure that everyone has the appropriate resources to attain the common goal. Equity offers everyone the potential for development in line with their needs.





If a seemingly objective practice applied to all affects some people and groups more negatively than others, an indirect discrimination is present.

## DISCRIMINATION

The dictionary defines discrimination as the treatment or consideration of a person or group based on characteristics such as gender, language, ethnicity, disability, etc.

More broadly, discrimination occurs when a person is unable to enjoy human rights and other legal rights equally.

If people belonging to certain groups are less entitled to their rights compared to others, direct discrimination is present. For instance, direct discrimination occurs when, during a job interview, one of the two equally qualified candidates is preferred solely because of their gender.

If a seemingly objective practice applied to all affects some people and groups more negatively than others, indirect discrimination is present. Travelling freely without restrictions or having a driver's license can be examples of indirect discrimination.



## What are the regulations against discrimination?

Laws, regulations, declarations and recommendations serve as facilitating tools for the implementation of diversity, equity and inclusion in organizations. The international conventions to which Türkiye is a party are summarized on this page.

### Universal Declaration of Human Rights,

Article 2 states: “Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, colour, sex, language, religion, political or another opinion, national or social origin, property, birth or another status.” These rights are universal, indivisible, inalienable, and interrelated. States have obligations and duties under international law to I. respect, II. protect and III. fulfil human rights.

**The “Guiding Principles on Business and Human Rights:** Implementing the United Nations ‘Protect, Respect and Remedy’ Framework” applies to all States and all business enterprises, both transnational and others, regardless of their size, sector, location, ownership and structure. The responsibility of business enterprises to respect human rights is distinct from issues of legal liability and enforcement, which remain defined largely by national law provisions in relevant jurisdictions. Depending on the circumstances, business enterprises may need to consider additional standards. For instance, enterprises should respect the human rights of individuals belonging to specific groups or populations that require

particular attention, where they may have adverse human rights impacts on them.

The **European Convention on Human Rights** aims at securing the universal and effective recognition and observance of the Rights therein and is binding on signatory governments. Article 14, Prohibition of Discrimination, stipulates: “The enjoyment of the rights and freedoms set forth in this Convention shall be secured without discrimination on any ground such as sex, race, colour, language, religion, political or another opinion, national or social origin, association with a national minority, property, birth or another status.” This article enables to us fight against various forms of discrimination.

The **International Convention on the Elimination of All Forms of Racial Discrimination** defines under Article 1 the term “racial discrimination” to mean “any distinction, exclusion, restriction or preference based on race, colour, descent, or national or ethnic origin which has the purpose or effect of nullifying or impairing the recognition, enjoyment or exercise, on an equal footing, of human rights and fundamental freedoms in the political, economic, social, cultural or any other field of public life.” Article 5 guarantees the rights to work and to free choice of employment among others.

For the purposes of the present Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), the term “discrimination against women” shall mean any distinction, exclusion or restriction made based on of sex which has the effect or purpose of impairing or nullifying the

recognition, enjoyment or exercise by women, irrespective of their marital status, on a basis of equality of men and women, of human rights and fundamental freedoms in the political, economic, social, cultural, civil or any other field. Article 11, aims at eliminating discrimination against women in the field of employment in order to ensure, on the basis of equality of men and women, the same rights, in particular: the right to work, the right to the same employment opportunities, including the application of the same criteria for selection in matters of employment, the right to free choice of profession and employment, the right to equal remuneration, the right to promotion, and the right to social security. The Convention requires the signatory States to take all appropriate measures. CEDAW was adopted by the United Nations General Assembly in 1979, and ratified by Türkiye in 1985.

The **Convention on the Rights of Persons with Disabilities** was adopted by the United Nations as the fundamental convention on disability rights, and ratified by Türkiye on March 30, 2007, the day it was opened for signature. In this convention, “Discrimination on the based disability” means any distinction, exclusion or restriction on the based on disability which has the purpose or effect of impairing or nullifying the recognition, enjoyment or exercise, on an equal basis with others, of all human rights and fundamental freedoms in the political, economic, social, cultural, civil or any other field. It includes all forms of discrimination, including denial of reasonable accommodation.

The **International Labour Organization’s (ILO) Convention No. 111** concerns discrimination in respect of employment and occupation. For the purpose of this Convention, the term “discrimination” includes any distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation. With this agreement, all kinds of discrimination that destroy equality in employment and occupation are prohibited.

Deloitte’s Diversity and Inclusion in the Workplace Report, covering the period February - May 2022, highlighted discrimination against gender, age, education, ethnicity and disability. The survey was conducted with 440 respondents, currently or previously employed. Some striking findings of the survey included the following:

-65% of the respondents stated they had been subjected to or witnessed gender-based discrimination in the workplace.

-57% of the male respondents were subjected to or witnessed age-based discrimination. due to their age. This ratio is 64% for women.

-The ratio of discrimination rises among young people and tends to decline with age.

- Young women form the group subjected to the highest age-based discrimination (76%).







## DEI TRENDS AT FORD OTOSAN

A diverse workforce can make a difference in the global market, leveraging a wealth of cultural knowledge to design products that appeal to various tastes and preferences and develop different marketing strategies and practices.

Ford Otosan operates in four main sites: Gölcük and Yeniköy Plants in Kocaeli, Eskişehir Plant in Eskişehir, Sancaktepe R&D Center and Spare Parts Warehouse in Istanbul, and Craiova Plant in Romania, and employs more than 20,000 people. Ford Otosan, the automotive industry's export champion for the last 11 years, is an international company exporting vehicles and parts to 78 countries on five continents.

**4 Different facility\***

Total  
**23,701**  
employees\*

Office  
**%22.5**\*

Field  
**%77.5**\*

\* December 2023 data.



## WORKING TOWARD GENDER PARITY:

We uphold the principle of “respecting differences and ethical values by promoting equal opportunity” in all Human Resources processes and practices.

# FEMALE EMPLOYEES IN STEM

3,455 in Türkiye  
2,721 in Romania\*

**women**

At Ford Otosan, the ratio of women working in technical fields - Science-Technology-Engineering and Mathematics or STEM in short - was 25.5% among office employees and 17.9% among field employees in 2023, reaching an average of 22%.

**22%**

We aim to increase gender parity to 22% by 2024 and 30% by 2026. \*\*\*\*

**22%** ►►► **30%**

\* December 2023 data.

\*\*Target pertains only to Ford Otosan Türkiye operations.





We recognize that diverse ideas, perspectives and skills contribute to competitiveness, supporting creativity and solving problems.

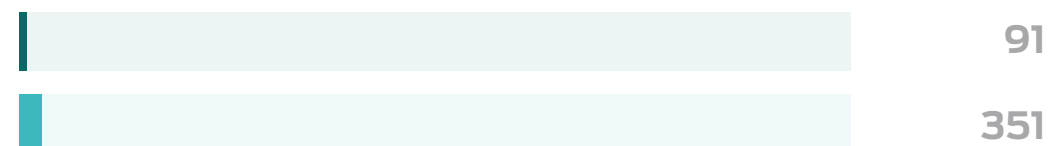
Ford Otosan employs more than 400 persons with disabilities, which are mostly hearing-impaired and orthopedically disabled. The company also prioritizes disability diversity and employs persons with Autism spectrum disorders, Down Syndrome, and moderate mental challenges within the Ford Otosan team. Ford Otosan is committed to making its plants and offices disability-friendly. Ford Otosan's Yeniköy Plant, which has recently undergone capacity increases and improvements, is an Accessible factory, that providing employment for persons with various disabilities.

We recognize that diverse ideas, perspectives and skills contribute to competitiveness, supporting creativity and solving problems. Currently, four different generations are working side by side. Understanding this fact, Ford Otosan creates various environments to enable people from different generations to engage and learn from one another. In addition to traditional training, the reverse mentoring program also offers a great learning opportunity and experience. This program, run every year and based on the assumption that experience grows with age, provides a mentoring framework for older generations to pass on their experiences and know-how to younger generations, while also learning new cultures, trends, technologies, habits and expectations from them.

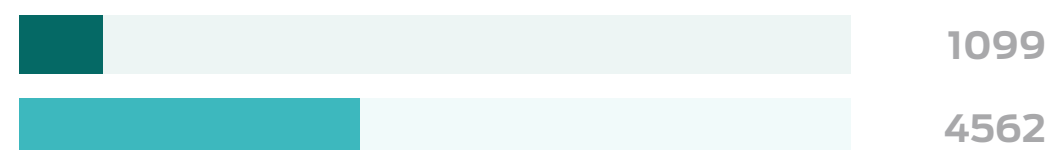


# DEMOGRAPHICS

## Baby boomer



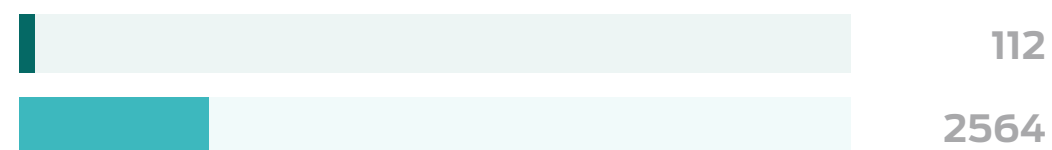
## Gen X



## Gen Y



## Gen Z



Office Field

\* December 2023 data.

We uphold the principle of “respecting differences and ethical values by promoting equal opportunity” in all Human Resources processes and practices.

# WHY?

Ford Otosan touches the lives of millions through its extensive dealer and supplier networks across Türkiye and more than 20 thousand employees from different backgrounds and experiences.



Ford As the demographic structure changes and evolves, Ford Otosan's DEI-focused activities create a positive impact on people's lives, the corporate culture and innovative organizational processes, and the welfare of society at large.

DEI encompasses a process with positive effects on almost every facet of businesses, from the employees' engagement with their colleagues to innovation potential, from better decision-making to improved financial performance and efficiency. Corporations are increasingly recognizing the lack of diversity and inclusion.

While 71% of the companies aim to create an inclusive workplace, only 12% have achieved it to date. Ford Otosan aims to spearhead DEI efforts in the automotive industry and the Turkish business world. Ford Otosan's commitment to DEI and transformative actions create exponential impact, thanks to the company's extensive reach across different segments of society. Ford Otosan aims to rank among the DEI leaders with its best practices and set benchmarks for all facets of the industry.

Ford Otosan's DEI commitment focuses on creating advantages and value across all business areas, beyond simply adopting a "good to have" approach.

Businesses today address diversity, equity and inclusion issues not just out of social justice concerns, but also because they understand that DEI is key to progress, innovation, performance, better decision-making, and more productivity. Therefore, creating inclusive environments where everyone feels valued, regardless of their background, identity or experiences becomes crucial. In a global marketplace, a diverse workforce contributes a wealth of cultural knowledge and varying perspectives to designing innovative solutions across all business processes, which they can implement much more effectively.

#### INNOVATION AND CREATIVITY

Diverse teams are more likely to innovate and generate new ideas than homogeneous teams. (1)

#### ATTRACTING AND RETAINING TALENT

Companies that promote DEI are more likely to attract and retain talent. (2) Job seekers are increasingly prioritizing diversity and inclusion when considering offers. (3)

#### FINANCIAL PERFORMANCE

Companies in the top quartile of ethnic and cultural diversity in their executive teams are 33% more likely to have industry-leading profitability. (4)

#### EMPLOYEE ENGAGEMENT AND CUSTOMER SATISFACTION

Managers' inclusive approach can create up to a 70% difference between the ratio of employees who feel included and who do not. This effect is even more pronounced among (e.g. women). (5)

#### BETTER DECISION-MAKING AND RISK MANAGEMENT

The higher diversity of perspectives and ideas brought to the table leads to more effective decision-making. (6)

#### REPUTATION AND EMPLOYER BRAND

Companies with inclusive cultures have 22% lower turnover and achieve 39% higher customer satisfaction. (7)

(1) Hewlett, S. A., Marshall, M., & Sherbin, L. (2013). Innovation, Diversity, and Market Growth. Center for Talent Innovation. [https://coqual.org/wp-content/uploads/2020/09/31\\_innovationdiversityandmarketgrowth\\_keyfindings-1.pdf](https://coqual.org/wp-content/uploads/2020/09/31_innovationdiversityandmarketgrowth_keyfindings-1.pdf) (1) Hewlett, S. A., Marshall, M., & Sherbin, L. (2013). Innovation, Diversity, and Market Growth. Center for Talent Innovation.

(2) [https://coqual.org/wp-content/uploads/2020/09/31\\_innovationdiversityandmarketgrowth\\_keyfindings-1.pdf](https://coqual.org/wp-content/uploads/2020/09/31_innovationdiversityandmarketgrowth_keyfindings-1.pdf)

(3) Society for Human Resource Management. (2019). Diversity & Inclusion: A Competitive Edge for Business. <https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Documents/SHRM%20D%26I%20Report%202019.pdf>

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## DRIVING INNOVATION AND CREATIVITY

A diverse workforce brings different, unique perspectives and experiences, contributing to innovative and creative solutions to problems. Different ideas and experiences would certainly drive innovation and creativity if these differences express themselves easily and freely within the organization. When employees from diverse backgrounds feel appreciated and included in the workplace, they are more likely to bring their unique perspectives and experiences to the table, leading to enhanced innovation, creativity and adaptation, and subsequently, to higher productivity and competitiveness.

The relationship between diversity, equity and inclusion with innovation has been addressed in several comprehensive studies and generated invaluable data. McKinsey & Company's "Diversity Matters" report, which analyzed data from 1,000 companies in 12 countries, is one of the most in-depth studies on this topic. This report provides detailed data on the relationship between diversity, equity and inclusion with business performance, including innovation and financial performance. In particular, the report found that the companies in the top quartile of gender diversity were 21% more likely to have financial returns that were above their national industry median.

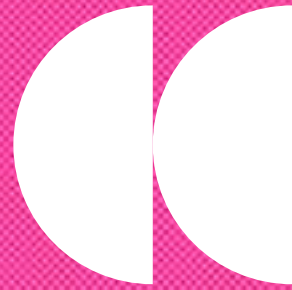
Similarly, companies in the top quartile of ethnic and cultural diversity in their executive teams were 33% more likely to have above-average profitability than companies in the bottom quartile.

Furthermore, inclusive workplaces were found to be six times more likely to be innovative and agile and twice as likely to meet or exceed financial targets.

The Center for Talent Innovation's "Innovation, Diversity and Market Growth" report, conducted with more than 1,800 professionals in the USA, England and Germany, stands as another comprehensive study. The report found that diverse teams were more likely to innovate and generate new ideas than homogeneous teams. The report determined that teams with higher diversity were 45% more likely to introduce a new product or service in the past year compared to teams with less diversity.

DEI efforts have been proven to create a positive impact on employee engagement. Fostering a more inclusive workplace could result in a more engaged and driven workforce, which could lead to higher productivity, innovation and financial performance.





## ATTRACTING TALENT AND BELONGING

Working in an inclusive environment is becoming increasingly important for employees. More than three-quarters (76%) of job seekers and employees view a diverse workforce as a key criterion when considering job offers.

A survey, conducted with more than 5,000 adult respondents in the United States, United Kingdom, France and Germany, found that 61% of job seekers thought diversity and inclusion were important when considering job offers. In addition, 57% of the respondents stated that they would not apply to a company with a poor diversity and inclusion record.

According to a 2019 survey by the Society for Human Resource Management (SHRM), companies that prioritize diversity and inclusion were more likely to attract and retain talent. 41% of the employees stated they would leave their current job for a more inclusive company, while 35% said they would be willing to take a pay cut to work for a more inclusive organization. The survey also found that companies with robust DEI policies and practices were more likely to report lower turnover rates.

A 2018 survey by LinkedIn found that job seekers were increasingly paying attention to diversity and

inclusion when considering job offers. According to the survey, 71% of professionals in the US wanted to learn about a company's diversity and inclusion policies before accepting a job offer, while 83% said they would be more likely to apply to a company with a diverse workforce.

Overall, these studies indicate that companies that prioritize DEI are more likely to attract and retain top talent. Creating a diverse and inclusive workplace can enable companies to appeal to job seekers who value diversity and inclusion and to build a strong employer brand.



## BETTER DECISION-MAKING AND RISK MANAGEMENT:

Diverse teams are more likely to consider a broader range of ideas and perspectives, leading to better decision-making. These teams can help uncover some blind spots and biases by contributing different perspectives and experiences to decision-making. A diverse team can approach problems from different angles and offer unique solutions, generate more creative ideas leading to innovative solutions, reduce groupthink by lending alternative perspectives, and enhance accuracy in decision-making.

According to a study published in the Journal of Financial Economics, companies with diversity in their boardrooms were less likely to engage in risky behaviour or financial misconduct. The study found that Board diversity leads to better risk management and improved corporate governance.

## ENHANCED REPUTATION:

Companies that focus on DEI as a priority are viewed more positively by employees, customers, and stakeholders, and therefore enhance their reputation and brand image.

There is a strong correlation between diversity and inclusion and a company's reputation, employee brand and customer satisfaction because such a company is perceived as socially responsible and committed to creating a fair and inclusive workplace. Companies that prioritize DEI will also develop a strong employee brand as a result of higher levels of employee engagement and retention.

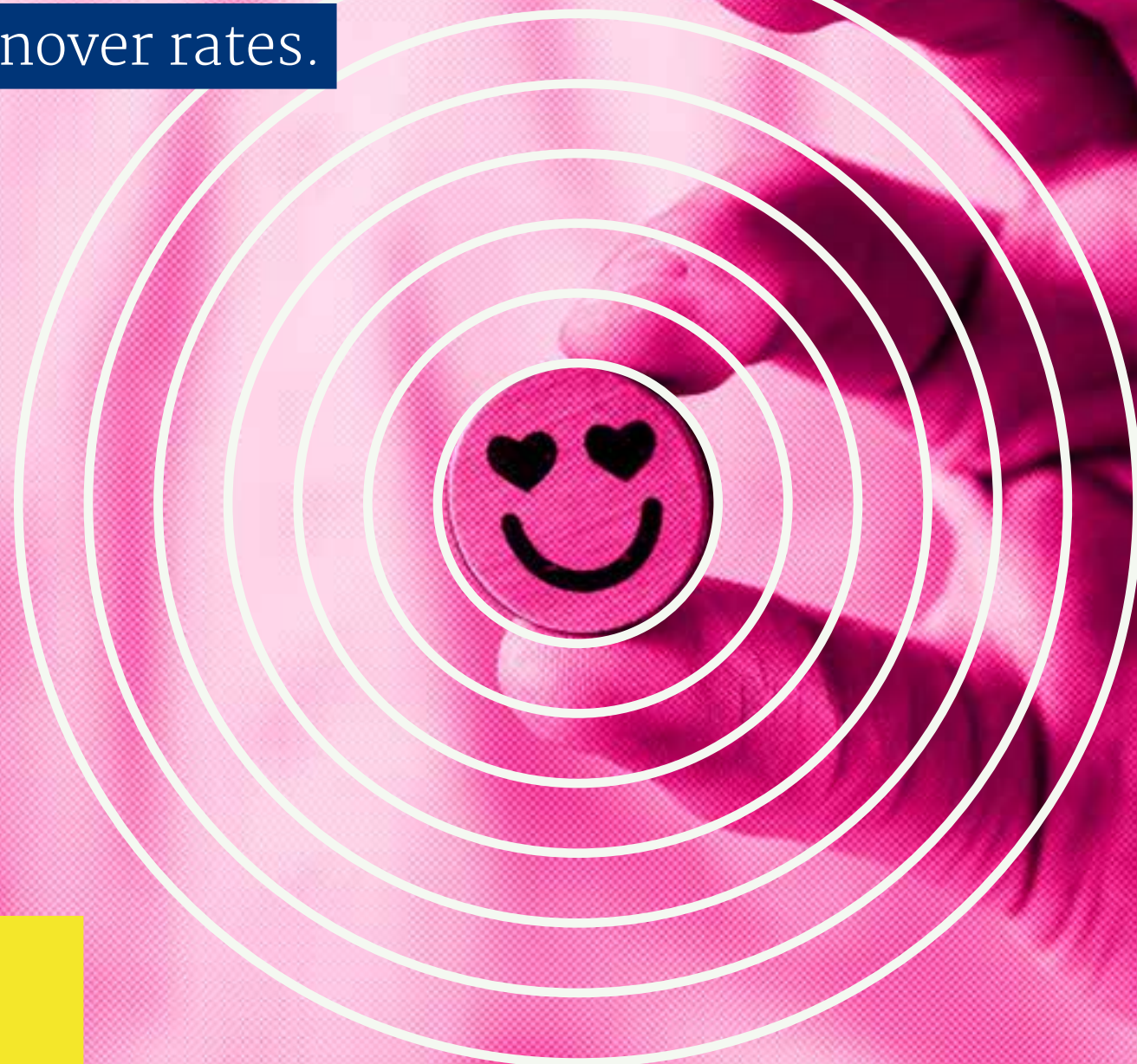
A strong employee brand can deliver higher levels of customer satisfaction. Customers are increasingly focused on diversity and equity as a core values and therefore interested in doing business with companies that share their values. The positive impact of DEI on customer satisfaction and employee brand can also be measured through surveys.

Deloitte's 2017 Millennial Survey found that millennials, a large and growing segment of the workforce and customer base, were more likely to stay with an employer and recommend it to others if they perceived the company to be diverse and inclusive.

Another study by Harvard Business Review found that companies with diverse teams were more innovative and better equipped to meet the needs of a diverse customer base, resulting in improved customer satisfaction and loyalty.



When employees feel appreciated and included, their loyalty and dedication to the company increases, resulting in lower turnover rates.



## HIGHER EMPLOYEE ENGAGEMENT AND TALENT RETENTION:

When employees feel valued and included, their loyalty and dedication to the company increases, resulting in lower turnover rates.

Studies indicate that employees who feel included are more likely to be engaged and driven. A study found that employees who felt included were 1.3 times more likely to feel that their ideas were heard and valued, and 1.7 times more likely to recognize that they could grow and develop in their jobs.

Generation Y was found to be 83% more likely to remain loyal to an inclusive company, demonstrating that employee engagement is particularly important when it comes to an evolving workforce. Gen Y is also more dedicated and committed to higher standards when they feel comfortable in an organization that does not marginalize them. A Glassdoor study determined that companies with more diverse workforces capture higher overall employee satisfaction ratings. When employees feel appreciated and included, their loyalty and dedication to the company increases, leading to lower turnover rates.





# None of us is as smart as all of us.\*

\* Japanese proverb

## UNDERSTANDING / HEARING THE CUSTOMER BETTER AND IMPROVED FINANCIAL PERFORMANCE:

A diverse workforce can help companies better understand and serve a diverse customer base, driving customer loyalty and therefore revenue. Studies show that companies that prioritize DEI deliver better financial performance than those that do not.

According to McKinsey & Company's "Diversity wins: How inclusion matters" paper, companies in the top quartile for ethnic and cultural diversity in their executive teams outperformed those in the fourth by 33% in terms of profitability. The report also found that companies with the highest gender diversity in their executive teams were 21% more likely to outperform their industry in profitability and 27% more likely to create superior value.

A 2018 report by Boston Consulting Group (BCG) indicated that companies with diverse leadership teams made better business decisions. This study analyzed data from more than 1,700 companies in eight countries and found that companies with above-average diversity in their leadership teams had higher innovation revenue and better margins in interests and taxes compared to companies with below-average diversity.





# GLOBAL AND LOCAL DIVERSITY, EQUITY AND INCLUSION DYNAMICS

## TECHNOLOGICAL ADVANCEMENTS IN COMMUNICATION AND MOBILITY TRANSFORM THE WORLD INTO A GLOBAL VILLAGE.

For some time now, we have lived in a connected world, enabled by advancements in digitalization, worldwide communication networks, telecommunications infrastructure, globalization of the financial system, global logistics and trade networks, international migration, global media and culture industries, and information and communication technologies. These dynamics are accelerating connections between remote people, places and businesses, facilitating interactions across the world. Globalization is requires companies to build an international workforce. Businesses are bringing people from completely different backgrounds and contexts together to work in the same “space,” thanks to digital technology. This means that companies need to rethink their human resources policies and cultural competencies, while revisiting their organizational and business processes.

As companies become globalized, intercultural engagements also increase. While more horizontal, multiple and flexible organizational structures gain prominence, the workforce is also diversifying. Therefore, companies are striving to build on their DEI policies and cultural competencies.

## GLOBALIZATION REQUIRES COMPANIES TO BECOME MORE INNOVATIVE AND IMPROVE THE EFFICIENCY OF THEIR BUSINESS PROCESSES.

As the global market grows rapidly, companies are forced to compete with consumers from diverse backgrounds across a vast geography. The lifestyles, households, business dynamics, work and living spaces of consumers and employees are diversifying and evolving

# HOW?

By aiming for continuous development and improvement in all people-facing processes, starting with human resources, and by providing a work environment guided by cultural principles and values.





# HOW?

Ford Otosan's DEI mission is “to rank among Türkiye's leading companies with a diverse workforce and inclusion culture.”

Ford Otosan follows the strategies of “becoming an employer of choice by aiming for excellence in human resources and increasing the employee benefits,” and “offering innovative products and services by consistently focusing on creativity in all business processes,” which inevitably position DEI among our key policies.

Accordingly, Ford Otosan's DEI mission is “to rank among Türkiye's leading companies with a diverse workforce and inclusion culture.”

We define our DEI strategy as “becoming an inclusive company that fosters originality and creativity by creating a diverse workforce across all positions and teams, based on fair, equitable and courteous relationships in work environments, personal and professional development opportunities and equality in career processes.” The core principles of this strategy consist of actions to be implemented in the following areas:



Active DEI governance for a fair, equitable, courteous and inclusive work culture.

## DIVERSITY

"FORD OTOSAN is present in all facets of life with employees from diverse backgrounds and experiences."

## INCLUSION

"FORD OTOSAN aims to provide a work environment where everyone's ideas and perspectives are heard and appreciated, regardless of their title, background, age, gender, education level, or characteristics."

## EQUITY & FAIRNESS

"Ford Otosan strives to provide everyone with the necessary tools and resources to succeed and develop in alignment with their needs."

## BELONGING

"With my title, background, age, gender, lifestyle and all my differences, I feel a sense of belonging with the Ford Otosan family."

Building a diverse workforce across all positions and teams

DEI in personal and professional development and career processes

Inclusive leadership

Inclusion in work-life integration and employee well-being

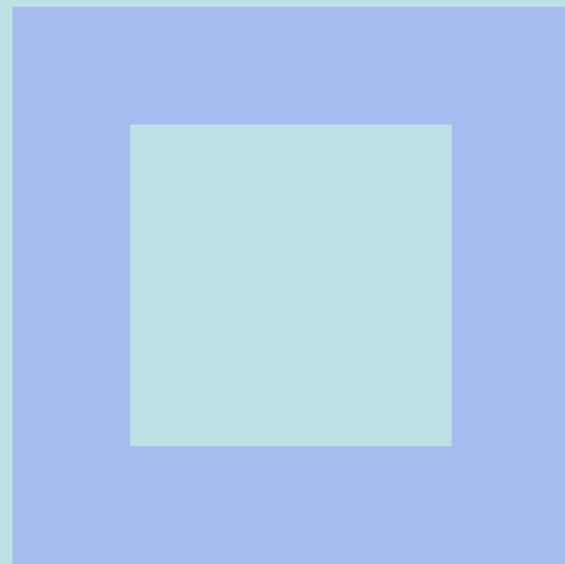
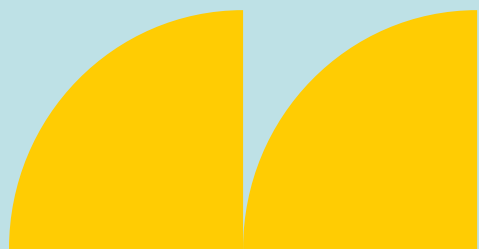
Creating a DEI ecosystem with dealers, suppliers and stakeholders



# HOW TO HIRE MORE DIVERSE CANDIDATES

Diversity in the workplace reflects the general societal structure. Your colleagues should consist of people from diverse backgrounds and cultures, bringing diversity in terms of age, gender, education level, skills, experience, etc. Ford Otosan follows core principles and strategies to foster and retain a diverse workforce. These strategies include:

\*Studies indicate that women apply for a job if they meet qualifications 100%, while men apply even if they only meet 60% of the qualifications. Specifying certain skills or work experience as “required” in job listings can deter many qualified candidates from even applying. Therefore, you should make sure that the job listing accurately reflects the required qualifications and refrain from using gender-specific wording.”



## 5 key steps for diversity in recruitment:

### 01.

Expand the recruitment landscape. Utilizing various resources makes it possible to reach a more diverse workforce. Internship programs, encompassing different schools and job sites, and connecting with female-oriented networks help attract more talent to the team.

### 02.

Revise the language of job listings. Opt for a more inclusive tone instead of language that calls for a specific experience. Refrain from using gender-specific terms. Clearly state why that position would be a good fit for the candidates.

### 03.

Consider diversity in the recruitment process, which can also be managed with a diversity mindset. Decision makers in hiring can also be part of diversity.

### 04.

Beware of unconscious biases! It's easy to fall into the trap of unconscious bias in recruitment. Therefore, the awareness of decision makers should be increased. The recruitment process can be anonymous by conducting blind interviews or using new technology platforms.

### 05.

Elevate FORD Otosan's brand image through with diversity. We aim to attract more diverse candidates by integrating diversity into the brand culture and promoting the diversity strategy on career websites and social media platforms.

## QUESTIONS LEADERS SHOULD ASK THEMSELVES

- Do you search for candidates through multiple channels to reach diverse audiences?
- Do you have a specific process to ensure your interviewers objectively evaluate candidates when deciding on who to hire?
- Do your interviewers follow a bias-conscious evaluation process with all candidates?
- Are your interviewers trained on unconscious biases during the selection process?
- Look at your selection data. Do you include sufficient number of diverse candidates in alignment with the market? Are some managers hiring less diverse candidates? If your answer is “yes,” you need to deepen your efforts and take necessary action.



## HOW?

## A quick note about unconscious bias:

Unconscious bias is an implicit stereotype and often preconceived about a specific group. This bias occurs outside of the individual's consciousness and is influenced by people's background, cultural environment and personal experiences. People tend to gravitate toward those with similar traits and characteristics in terms of gender, race and ethnicity, shared values and affinities.

## EXAMPLES OF UNCONSCIOUS BIAS:

Unconscious biases may occur in countless different ways. Here are a few examples:

**Proximity bias:** The tendency to prefer people from similar social or educational backgrounds, familiarity with appearances and speech styles.

**Gender bias:** The tendency to prefer one gender over another as more competent, depending on the specific role.

**Confirmation bias:** The tendency to prefer people who generally support us and approve of our views, whether they are good or bad, rather than criticizing us.

Ford Otosan is focused on addressing and eliminating unconscious bias in the recruitment and promotion processes as a priority. For this purpose, standards are developed and the awareness of the interviewers involved in the selection is increased. We start by working with the leaders on unconscious biases. Unconscious bias seminars are organized, initially for the leaders, to build a diverse and innovative team and benefit from the value of diversity.



# GENDER EQUALITY STRATEGY

At Ford Otosan, the share of women in the total office and field workforce stands at **29% as of 2023.**

Our goal is to rapidly increase this ratio.



According to the World Economic Forum's 2022 Global Gender Gap Report, it will take 132 years to close the gender gap after the disruption that COVID caused. This is a very long time, but there are many actions companies can take to foster gender equality.

**We have high aspirations and a long way to go:**

Ford Otosan aims to increase the ratio of female managers\* **50%** by 2030

and the ratio of female employees in STEM to **30%** by 2026.

\*Target pertains only to Ford Otosan's operations in Türkiye.

Gender equality will be spread across suppliers, dealers and other stakeholders, **without leaving anyone behind.** Our priority is to create an **inclusive work environment** for more female candidates.

In 2021, Ford Otosan identified its priority for the next five years as **"Gender Equality in Technology and Innovation"** in alignment with the UN Sustainable Development Goal, Gender Equality, and published its commitments. Accordingly, four main targets were determined

to support women, whether seeking new employment, already employed, or on a break from previous employment.

Ford Otosan aims to increase the ratio of women in technology and innovation to

**30%**

by 2026,

**double**

the number of women in STEM at our dealers by 2026, support startups with

**at least 50%**

women in their leadership teams

and reach

**100,000 women**

in communities through training, awareness, and financial assistance projects.

We aim to recruit and retain more women and to involve more women in career processes to achieve gender equality.

Working with both male and female employees is critical for building an inclusive culture. To date, Ford Otosan has introduced flexible work models, included foster parents within the same parental leave schemes, and offered a 50% remote work option by considering work-life balance.



To achieve our goals, we make plans under four categories: university students, new graduates, women who had to take a break from work and women in employment to engage them through women's circles, career coaching, university collaborations and female leader training programs. We also collaborate with Vehbi Koç Foundation, NGOs and academics to swiftly launch programs aimed at attracting young talent and existing talent already in employment to our team.

## Ford Otosan aims to increase the share of female managers to 50% by 2030 and the ratio of women in STEM to 30% by 2026.

- To spread our gender equality approach across our dealer network, we aim to double the ratio of women, which currently stands at 10.88%, in STEM at our dealers by 2030.
- We plan to implement various projects in 2024 to achieve these goals.
- Reaching women who worked in STEM but took a break from their careers or new graduates, organizing awareness raising workshops at our dealers, planning process training (paint shop, mechanical, etc.) for female employees looking for a job through agreements with NGOs and local administrations, and ensuring the employment of female technical staff at dealers, launching projects for female students in vocational high schools are part of our goals.
- In early 2023, we started to support female leadership positions through dealer employment incentives. To promote this initiative, we launched a scholarship program in 2023 for students at vocational high schools, which partner with our dealers.
- Furthermore, we started to deliver Tier 1 and Tier 2 Female Leader Development Training Programs in 2023 to increase the ratio of our female employees in technology and innovation. In addition to providing training, we also design a career coaching program to support women toward realizing their potential. We are making strides toward our goals by monitoring our female leaders' appointment rates by departments and encouraging the recruitment of experienced women.



# HOW TO ADVANCE DIVERSITY AND INCLUSION IN PERSONAL AND PROFESSIONAL DEVELOPMENT AND CAREER PROCESSES?

Promoting diversity, equity and inclusion in personal and professional development and career processes is crucial to building a workplace that embraces and supports all employees. The strategic topics we address at Ford Otosan for this purpose include:

Setting and tracking DEI targets in personal and professional development plans

Developing mentoring and leadership programs for target groups

Ensuring fairness in the performance assessment system

Transparency, monitoring accountability

Investing in employee resources groups and volunteering

Investing in inclusive culture efforts



## FORD OTOSAN MAKES FIRM STRIDES IN DEI

1. We set clear DEI targets that could be incorporated into personal and professional development plans. We monitor the ratio of women included in leadership programs, as well as vocational training hours, and social and personal development training time by gender.

2. Programs, support and incentive schemes were introduced for women in STEM and female leaders. We partner with NGOs and universities to increase the number of women in STEM. As part of the “My Future Dream” Program, we create occasions to connect female engineers at universities with female leaders who can be role models through mentoring initiatives to attract them to the automotive industry.

3. We developed a performance assessment system based on fairness. This equitable performance system has been implemented with OKR, which includes feedback and check-in sessions with the manager five times within the year to keep up-to-date with progress and evaluate both business results and performance.

4. Hub and Business Area Leaders started to monitor the DEI roadmaps of their teams by adding DEI-related department goals to their performance targets.

5. We started to deliver unconscious bias training, an important issue that should be overcome in the selection, appointment and decision processes for leaders.

6. To ensure transparency and accountability, the HR Dashboard was made accessible to all leaders to regularly monitor data related to the demographics of employees on various levels.

7. We also plan to deliver awareness training on unconscious biases and DEI for field leaders.

8. Encouraging employee resource groups (ERG) and volunteering is important to Ford Otosan. Therefore, we aim to utilize employee resource groups and volunteer programs to promote DEI, create a more inclusive workplace culture, and drive business success by leveraging the power of taking the employees out of their familiar surroundings and routines. Employee resource groups or ERG in short and volunteer programs help improve recruitment and retention processes by communicating the message to potential and current employees that the company values diversity, equality and inclusion. In addition to DEI team members, Ford Otosan also has FODEI, a social club consisting of volunteers. This club creates content and works to spread DEI awareness across Ford Otosan through volunteering activities.

9. Field leader appointments are followed to ensure equal opportunity.



# HOW TO BE MORE INCLUSIVE

Inclusion enables an organization to instill a sense of belonging in employees. Inclusive leadership is defined as a critical skill for organizations to reach and manage different ideas, talents, customers and markets. An inclusive leader can spark dynamism by leveraging the diverse characteristics of the team. As a result, team performance is elevated by amplifying the co-working experience. As a priority, the leaders should be cognizant of their personal unconscious biases. Furthermore, they should engage with all team members and provide feedback. The keys to contemporary leadership are empathy, humility and courteousness.

## 6 PRINCIPLES OF INCLUSION

### Visible commitment:

Refers to a true commitment to diversity, challenges the status quo, holds others accountable, and makes diversity and inclusion a personal priority.

### Effective collaboration:

They empower others, appreciate diverse ideas and psychological safety, and focus on team alignment.

### Cultural intelligence:

They are sensitive to the cultures of others and adapt as needed.



### Humility:

They are humble about talents, admit to their mistakes, and create space for others to contribute.

### Awareness of biases:

They recognize the flaws in the system and personal blind spots and work hard to ensure a meritocracy.

### Curiosity about others:

They exhibit an open mindset and deep curiosity about others, listen without judgment and seek to understand others with



# KEY TARGETS AND STRATEGIES TO EMPOWER INCLUSIVE LEADERSHIP AT FORD OTOSAN

Important roles fall on the leadership and leaders regarding inclusion. Ford Otosan follows three key strategies to promote inclusive leadership:

Reinforcing leaders' inclusion skills and competencies in working with diverse cultures.

Incorporating diversity and inclusion into the personal development OKR

Effective and deep listening training for all leaders



# LEADERSHIP MANIFESTO





Based on our work with the teams to assess the importance of instilling a sense of belonging in the company, we determined that the employees prioritized working in a safe environment, feeling appreciated, and receiving good feedback. The leader, who is positioned at the center of all this, should be cognizant of unconscious biases and strive to change them.



## BEING AN INCLUSIVE LEADER AND CREATING YOUR INSIGHTS IN THREE STEPS

Step 1 – Strive to overcome your unconscious biases by not jumping to conclusions, evaluate and write down the decisions and their reasons as a control method, focus on the positive behaviours of your team, and expand your perspective to embrace the diversity of the people you engage with

Step 2 – Create your group of personal advisors. This group may consist of a few people you regularly interact, trust, and hold similar positions. When selecting your people, make sure that they form a diverse group.

Step 3 – Improve your listening skills. More than just hearing, listening requires a performance. When you communicate to the other person that you have listened clearly, you will receive healthy feedback.

These tips will help your team develop a sense of belonging and generate tangible business returns.



# HOW TO FOSTER INCLUSION IN WORK- LIFE INTEGRATION AND EMPLOYEE WELL-BEING

Enhancing diversity, equity and inclusion for work-life integration and employee well-being is critical to creating a workplace conducive to supporting the diverse needs and experiences of all employees. Key strategies for inclusive work-life integration and employee well-being include:

Flexible work models and an inclusive leave policy

An inclusive approach to care responsibilities

Preventing bias against care responsibilities

Employee assistance/support schemes

A culture and leadership that promote work-life integration



## FLEXIBLE WORK MODELS AND AN INCLUSIVE LEAVE POLICY:

Flexible work models should be available to meet the different needs of employees. Practices such as report card day leave, sick child leave, and family care leave should be based on an inclusive definition of family. At Ford Otosan, our pregnant employees are granted administrative leave for doctor's visits as long as they work during pregnancy. They are also allowed to work remotely throughout their pregnancy. Female employees whose children are in primary school or male employees who are single parents may take leave on the first and last day of school. Employees who are foster parents are entitled to all the rights related to children, while the company also offers leave options when the employees may need to care for a loved one.

## AN INCLUSIVE APPROACH TO CARE RESPONSIBILITIES:

Employees who are responsible for caring for children, seniors or sick family members should receive support. Therefore, providing access to resources and information about care could be utilized as a valuable strategy. Activities focused on equitable parenting and fathers and assistance for newborns should be revised

with a gender equality approach, and the care responsibilities of parents should be addressed as a whole. Coaching and mentoring programs should be developed for employees returning from maternity leave. Programs should also be designed for following and reintegrating experienced employees who leave their jobs due to care responsibilities.

## PREVENTING BIAS AGAINST CARE RESPONSIBILITIES:

Performance assessments should be fair and impartial, and employees who have care responsibilities or require accommodations due to their disability should be supported. Managers should be equipped to control and prevent common biases toward employees with different needs through training (e.g. unconscious bias training) on how to assess performance fairly and impartially. At Ford Otosan, performance assessments of employees returning from maternity leave are made for the whole year, exercising sensitivity to ensure a fair evaluation.

## EMPLOYEE ASSISTANCE/ SUPPORT SCHEMES:

The company provides access to mental health resources, including counselling services and mental health days. Ford Otosan employs a full-time psychologist at the Kocaeli Plants. In addition,

adult and child-adolescent psychologist and counselling services are provided at the Istanbul and Eskişehir locations. Koç Group partnered with Medihis during the pandemic to offer all employees free access to online healthcare and mental health services for themselves and their families.

In addition to these services, Ford Otosan has a social club that supports well-being by hosting activities such as awareness webinars, breathing, meditation, yoga and Pilates. Furthermore, special assistance programs were designed for victims of violence in alignment with the Guide to Tackling Domestic Violence and Abuse.

## A CULTURE AND LEADERSHIP THAT PROMOTE WORK-LIFE INTEGRATION:

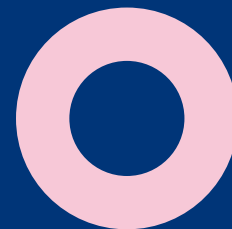
Leadership development programs that support work-life integration should be offered, and leader role models who promote care responsibilities should be given more visibility. In addition to the awareness raising activities on work-life balance, all employees are encouraged to exercise sensitivity about this issue by using digital tools. For instance, emails sent outside working hours should be replied to with automated messages to encourage communication during working hours. The employees are urged to use corporate channels for business communications and restrict their messaging to working hours. A cultural transformation project is ongoing to ensure

that meetings are conducted with efficiency, unnecessary meetings are minimized, and work-life balance is achieved through efficient work. Flexible working hours are available to support the employees' work-life integration. By ensuring that all employees are on duty between 09.30 - 16.00 on any given work day, they are given the opportunity to manage their own time and schedule their tasks responsibly with the flexible hour's practice.

Companies can promote DEI in work-life integration and employee well-being, create a more inclusive workplace, and support the diverse needs and experiences of all employees by leveraging these strategies.



# HOW TO SPREAD DEI CULTURE ACROSS THE ECOSYSTEM



The DEI journey impacts all of Ford Otosan's employees, dealers, suppliers and stakeholders. Developing a comprehensive DEI strategy that encompasses supply chain management and dealers is critical for building a more equitable and inclusive workplace for all stakeholders. Accordingly, Ford Otosan has addressed DEI under the key strategies below:

A comprehensive DEI policy

DEI assessment

DEI targets

DEI training

Promoting supplier and dealer diversity

Monitoring progress



## A COMPREHENSIVE DEI POLICY:

A comprehensive DEI policy should be developed that outlines the company's commitment to diversity, equity, and inclusion across its supply chain and dealer network. This policy should include specific targets, guidelines, and expectations for suppliers and dealers.

## DEI ASSESSMENT:

The process should start by assessing the current status of diversity, equity and inclusion in the supply chain management and dealers to identify gaps and development areas. Surveys, interviews and focus group studies may be utilized to better understand the demographic characteristics, experiences and attitudes of suppliers and dealers.

## DEI TARGETS:

Key performance indicators (KPIs) may be defined to measure progress toward DEI targets within the supply chain and dealer network.

These indicators may include targets for increasing diversity in recruitment, enhancing equity in promotions and compensation,

and creating an inclusive workplace culture. Furthermore, metrics such as the ratio of diverse suppliers, representation of underserved groups in leadership positions, and supplier and dealer satisfaction with DEI initiatives are also important in terms of evaluating improvements. Indicators may start with basic and priority targets and then developed further.

## DEI TRAINING:

Regular DEI training programs and learning spaces may be created for supply chain management and dealer employees to raise awareness about diversity, equity and inclusion and help build a more inclusive workplace culture. Moreover, awareness raising activities may be planned, especially on issues such as unconscious bias and inclusive leadership.

## PROMOTING SUPPLIER AND DEALER DIVERSITY:

A supplier diversity program may be introduced to enrich the supply chain with diverse suppliers. Developing a dedicated internal and external communication strategy and establishing a DEI team focused on guiding and monitoring the

dealer and supply chain management could facilitate the process. In addition, during the onboarding of new suppliers, systematic activities should be carried out that clearly articulate Ford Otosan's DEI vision and commitments, along with expectations from suppliers, and the relevant standards and requirements. Furthermore, recognizing and rewarding businesses that deliver on their commitments may be an inspiration. Actively seeking diverse suppliers and dealers and giving more visibility to diversity would also encourage fair contractual practices across the supply chain and dealer network.

## MONITORING PROGRESS:

Regularly monitoring progress toward DEI targets, collecting feedback from suppliers and dealers, analyzing data and renewing strategies based on the results will also be an important part of establishing a sustainable DEI ecosystem.

Ford Otosan's supplier and dealer chain provides a vast ecosystem for spreading the DEI culture. Ford Sales and after-sales services network, dealer network across Türkiye and abroad, and a broad supply chain boast great potential for extending the impact of Ford Otosan's DEI endeavors to all related sectors and the labour market exponentially.

Creating social engagement spaces encompassing NGOs, universities, and internal and external stakeholders and diversifying channels will play a key role in establishing the DEI ecosystem. On the other hand, DEI governance for supply chain management and dealers includes basic steps that may vary depending on the company's specific needs and context.

Drawing from the results of the supplier survey as part of sustainability activities at Ford Otosan, a pilot study was planned with 10 suppliers operating with different manufacturing methods, and individual discussions started in 2023. Suppliers are regularly provided information about DEI awareness at Ford Otosan, the company's targets, including those pertaining to the ecosystem, and the projects that are launched. Best practices are derived from the suppliers in this pilot group and plans are made for eventual deployment. As the first step, unconscious bias and inclusion training is provided to the management teams of the suppliers in the pilot group.



# SOURCES

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# DIVERSITY, EQUITY AND INCLUSION PLAYBOOK

