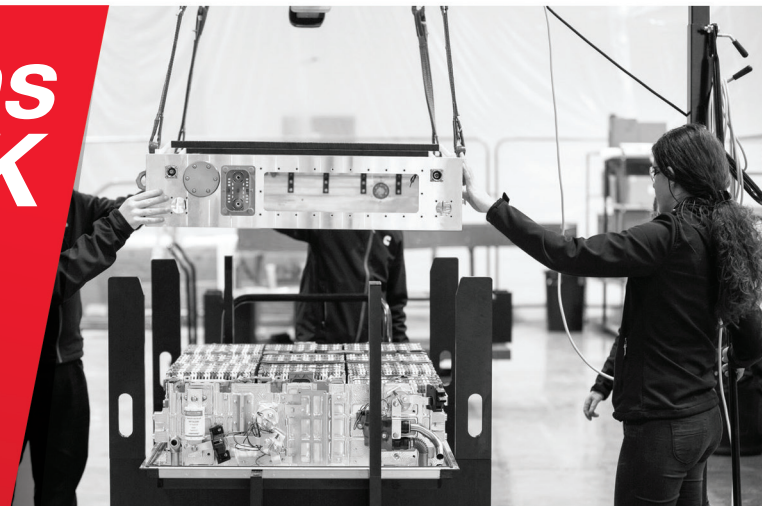




# 2019 GENDER PAY GAP REPORT

*Cummins  
in the UK*



CUMMINS.COM



# 2019 GENDER PAY GAP REPORT



## Cummins in the UK

*Diversity and inclusion have formed a cornerstone of Cummins values and beliefs, acting as a guiding principle of our formative CEO J. Irwin Miller.*

*Miller's view, which was ahead of its time, was that having a diverse and inclusive workforce is not only the right thing to do, but actively good for business.*

*Through this guiding principle we continue to value the advantage that having a diverse workforce brings to our organisation.*

*We can never be complacent about improving any aspect of our business and we continue to seek to move forward and do things better. We have continued work on a number of initiatives to increase the representation of women in the business. These include efforts not only within Cummins but working with our communities to encourage young women that careers in manufacturing and engineering are open to them.*

*To ensure we are robust in our reporting we have used external auditors to help us produce these figures. The analysis shows that we have a low gender pay gap in*

*our Cummins U.K. companies. We have also reduced both the mean and median pay gaps from 2018.*

*Having fewer women in senior management roles and a lower proportion of women within engineering roles continues to be the principal reason for our pay gaps.*

*The initiatives we are pursuing are having a positive outcome, but they are long term initiatives. Cummins is proud of its long heritage, we celebrated our centenary in 2019, and are prepared to invest to produce long term improvements.*

*We remain fully committed to diversity and balance within our company. This report shows our commitment and some of the programmes we have underway to address this across the U.K. I acknowledge the data in this report is accurate and complete.*

*Antonio*

**Antonio Leitao**

Vice President – Cummins Europe Area Business Organisation



## OUR CORE VALUES

### INTEGRITY

*Doing what you say you will do and doing what is right*

### DIVERSITY & INCLUSION

*Valuing and including our differences in decision making is our competitive advantage*

### CARING

*Demonstrating awareness and consideration for the wellbeing of others*

### EXCELLENCE

*Always delivering superior results*

### TEAMWORK

*Collaborating across teams, functions, businesses and borders to deliver the best work*



# What is the GENDER PAY GAP?



**THE GENDER PAY GAP IS A MEASURE WHICH SHOWS THE PERCENTAGE DIFFERENCE IN AVERAGE EARNINGS BETWEEN WOMEN AND MEN. THE GENDER PAY GAP IS INFLUENCED BY A NUMBER OF FACTORS, INCLUDING THE DISTRIBUTION OF MEN AND WOMEN AT DIFFERENT LEVELS WITHIN A COMPANY.**

## **THE GENDER PAY GAP IS NOT THE SAME AS EQUAL PAY**

Equal pay for equal work is ensuring that men and women are paid the same amount for the same work. Cummins is committed to equal pay, we apply the same processes and decisions relating to pay and benefits regardless of gender. An organisation can have equal pay and still have a gender pay gap. If there are more men than women in senior roles, and similar numbers of men and women in junior roles then this will result in a gender pay gap, even when both genders are paid the same for the same role.

## **MEAN PAY GAP**

The mean gender pay gap is the difference in the average hourly pay for all women compared to all men.

## **MEDIAN PAY GAP**

The median identifies the middle point of a population. The median pay gap is the gap between the hourly pay rate for a woman at the mid-point, compared to the pay rate of a man at the mid-point.



# Cummins in the UK RESULTS



## TAKING OUR TOTAL UK WORKFORCE, OUR 2019 GENDER PAY GAP RESULTS:

### GENDER PAY GAP

The mean pay for men is **0.7%** higher than that of women. The median pay for men is **2.2%** higher than that of women.

In comparison, in the manufacturing sector the gap is **14.5%** mean and **18.2%** median and the national gender pay gap across all companies in the UK shows the median pay for men to be **17.3%** higher than that of women.\*

### GENDER BONUS PAY GAP

The mean bonus pay for women is **5.0%** higher than that of men. The median bonus pay for women is **8.1%** higher than that of men.

### PROPORTION OF ALL CUMMINS EMPLOYEES IN THE UK RECEIVING A BONUS\*\*

**Males: 98.3%** **Females: 97.7%**  
2018: 92.3% 2018: 93.6%

## MEAN AND MEDIAN PAY AND BONUS GAP

	MEAN		MEDIAN	
YEAR	2019	2018	2019	2018
Gender Pay Gap	<b>0.7%</b>	<b>3.2%</b>	<b>2.2%</b>	<b>7.3%</b>
Gender Bonus Gap	<b>-5%</b>	<b>-4.9%</b>	<b>-8.1%</b>	<b>-2.2%</b>



### COMMENTARY

Our mean and median gender pay gaps narrowed from the low levels in our 2018 report. The results show that there are more men with higher salaries than women and that slightly more women receive bonuses than men. As in previous years, the proportion of females in the top quartile has increased slightly. The proportion of women in the lower quartile has also increased as we continue our success in recruiting females to Cummins. Our proportion of female employees which stands at **19%** shows our success in recruiting and retaining female employees.

### PAY QUARTILES

By dividing the workforce into four equal-sized groups based upon hourly pay rates, the quartiles represent the pay rates from the lowest to the highest hourly rates, with the percentage of women and men in each quartile.

\*AS REPORTED BY THE OFFICE OF NATIONAL STATISTICS

\*\*REFER TO PAGE 7 FOR MORE INFORMATION ON EMPLOYEE BONUS

A NEGATIVE SHOWS THAT WOMEN EARN ON AVERAGE MORE THAN MEN  
CUMMINS SNAPSHOT DATA TAKEN ON 5TH APRIL 2019

THE RESULTS FOR EACH OF OUR UK ENTITIES CAN BE SEEN ON PAGE 7

QUARTILES	MALES	FEMALES
Upper	<b>80.0%</b> 2018 – 82.1%	<b>20.0%</b> 2018 – 17.9%
Upper Middle	<b>84.5%</b> 2018 – 85.8%	<b>15.5%</b> 2018 – 14.2%
Lower Middle	<b>86.2%</b> 2018 – 83.9%	<b>13.8%</b> 2018 – 16.1%
Lower	<b>74.4%</b> 2018 – 75.3%	<b>25.6%</b> 2018 – 24.7%



# Our COMMITMENT



By keeping true to our values, and especially our value of diversity and inclusion, we will continue to succeed as a business. Our values also translate into concrete actions that help to increase the proportion of women across Cummins, to maintain and further strengthen an inclusive environment where everyone can achieve their potential.

## GENDER EQUALITY – THE WIDER ISSUE

In March 2018, Cummins launched the **Cummins Powers Women Programme** to accelerate the advancement of women and girls around the world. This programme has continued to build on past achievements. It represents the most far-reaching Cummins community initiative ever and is brought to life with a multimillion-pound investment to create large-scale improvements in the lives of women and girls globally.

Through this programme we aim to fix problems at a root-level, finding solutions that deliver the greatest impact for women and girls to unlock their full power, by partnering with many non-profit organisations across our regions and communities. In the UK, Cummins is partnering with Rosa, the first and only UK-wide women's fund working for equality and justice for all women and girls. In partnership with Rosa, Cummins is supporting a range of programmes, including mentorship, an emerging female leader accelerator programme, and advice on how to manage government relations.



## CHANGING MINDSETS

Within Cummins we have seen devolved and employee-led initiatives make a valued contribution to improving both the profile and results in our diversity mission. Cummins has hosted a number of gender diversity events and training across its UK sites, aimed at driving the personal development of its employees and enabling them to develop their strengths, and fulfil their potential. Many employees both women and men have attended these events, with people from all teams, from the shop floor and the office, to management.

## ADDRESSING THE PIPELINE

To tackle the talent pipeline of females, into technical roles in the UK, Cummins has invested in a number of Science, Technology, Engineering, and Maths (STEM) schemes. Engaging girls and boys in fun activities with technical challenges helps them to get an understanding of what working in an engineering company might be like. We also continue to work with the UK Government to raise the profile of women in manufacturing and engineering.



## INITIATIVES

Cummins runs a scheme called **RePower** which is a programme for engineering professionals who have taken a career break and would like to get back into work. The paid programme runs over six-months and matches employees with projects that use their specialist expertise, interests, and abilities. At the same time, it applies a strong focus on training, coaching and development, and networking events.



Chloe and Alastair are a married couple, who both started their career at Cummins after graduating. As they move through different chapters of their lives, they carved their careers with Cummins in their own ways.

## **CHLOE STEWART** **SUPPLY CHAIN PROGRAM LEADER**

*"In my early years with Cummins, I wanted to progress my career, travel and experience different parts of the business and I was able to move to four different locations in three different Cummins business units.*

*Now as a mum of two young children, I've been able to reduce both my travel and my working hours. I truly believe knowing what you want at different times of your life is so important. I am grateful that Cummins was able to support my needs at all times of my career."*



## **SEYED MIRHADIZADEH** **GLOBAL ANALYTICS LEADER**

*"Leading a diverse team is amazing and the different ideas and perspectives people bring is absolutely invaluable. We're diverse in terms of the nationalities we have as well as between genders.*

*I had been employed by Cummins for around two years when the company I worked for at the time was bought out. One of the improvements I have been able to make as a leader is to change the language we use in job adverts to make sure they appeal the widest pool of applicants.*

## **ALASTAIR MCQUEEN** **ENGINEERING DIRECTOR**

*"Being a hands-on dad, I want to be just as involved with my children. It's been great to see that enhanced paternity pay has increased during my time at Cummins.*

*For us as a family, with both of us having to travel for work, I really appreciate the understanding that we get from Cummins. I don't feel pressured to have to accept work trips if they're difficult for family life – that's the most valuable support we have."*



## **METTE BEATON** **INTEGRATED ACCOUNT MANAGER**

*"I have been at Cummins for 20 years and compared to some of my previous experience it was different from the start.*

*In my first role I was an account manager and the only female in the team – that's something that's changed, we have a much more balanced team now.*

*During my time at Cummins I have had two children and taken maternity leave. When they were younger it was my husband who took time out to look after them; it was a choice we made for work-life balance and we made it work.*

*I'm now one of several women who are part of the leadership team in Europe. Many organisations talk about Diversity and Inclusion but at Cummins the commitment is much more real and you can see it."*

# Breaking Down the RESULTS BY ENTITY



**STATUTORY DISCLOSURE** The Gender Pay Reporting regulations require legal entities with more than 250 employees to provide entity-specific data. Cummins has four legal entities in the UK, two of which meet this criteria. In the interests of clarity and consistency we are also publishing the information for Cummins Electrified Power Europe Ltd. and Cummins Power Generation Ltd., which have less than 250 employees. The following information illustrates the data which is also available on the UK Government Gender Pay Reporting website.

## CUMMINS LTD. AT 5 APRIL 2019 – TOTAL EMPLOYEES 4247

### GENDER PAY GAP

MEAN	MEDIAN
-1.7%	1.3%

### GENDER BONUS GAP

MEAN	MEDIAN
-14.3%	-6.5%

### PROPORTION OF EMPLOYEES IN EACH PAY QUARTILE

QUARTILES	MALES	FEMALES
Upper	78.7%	21.3%
Upper Middle	85.8%	14.2%
Lower Middle	87.2%	12.8%
Lower	74.8%	25.2%

**\*PROPORTION OF EMPLOYEES RECEIVING A BONUS**  
Males: 98.2% Females: 97.7%

## CUMMINS GENERATOR TECHNOLOGIES LTD. AT 5 APRIL 2019 – TOTAL EMPLOYEES 279

### GENDER PAY GAP

MEAN	MEDIAN
11.2%	9.1%

### GENDER BONUS GAP

MEAN	MEDIAN
29.0%	6.4%

### PROPORTION OF EMPLOYEES IN EACH PAY QUARTILE

QUARTILES	MALES	FEMALES
Upper	91.3%	8.7%
Upper Middle	77.1%	22.9%
Lower Middle	68.6%	31.4%
Lower	87.1%	12.9%

**\*PROPORTION OF EMPLOYEES RECEIVING A BONUS**  
Males: 100% Females: 100%

## CUMMINS POWER GENERATION LTD. AT 5 APRIL 2019 – TOTAL EMPLOYEES 236

### GENDER PAY GAP

MEAN	MEDIAN
20.2%	20.9%

### GENDER BONUS GAP

MEAN	MEDIAN
45.2%	26.7%

### PROPORTION OF EMPLOYEES IN EACH PAY QUARTILE

QUARTILES	MALES	FEMALES
Upper	86.4%	13.6%
Upper Middle	83.1%	16.9%
Lower Middle	71.2%	28.8%
Lower	59.3%	40.7%

**\*PROPORTION OF EMPLOYEES RECEIVING A BONUS**  
Males: 99.4% Females: 94.9%

## CUMMINS ELECTRIFIED POWER EUROPE LTD. AT 5 APRIL 2019 – TOTAL EMPLOYEES 90

### GENDER PAY GAP

MEAN	MEDIAN
13.1%	11.9%

### GENDER BONUS GAP

MEAN	MEDIAN
32.4%	18.5%

### PROPORTION OF EMPLOYEES IN EACH PAY QUARTILE

QUARTILES	MALES	FEMALES
Upper	90.9%	9.1%
Upper Middle	87%	13%
Lower Middle	81.8%	18.2%
Lower	73.9%	26.1%

**\*PROPORTION OF EMPLOYEES RECEIVING A BONUS**  
Males: 90.8% Females: 100%

CUMMINS SNAPSHOT DATA TAKEN ON 5TH APRIL 2019

\*CUMMINS OPERATES A GLOBAL BONUS PROGRAMME FOR ALL EMPLOYEES. TO BE ELIGIBLE FOR OUR COMPANY BONUS, EMPLOYEES MUST BE EMPLOYED BY CUMMINS PRIOR TO 1 JANUARY, AS BONUS RELATES TO COMPANY FINANCIAL PERFORMANCE FOR THE PREVIOUS CALENDAR YEAR.