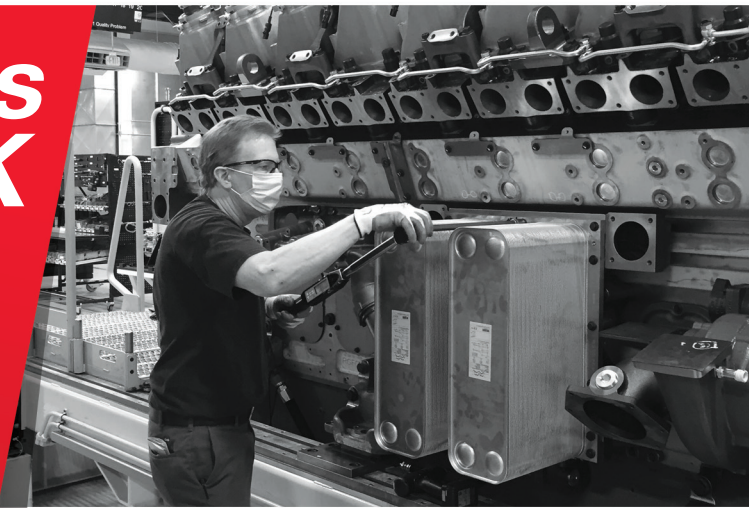




2020 GENDER PAY GAP REPORT

*Cummins
in the UK*





2020 GENDER PAY GAP REPORT



Cummins in the UK

The pandemic has provided us all with many challenges. We remain fully committed to diversity and balance within our company, in the UK and across the world.

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 actively good for business, it is the right thing to do.

Through this guiding principle I 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 I 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 women that careers in manufacturing and engineering are open to them.

The analysis shows that we have a low gender pay gap in our Cummins UK companies. 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 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.

This report shows our commitment and some of the programmes we have underway across the UK. 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 2020 GENDER PAY GAP RESULTS:

GENDER PAY GAP

The mean pay for men is **3.1%** higher than that of women. The median pay for men is **4.5%** higher than that of women.

In comparison, in the UK manufacturing sector the gap is **11.5%** mean and **16.3%** median and the national gender pay gap across all companies in the UK shows the median pay for men to be **15.5%** higher than that of women.*

GENDER BONUS PAY GAP

The mean bonus pay for women is **4.7%** higher than that of men. The median bonus pay for women is **1.5%** higher than that of men.

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

Males: 97.9% **Females: 98.1%**
2019: 98.3% 2019: 97.7%

MEAN AND MEDIAN PAY AND BONUS GAP

YEAR	MEAN		MEDIAN	
	2020	2019	2020	2019
Gender Pay Gap	3.1%	0.7%	4.5%	2.2%
Gender Bonus Gap	-4.7%	-5%	-1.5%	-8.1%



COMMENTARY

Our mean and median gender pay gaps widened from the low levels in our 2019 report. The results show that there are proportionally more men with higher salaries than women and that a slightly higher proportion of women receive bonuses than men. The proportion of females in the top quartile is almost the same, compared to 2019. The proportion of women in the lower quartile has remained steady, one of the reasons being our successful recruitment of women into entry level positions - for example graduate schemes.

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 FIGURE SHOWS THAT WOMEN EARN ON AVERAGE MORE THAN MEN

CUMMINS SNAPSHOT DATA TAKEN ON 5TH APRIL 2020

RESULTS OF OUR LARGEST ENTITY CUMMINS LTD. CAN BE SEEN ON PAGE 7

QUARTILES	MALES	FEMALES
Upper	80.2% 2019 - 80.0%	19.8% 2019 - 20.0%
Upper Middle	83.2% 2019 - 84.5%	16.8% 2019 - 15.5%
Lower Middle	83.3% 2019 - 86.2%	16.7% 2019 - 13.8%
Lower	74.4% 2019 - 74.4%	25.6% 2019 - 25.6%

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. The Women's Empowerment Network is an employee resource group that encourages inclusiveness, diversity and development. 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. Cummins continues to hold events virtually throughout the pandemic. Additionally, as we continue to navigate the COVID-19 pandemic, further review of flexible working options is underway.

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. In response to the challenges of COVID-19, we have taken activities online. We continue to work with the UK Government to raise the profile of women in manufacturing and engineering.





AMMAARAH RAVAT
GRADUATE COMPLIANCE ENGINEER

“I’m a person who is constantly asking questions, so I’ve always liked the idea of pursuing a profession that obtains the answers. To me, engineering is all about problem solving by generating solutions that make a process, the environment, even technology, more efficient. To help increase participation of women in engineering, you must first understand what are the current barriers that are inhibiting girls and women from pursuing this vocation and focus your efforts on distilling them. At Cummins, I have led STEM events for International Women in Engineering Day (INWED). INWED is an international campaign that aims to raise the profile of women in engineering and places a strong focus on encouraging younger female students to pursue engineering as a future career option. We have partnered with local schools and universities, in person, and most recently virtually. When I think about the level of impact, the reason I take part in STEM events is that inspiring young people is a truly rewarding experience. I will continue to challenge stereotypes about studying and working in STEM.”



REBECCA COLLISON
SALES AND COMMUNICATIONS COORDINATOR

“This is my tenth year with Cummins. When I look back over the last decade I can see how I have changed and

how the business has changed yet I am pleased to say we are still compatible!

When I started my career at Cummins I was employed full-time, shortly after we started a family and I made the decision to work part-time. It was the best decision I have made in my working life.

I have to be honest, working part-time hasn’t always been easy but I have always felt supported by the company in my desire to work this way. As we have lived through the pandemic a flexible approach to working has been even more important to me and I hope that I have shown others it is possible to balance life and work in this way.

Over the last few years the company has encouraged me to pursue the things I am passionate about and allowed me to mould my role into something which brings value to the business and gives me job satisfaction. I have also been given the space and time to get involved with some of our employee resource groups which has helped me to network extensively and build upon my experience.”



JONATHAN WOOD
VP NEW POWER ENGINEERING

“Flexible working has brought me so much value across my career at Cummins. We have all had our lives turned upside down by the demands of COVID-19. It has become clear that flexible working is important, now more than ever, as our personal lives and work lives are impacted. COVID-19 has allowed us to learn new ways of working, and how to manage the complexity of work-life integration. To me, flexible working is all about a partnership, between the employee and their manager, where together they manage work life integration. It’s trying to achieve a balance, an integration of personal life and work life that works for both sides. If we can achieve that, it has positive benefits for everyone involved.”

Cummins Ltd. RESULTS



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, one entity, Cummins Ltd. meets this criteria.* The following information illustrates the data which is also available on the UK Government Gender Pay Reporting website.

CUMMINS LTD. AT 5 APRIL 2020 – TOTAL EMPLOYEES 3701

GENDER PAY GAP

MEAN	MEDIAN
2.6%	5.1%

GENDER BONUS GAP

MEAN	MEDIAN
-8.6%	2.0%

PROPORTION OF EMPLOYEES IN EACH PAY QUARTILE

QUARTILES	MALES	FEMALES
Upper	80.0%	20.0%
Upper Middle	84.2%	15.8%
Lower Middle	83.8%	16.2%
Lower	73.8%	26.2%

****PROPORTION OF EMPLOYEES RECEIVING A BONUS**
Males: 97.7% Females: 97.8%



CUMMINS SNAPSHOT DATA TAKEN ON 5TH APRIL 2020

*IN PREVIOUS YEARS CUMMINS REPORTED ON ALL FOUR ENTITIES VOLUNTARILY. AS WE LOOK AT 2020, THE NUMBERS OF EMPLOYEES IN ALL OUR SMALLER ENTITIES HAS FALLEN BELOW THE REQUIRED GOVERNMENT REPORTING FIGURE. IT IS UNDERSTOOD THAT SMALLER DATA SETS CAN FLUCTUATE YEAR ON YEAR, THEREFORE WE HAVE CHOSEN TO ONLY REPORT THE CUMMINS GROUP AND THE CUMMINS LTD. RESULTS.

**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.

TO ENSURE WE ARE ROBUST IN OUR REPORTING WE USED PROFESSIONAL ADVISORS TO HELP US PRODUCE THESE FIGURES.