

# CUMMINS INDIA LIMITED

## Corporate Social Responsibility Policy

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The Board of Directors of Cummins India Limited (“the Company”) constituted the “Corporate Social Responsibility Committee” at the Meeting held on May 22, 2014, consisting of four directors, out of which at least one director shall be an independent director. The Committee will review and amend this Policy from time to time. This Policy will be applicable to the Company.

Corporate Responsibility is one of the six core values of the Company, with focus on ‘serving and improving the communities in which we live’. The Company is committed to the active involvement and participation of its employees in its corporate responsibility initiatives. Through the Company’s ‘Every Employee Every Community initiative’ (EEEC), each employee is encouraged to dedicate a minimum of four working hours towards any of the projects undertaken under three broad focus areas viz. Higher Education, Energy and Environment and Local Community Infrastructure Development and Social Justice.

### **1. Our Goal**

- 1.1.** To develop and deploy sustainable and scalable solutions, with the potential to be replicated across the communities, in order to make them self reliant.
- 1.2.** To motivate and empower our employees across levels, and particularly, senior leaders, to be engaged in relentlessly improving the communities in order to make them better places to live and work.
- 1.3.** To create an atmosphere of trust and collaboration by partnering with our stakeholders to drive community improvement.
- 1.4.** To develop a structured approach using special analytical tools in identifying and implementing various projects under the three focus areas.

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### **2. Corporate Responsibility at the Company**

Corporate citizenship is a natural extension of the Cummins values and personality. For a brand that is all about Dependability, the Company recognizes the symbiotic relationship between the various stakeholders to strengthen communities. The Company clearly recognizes the long term benefits of such an association over tangible results in the short term. The CSR Committee ensures that the activities undertaken by the Company are in line with the activities mentioned under the Companies Act, 2013 and Rules framed there under.

With the focus on serving and improving the communities in which we live, the Company articulates its perspective on Corporate Responsibility as follows:

- To evaluate the impact of our business decisions and practices on all of the stakeholders and recognizing our responsibility to each one.
- Practice highest standards of corporate citizenship by always acting ethically, with integrity, and applying 'best practices' to create a cleaner, safer and healthier environment.
- To achieve success by demonstrating our values, and utilizing our talents and resources to drive improvement in the communities in which we operate, as also the larger world.

As is evident at the Company, the commitment to Corporate Responsibility is not just a practice, but essentially the way of how business must be conducted. Corporate Responsibility for the Company is not philanthropy - it is a far-reaching, fully engaged and participative model. The human capital required for the work done, is not seen as a one-time activity, but rather a sustained engagement to make significant impact. The Company identifies and motivates employees who demonstrate an alignment to this larger cause. With Corporate Responsibility being ingrained in the Cummins' culture, volunteering to strengthen communities comes naturally to our employees.

At the Company, Corporate Responsibility relies on an endless loop of association between the employees, organization and the community at large. Encouraging and empowering employees to explore their passions towards the communities, Corporate Responsibility fosters sustainable coalitions with stakeholders. This collaboration lays the foundation of intense efforts at the grass-root level, whose results speak for themselves.

The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a Company.

### **3. Focus Areas**

The Company has set the strategic direction to channelize the raw energy and positive synergies that its cross-functional, cross-business teams brings. The Company has identified three areas of focus that provide the best platform to add value.

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### 3.1. Higher Education

At the Company, the focus is to provide opportunities to students from economically weaker sections and under privileged groups in society, to pursue Higher Education and enhance their employability. The Company runs skill development programs for local youth to enhance their employability and help them become entrepreneurs. Identifying the need to meet the industry demand for technical skills, the Company partners with local ITI's to improve their infrastructure, motivate the staff and enhance the active overall development of students.



Cummins has established a technical college exclusively for women.

### 3.2. Energy and Environment

The Company takes a simple yet powerful route for its efforts towards the environment to include activities such as planting saplings, cleaning water bodies and campaigning for public awareness towards a cleaner and healthier society. Extending its initiative to sustainable energy, the Company applies its know-how and expertise to take innovative approaches to rural electrification. The Corporate Responsibility projects in this sphere are not about providing electricity but focus on using locally available fuel and gainfully utilize local skills.



Cummins modeled and executed an economically viable solution for generating power for 'Padarwadi' village

### 3.3. Local Community Infrastructure Development and Social Justice

The Company believes in uplifting the local community through grass-root level interventions in education, agriculture, sanitation, health care & water conservation. While the Company approaches infrastructure development and social injustices in a holistic manner, each project by itself is an individual tale of teamwork & triumph. Along with being a testimony of collaborative success, each initiative is a sustainable and replicable model - capable of creating empowerment that spreads to positively influence the environment in the Company and the community.



Cummins ensured sustained availability of drinking water as well as irrigation water by building two dams and connecting them to a retention pond downstream, at Manjarsumbha village

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### 4. Cummins India Foundation

Founded in 1990, Cummins India Foundation ('CIF') is a Public Charitable Trust registered under the Bombay Public Trusts Act, 1950, the Income Tax Act, 1961 and the Foreign Contribution (Regulation) Act, 2010. CIF is dedicated towards serving the communities we live in and improving the lives of people.

### 5. CSR Projects Implementation Methodology

The projects approved by CSR Committee will be primarily executed by CIF with active involvement of employees of the Company in India and through specialized non-profit agencies.

The Company will work singly or jointly with other agencies. Such agencies would include:

- a) NGO's;
- b) Self Help Groups;
- c) Government Bodies, Semi-Government or Autonomous Organizations;
- d) Institute/ Academic Organizations; and
- e) Other Non-profit/Charitable Organization.

### 6. Monitoring and Reporting Process

The Company's CSR programs are classified and implemented according to the recommendation of the Corporate Social Responsibility Committee and the Board's approval.

The Company continuously enhances its monitoring and assessment system, however it ensures that every program has:

- a) Clearly defined objectives;
- b) Detailed progress monitoring system;
- c) Impact assessment;
- d) Ensure maximum involvement and participation of employees; and
- e) Reporting framework and system in line with the Act and Rules.

**For enquiries related to the CSR initiatives, please contact us at:**

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Tel: +91 20 6706 7000 E-mail : [indiacr@cummins.com](mailto:indiacr@cummins.com)

This Policy will be communicated to all concerned persons of the Company.

*Note: The photographs in this Policy are actual site photographs of the various projects implemented by the Company and are symbolic in nature. The Photographs are not to be interpreted as content of the Policy.*