

CUMMINS INDIA LIMITED

Corporate Social Responsibility Policy

The Board of Directors of Cummins India Limited ("the Company") constituted the Corporate Social Responsibility Committee ("CSR Committee") at the Meeting held on May 22, 2014. The CSR Committee through its Policy aims to achieve its one of the five core values of the Company, Corporate Social Responsibility (hereinafter referred to as "Corporate Responsibility"), with focus on 'serving and improving the communities in which we live'. The Company is committed to achieve its goal through involvement and participation of its employees in its corporate responsibility initiatives.

1. Our Goal

- 1.1.** To develop and deploy innovative, 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 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 in identifying and implementing various projects under the three focus areas.

2. Corporate Responsibility at the Company

Corporate citizenship is a natural extension of the Company's 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.

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- 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 Company's 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 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), where 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 Equality of Opportunity.

3. Focus Areas

The Company has set the strategic direction to channelize the energy and positive synergies to 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 - Improving the quality and alignment of educational systems to ensure that the students of today are ready for the work force of tomorrow.



Education provides the platform for successful individuals and the skilled workforce that the employers need. Opportunities for advancement increase when community education systems are aligned with workforce needs.

Once key workforce skills are identified along with gaps in current educational systems, the Company can determine how best to use our resources to improve the quality and alignment of educational systems to ensure that the students of today are ready for the workforce of tomorrow. Company provides a development platform for students through its various programs like Education Assistance to Socially and Economically Weaker Sections, Women Education and Employability supported by Cummins College of Engineering and Technically Education for Communities.

3.2 Energy and Environment - Ensuring that everything we do leads to a cleaner, healthier and safer environment.



Problems such as global warming and diminishing natural resources demand action not only from government and individuals, but from businesses as well. Company demonstrates its commitment to the environment by initiating CR activities in these areas and also producing technology and products that reduces harmful emissions around the globe. This further helps in lessening environmental footprint.

The Company employees have a wealth of experience in reducing negative environmental impact – both in our products and our facilities. We have an opportunity to take that knowledge and commitment outside of our walls to ensure that everything we do leads to a cleaner, healthier and safer environment. With support of the local government bodies, skilled and experienced NGOs and academia, The Company will continue to work actively in projects in the areas of Afforestation, Solid Waste Management, Water Conservation, Air Pollution and Renewable Energy.

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3.3 Equality of Opportunity - Increasing opportunity and equity for those most in need.



The Company believes that the opportunity to pursue a better life should be available to everyone. The Company has a long history of reaching out to those denied access to opportunity. As a Company, we are committed to ensuring that everyone in our workforce has equal access to opportunity.

It is one of our most deeply held values. Likewise, as we work to improve communities throughout the world, we are committed to helping remove barriers that may prohibit people from achieving their full potential. In each Cummins community, we seek to support the groups that are marginalized with the belief that when anyone is unable to access basic economic or social opportunities, the entire community is diminished. While committed to the holistic development of villages, company continues to partner with several non-profit institutions like the organizations serving disabled and underprivileged with an intent of providing a better life to their residents. During occurrences of natural disasters, the Company aims to reach out to affected communities in such times of need to provide necessary relief and rehabilitation.

Strategic Projects – In an effort to accelerate the achievement a diverse range of social, developmental and environmental goals for our communities, the Company will also place strategic focus on projects – Cummins Powers Women, Phaltan Model Town, Clean Air Delhi and Monsoon Resilient Maharashtra under the umbrella of its CSR projects.

4. Annual Action Plan

In order to comply with the CSR objectives and to achieve the CSR related goals, the Company shall formulate an Annual Action Plan, which would *inter alia* include the following:

- a. approved CSR projects in accordance with Schedule VII of the Companies Act, 2013
- b. the manner of execution of such projects, modalities of utilisation of funds and implementation schedules for the projects
- c. monitoring and reporting mechanism for the projects, and details of impact assessment, if any, undertaken by the Company

Description of the key focus areas and projects/programmes considered or will be considered for implementation are included as **Annexure-1**.

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5. Total Outlay

In line with the provisions of the Companies Act, 2013 and rules mentioned thereunder, the Company pledges to contribute at least 2% of the average net profits of the Company made during the immediately preceding three financial years specifically towards CSR initiatives/projects. The surplus arising out of the CSR projects or programs or activities shall not form part of the business profits of the Company.

6. CSR Projects Implementation Methodology

The projects approved by CSR Committee will be primarily executed by *Cummins India Foundation ('CIF') and/ or singly or jointly with other implementing agencies as listed below, with active involvement of employees of the Company in India and through specialized non-profit agencies in accordance with the applicable laws:

- a) NGO's;
- b) Self Help Groups;
- c) Government Bodies, Semi-Government or Autonomous Organizations;
- d) Institute/ Academic Organizations;
- e) Other Non-profit/Charitable Organization; and
- f) Any other Body Corporates or Association of Persons

For CSR activities undertaken through other Implementing Agency, the Company will specify the projects or programmes to be undertaken through these agencies, the modalities of utilization of funds on such projects or programmes.

***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.

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7. Monitoring and Reporting Process

The Company's CSR programs are classified and implemented according to this policy in line with 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

Any or all provisions of the CSR Policy would be subject to revision/amendment in consultation with CSR Committee and in accordance with the guidelines on the subject as may be issued by the Government, from time to time.

The Company reserves its right to modify, cancel, add, or amend any of the contents of CSR Policy. However, this Policy, in whole or in part, shall stand modified / amended from time-to-time, without any further act on the part of the Company, as and when there would be any statutory modification(s)/ amendment(s) / revision(s) to the applicable provisions thereto.

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

Approved By: Board of Directors

Approved on: September 10, 2014

First Modification: March 26, 2021

Effective Date: March 26, 2021

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Annexure -1

Key Focus Areas and Projects/ Programmes

Cate gory	CSR Program/ Focus Areas	CSR Projects	Reference Sr. No. of Schedule VII	Implementa tion Modality (Through Implementi ng Agency)
A	Higher Education	Education Assistance to Socially and Economically Weaker Sections	(ii)	#TIA
		Vocational Education	(ii)	
		Women Education and Employability	(ii)	
B	Energy & Environment	Afforestation	(iv)	
		Solid Waste Management	(iv)	
		Water Neutrality	(iv)	
		Air pollution	(iv)	
		Renewable Energy	(iv)	
C	Equality of Opportunity	Local Community Care	(x)	
		Rural Development	(x)	
		Neighbourhood Outreach	(x)	
D	Strategic Initiatives	Women's Initiatives in India	(iii)	
		Monsoon Resilient Maharashtra	(iv)	
		Clean Delhi Air	(iv)	
		Phaltan Model Town	(x)	

TIA- Through Implementing Agency