



# Human Rights Policy Reference Guide

**Respect for human rights is fundamental to the sustainability of Cummins and the communities in which we operate. In our Company and with our partners, we are committed to ensuring that people are treated with dignity and respect.**

Our Human Rights Policy applies to all Cummins entities worldwide and prohibits the use of all forms of child labor and forced labor, including threat of force or penalty, prison labor, indentured labor, bonded labor, military labor, slave labor, and any form of human trafficking. Our policy also prohibits Cummins employees from engaging in trafficking-related activities for portions of contracts and subcontracts. Finally, Cummins is committed to supply chain transparency and will ensure our suppliers and partners in high risk areas adopt relevant measures to mitigate such risks.

## **SPECIFIC CALIFORNIA DISCLOSURES:**

Verification of Product Supply Chain. Cummins suppliers are required to sign a response form ("SCOC Response Form") agreeing to comply with the Supplier Code of Conduct ("SCOC"), which includes a prohibition against forced or child labor, or affirmatively set forth the reasons why they are unable to comply. Cummins reviews the SCOC Response Form to ensure that it meets the intent of the SCOC. If Cummins concludes that the supplier is not in compliance based on the SCOC Response Form, Cummins will work with the supplier to (a) develop a plan to attain compliance, or (b) work on an exit strategy. If the Supplier agrees to take the appropriate steps to comply, Cummins will monitor the supplier's actions until all those required have been taken.

Supplier Audits. To verify that suppliers remain in compliance with SCOC, Cummins conducts an audit during supplier visits in China, India, Brazil, Mexico, South Africa and Eastern European countries (including Russia). The informal audit is conducted by Cummins personnel and the supplier is not notified before or during the audit. Cummins management will contact the supplier's management to inform them of all negative audit scores and Cummins will develop a corrective action plan with the supplier. If any inappropriate behaviors or conditions viewed as systemic or critical are observed during the audit, the situation is reviewed with the Cummins legal department for appropriate action.

Supplier Agreements. Cummins requires suppliers that make up the top 80% of purchases to sign an SCOC Response Form or a contract that contains SCOC language, which requires suppliers to comply with applicable laws and regulations and includes the prohibition against the use of forced or child labor of any kind.

Accountability Standards and Procedures. As our Code of Business Conduct states, ". . . [w]e will not tolerate child or forced labor anywhere and we will not do business with any company that does. . . ." Employees and contractors have multiple avenues to raise concerns should a fellow employee or contractor be suspected to be in violation of this core ethical principal. These avenues include contacting their supervisor, human resources or calling the ethics helpline or report through a specially designed ethics website. Cummins does not tolerate retaliation and no action will be taken against an employee or contractor because he or she reported a concern.

Similarly, Cummins SCOC sets forth our expectations for suppliers. An employee or contractor who identifies a potential violation of the SCOC (outside of the Supplier Audit context described above) should report the information to his or her management, the purchasing department or the legal function so that Cummins can investigate the matter and take appropriate action.

Supply Chain Training. Cummins trains employees responsible for supply chain management on Corporate Responsibility. We require all Cummins employees to comply with, and have training on, the Cummins Code of Business Conduct, which includes provisions prohibiting forced or child labor.

Due diligence processes for slavery and human trafficking:

As part of our initiative to identify and mitigate risk we have in place systems to:

- Identify and assess potential risk areas when considering taking on new suppliers and regularly review our existing supply chains.
- Mitigate the risk of slavery and human trafficking occurring in our supply chains.

- Monitor potential risk areas in our supply chains.
- Protect whistle blowers.

Training:

We have zero tolerance to slavery and human trafficking. To maintain awareness and ensure a high level of understanding of the risks of modern slavery and human trafficking in our businesses our Code of Business Conduct is available on the Intranet.

**SPECIFIC UNITED KINGDOM DISCLOSURES:**

Cummins' UK presence is comprised of five manufacturing sites and additional 14 associated sites including parts reconditioning, distribution and administration. We employ circa 5000 employees in the UK. Cummins imports approximately £650m of parts and materials into the UK for use related to our businesses, 25% of which is imported from the EU and the remaining 75% from the rest of the world.

Due to the global nature of the Cummins presence, we have not implemented UK-specific processes in relation to modern slavery or human trafficking as we believe our global processes are effective in identifying and combating these risks within our global supply chains.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our Group's slavery and human trafficking statement for the financial year ending 2016.

If you believe you have information about a potential trafficking situation or would like to request information to an external party, you may contact the National Human Trafficking Resource Center (NHTRC) via the toll-free hotline at 1-888-373-7888 or submit a tip online through the NHTRC anonymous online reporting form. Possible violations regarding trafficking in persons may also be reported externally to the Global Human Trafficking hotline at 1-844-888-FREE or by email at [help@befree.org](mailto:help@befree.org). The resources mentioned in this last paragraph are not managed by Cummins.

Please [click here](#) to view our Human Rights Policy

**Ethics Driven - Every Time, Cummins Ethics and Compliance**