

**ALWAYS RESPONSIBLE**

# 2021 GENDER PAY GAP REPORT

**CUMMINS IN THE UK**



**FOR  
A WORLD  
THAT'S  
ALWAYS ON™**



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.

At Cummins, we are continuously improving diversity, equity and inclusion (DE&I), just like we continue to improve other priorities, such as patent development, quality control, manufacturing efficiencies and many more.

We have a refreshed, strengthened commitment to DE&I that takes into account the many systems and processes at Cummins. We recognise that change at the personal or team level must be accompanied by changing the systems we use to hire, promote, encourage innovation, provide professional development, employee benefits, and much more.

Our Global DE&I Strategy includes a range of new initiatives designed to hold all of us accountable for having a welcoming workplace that makes room for everyone to succeed and helps all of us win with the power of difference. We know that diversity fuels performance and that including a mix of perspectives helps us innovate and win in the marketplace.

Our pay gap 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.

We continue to work on a number of strategic initiatives to increase the representation of women in our 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.

This report shows our continued commitment and some of the programmes we have underway in 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 2021 GENDER PAY GAP RESULTS:

### GENDER PAY GAP

The mean pay for men is **5.1%** higher than that of women. The median pay for men is **6.4%** higher than that of women.

In comparison, in the UK manufacturing sector the gap is **9.8%** mean and **15%** median and the national gender pay gap across all companies in the UK shows the median pay for men to be **15.4%** higher than that of women.\*

### GENDER BONUS PAY GAP

The mean bonus pay for women is **14.3%** higher than that of men. The median bonus pay for women is **6.1%** higher than that of men.

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

**Males: 96.9%** **Females: 96.7%**  
2020: 97.9% 2020: 98.1%

## MEAN AND MEDIAN PAY AND BONUS GAP

YEAR	MEAN		MEDIAN	
	2021	2020	2021	2020
Gender Pay Gap	<b>5.1%</b>	<b>3.1%</b>	<b>6.4%</b>	<b>4.5%</b>
Gender Bonus Gap	<b>-14.3%</b>	<b>-4.7%</b>	<b>-6.1%</b>	<b>-1.5%</b>



### 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.

\*PROVISIONAL FIGURES 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 2021

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

### COMMENTARY

Our mean and median gender pay gaps widened slightly from the low levels in our 2020 report. The results show that there are proportionally more men with higher salaries than women and that a similar number of men and women received a bonus. On average, women received a higher bonus than men, this can be attributed to varying bonus schemes across different roles / parts of the company. The proportion of females in the top quartile is almost the same, compared to 2020. The proportion of women in the lower quartile has grown, one of the reasons being our successful recruitment of women into entry level positions - for example graduate schemes.

QUARTILES	MALES	FEMALES
Upper	<b>80.5%</b> 2020 – 80.2%	<b>19.5%</b> 2020 – 19.8%
Upper middle	<b>85.6%</b> 2020 – 83.2%	<b>14.4%</b> 2020 – 16.8%
Lower middle	<b>82.6%</b> 2020 – 83.3%	<b>17.4%</b> 2020 – 16.7%
Lower	<b>72.6%</b> 2020 – 74.4%	<b>27.4%</b> 2020 – 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

Cummins launched the **Cummins Powers Women Programme** with the aim 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 so far 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 Cummins has also partnered with Promundo, a global leader in promoting gender justice and preventing violence by engaging men and boys in partnership with women, girls, and individuals of all gender identities. Cummins is supporting with engagement in schools in the UK.

### 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. Recently Cummins held a Diversity, Equity and Inclusion virtual conference, encouraging employees to 'be the difference' and a catalyst for positive change. We continue to ensure we have 50-50 balance on our core leadership development courses within Cummins. For the recruitment of senior leadership positions, we have a recruitment council in place to increase overall diversity representation. Flexible working options continue to be available as we roll out our Enhanced Ways of Working strategy. Working flexibly allows employees to grow their careers and manage work and life priorities while delivering business results. It also enables us to be an employer of choice in attracting and retaining top talent.

### 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, for example the **Fundamentals of Power Solutions**. 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. To encourage those who have taken a career break to return to the work place, Cummins promotes its **RePower scheme**, with a particular focus on candidates with a STEM background. We continue to work with the UK Government to raise the profile for women in manufacturing and engineering.



## OUR STORIES

### NICOLA DAVIES GLOBAL EXPERIENTIAL MARKETING LEADER



“It is obvious in the promotion of Cummins Values during our recruitment and onboarding that Diversity, Equity and Inclusion is paramount at the company, but it is only when you start the day to day working that you realise that it is

in everything we do. The Women’s Empowerment Network (WEN) have a mission to advance equity and inclusion at Cummins. I am involved as both the Darlington Campus Chair and a member of the Global WEN Communications Committee. The Network focuses on internal growth and development, by promoting the value of diversity brought to our organisation by women so that it is recognised, leveraged, and celebrated. We contribute to creating an inclusive workplace by raising issues that women face and work with the business to successfully address them. We support advancement and meaningful careers through providing development opportunities, networking and mentoring. The network gives employees a safe space and a voice to discuss the matters that mean the most to them. I have been keen to encourage consistency globally, making it feel easy to join the network and ensuring that we collaborate in this “virtual” world so we can offer sessions and resources regionally for a richer experience for our members.”

### RICHARD HEFFERNAN TECHNICAL SPECIALIST



“As a STEM ambassador and being involved in STEMNET I think it is very important to promote the possibilities and show what fulfilling roles and careers women and girls can have in the engineering sector. I think it’s always been

a case of removing stereotypes and changing the mindset about engineering. Cummins plays a key part in this and the involvement of promoting STEM

activities and schemes has been increasing and attracting more women and girls into engineering at Cummins. It is promising to see the engagement and new interest from women attending STEM events and considering engineering as a future career. Through the Engineering in Schools programme, I actively engaged with local schools to have inclusion of female students to give them visibility and the chance to experience what engineering has to offer as a subject, this started the involvement of local all-girls schools as well as more diverse school groups attending events. I have actively coached and mentored many work experience, summer experience, placements students and graduates with the involvement of applied STEM competencies in their work and study and provided careers insight to both female and male students in the possibilities and development engineering can offer.”

### SERLINNA KUET PROGRAMME LEADER – POWER SYSTEMS



“Cummins Powers Women (CPW) is one of many initiatives tackling the importance of gender equality, here we specifically support the communities around us through strategic partnerships with global non-profits, advocacy, identifying

ways to accelerate the advancement of women and girls. As the CPW Regional Coordinator I provide a platform to partners and community leaders to share, advocate and encourage sharing the awareness, aiming to build a strong network of ambassadors that can lean on each other across the region. We have been able to build awareness of the issues around gender equality, breaking bias, including all genders to help bring solutions to tackle the challenge; whilst also providing funding through our Community Development Grants. Our opportunities are not just external, we have many initiatives internally through our different Employee Resource Groups to support individual development and provide safe communities to enable the continuation of building an inclusive diverse and gender balanced workforce.”



# 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 2021 – TOTAL EMPLOYEES 3789

### GENDER PAY GAP

MEAN	MEDIAN
4.6%	6.7%

### GENDER BONUS GAP

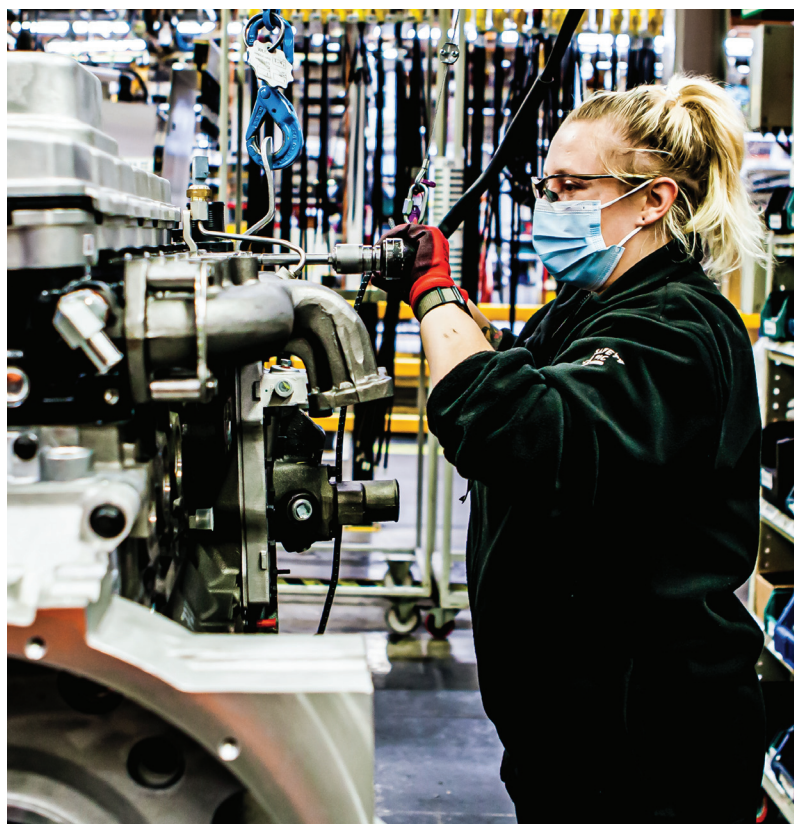
MEAN	MEDIAN
-26.3%	-3.8%

### PROPORTION OF EMPLOYEES IN EACH PAY QUARTILE

QUARTILES	MALES	FEMALES
Upper	80.0%	20.0%
Upper middle	86.6%	13.4%
Lower middle	83.5%	16.5%
Lower	72.2%	27.8%

### \*\*PROPORTION OF EMPLOYEES RECEIVING A BONUS

Males: 96.6% Females: 96.4%



CUMMINS SNAPSHOT DATA TAKEN ON 5TH APRIL 2021

\*IN PREVIOUS YEARS CUMMINS REPORTED ON ALL FOUR ENTITIES VOLUNTARILY. AS WE LOOK AT 2021, 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.