

CUMMINS GENDER EQUALITY REPORT

AUSTRALIA 2023

FOR
A WORLD
THAT'S
ALWAYS ON™



CUMMINS GENDER EQUALITY REPORT

AUSTRALIA 2023

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At Cummins, Diversity, Equity and Inclusion are a Business Imperative

Cummins strives to create inclusive environments in our communities and workplaces where employees feel comfortable bringing their whole selves to work. We believe a diverse workforce fuels innovation and makes our company stronger and our communities more vibrant. Having diverse, equitable and inclusive workplaces enables Cummins to attract and retain a truly global workforce that brings together diverse perspectives, insights, and skills to solve the challenges of today and tomorrow.

At Cummins we are focused on a number of strategic initiatives to increase the representation of women in our business at all levels. Our efforts reach further than just within the company as we continue to work with our local community partners to encourage women to pursue careers in manufacturing, technology and engineering.

Gender Pay Gap is one of a number of ways to measure our progress. Employer Gender Pay Gaps consider pay equality, as well as how successful organisations are in attracting, retaining and promoting women equally at all levels. We welcome the Australian Workplace Gender Equality Agency's (WGEA) publication of Gender Pay Gaps as a key measure of progress to inform more effective strategies and actions to advance gender equality in the workplace and our communities.

Everyone at Cummins has a role to play in achieving our Diversity, Equity and Inclusion vision. As part of this commitment, we are taking proactive measures to review talent management and accountability systems and processes to mitigate bias and ensure the equitable acquisition and advancement of all talent.

This report reflects our continued commitment and highlights some of the programs we have underway in Australia.



A blue ink signature of Peter Jensen-Muir, written in a cursive style.

Peter Jensen-Muir

*Executive Managing Director,
Cummins Asia Pacific*

UNDERSTANDING THE GENDER PAY GAP

The Gender Pay Gap is a measure which shows the percentage difference in the median earnings of women and men at the mid-point. The gender pay gap is influenced by a number of factors, including the distribution of men and women at different levels within a company.

Significance and Application

The Gender Pay Gap is a useful proxy for measuring and tracking gender equality on a national, industrial, and organisational scale. Closing the Gender Pay Gap is important for Australia's economic future and reflects our aspiration to foster an equitable and fair society for all.

Distinguishing from Equal Pay

Equal pay is ensuring that men and women are paid the same amount for work of equal or comparable value. 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 less senior roles then this will result in a Gender Pay Gap, even when both genders are paid the same for the same role.

Median Gender Pay Gap

Understanding the median is pivotal in comprehending the Gender Pay Gap. The median is the number that falls into the middle when everyone's wages are lined up from smallest to largest. The median pay gap is the percentage difference in the median earnings of women and men. This metric provides a perspective on the distribution of earnings within an organisation.



CUMMINS IN AUSTRALIA

2023 GENDER PAY GAP RESULTS

Overview

Cummins South Pacific Pty Ltd presents its 2023 Gender Pay Gap below along with those of our industry comparison group:

Measure	Cummins South Pacific Pty Ltd	Manufacturing Industry
Number of Employees	1648	1000-4999
Median Base Salary Pay Gap	18.3%	14.3%
Median Total Remuneration Pay Gap	29.2%	18.9%



Definitions

Base Salary Pay Gap:

The base salary pay gap is the percentage difference in the median regular salaries of men and women, excluding superannuation, overtime, bonuses, and other additional allowances and payments.

Total Remuneration Pay Gap:

The total remuneration pay gap is the percentage difference in the median earnings of men and women, including all forms of compensation, including base salary, superannuation, overtime, bonuses, and other additional payments.

Full-Time Equivalent:

Part-time and casual employees' salaries and remuneration are converted into annualized full-time equivalents.

Continued ...

CUMMINS IN AUSTRALIA

2023 GENDER PAY GAP RESULTS

Continued ...

Commentary

Our median base salary gender pay gap decreased from the prior reporting period, reflecting our commitment to addressing gender equality and representation in our Australian business. The results indicate a higher proportion of men with higher salaries, along with a higher total remuneration gap between men and women.

For the current reporting period versus the prior year, we have reduced the median base salary Gender Pay Gap by seventy basis points from 19.0% to 18.3%. The median total remuneration gap increased by fifty basis points from 28.7% to 29.2% reflecting the distribution of representation within the company and the impact of allowances, bonuses, overtime and superannuation.

In relation to our focus areas, we have made noteworthy progress from which to build and accelerate our female representation which in turn will help reduce the median Gender Pay Gap. This progress includes:

- Overall Australian female gender representation has increased 680 basis points from 15% to 21.8% over the past five years.
- Female apprentice intake has grown from 10.4% to 31% over the past three years and 35% female representation in 2024.
- Our governing body (Cummins South Pacific Pty Ltd) directors consists of 60% female and 40% male members.
- Our executive leadership team is 46% female and 54% male.

Having diverse, equitable and inclusive workplaces enables Cummins to attract and retain a truly global workforce that brings together diverse perspectives, insights, and skills to solve the challenges of today and tomorrow. Transparently reporting our median Gender Pay Gap data, as we have done in this report, serves as another example of our commitment to advancing inclusive gender equality.

Positive Gender Pay Gap

A positive gender pay gap signifies that, at an organisational level, the median pay for men is greater than that of women. Factors contributing to the observed Gender Pay Gap include variables such as longer tenure for men leading to higher salaries, a greater representation of men in higher-paying roles, increased overtime in hourly paid (non-salaried) positions, and a higher proportion of men in remote or fly-in fly-out roles. Addressing these factors remains a focal point of our ongoing commitment to gender equality in the workplace.



GENDER EQUALITY A BROADER PERSPECTIVE



Our Ongoing Commitment

At Cummins, our dedication to values, particularly those centered around diversity, equity, and inclusion, serves as the cornerstone of our success. Aligned with these values, we are committed to fostering an inclusive environment that propels the professional growth of all employees, ensuring they are inspired to reach their full potential.

Gender Equality – The Wider Issue

Beyond our organisational boundaries, Cummins has a role in advocating for greater accountability across our various stakeholders. We extend our commitment to influencing positive change in government policies, communities, industry partners, suppliers, customers, and ensuring accountability within our own operations.

Cummins Supplier Diversity Program

As part of our endeavor to “Power a More Prosperous World, One Diverse Business at a Time,” our Supplier Diversity Program focuses on enhancing the diversity of our supply base, particularly through partnering with women-owned companies. Whilst we have much more to do, we are proud that our efforts to deliver high quality products and services through a diverse supply base has resulted in a 200% growth in spend, increasing the percentage of indirect purchasing with women-owned enterprises to 12% in Australia.

Year	Total Women-Owned Purchases (Million AUD)	Total Women-Owned Purchases (%)
2019	4.5	6.6%
2020	5.2	8.5%
2021	6.1	7.3%
2022	8.3	9.0%
2023	11.5	12.3%

Continued ...

GENDER EQUALITY

A BROADER PERSPECTIVE *Continued ...*



Case Study: Champions of Change Coalition

As a member of the Champions of Change Coalition, Cummins actively engages in identifying and sharing practical actions to improve gender equality. Emphasising a Listen, Learn, and Lead approach, this coalition strives to accelerate change by understanding facts, relevant research, and effective strategies. By employing measurable objectives and continuous assessment, Cummins contributes to the Coalition's commitment to driving tangible outcomes in gender equality across organisations and society.



Case Study: Cummins Powers Women

Cummins strategic initiative, Cummins Powers Women, was launched 5 years ago that seeks to develop solutions to gender inequality in our communities by partnering with non-profit organisations to accelerate the advancement of women and girls. We collaborate with non-profit organisations such as the National Aboriginal Sporting Chance Academy (NASCA), CARE Australia, and Global Rights for Women. Through intentional actions and best practices, this initiative accelerates progress towards creating diverse, equitable, and inclusive communities and workplaces. NASCA's Pathways Program, focusing on young First Nations women, achieved a remarkable 95% graduation rate in 2023, showcasing the transformative impact of education on socio-economic status.

In the spirit of reconciliation, Cummins acknowledges the Traditional Custodians of country throughout Australia and recognises their continuing connection to land, sea and community. We pay our respects to Elders past and present and their cultures; and extend that respect to all Aboriginal and Torres Strait Islander peoples.

CHANGING MINDSETS CULTIVATING DIVERSITY AT CUMMINS

At Cummins, our commitment to diversity is driven by employee-led initiatives that significantly contribute to shaping both the profile and outcomes of our diversity mission. The Women's Empowerment Network (WEN), an employee resource group, stands as a cornerstone, fostering inclusiveness, diversity, and personal development.



Women's Empowerment Network Initiatives

The Asia Pacific (APAC) Women's Empowerment Network unites diverse backgrounds to promote equity and inclusion for women in our workforce. With 180 members, the focus includes:

Innovation: Elevating underrepresented talent in critical initiatives.

Personal Development: Empowering diverse talent for career growth.

Community Engagement: Supporting strategic initiatives such as International Women's Day.

Allyship: Building a network of allies through education on bias and sexism.

In 2023, the network launched the 'Business Acuwomen' initiative, focused on demystifying Cummins' roles, and empowering women to broaden career aspirations and develop their strengths. This program saw senior leaders provide insights into functional areas for 400 employee attendees.



Continued ...

CHANGING MINDSETS CULTIVATING DIVERSITY AT CUMMINS *Continued ...*

Leadership Development and Recruitment Practices

We maintain a steadfast commitment to achieving a 50-50 balance on our core leadership development courses within Cummins. In pursuit of increasing the number of females in senior leadership positions, we prioritise by diversity by engaging in diverse communities, sourcing candidates from channels with high populations of underrepresented talent, ensuring diversity within our interview panels and striving for a diverse candidate slate. This intentional approach enhances our overall representation of diversity across leadership roles.

Flexible Working through Enhanced Ways of Working

Embracing flexible working arrangements through our Enhanced Ways of Working strategy is pivotal. This approach allows employees to nurture their careers while effectively managing work-life priorities. By delivering business results through flexible working, Cummins positions itself as an employer of choice, attracting and retaining diverse talent.

Global Gender Equity Council

In 2020, Cummins established the Global Gender Equity Council, a diverse group of members worldwide, including Australia. Strategically focused on “Winning with the Power of Difference,” the council acknowledges the need to comprehend unique experiences and barriers faced by women. A comprehensive Global Gender Equity Strategy has been developed, targeting systemic change at the Organisational/System, Group, and Individual levels. The threefold goal is to impact systemic change, prioritize global actions, and empower leadership to take bold actions.

This strategy underscores Cummins’ commitment to fostering a truly diverse, accessible, equitable, and inclusive culture, ensuring that all genders can thrive within our organisation. By removing barriers to equity and instilling purposeful inclusion, Cummins is poised to lead the way in promoting diversity and empowering individuals at every level of the organisation.



TACKLING THE TALENT PIPELINE

In our commitment to bridging the gender gap in technical and professional roles within Australia, Cummins has proactively addressed the talent pipeline through its Early Careers program. The strategic focus has been attracting and nurturing female apprentices, interns, and graduates to create a more diverse and inclusive workforce.

Apprentice Program and Gender Diversity

Given the limited presence of experienced female technicians in the industry, Cummins' apprentice program has taken significant steps to improve gender diversity. The company has achieved notable success with a consistent 20% to 40% gender diversity with each annual intake. Over the last two years, we have increased in our apprentice intake by 80%, highlighting our commitment to maximizing the program's impact.

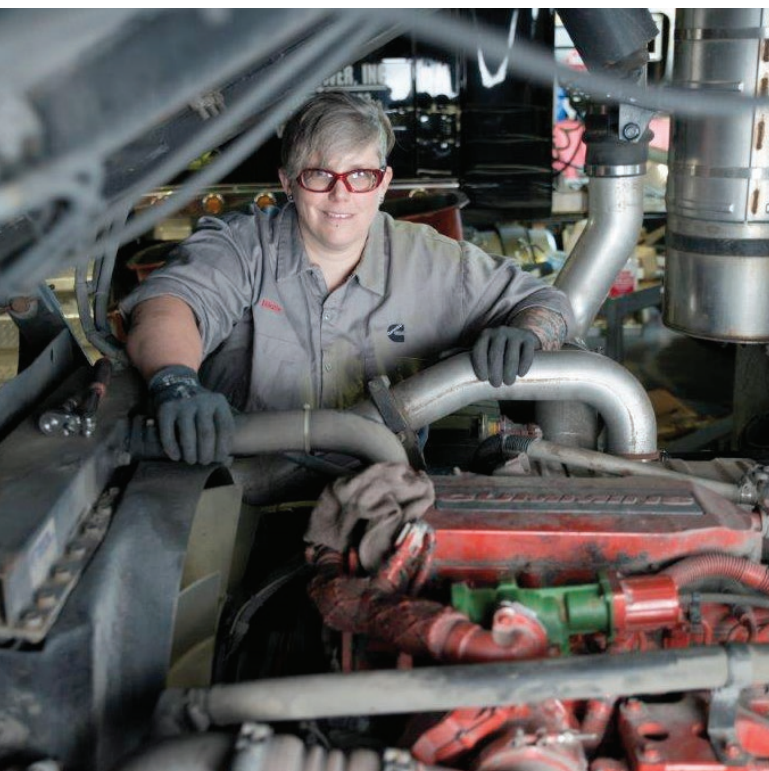
To further enhance the learning experience, Cummins introduced apprentice capability supervisors at sites with high apprentice populations. Looking ahead to 2024, we have set an aspirational goal of 35% female representation within the expected 85 apprentice intake. Notably, our Queensland intake has already achieved 50% female representation.

Professional Roles: Interns and Graduates

In the area of professional roles, Cummins continues to make progress in enhancing gender diversity among our interns and graduates. The 2024 Internship program is poised to comprise 25% female students across various disciplines, including engineering, human resources, marketing, and health, safety, and environment. Disciplines such as Health Science, Business, Law, Management, and Mechanical Engineering are actively represented.

Their integration into Cummins' business is expected to augment and diversify the Supply Chain and Engineering pipelines, reinforcing the company's commitment to fostering a more balanced workforce.

The increase in female representation in intern and graduate roles is attributed to targeted strategies, including addressing unconscious bias in hiring managers, crafting gender-neutral advertisements, leveraging social media for diverse outreach, and adopting flexible work hours and locations.



Continued ...

TACKLING THE TALENT PIPELINE

Continued ...

Cummins' Initiatives to Increase the Talent Pipeline

Cummins has implemented a range of initiatives to actively increase the talent pipeline for female professionals, particularly in non-traditional trades.

Strategic Partnerships

Cummins actively seeks external partnerships with organisations such as Transport Women Australia, Trades Women Australia, and Women in Automotive. Through activities like sponsoring awards, joint events, job board postings, and inviting representatives to recruitment open days, the company aims to promote female participation in non-traditional trades.

Collaboration with BUSY At Work

Cummins' collaboration with 'BUSY At Work' aims to bridge the gender gap in non-traditional trades. 'BUSY At Work' administers National Training Contracts and provides support to first-year apprentices through comprehensive mentoring services fostering connections between apprentices and experienced mentors. The organisation also broadens our candidate pool by advertising vacancies on their electronic jobs board.



Collaboration with Work180

Cummins works actively with Work180 to promote opportunities, illustrate employee benefits and flexibility and has provided details of female technicians to Work180 to prepare content for their social media. This aligns with the company's commitment to showcasing diversity in the workplace.

Government Industry Consultation: Cummins actively participated in the Commonwealth Department of Employment and Workplace Relations consultation held in November 2023. This engagement aimed to explore ways to support women in achieving careers through Vocational Education and Training (VET) pathways, informing the design of future skills and training initiatives to support women's economic equality.

Cummins' comprehensive approach to addressing the talent pipeline reflects our dedication to fostering a more diverse, equitable, and inclusive workplace in Australia. The company's initiatives not only aim to attract and retain female talent but also contribute to the broader goal of achieving gender equality in traditionally underrepresented fields.



EMPLOYEE STORIES



Sam Rickard

*Aftermarket Sales Leader - South Pacific
Co-leader of the Asia Pacific Women Empowerment Network*

“As I progressed in leadership, I recognised the critical impact of Diversity, Equity & Inclusion (DE&I) on business outcomes and personal values. Confronted with gender-related challenges, I joined an Employee Resource Group (ERG) to foster accountability.

Exploring issues like the merit trap, leadership shadow, and gender pay gap, I became an advocate for change, especially for my children’s future. Now, as a proud co-leader of the APAC Women’s Empowerment Network (WEN), I actively contribute to gender equality initiatives. My role involves connecting talent with hiring managers, addressing gender-specific challenges, and promoting the personal development of women within our organisation. It’s immensely satisfying to witness the positive impact we make each year.”

Chelsea Joanna Briggs

Mechanical Technician, In Shop Service



“Working at Cummins has been fantastic for me as a Mechanical Technician. Cummins goes all out in supporting diverse individuals, embracing everyone regardless of their background or gender. I’ve never felt treated differently, and that’s empowering. Cummins is a workplace that lets me shine without any biases holding me back.

The positive responses I’ve received from others in the company, seeing a female in a typically male-dominated field, is truly impactful. Cummins doesn’t just talk about diversity; they actively support it, and I’ve played a role in paving the way for a more diverse workforce. As a technician, I’m not just doing my job; I’m also mentoring apprentices, guiding them through tasks and helping them understand the ins and outs of our trade. It’s been immensely rewarding to step up into a supervisor role, contributing significantly to my colleagues’ growth and development.

What sets Cummins apart for me is the incredible support they provide. During challenging personal times, my supervisors and team at Cummins didn’t just understand; they made accommodations to make my life easier. It’s like working with family, and that’s amazing. Cummins does not just talk the talk; they walk the walk when it comes to diversity, equality, and creating an inclusive workplace where everyone can thrive.”



[CLICK: 4 examples of flexibility with Cummins](#)



[CLICK: Rolling with life’s bumps, detours, and side streets: Your most underrated skill](#)



[CLICK: How’d you get that promotion? 4 real stories you can learn from](#)



[CLICK: Employer Page: Cummins x Work180](#)



Sarah Bilston

Major Accounts Manager – Mining

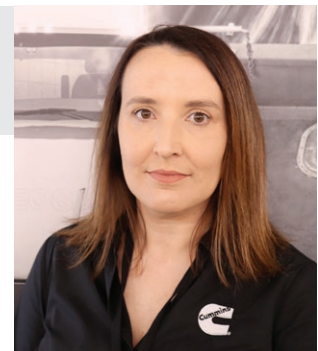
“Over my 25-year journey with Cummins, flexibility has been a cornerstone. Starting as an Assistant Accountant in Adelaide, I seamlessly relocated to Melbourne and Sydney while retaining my head office position. Benefiting from flexible work schedules, generous parental leave, and part-time hours, my progressive return to work, from three to five days a week, was supported by open discussions with my manager. My flexible working arrangements have allowed me to explore different career opportunities. It is a two-way

street,’ I’ve learned to reach out for support and gain knowledge. The support network at Cummins has always been there for me.

Cummins’ commitment to my growth was evident in supporting my educational endeavors, covering my CPA fees and offering a fully paid MBA opportunity at Indiana University. Cummins focuses on supporting individual career aspirations. Transitioning from finance to management and eventually to a customer-facing role, the flexible career pathways and strong support from the Cummins network have been instrumental. It’s this tailored approach to growth that makes Cummins exceptional.”

Lora Miller

On Highway Product Manager – Asia Pacific



“Don’t overlook the power of seeking support. At Cummins, I’ve been fortunate to have consistent backing for my personal and professional goals. From pursuing postgraduate education to relocating, Cummins has been instrumental in my journey. I’m grateful for their proactive efforts in enhancing gender diversity, evident in our growing team and increased representation in industry advocacy groups.”



Kirsty van Oudtshoorn

Project Manager – Supply Chain Continuous Improvement Asia Pacific

“My career journey has been anything but linear. From aspiring pilot in the RAAF to cooking in London, running kitchens, and even opening my own restaurant, I faced challenges in the hospitality industry. Despite attempts to shift careers in Cairns, biases hindered opportunities. Deciding to pursue a business degree, I joined Cummins as an intern at almost 29!

Starting as a Project Management Intern, I transitioned to the Brisbane Administrative Team, then led the Supply Chain Services project. From Project Coordinator to Project Manager in 10 months, my promotion was driven by hard work and integrity.

“I rarely have all the answers, but I proactively seek them, showcasing dedication. Recognized regionally and globally, I was rewarded for my work with a promotion.”

OUR COMMITMENT

At Cummins, Diversity, Equity and Inclusion (DE&I) is a Business Imperative.

To learn more about Cummins' commitment to Diversity, Equity and Inclusion, please refer to the Cummins Human Capital Management Report 2023.



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