



Ref: STEX/SECT/2023

July 07, 2023

The Relationship Manager, DCS-CRD BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001 BSE Scrip Code: 500480	National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai 400 051 NSE Symbol: CUMMINSIND
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Subject: Business Responsibility and Sustainability Report for the Financial Year 2022-23.

Dear Sir/ Madam,

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, we are enclosing herewith the Business Responsibility and Sustainability Report for the financial year 2022-23, which forms part of Annual Report for the financial Year 2022-23.

Kindly take this submission on your record.

Thanking you,

Yours faithfully,
For Cummins India Limited

Vinaya A. Joshi
Company Secretary & Compliance Officer
Encl.: As above.

(This letter is digitally signed)

Annexures to the Directors' Report

Annexure 12 – BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT FY 2022-23

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity: L29112PN1962PLC012276
2. Name of the Listed Entity: Cummins India Limited
3. Year of incorporation: 1962
4. Registered office address: Cummins India Office Campus, Tower A, 5th Floor, Survey No. 21, Balewadi Pune, 411045, Maharashtra, India
5. Corporate address: Cummins India Office Campus, Tower A, 5th Floor, Survey No. 21, Balewadi Pune, 411045, Maharashtra, India
6. E-mail: cil.investors@cummins.com
7. Telephone: +91 20 67067000
8. Website: www.cumminsindia.com
9. Financial year for which reporting is being done: April 1, 2022 - March 31, 2023
10. Name of the Stock Exchange(s) where shares are listed:
Bombay Stock Exchange Ltd. & National Stock Exchange of India Ltd.
11. Paid-up Capital: ₹ 55.44 Crore
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:
Name: Ms. Vinaya Joshi
Designation: Company Secretary
Telephone: 020 6706 7000
Email id: cil.investors@cummins.com
13. Reporting boundary: Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together): Standalone basis

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Electrical equipment, General purpose and Special purpose machinery and equipment, Transport equipment	95%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Internal combustion engine (not vehicle engine), manufacturing	29112	55%
2	Manufacturing of parts and accessories (engines/turbines)	29113	22%
3	Generators/generating sets, manufacturing	31101	18%

III. Operations :

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	6*	23	29
International	-	-	-

* includes parts distribution center

17. Markets served by the entity:

a. Number of locations -

Locations	Number
National (No. of States)	36 States and Union Territories
International (No. of Countries)	66

b. What is the contribution of exports as a percentage of the total turnover of the entity? 26.93%

c. A brief on types of customers

Cummins India Limited ("Cummins" or "CIL" or "the Company" in this report) serves customers across all segments and to all types/categories viz., end users, Original Equipment Manufacturers (OEM), channel partners, dealers, distributors, retailers, etc. The Company works closely with a variety of industries including, utility, transportation and infrastructure customers, serving a range of end customers, including data centers, automotive, power transmission and distribution.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	1,282	933	72.8%	349	27.2%
2.	Other than Permanent (E)	100	72	72%	28	28%
3.	Total employees (D + E)	1,382	1,005	72.7%	377	27.3%
WORKERS						
4.	Permanent (F)	1,879	1,554	82.7%	325	17.3%
5.	Other than Permanent (G)	2,079	1,910	91.9%	169	8.1%
6.	Total workers (F + G)	3,958	3,464	87.5%	494	12.5%

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	-	-	0%	-	0%
2.	Other than Permanent (E)	-	-	0%	-	0%
3.	Total differently abled employees (D + E)	-	-	0%	-	0%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	1	1	100%	-	0%
5.	Other than permanent (G)	3	2	67%	1	33%
6.	Total differently abled workers (F + G)	4	3	75%	1	25%

* As differently abled is a personal information, this data is voluntary for employees to report to the Company. The above information is based on the disclosures available with the Company.

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	4	40%
Key Management Personnel	3	1	33%

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 22-23 (Turnover rate % in current FY)			FY 21-22 (Turnover rate % in previous FY)			FY 20-21 (Turnover rate % in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	7%	14%	9%	5%	18%	8%	5%	9%	7%
Permanent Workers	6%	9%	7%	4%	11%	6%	3%	6%	4%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No	Name of the holding/ subsidiary/associate companies/joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Cummins Inc.	Holding Company	NA	
2.	Cummins Sales & Service Private Limited	Wholly Owned Subsidiary	100%	
3.	Cummins Research and Technology India Private Limited *	Joint Venture	50%	No
4.	Valvoline Cummins Private Limited	Joint Venture	50%	
5.	Cummins Generator Technologies India Private Limited	Associate Company with control of more than 20% of total share capital	48.54%	

* The Board of directors of Cummins Research and Technology India Private Limited ('CRTI') at its meeting held on March 21, 2016, had decided to cease operations of CRTI. Accordingly, it ceased its operations from April 1, 2016. The shareholders of CRTI, in their extra-ordinary general meeting held on April 1, 2022, passed a resolution to initiate voluntary winding-up of CRTI under the Companies Act, 2013 and Insolvency and Bankruptcy Code, 2016. Accordingly, the control over and operations of CRTI have been handed over to a registered Insolvency Professional effective from April 1, 2022, in accordance with the applicable statutory provisions.

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes
(ii) Turnover (in ₹) 7,612.32 Cr.
(iii) Net worth (in ₹) 5,367.98 Cr.

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct -

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY Current Financial Year			FY Previous Financial Year		
		(If Yes, then provide web-link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Re-marks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year
Communities	Yes	-	-	-	-	-	
Investors (other than shareholders)			Not Applicable				
Shareholders	Yes	-	-	-	-	-	
Employees and workers	Yes	-	-	-	-	-	
Customers	Yes	-	-	-	-	-	
Value chain partners	Yes	-	-	-	-	-	
Other – Anonymous reporters or others who do not fall under above categories	Yes	-	-	-	-	-	

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate action – product GHG emissions	R	The Company is in the business of manufacturing and selling mainly fossil fuel-based products. Climate change and associated emission requirements are a strategic risk, which, if not managed appropriately, can affect the Company's operations and profitability.	The Company is committed to reducing its GHG emissions through innovative products that will reduce the emission and its carbon footprint. In addition, the Company is also working on reducing emissions in its facilities.	Negative
2	Product innovation and emission compliance	O	Access to innovative technologies and products that have a lower carbon footprint and comply with all applicable emission norms.	NA	Positive
3	Human capital management	O	The Company has a highly skilled, talented workforce with subject matter expertise coupled with world class infrastructure for engineering, testing and manufacturing which will enable the Company to innovate for the success of its customers.	NA	Positive
4	Sustainable water supplies	O	The Company continues to remain focused on natural resources like water and is net water neutral.	NA	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y*	Y	Y	Y*	Y	Y	Y	Y*
b. Has the policy been approved by the Board? (Yes/No)	Y	N	Y	Y	Y	Y	N	Y	Y
c. Web Link of the Policies, if available	P1 – Vigil Mechanism Policy : https://www.cummins.com/en/in/investors/india-corporate-governance Ethics Mechanism https://secure.ethicspoint.com/domain/media/en/gui/13176/index.html Anti-bribery Policy https://www.cummins.com/en/in/investors/india-corporate-governance P1 & P2- Code of Business Conduct https://www.cummins.com/sites/default/files/2020-05/Code%20of%20Business%20Conduct.pdf P2 – Supplier Code of Conduct https://public.cummins.com/sites/CSP/SiteCollectionDocuments/Supplier%20Code%20of%20Conduct/Supplier_Code_of_Conduct.pdf P3 & P5 – Human Rights Policy : https://www.cummins.com/en/in/investors/india-corporate-governance P4, P6 & P8 – Corporate Social Responsibility Policy : https://www.cummins.com/sites/default/files/india/Legal/csr-policy-updated.pdf P6 : HSE Policy : https://www.cummins.com/en/in/investors/india-corporate-governance P9 : Data Privacy Policy: https://www.cummins.com/en/in/investors/india-corporate-governance Corporate Product Safety Policy : https://www.cummins.com/en/in/investors/india-corporate-governance								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y

Disclosure Questions	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	N	Y	N	N	N	Y
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 14001:2015 for Environment Management System ISO 45001:2018 for Occupational Health and Safety ISO 50001:2018 for Energy Management System ISO 9001:2015 for Quality Management System								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>P2 – Reuse or responsibly recycle 100% of packaging plastics and eliminate single-use plastics in dining facilities, at employee events and as amenities given to employees by 2030.</p> <p>P3 – Achieve Gender Diversity of 50% across all employee categories by 2040</p> <p>P6 – 1. Generate 25% less waste in facilities and operations as a percent of revenue by 2030 2. Reduce absolute Greenhouse gas (GHG) emissions from facilities and operations by 50% by 2030</p> <p>P8 – 1. Achieve 50% representation from candidates in aspirational districts through the education assistance programme by FY 2025-26 2. Double the coverage of the community outreach program in aspirational districts by FY 2023-24</p>								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company is on track to achieve these goals.								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) – “At Cummins, we believe that operating ethically and sustainably is not only the right thing to do, but also a competitive advantage. Our PLANET 2050 sustainability strategy is guided by our mission of making people’s lives better by powering a more prosperous world. Destination Zero is the strategy to reach carbon neutrality. For more than six decades, our core values of INTEGRITY, and DIVERSITY & INCLUSION continue to play an integral role in delivering sustainable solutions, driving better financial performance, and stimulating innovation at Cummins India. Our aspirational goal of achieving 50% women representation is not just an ideal but a moral and ethical imperative. Today, the Cummins brand in India is synonymous with TRUST built on the integrity – embodied by our people and highly valued by our customers. Our global commitment to decarbonization, combined with our solid and enviable India legacy, places us in a unique position of strength to lead India’s transition to zero emissions by 2070. With a focus on action, we are advancing our journey of powering a cleaner and greener India.”									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility (BR) policy (ies).	Mr. Ashwath Ram, Managing Director (MD) and oversighted by the Audit and Compliance Committee.								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Audit and Compliance Committee								

Disclosure Questions	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Performance against above policies and follow up action	Review undertaken by 'Any other Committee' (internal review groups formed by the management)									Need based review or review driven by statutory requirements/ amendments depending on the nature of the policy								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Review undertaken by 'Any other Committee' (internal review groups formed by the management)									Need based review or quarterly review depending on the nature of the policy								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9
	N	N	N	N	N	Y	N	N	N

Yes. The Company's facilities are evaluated by SGS India Private Limited periodically for ISO certification.

* The policies relate to safe and sustainable products, Human Rights and Customer Relations and are embedded in the Company's Vision, Mission, Values, Strategic Principles, the Cummins Operating System and the Company's Code of Conduct.

Policies specific to CIL, are brought to the CIL Board of Directors and approved, while some others are more procedural in nature and implemented directly.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	Not applicable								
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Ethical behavior at the Company is driven by the Code of Business Conduct, which guides employees on a wide range of matters, from how to treat colleagues at work to preventing sexual harassment, avoiding conflicts of interest, upholding human rights, anti-bribery, and much more. New employees are introduced to the code during onboarding and are regularly assigned related training courses over the course of their time at the Company.

Essential Indicators

- Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	2	Sessions have been conducted to create awareness about all the principles. Specific policies and other matters are discussed at the Board or respective committee meetings on a periodic basis.	100%
Key Managerial Personnel	6	<ul style="list-style-type: none"> • Code of Conduct • Treatment of Each Other • Anti-bribery and Prohibited Payments Policy 	100%
Employees other than BoD and KMPs	6	<ul style="list-style-type: none"> • Data Privacy & Information Classification and Protection • Prevention of Sexual Harassment • Doing Business Ethically 	100%
Workers	6	<ul style="list-style-type: none"> • Conflicts of Interest 	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary *					
	NGRBC Principle	Name of the regulatory/ enforcement	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine					
Settlement			None		
Compounding fee					
Monetary *					
	NGRBC Principle	Name of the regulatory/ enforcement	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment					
Punishment			None		

* Disclosure is made on the basis of the materiality policy as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the Company's website.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes.

The Anti-Bribery and Prohibited Payments Policy adopted by the Company is applicable to all its employees and third-party agents acting on behalf of the Company. The policy focuses on prohibition of all bribery in the course of doing business, compliance with applicable laws etc. The policy is available under <https://www.cummins.com/en/in/investors/india-corporate-governance>.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors		
KMPs		
Employees		None
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	None	NA	None	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes	Topics/Principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1 (Suppliers)	Ethics, health and safety, integrity, sustainability, governance, environment, social responsibility	Suppliers covering 64% of total domestic spend of FY 2022-23
1 (Dealers)	Ethics and compliance – online training	Representatives of 100% dealers

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? **(Yes/No)** If Yes, provide details of the same.

Yes.

The Board of Directors of the Company have a separate 'Code of Conduct for the Board of Directors' The code, in line with the applicable laws, requires the directors to provide annual declarations about their interest in compliance with applicable regulations in addition to voluntary declarations about interim changes in their interests, if any. These disclosures are noted by the Board in subsequent meeting(s).

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

The Company is committed to reducing its carbon footprint and doing more to use less of the world's natural resources. The three focus areas are: reducing Greenhouse gas (GHG) and air emissions; using natural resources in the most sustainable way possible; helping communities address their major environmental challenges.

Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current financial year	Previous financial year	Details of improvements in environmental and social impacts
R&D	34%	5%	Revenue expenditure on developing and testing emission compliant products, on fuel efficiency improvement and alternate material usage and testing facilities etc.
Capex	32%	57%	Capex spend includes investments made in projects for energy efficient processes, enhancing product development facility for current and new technologies, etc.

The Company, through its R&D and capex investments, is focused on moving towards a cleaner, greener planet by reducing its carbon footprint, both through the products it makes and how it makes them.

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)
Yes.
The Company has procedures in place for sustainable sourcing.
 - If yes, what percentage of inputs were sourced sustainably?
62% of the total domestic spend is through sustainable sourcing.
- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

The Company has a remanufacturing facility at Phaltan. The complete remanufacturing process has five key steps viz. 1. Disassembly, 2. Cleaning, 3. Inspection, 4. Salvage/ Reuse, 5. Assembly and Test.
- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.
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Yes.

EPR is applicable to the Company in the capacity as “Brand Owner”. The Company complies with the Plastic waste collection plan submitted to Pollution Control Board and regularly submits Annual returns as per the relevant provisions of the regulations.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
					-

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of the product/ services	Description of the risk/ concern	Action Taken
		-

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23 Current financial year	FY 2021-22 Previous financial year
		-

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23 Current financial year			FY 2021-22 Previous financial year		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)						
E-waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective categories
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PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

The Company pursues its commitment towards employee well-being by creating a diverse and inclusive work environment; engaging employees and their families in improving wellness; extending the company's talent management philosophies in performance management, compensation management, competency building and access to development opportunities for all employees through education assistance programs.

Following are some of the initiatives undertaken by the Company to ensure the well-being of its employees:

- Periodic health check-ups and counselling by professional and trained medical team
- Independent trained professionals are available through a confidential service provider to help them deal with mental health and other life challenges
- Life insurance benefits covering employees
- Health insurance benefits covering employees and their family members
- Maternity and paternity benefits
- Various Employee Resource Groups (ERG) focusing on the various dimensions of diversity namely: Gender, Generation, Culture, Person with Disability (PwD), and LGBTQ+
- Creche facilities
- Occupational health and safety management system

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	933	933	100%	933	100%	NA	0%	933	100%	933	100%
Female	349	349	100%	349	100%	349	100%	NA	0%	349	100%
Total	1,282	1,282	100%	1,282	100%	349	100%	933	100%	1,282	100%
Other than Permanent employees											
Male	72	-	0%	72	100%	NA	0%	-	0%	-	0%
Female	28	-	0%	28	100%	28	100%	NA	0%	-	0%
Total	100	-	0%	100	100%	28	100%	-	0%	-	0%

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total	Health Insurance		Accident Insurance		Maternity Benefits		Paternity benefits		Day Care Facilities	
	(A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	1,554	1,554	100%	1,554	100%	NA	0%	1,554	100%	1,554	100%
Female	325	325	100%	325	100%	325	100%	NA	0%	325	100%
Total	1,879	1,879	100%	1,879	100%	325	100%	1,554	100%	1,879	100%
Other than Permanent employees											
Male	1,910	1,910	100%	1,910	100%	NA	0%	-	0%	-	0%
Female	169	169	100%	169	100%	169	100%	NA	0%	-	0%
Total	2,079	2,079	100%	2,079	100%	169	100%	-	0%	-	0%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

The Company's employees and workers are covered for retiral benefits as per eligibility defined under the applicable laws. The company also creates awareness of schemes such as National Pension Scheme (NPS) which the employees can avail.

Benefits*	FY 2022-23			FY 2021-22		
	Current financial Year			Previous financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)
Provident Fund	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
Employee State Insurance (ESI)	100%	100%	Yes	100%	100%	Yes
Superannuation	100%	89%	Yes	100%	88%	Yes

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes.

The Company continues to take steps including modernisation of its older facilities to improve accessibility to its facilities for differently abled employees and workers.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes.

The Equal Opportunity policy is available to the internal stakeholders on the intranet.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	88%	100%	98%
Female	100%	100%	100%	96%
Total	100%	93%	100%	97%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes. All workers/ employees permanent/ other than permanent of the Company can reach out to their Direct Managers and HR Business Partners as their primary contact to redress their grievances as specified in the policy of the Company.
Other than Permanent Workers	The Company has communication and other infrastructure, and policies through which the employees and workers can voice their concerns. Protected disclosures can be made by a whistle-blower through an email or dedicated telephone line or letter to the Managing Director of the Company or Letter to the Chairman of Audit Committee or via the Ethics helpline/ webpage, details of which are available on the website of the Company.
Permanent Employees	The Company has a 'Vigil Mechanism Policy', as per applicable laws, along with the Non-retaliation Policy, which inter-alia provide adequate safeguards to whistle-blowers against retaliation.
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23 Current financial Year			FY 2021-22 Previous financial Year		
	Total employees/ workers in respective Category (A)	No. employees/ workers in respective Category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective Category (C)	No. employees/ workers in respective Category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	1,282	-	0%	1,238	-	0%
- Male	933	-	0%	907	-	0%
- Female	349	-	0%	331	-	0%
Total Permanent Workers	1,879	559	30%	1,929	601	31%
- Male	1,554	559	36%	1,588	601	38%
- Female	325	-	0%	341	-	0%

8. Details of training given to employees and workers:

Category	FY 2022-23 Current financial Year					FY 2021-22 Previous financial Year				
	Total (A)	On Health And safety Measures		On Skill Upgradation		Total (D)	On Health And safety Measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	13,367	2,679	20%	10,688	80%	22,976	8,053	35%	14,923	65%
Female	4,944	991	20%	3,953	80%	8,498	2,979	35%	5,519	65%
Total	18,311	3,670	20%	14,641	80%	31,474	11,032	35%	20,442	65%
Workers										
Male	44,758	38,182	85%	6,576	15%	17,223	5,584	32%	11,639	68%
Female	6,104	5,207	85%	897	15%	3,528	1,144	32%	2,384	68%
Total	50,862	43,389	85%	7,473	15%	20,751	6,728	32%	14,023	68%

The trainings on health and safety measures and skill upgradation are gender agnostic and available to both male and female employees/ workers.

9. Details of performance and career development reviews of employees and worker:

Category	FY 22-23 Current financial Year			FY 21-22 Previous financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	933	933	100%	907	907	100%
Female	349	349	100%	331	331	100%
Total	1,282	1,282	100%	1,238	1,238	100%
Workers						
Male	1,554	1,554	100%	1,588	1,588	100%
Female	325	325	100%	341	341	100%
Total	1,879	1,879	100%	1,929	1,929	100%

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system? –

Yes.

The Company has implemented an enterprise-wide occupational health and safety management system (HSEMS) that conforms to ISO (International Standards Organization) 45001.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity? –

All the Company's facilities have implemented a systematic process for identifying work related hazards and assessing their risks for routine and non-routine activities through the Hazard Identification and Risk Assessment Process (HIRA) that is in-line with the ISO 45001:

2018 requirements, “Job Safety Assessments”, HSE internal audit, “Find it, Fix it”, “Active Caring and Visual Literacy” are some of the initiatives that are deployed in the Company. HIRA provides an analytical tool to all facilities to assess their critical and unreasonable risks. The intent is to use these processes proactively to improve Health & Safety for all employees and others who visit the Company’s facilities.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N) -

Yes.

The Company’s facilities have processes such as team-based work system (TBWS) forum, layered process audits, safety suggestions, ergonomics early reporting program, safety observation tours, etc. through which employees and workers can report work related hazards to remove / reduce the risks. Also, as per requirements of provision of the Factories Act, 1948, safety committees are formed at all applicable manufacturing locations, which take note of all the improvement opportunities coming from the employee representatives.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No) –

Yes.

The Company offer a range of medical and healthcare services at it’s facilities including:

1. first aid boxes
2. trained first aid facilitators
3. counselling by independent professionals on mental health and other life challenges
4. medical insurance cover
5. qualified medical doctors at some company facilities

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.54	0
Total recordable work-related injuries	Employees	0	0
	Workers	10	5
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company has developed an enterprise-wide HSE management system in line with ISO 14001 and ISO 45001 standard requirements. This HSE management system and plan follows plan-do-check-act (PDCA) cycle. Details of each phase are as follows-

- Plan - All facilities have HSE Policies that drive compliance with legal and other requirements. Dedicated tools like HIRA and Environmental Aspect and Impact Assessment (EAIA) are used to facilitate the same.
- Do - Facility specific operating procedures have been created and enforced.
- Check - Continuous self-assessment enables corrective and preventive actions (CAPA) with the help of IT tools and processes.
- Act – All facilities have a management review procedure to drive improvement plans.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	5	-	All complaints filed during the year have been resolved	11	-	All complaints filed during the year have been resolved
Health & Safety	46	-		29	-	

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

No significant risks or concerns were identified during the assessments of health & safety practices and working conditions during the year.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes.

The Company extends Life Insurance or equivalent compensatory package in the unfortunate event of death of an employee or worker.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company emphasizes the importance of compliance through interactions with its value chain partners. Supplier Code of Conduct requires the vendors to know and follow all applicable laws

and have awareness of any legal or regulatory changes that may impact their operations.

The Company has an annual process of seeking confirmation of compliance with requirements related to statutory dues from its suppliers.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been / are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total number of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 (Current Financial Year)	FY 2021 - 22 (Previous Financial Year)	FY 2022-23 (Current Financial Year)	FY 2021 - 22 (Previous Financial Year)
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? **(Yes/ No)**

Yes.

In cases of termination of employment due to business related reasons or Voluntary Retirement Plan (VRP), the Company provides outplacement services support, mental wellness support and monetary compensation to the impacted individuals as per internal policies and plans designed for the respective events.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Suppliers - 58% of domestic direct spend
Working conditions	Suppliers- 58% of domestic direct spend

These assessments are conducted to cover 100% of suppliers over a period of three years.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No significant risks or concerns were identified from the assessments conducted.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The key stakeholders are identified based on consultative discussions between the functional and business heads along with the directors of the Company.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisements, Community meetings, Notice board, Website,) other	Frequency of Engagement (Annually, Half yearly/ Quarterly/ other- Please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors (shareholders) / Analysts	No	<ul style="list-style-type: none"> • Press releases and media interactions • Emails, SMS, newspaper publications • AGM / EGM General meetings, meeting notices • Stock exchange filings • Analyst calls • Updates on the Company's website 	<ul style="list-style-type: none"> • Annually through annual report • Quarterly through financial results, analyst call; exchange notifications; • Continuous engagement: Investors page on website 	<ul style="list-style-type: none"> • To explain the financial results and/ or other updates • To answer queries of investors/ analysts on operations of the Company • To understand shareholder expectations
Employees and Workers (and their families)	No	<ul style="list-style-type: none"> • Emails • Notice boards • 1:1 meetings, plant meetings, townhalls • Project and operations reviews • Family days • Internal website • Social media webpages 	<ul style="list-style-type: none"> • Event based / Continuous engagement 	<ul style="list-style-type: none"> • Providing operational and strategic updates • Career management • Learning opportunities • Building a safety culture and inculcating safe work practices among employees • Improving diversity and inclusion; employee engagement
Suppliers (including consultants)	No	<ul style="list-style-type: none"> • Individual meetings, conferences • Emails, telephone/ conference calls • Supplier visits 	<ul style="list-style-type: none"> • Event based / Continuous engagement 	<ul style="list-style-type: none"> • Alignment on values, strategy and operational priorities • Resolution of operational issues

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisements, Community meetings, Notice board, Website,) other	Frequency of Engagement (Annually, Half yearly/ Quarterly/ other- Please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	<ul style="list-style-type: none"> • Meetings and conferences • Project related discussions, project management reviews • Customer visits • Sponsored events • Mailers; newsletters; brochures • Social media webpages • Surveys 	<ul style="list-style-type: none"> • Event based / Continuous engagement • Periodic customer satisfaction surveys 	<ul style="list-style-type: none"> • Understanding business challenges • Identifying improvement opportunities for the Company
Communities (around the Company's facilities)	Yes	<ul style="list-style-type: none"> • Field visits and meetings • Emails 	<ul style="list-style-type: none"> • Event based / Continuous engagement 	<ul style="list-style-type: none"> • Corporate Social Responsibility activities • Grievance redressal • Social need identification for community welfare
Government bodies (Center, State, Local)	No	<ul style="list-style-type: none"> • Request For Information/Request For Proposal/ presentations • Project review meetings • Surveys • Consultative sessions • Field visits • Conferences and seminars • Press releases and media interactions 	<ul style="list-style-type: none"> • Event based / Continuous engagement 	<ul style="list-style-type: none"> • Understand areas for sustainable development • Communicate the Company's performance and strategy • Share and contribute to thought leadership and insights into public and business concerns • Discuss the Company's response to business/ community issues as a corporate citizen

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Engagement and consultation with stakeholders on various topics is delegated by the Board and governed as per the operating policies of the Company. Any material feedback from such consultations is provided to the Board on a periodic basis through Board Meetings or Committee Meetings.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes.

Stakeholder engagement covers key material issues driven by strategic objectives through various modes of engagement. For example, circulars/ notifications on emission norms and related product development.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company as part of its corporate responsibility agenda, drives projects to benefit various sections of the community. Schools were upgraded by providing toilets, classrooms, clean drinking water, benches, theme painting, playgrounds, compound walls etc. to uplift the educational infrastructure and provide quality education. Additionally, the Company also actively works towards empowering marginalized girls/women to become leaders in their community, reduce school drop-out rate for girls through funding and installation of feminine hygiene facilities etc.

The Company continued its support for the holistic development of villages with focus on increasing incomes of families by organizing programs by subject matter experts on organic and community farming. Efforts in water shed areas by way of check dams, ponds, desilting, contour trenches, soak pits etc., have ensured the availability of water for drinking and irrigation throughout the year.

PRINCIPLE 5 Businesses should respect and promote human rights

The Company supports human rights and has a zero-tolerance policy on bonded, child or forced labor. It endeavors to provide equal opportunity to its employees while discouraging discrimination, harassment and retaliation. Online and classroom trainings on relevant topics related to Human Rights are conducted for all employees and workers.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. Of employees / worker covered (B)	% (B / A)	Total (C)	No. Of employee / worker covered (D)	% (D / C)
	Employees					
Permanent	1,282	1,282	100%	1,238	1,238	100%
Other than permanent	100	100	100%	87	87	100%
Total Employees	1,382	1,382	100%	1,325	1,325	100%
Workers						
Permanent	1,879	1,879	100%	1,929	1,929	100%
Other than permanent	2,079	2,079	100%	1,394	1,394	100%
Total Workers	3,958	3,958	100%	3,323	3,323	100%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	1,282	0	0	1,282	100%	1,238	0	0	1,238	100%
Male	933	0	0	933	100%	907	0	0	907	100%
Female	349	0	0	349	100%	331	0	0	331	100%
Other than Permanent*	100	0	0	100	100%	87	0	0	87	100%
Male	72	0	0	72	100%	74	0	0	74	100%
Female	28	0	0	28	100%	13	0	0	13	100%
Workers										
Permanent	1,879	0	0	1,879	100%	1,929	0	0	1,929	100%
Male	1,554	0	0	1,554	100%	1,588	0	0	1,588	100%
Female	325	0	0	325	100%	341	0	0	341	100%
Other than Permanent*	2,079	1,725	83%	354	17%	1,394	1,263	91%	131	9%
Male	1,910	1,586	83%	324	17%	1,288	1,169	91%	119	9%
Female	169	139	82%	30	18%	106	94	89%	12	11%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	6	2,375,000	4	629,839 [#]
Key Managerial Personnel	2	33,670,953	1	3,189,560
Employees other than BoD and KMP	931	2,754,446	348	2,095,745
Workers	1,554	785,835	325	567,076

The median remuneration of BoD is not an annualised amount.

Notes:

- The remuneration of Non-Executive Directors is Nil.
- Remuneration details of BoD and KMPs are published as part of **Annexure 10** of Directors Report.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? **(Yes/No)**

Yes.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Any grievance related to human rights can be filed through a formal grievance redressal mechanism.

At the Company, employees have several options to report ethics or human rights related issues. Besides being able to reach out to direct managers or HR, employees have the option to anonymously report issues through four separate channels:

- Regularly monitored voice mail box
- Online at ethics.cummins.com
- Toll-free number
- QR Code

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Current Financial Year			Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	-		-	-	
Discrimination at workplace	-	-		1	-	
Child Labour	-	-		-	-	
Forced Labour/ Involuntary Labour	-	-		-	-	
Wages	-	-		-	-	
Other Human rights related issues	-	-		-	-	

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has a non-retaliation policy which prohibits all forms of retaliation against employees who raise concerns or who report violations of the Code of Business Conduct, Company policies including Treatment of Each Other at Work or the law.

8. Do human rights requirements form part of your business agreements and contracts? **Yes / No**

Yes.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	Nil

The Company internally monitors compliance for all applicable laws and policies pertaining to Human Rights issues.

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No significant risks/concerns were identified through the assessments.

Leadership Indicator

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

No significant concerns have been identified which necessitated introduction of new processes / modification of existing processes during FY 2022-23.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

No separate human rights due-diligence was conducted besides the internal assessments during FY 2022-23.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes.

The Company continues to take steps including modernisation of its older facilities to improve accessibility to its facilities for differently abled visitors.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Nil
Discrimination at workplace	Nil
Child Labour	Sourcing- 58% of domestic direct Spend
Forced Labour/Involuntary Labour	Sourcing- 58% of domestic direct Spend
Wages	Nil
Others – please specify	None

These assessments are conducted to cover 100% of suppliers over a period of three years.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No significant risks/concerns were identified for those areas which were assessed during the year through various assessments.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A) GJ	92,467	79,805
Total fuel consumption (B) GJ	47,217	40,269
Energy consumption through other sources ©	2,821	2,768
Total energy consumption (A+B+C)	142,504	122,841
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.0000019	0.0000020

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Energy intensity (<i>optional</i>) – the relevant metric may be selected by the entity		
a. Intensity per manhours worked	0.01	0.01
b. Intensity per Facility Size MMBTU / [sq. ft]	0.47	0.40
c. Intensity MMBTU per Head count	28.7	26.9

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

The PAT scheme of the Government of India is not applicable to the Company.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	82,851	66,144
(iii) Third party water	58,757	43,451
(iv) Seawater / desalinated water	0	0
(v) Others	4,031	3,446
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	145,639	113,041
Total volume of water consumption (in kilolitres)	145,639	113,041
Water intensity per rupee of turnover (Water consumed / turnover)	0.0000019	0.0000019
Water intensity (<i>optional</i>) – the relevant metric may be selected by the entity		
a. Intensity KL per manhours worked	0.01	0.01
b. Intensity KL per Facility Size	0.48	0.37
C. Intensity KL per Head count	29.34	24.79

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes.

The company has installed wastewater treatment systems across all its eligible facilities resulting in Zero Liquid Discharge. All sewage generated in the Company's facilities is treated in the in-house sewage treatment plants and the recycled water is used for garden irrigation, Heating Ventilation and Air Conditioning (HVAC) and toilet flushing purposes etc.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY-2021-22 (Previous Financial Year)
NOx	Kg	89,756	76,580
Sox	Kg	2,062	1,759
Particulate matter (PM)	Kg	6,300	5,374
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	Kg	12,746	11,058
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please Specify	NA	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & it's intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF₆ , NF₃ , if available)	Metric tonnes of CO ₂ Equivalent	4,945	4,586
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF₆ , NF₃ , if available)	Metric tonnes of CO ₂ Equivalent	14,118	13,681
Total		19,063	18,267
Total Scope 1 and Scope 2 emissions per rupee of turnover		0.00000025	0.00000030
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			
a. Intensity per manhours worked		0.0016	0.0018
b. Intensity per Facility Size		0.0625	0.0599
C. Intensity per Head count		3.84	4.01

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency –

No.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes.

Green House Gas reduction initiatives undertaken by the Company include:

- Develop energy monitoring and dashboard strategy
- Replacement of legacy manufacturing equipment with energy efficient equipment
- Use solar power for respective sites' power requirement

The key initiatives include energy efficient Heating Ventilation and Air Conditioning (HVAC) and lighting, waste reduction/ recycling/reuse and water consumption reduction. The Company creates awareness amongst its employees to identify projects related to reducing Green House Gas emission.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	128	108
E-waste (B)	4.18	1.4
Bio-medical waste (C)	0.03	0.03
Construction and demolition waste (D)	0	0
Battery waste (E)	0.08	5.08
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G) (waste oil, Solvent, Paint sludge etc.)	403	281
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) (metal)	4,368	3,901
Total (A+B + C + D + E + F + G+ H)	4,904	4,297
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	4,902	4,270
(ii) Re-used	0	0
(iii) Other recovery operations	2	12
Total	4,904	4,282
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	14.85
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	0	14.85

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company follows the principles of the waste management hierarchy of reduce, reuse, recycle and recovery. For reducing the Company's waste, it emphasizes having a cross-functional approach through manufacturing process redesign, improved waste segregation, increased employee engagement and proactive supplier partnerships. The Company also continues to make capital investments in equipment that facilitate waste reduction and increases its ability to recycle. Also, product substitutions have had a significant impact on the company's reduction of hazardous waste generation.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
The Company has no facilities in ecologically sensitive areas			

11. Details of environmental impact assessments (EIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
No EIA required for any of the Company's facilities					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes.

S. No.	Specify the law / regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
-				

Leadership Indicator

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A) in GJ	19,105	11,193
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	19,105	11,193
From non-renewable sources		
Total electricity consumption (D) GJ	73,361	68,611
Total fuel consumption (E) GJ	47,217	40,269
Energy consumption through other sources (F) GJ	2,821	2,768
Total energy consumed from non-renewable sources (D+E+F)	123,399	111,648

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

2. Provide the following details related to water discharged:

The company has installed highly efficient wastewater treatment systems across all its eligible facilities resulting in zero wastewater discharge.

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

The Company does not have any of its facilities located in areas of water stress.

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	Not Applicable	
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the Entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	Not Applicable	
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The Company does not have any of its facilities located in areas of water stress and hence independent assessments are not carried out.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 Equivalent		
Total Scope 3 emissions per rupee of turnover			Not Applicable
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct and indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

The Company has no facilities in ecologically sensitive areas.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
	The company continues to take initiatives to create products with better fuel efficiency etc.	-	-

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes. The Company has a holistic business governance structure and Business Continuity Management (BCM) derived basis global standards of business resilience and ISO 22301:2012 Societal Security - Business Continuity Management Systems. BCM is focused on continually improving the resilience of the Company ensuring seamless continuity of business. BCM identifies potential risks to the Company as well as the impacts to business operations. This provides a framework for building organizational resilience with the capability to provide effective response and recovery plans which safeguard the interests of the Company, its stakeholders, reputation, brand and value-creating activities. The Company continuously works on embedding business resilience in the Company's practices and increasing site preparedness to establish efficacy of responses and achieve effective recovery.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Not Available

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Not Available

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. A. Number of affiliations with trade and industry chambers/ associations.

The Company is a member of 5 trade and industry chamber/ associations.

- B. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry (CII)	National
2	Society of Indian Automobile Manufacturers (SIAM)	National
3	US-India Strategic Partnership Forum (USISPF)	National
4	Automotive Research Association of India (ARAI)	National
5	Maratha Chambers of Commerce, Industries and Agriculture (MCCIA)	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of Authority	Brief of the case	Corrective action taken
No adverse order has been received by the Company.		

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No	Public Policy Advocated	Method Resorted for such advocacy	Whether information available in public domain	Frequency of review by Board (Annually/ Half yearly/Quarterly/ others please specify)	Web link, if available
			-		

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development**Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

The Company has not acquired any land during the year that requires Social Impact Assessment under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 and its subsequent amendments..

Name and brief details of project	SIA notification no.	Date of notification	Whether conducted by independent external agency (yes/no)	Results communicated in public domain (yes/no)	Relevant web link
Not applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R & R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R & R	Amounts paid to PAFs in the FY (In INR)
Not applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

At each of the Company's facilities, community members can reach out to designated persons to register their grievances or submit their grievances on a designated email id.

Corporate Social Responsibility (CSR) team (through Cummins India Foundation - implementing agency) and its NGO partners work together on various community projects and act as the focal point for the community to submit and redress grievances related to such projects. Key concerns, if any, are reviewed with the CSR Committee and the Board and guidance/ feedback provided by them is actioned.

The Company also has an ethics helpline providing a reporting platform for internal and external stakeholders including communities where issues related to ethics and compliance, or any other kind can be reported anonymously.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directly sourced from MSMEs/ small producers	26%	24%
Sourced directly from within the district and neighbouring districts	37%	43%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
-	-

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No	State	Aspirational District	Amount spent (in INR)
NIL			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No.

The Company is impartial in its supplier selection and procurement processes.

- (b) From which marginalized /vulnerable groups do you procure?

The Company is impartial in its supplier selection and procurement processes.

- (c) What percentage of total procurement (by value) does it constitute?

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No	Intellectual Property based on traditional knowledge	Owned / Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
-				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:

Name of Authority	Brief of the case	Corrective action taken
No adverse orders received by the Company during the year		

6. Details of beneficiaries of CSR Projects:

The Company carries out its CSR activities through Cummins India Foundation. The Company focuses on three priority areas: Higher Education, Energy and Environment and Equality of Opportunity while also undertaking other strategic projects. Following table depicts the proportion of beneficiaries from various CSR projects and belonging to the vulnerable and marginalized groups.

S. no	CSR Project	No. of persons benefitted from CSR Projects.	% of beneficiaries from vulnerable and marginalized groups
A	Higher Education		
1	Nurturing Brilliance	321	67%
2	Technical Education for Communities	254	11%
3	Cummins College of Engineering for Women	1,691	100%
B	Energy and Environment		
1	Monsoon Resilient Maharashtra	7,646	88%
2	Water Neutrality Projects	3,200	16%
3	Solid Waste Management	167,673	2%
4	Cleaner Air Better Life	11,230	0%
C	Equality of Opportunity		
1	Cummins Model village program under Rural Development - 26 Villages across Cummins locations in India	25,945	90%
2	Cummins Support to NGOs under Local Community Care	474	83%
3	Phaltan Model Town	28,085	51%
4	Cummins Powers Women	16,150	100%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has multiple mechanisms for customers to raise complaints or provide feedback, which include a Customer Relationship Management mobile application, 24x7 toll free number, emails, and periodic meetings with customers. Issues are resolved systematically with the objective of ensuring customer satisfaction. Customers can also provide real-time feedback on the quality of resolution.

Meetings between dealers, sales and service heads and regular touchpoints with Generator Original Equipment Manufacturer (GOEM) teams are conducted to assess concerns on a monthly basis, where customer complaints are discussed and plan of action is prepared for resolution of such complaints.

Net Promoter Survey (NPS) is a metric used in customer experience programs. Surveys are conducted randomly with the end user customer (engine or equipment owners) and actions are undertaken to improve customer satisfaction.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%. The manuals accompanying the products include necessary disclosures like safety guidelines, warnings while operating the engine/ generator, emission certification, etc. It includes the process for recycling/ disassembly and the need to comply with all applicable regulatory requirements.
Safe and responsible usage	
Recycling and / or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at end of the year	
Data Privacy	-	-	Not	-	-	Not
Advertising	-	-	Applicable	-	-	Applicable
Cyber- Security	-	-		-	-	
Delivery Of Essential Services	-	-		-	-	
Restrictive Trade Practices	-	-		-	-	
Unfair Trade Practices	-	-		-	-	
Others – Product & service complaints	1,610	133		1,353	157	

4. Details of instances of product recalls on account of safety issues:

	Number	Reason for recall
Voluntary recalls	-	No instances of product recall.
Forced recalls	-	

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/ No) If available, provide a web-link of the policy.

Yes.

The Policies related to cyber security and data privacy is available to the internal stakeholders on the intranet.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

The Company has not identified any incidents leading to regulatory issues / penalties from a cyber security and data privacy of customers during the year.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The information related to the products sold and services rendered by the Company are available on the Company website at - <https://www.cummins.com/en/in/company/cummins-in-india>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

All requisite information and/ or instructions on safe and responsible usage of products and/or services are contained in Operations & Maintenance manual. In addition, trainings/ sessions are conducted periodically for customers for educating them on the safe usage of products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The Company has not been classified as an essential service provider under the Essential Services Act.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

No. The Company does not display product information on the product over and above what is mandated as per local laws.

Yes. The Company conducts periodic customer satisfaction surveys for major products and services.

5. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact
- b. Percentage of data breaches involving personally identifiable information of customers

There were no incidents of data breach for the Company during FY 2022-23.



BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

2022-23

EXECUTIVE SUMMARY



The Power of Purpose

Our journey of powering India spans over six decades, but it is our unwavering commitment to purpose that sets us apart and fuels our progress. A more prosperous world has a financial component, but at Cummins it means more than that. A more prosperous world is also a world with clean air and clean water, and a world where businesses partner with other stakeholders to weave a stronger social fabric. The Company has long believed success is about more than just the bottom line. Through ground-breaking innovations, pursuit of excellence, and transformative initiatives, we strive to make a positive impact on people's lives and create a sustainable future for our communities and the planet. **'Power with Purpose'** is our commitment to go beyond in everything we do, while acting with absolute integrity, genuine care for our people and environment, and understanding the profound impact that our work has on our customer's success, the progress of our communities, and the overall prosperity of the world.



Ashwath Ram
Managing Director, Cummins India Limited



At Cummins, we believe that operating ethically and sustainably is not only the right thing to do, but also a competitive advantage. Our PLANET 2050 sustainability strategy is guided by our mission of making people's lives better by powering a more prosperous world. Destination Zero is the strategy to reach carbon neutrality.

For more than six decades, our core values of INTEGRITY, and DIVERSITY & INCLUSION continue to play an integral role in delivering sustainable solutions, driving better financial performance, and stimulating innovation at Cummins India. Our aspirational goal of

achieving 50% women representation is not just an ideal but a moral and ethical imperative. Today, the Cummins brand in India is synonymous with TRUST built on integrity – embodied by our people and highly valued by our customers.

Our global commitment to decarbonization, combined with our solid and enviable India legacy, places us in a unique position of strength to lead India's transition to zero emissions by 2070. With a focus on action, we are advancing our journey of powering a cleaner and greener India.

AMBITIOUS GOALS PROPEL US TOWARD PURPOSE-DRIVEN PROGRESS

At Cummins, our commitment to creating a positive impact extends beyond mere statements. It starts with acts of caring, embracing diversity, promoting sustainability, and empowering others to create meaningful change. Every initiative we undertake is rooted in the fundamental question - 'How can we power a brighter future for our people and the planet?' Always innovating for our customers' success, we have set ambitious goals that serve as the North Star on our purpose-driven journey.



OUR GOALS: GUIDED BY PURPOSE, DRIVEN BY ACTION

2030

Toward a Plastic-Free Future



Reuse or responsibly recycle 100% of packaging plastics and eliminate single-use plastics in dining facilities, at employee events, and as amenities given to employees

2030

Waste Less, Achieve More



Generate 25% less waste in facilities and operations as a percentage of revenue

2040

Embracing Diversity



Achieve workforce gender diversity of 50% across all employee categories

2023-24

Strengthening Communities



Double the coverage of the community outreach program in aspirational districts

2025-26

Empowering Aspirational Districts



Achieve 50% representation from candidates in aspirational districts through the education assistance program

2030

Climate Champions



Absolute greenhouse gas (GHG) emissions to be reduced by 50% from facilities and operations

Environment

Driving Environmental Stewardship for a Sustainable Future

Climate change is the existential crisis of our time. Climate change is also the greatest threat to achieving our mission of making people's lives better by powering a more prosperous world. Guided by our purpose, we understand the imperative of addressing environmental challenges with utmost urgency and decisive action. Our environmental goals and targets serve as guiding stars for driving innovation and responsible practices, closely aligning with 12 out of the 17 UN Sustainable Development Goals (SDGs).

Driven by our desire to make a positive impact, we work with our employees, local governments, esteemed NGOs, and academic institutions on afforestation, solid waste management, water conservation, air pollution control and renewable energy advancements.

To minimize our environmental footprint, we invest in product innovation, low-carbon technologies, fully comply with latest emission norms, and ensure sustainable water management. We recognize water as the lifeblood of our planet. Not only are we net water neutral as a company, but address water shortage and pollution by employing scientific approaches, engaging experts, and generating awareness among citizens to revive water bodies, improve local biodiversity and prevent water pollution.

With a resolute vision and result-oriented approach towards reducing our environmental footprint, we aim to leave behind a healthier planet for future generations.

WASTE MANAGEMENT: FROM TRASH TO TREASURE

For us, environmental stewardship begins from within. Every person has the power to make a difference. Every action and every decision must bring us a step closer to a cleaner, healthier environment.



Facilities



Communities

100% waste recycling:

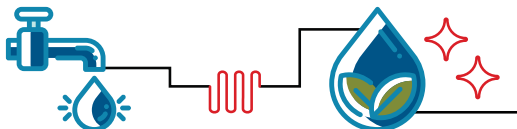


All our sites practice 100% recycling of waste ensuring none is sent to the landfill. This is achieved through various environmental projects on the principle of use less, use better and use again.

100% waste water reuse

within our premises to ensure

Zero Liquid Discharge



Reduce, Reuse, Recycle, and Recover:



Our cross-functional strategy encompasses manufacturing process redesign, enhanced waste segregation, heightened employee engagement, and proactive supplier partnerships. We consistently invest in waste reduction tools to boost our recycling capabilities and surpass our goals.

Embracing principles of the waste management hierarchy of

Reduce, Reuse, Recycle, and Recover

Organic Festival Waste Management:



Our **Nirmalya** and **Patravali** programs address waste generation during two major annual festivals in Maharashtra. The Nirmalya project, a multidimensional and multi-stakeholder initiative, requires meticulous planning, logistics, and coordination during the annual Ganesh and Wari festivals.

- **380 Metric Tons** of Nirmalya converted into organic compost was distributed to **320 farmers**.
- **163,607 people** engaged for organic waste awareness and collection

Zero Waste Slum Project:



Our project focuses on enhancing the waste management system and helping communities become zero waste communities. It encompasses awareness campaigns for waste segregation at the source, efficient waste collection, scientific waste disposal, and fostering a mindset shift toward maintaining clean and healthy surroundings.

- **80%** door-to-door coverage achieved
- **Elimination of two major** chronic spots in the area
- **4,066 residents** positively impacted

ENERGY CONSERVATION: BRIGHT IDEAS CREATE BIG IMPACT

A range of innovative energy conservation processes and initiatives were introduced in FY 2022-23 to propel us toward a greener, more sustainable future.

- 01 Energy audits, and associated training
- 02 Unplugged Challenge*
- 03 Compressed air optimization
- 04 Replacement of non-energy efficient motors with energy efficient motors
- 05 Replacement of light fixtures with LED lamps, etc.

ENERGY CONSERVATION IMPACT IN NUMBERS: FY 2022-23

15,000 kWh

of energy saved by **Compressed Air System** at the **High Horsepower Rebuilt Center (HHP RC)** at **Phaltan** and **IFC¹ controller**

7.2 lakh units

of electricity saved by the installation of **energy efficient fans and occupancy sensors** at the **Kothrud Engine Plant (KEP)**

6,000 kWh units

saved by replacing **Paint Booth Blower** with **VFD² Blower (HHP RC)**



POWER OF SOLAR

53.07 lakh units of electricity generated from the on site solar installations across CIL facilities



*Unplugged Challenge is a great energy-saving idea to minimize the **at rest** (energy use when the facility is not in use) **energy state** of a facility by powering down whenever possible, and not just during national holiday, e.g., Diwali holidays, weekends, non-working hours etc.



Monsoon Resilient Maharashtra

STRENGTHENING COMMUNITIES THROUGH ENVIRONMENTAL STEWARDSHIP

We are dedicated to driving environmental sustainability through dedicated corporate responsibility projects.

¹ Intermediate Flow Controller

² Variable Frequency Drive



CLEANER AIR BETTER LIFE INITIATIVE (CABL):

Focused on giving the local community a cleaner environment, this project has four taskforces:



Clean Fuel



Clean Transport



Biomass Management



Clean Industry

After the success of CABL initiative in Delhi and NCR region, we implemented the project in Indore.



URBAN WATERSHED MANAGEMENT:

Our energy and environment initiatives prioritize urban watershed management and aim to enhance water storage capacity, prevent water pollution, conserve water, and raise awareness about the importance of biodiversity. Our recent accomplishments include creating two new lakes in Aundh and Dehu, and desilting a stretch at Khadakwasla in phases.



MONSOON RESILIENT MAHARASHTRA (MRM):

MRM empowers empowers rural communities in Maharashtra to tackle water scarcity challenges caused by droughts and unpredictable monsoons. By building community capabilities and creating alternative sources of income, we aim to enhance resilience and reduce dependence on seasonal rainfall for agriculture.

Impact Numbers FY 2022-23

CORPORATE RESPONSIBILITY ENVIRONMENT PROJECTS



215,694

people benefited from CR projects



7,646

benefited from **Monsoon Resilient Maharashtra**

3,200

people received clean drinking water through **Water Neutrality Projects**



167,673

people helped through **Solid Waste Management initiatives**

11,230

people benefited from **Cleaner Air Better Life initiative**



725 million gallons of water conserved

25,945

people supported through **Holistic Rural Development***



*Holistic Rural Development is part of the Equality of Opportunity focus area. Environment is an integral component of the program along with focus on education, social engineering, and livelihood.

Social

Empowering People and Communities

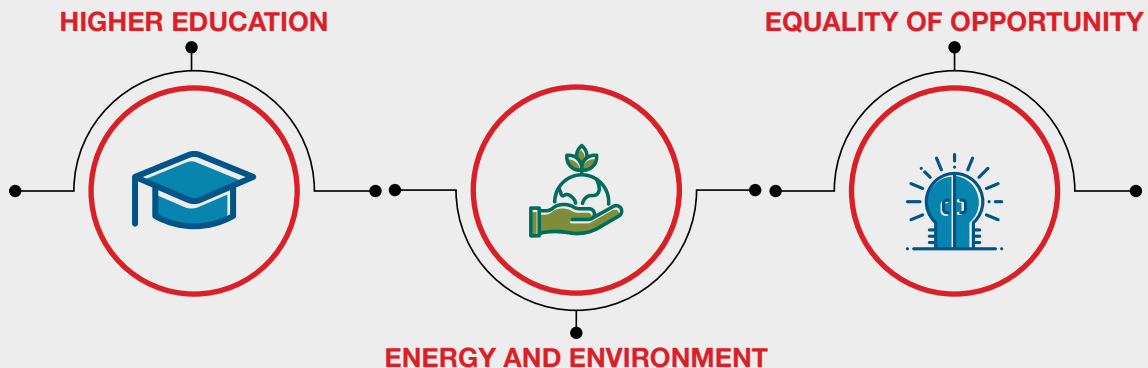
At Cummins, we embrace social responsibility as the cornerstone of our business. It goes beyond mere compliance or philanthropy; it inspires responsible business action and guides our commitment to the well-being of the communities we serve. Corporate responsibility (CR) is ingrained in our culture and permeates every aspect of our operations, from fostering employee volunteering to partnering with organizations that support disadvantaged groups to promoting diversity, equity, and inclusion across our workplaces and communities. By championing diversity, sustainability, and community development, we strive to make a meaningful and lasting difference.



CORPORATE RESPONSIBILITY PRIORITY AREAS

Our corporate social responsibility activities are carried out through the **Cummins India Foundation**. Supporting a wide array of community initiatives in India since 1962, we focus our resources on:

THREE GLOBAL PRIORITIES CRITICAL TO HEALTHY COMMUNITIES



Impact Numbers FY 2022-23
260K+ people benefited through **11** Corporate Responsibility projects



CORPORATE RESPONSIBILITY PROJECTS

The **Nurturing Brilliance** program provides scholarships to meritorious students from disadvantaged backgrounds for engineering degree and diploma courses. Starting with just 13 students in Pune, the program supported 321 students (new and existing) in FY 2022-23.



Technical Education for Communities (TEC) is a global initiative that aims to address the skills gap between vocational training and industry requirements by training low-income youth in employable technical skills and increasing representation of female students in technical education.

Cummins India Limited TEC Sites



Phaltan Maharashtra
in collaboration with Government



Kolhapur Maharashtra
in partnership with our reliable suppliers



The **Phaltan Town Development** project aims to transform Phaltan into the best town for living and working in its category and size in India. Guided by the vision to create a ‘Clean, Green, and Smart’ town, we have actioned multi-faceted initiatives to enhance solid waste management and sanitation, creating green spaces, and implementing smart infrastructure in the town and schools. Our efforts have significantly improved the town’s **Swachh Survekshan ranking to 29**, from 264 earlier.

Through our **Local Community Care** initiative, we partner with organizations focused on disadvantaged sections of society such as the hearing impaired, visually impaired, orphans and elderly. Our comprehensive approach follows a playbook with four key areas of development: infrastructure, health and safety, resource conservation, and education and training.



DIVERSITY, EQUITY AND INCLUSION: WINNING WITH THE POWER OF DIFFERENCE

For more than a century, Diversity and Inclusion has remained a fundamental value of our company. We recognize that diversity, equity, and inclusion (DEI) are vital for fostering innovation, achieving business success, and making a positive impact on our communities. Cummins India’s legacy of over 60 years exemplifies our relentless focus on building and empowering workplaces and communities, which are truly diverse, equitable, and inclusive.

With our DEI endeavors prioritizing empowering women in our workplaces and communities, we have implemented a number of initiatives to leverage the unique talents and skills possessed by half of our population.

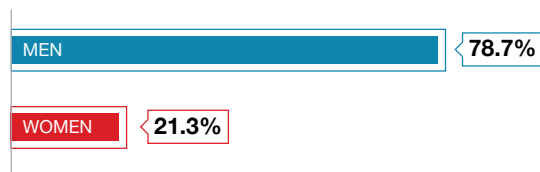
A COMPELLING LEGACY OF PIONEERING WOMEN ADVANCEMENT ACROSS OUR WORKPLACES



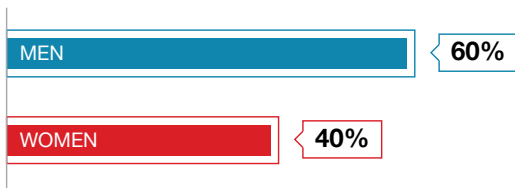
Gender Diversity

Promoting gender diversity is a top priority for us, and we have achieved remarkable progress, particularly in our leadership roles.

Employees and Workers (Permanent)



Our Board Of Directors*



Gender inclusive policies and facilities



- Maternity leaves
- Menstrual leave for women employees working on the shopfloor
- Childcare facilities



Women Empowerment (WE) Network

An **Employee Resource Group** dedicated to enhance gender diversity and foster an inclusive work environment through focused efforts on the Empowerment, Development, and Safety of women in our workforce

*As of March 31, 2023

COMMUNITIES



Cummins College of Engineering for Women

- India's first engineering college only for women
- Established in Pune in 1991
- **1,691** girls graduated in FY 2022-23

- Powering women's financial inclusion and independence across Cummins India model villages in the country
- **400+** women provided entrepreneurship training on eco-friendly sanitary pad production, Water ATM management, tailoring, papad and roti making, chick incubation center, and more

EmpowHER








Note: Above numbers are for FY 2022-23



Cummins Powers Women supported

- **22** leaders
- **16,150** girls and women

OUR INITIATIVES ALSO SUPPORT VARIOUS EMPLOYEE RESOURCE GROUPS (ERG) FOCUSING ON THE VARIOUS DIMENSIONS OF DIVERSITY, NAMELY:




-  Gender
-  Generation
-  Culture
-  Persons with Disability (PwD)
-  LGBTQ+

TRANSFORMING HEALTH AND SAFETY WITH A SHARED RESPONSIBILITY

The health and safety of our employees is our **topmost priority** and a **shared responsibility**, derived from our core **value of CARING**. At Cummins, we continuously strive to enhance our holistic health and safety system, encompassing not only physical safety but also excellence in product and psychological safety. Our employees actively contribute to fostering a robust safety culture at our workplace and manufacturing facilities through consultation, participation and feedback.

To ensure the highest standards, we benchmark world-class practices in **Health, Safety and Environment Management System (HSEMS)** through our **dedicated HSE department**. Most of our manufacturing locations in India are certified for **ISO 45001 and ISO 14001** standards, recognized internationally as frameworks to mitigate health, safety and environmental risks. Our HSE department also plays a key role in driving our **PLANET 2050** sustainability goals and 2030 targets by regularly organizing environmental initiatives across our plants.

EMPLOYEES ARE THE DRIVING FORCE IN ADVANCING THE HEALTH, SAFETY AND ENVIRONMENT CULTURE

- 
 - **Hazard Identification and Risk Assessment (HIRA)** process helps identify and address work-related hazards and risks, as part of routine or non-routine tasks
- 
 - **Health and Safety committees** across plant locations are supported by the leadership to sponsor key risk reduction projects. Employees and trade unions are actively engaged across site-level risk reduction initiatives, specifically targeting:
 - Serious Injury and Fatality (SIF) Prevention
 - HSE Risk Assessment Tools
- 
 - **Employee Engagement initiatives**
 - Lead It. Live It.
 - Find It. Fix It.

Note: Above numbers are for FY 2022-23

Governance

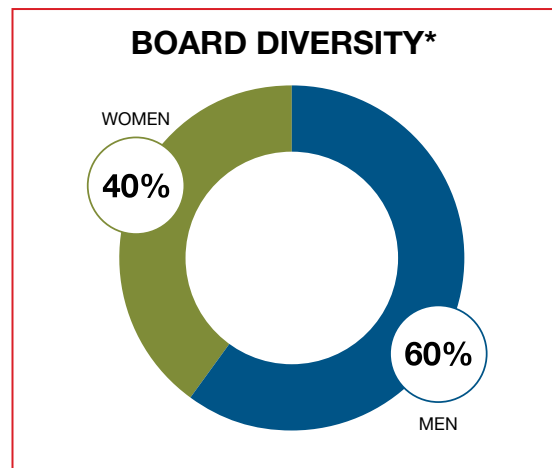
Building Trust Through Transparency

At Cummins, we embrace a straightforward and principled approach to governance. Our focus on integrity, transparency and compliance underpins all our engagements with government bodies, customers, suppliers, employees and other stakeholders. We are committed to doing business the right way, competing fairly, honestly and following the law. The Company believes ethical behavior on the part of every employee is foundational to Cummins' sustainability.

Our strong belief in diversity and inclusion is evident in our Board of Directors, which boasts a 40% women representation. We firmly believe that embodying the principles we function by at the leadership level will ensure that the very fabric of the company is infused with the right objectives.

As a company, we hold ourselves to the highest ethical standards. Our operations reflect the values of fairness, trust and environmental awareness. We are dedicated to conducting business with integrity and transparency, fostering ethical behavior across all aspects of our company. These principles extend not only to our internal teams but also to our global supplier community, ensuring a shared commitment to responsible practices.

Cummins' ethics and governance initiatives are built around 10 ethical principles, beginning with the simple but all-encompassing directive that "We will follow the law everywhere." The principles touch on nearly every aspect of working at Cummins, from embracing diverse perspectives to safeguarding the company's technology and intellectual property, to protecting the environment and strengthening the communities where Cummins does business.



CUMMINS' 10 ETHICAL PRINCIPLES

Cummins' ethics and governance initiatives are built around the 10 Statements of Ethical Principles in the **Code of Business Conduct**:

1 We will follow the law everywhere.

2 We will embrace diverse perspectives and backgrounds and treat all people with dignity and respect.

3 We will compete fairly and honestly.

4 We will avoid conflicts of interest.

5 We will demand that everything we do leads to a cleaner, healthier and safer environment.

6 We will protect our technology, our information and our intellectual property.

7 We will demand that our financial records are accurate and that our reporting processes are clear and understandable.

8 We will strive to improve our communities.

9 We will communicate honestly and with integrity.

10 We will create a culture where employees take responsibility for ethical behavior.

*As of March 31, 2023

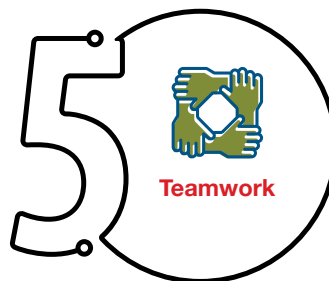
Powering People, Planet and Prosperity

through Environmental, Social and Governance Excellence

For more than 60 years, Cummins India has been an epitome of trust, a catalyst for progress, and a vanguard of positive transformation. We relentlessly pursue **Environmental, Social and Governance (ESG) excellence**, to envision a sustainable and brighter future for all. We recognize that how we work in the future will be different from how we have worked in the past. But we will always power a more prosperous world with a resolute commitment to **'Power with Purpose'** as we champion positive change and create a compelling and distinguished legacy. Our decisive purpose, actions and initiatives, will continue to advance us on our mission to make people's lives better and safeguard the planet, while driving meaningful progress.



Our Values



Our long-standing commitment to deliver value to our stakeholders - our communities, customers, employees, partners and shareholders - remains a top priority for us. We thank our stakeholders who have been instrumental in powering our success for over six decades, embracing our core values of Integrity, Diversity and Inclusion, Caring, Excellence, and Teamwork. Fortifying these partnerships is integral to our purpose as we progress on our transformative path toward an extraordinary tomorrow.