

MODERN SLAVERY STATEMENT 2023



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INTRODUCTION

This is the fourth Modern Slavery Statement (the “Statement”) being submitted pursuant to Section 14 of the Modern Slavery Act 2018 (Cth) (the “Act”) for the reporting entity, Cummins South Pacific Pty Ltd (“CSP/PL”). CSP/PL’s wholly owned subsidiary is Cummins New Zealand Ltd. (“CNZL”). For the purposes of this Statement, the information provided is limited to the Australia entity, CSP/PL.

This Statement will describe the continued efforts being taken to ensure transparency in our supply chains by outlining the steps which CSP/PL has undertaken during the 2023 calendar year to detect the risk of modern slavery within the Australian supply chain and business operations. This has been done in accordance with the seven (7) mandatory reporting criteria outlined in s16 of the Act. CSP/PL’s financial year is from the 1st of January to the 31st of December.

The Modern Slavery Statement has been prepared by a cross functional team and has been approved by the Directors, herein represented by Peter Jensen-Muir, Executive Managing Director, Cummins Asia Pacific.

COMPANY STRUCTURE AND OPERATIONS

Cummins Inc., a global power solutions leader, is comprised of five business segments – Components, Engine, Distribution, Power Systems and Accelera by Cummins supported by our global manufacturing and extensive service and support network, skilled workforce and vast technological expertise.

Cummins is committed to its Destination Zero strategy, which is grounded in the company's commitment to sustainability and helping its customers successfully navigate the energy transition with its broad portfolio of products. The products range from advanced diesel, natural gas, electric and hybrid powertrains and powertrain-related components including filtration, aftertreatment, turbochargers, fuel systems, valvetrain technologies, controls systems, air handling systems, automated transmissions, axles, drivelines, brakes, suspension systems, electric power generation systems, batteries, electrified power systems, hydrogen production technologies and fuel cell products.

CSP/PL is a wholly owned subsidiary of Cummins, Inc. ("Cummins"), headquartered in Columbus, Indiana (U.S.), since its founding in 1919, Cummins employs approximately 75,500 people committed to powering a more prosperous world through three global corporate responsibility priorities critical to healthy communities: education, environment,

and equality of opportunity. Cummins serves its customers online, through a network of company-owned and independent distributor locations, and through thousands of dealer locations worldwide and earned about \$735 million on sales of \$34.1 billion in 2023.

CSP/PL was registered on September 25, 1984, in Australia. The head office is located at 2 Caribbean Drive, Scoresby Victoria, 3179, Australia. In 2023, CSP/PL generated a consolidated revenue of approximately A\$ 1,450,498.00. CSP/PL has 37 owned branches across all states and territories in Australia together with its head office in Scoresby, Customer Support Centre and three distribution warehouses (two in Melbourne and one in Perth). CSP/PL employs approximately 1832 employees in Australia. CSP/PL provides sales, service and repairs, parts, and technical support to a range of Cummins-manufactured power products used in vehicles, generators, new power, and other components and machinery.



SUPPLY CHAIN

In 2023 the CSP/PL supply chain was made up of 1698 suppliers in Australia. The top five suppliers in Australia are from the following industries:

519 Retail Trade

269 Professional, Scientific and Technical Service

171 Transport, Postal and Warehousing

108 Manufacturing

337 Other Services

CSP/PL's supply chain imports new and remanufactured engine components and engines, generator equipment and components, the majority of which are manufactured by Cummins' overseas factories and Distribution Centres in the USA, Europe, UK, Singapore, India, and China.

These goods are imported into Cummins' Distribution Centres in Melbourne and Perth by either sea (majority) or air freight. The goods are then distributed by road, air, or sea to the service locations in Australia, New Zealand and Papua New Guinea for sale to our end customers. CSP/PL has a network of 114 dealers in Australia.



RISKS OF MODERN SLAVERY

CSP/PL recognizes that the risks of modern slavery may occur in its organization and extended supply chain and understands that the level of risk is influenced by factors such as vulnerable populations, product and service categories, industry type, and geographic locations. Accordingly, a preliminary assessment of 1698 suppliers in Australia who were active in our supply chain in the 2023 calendar year was completed in December 2023.

As part of this preliminary assessment, each supplier was categorised by country, industry, and sector (either product or services) using recognised modern slavery indices. The review focused on industries most at risk of modern slavery such as catering, cleaning, security and logistics, information technology, uniforms (textiles), PPE, and recruitment/labour hire providers. The preliminary assessment of all external CSP/PL suppliers resulted in no immediate concerns.

In addition, no concerns were evident in relation to our intercompany supply chain, as CSP/PL sources the majority of its goods from Cummins' owned overseas factories and distribution centres in the USA, Europe, UK, Singapore, India, and China.

It was also determined that CSP/PL's operations would be at a very low risk of causing or contributing to Modern Slavery due to CSP/PL's robust policies and procedures that govern recruitment / labour sourcing, working conditions and the ethical treatment of our employees.



ACTIONS TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISK



I. POLICIES AND GOVERNANCE

The policies set out in this section apply to all suppliers and sub-tier suppliers of products and services to Cummins Inc. Additionally, for the purposes of these policies, Cummins shall mean and include Cummins Inc., its affiliates, including without limitation its joint ventures, subsidiaries, and distributors, including the Cummins Reporting Entities.

Cummins has a Code of Business Conduct (The Code) that outlines 10 “Statements of Ethical Principles”, providing the foundation for ethical behaviour at Cummins. The principles support our values and are backed by corporate policies and other key documents that provide specific guidance on various topics, including human rights.

The Code addresses issues ranging from Cummins’ commitment to diversity and how we treat each other, to how we compete fairly for business around the world. It also reminds us of our key and unchanging responsibility as Cummins employees to always behave ethically and to report behaviour that does not reflect our standards and values. The Code includes provisions prohibiting forced labour or child labour.

The Code, which is available for download in sixteen different languages, provides our employees around the world with a practical guide to doing the right thing and reinforces the values that have made Cummins a great place to work for more than 100 years.

Each year, employees are required to certify their compliance with the Code and underlying policies and report any exceptions to policy through an ethics certification process. An internal audit team, Ethics and Compliance review all exceptions raised to ensure they are properly managed and documented.

In March 2018, Cummins Inc. adopted a Human Rights Policy (the Policy) which applies to all Cummins employees and entities worldwide (including CSP/PL), recognising and supporting fundamental human rights. The Policy prohibits the use of all forms of child labour and forced labour (including threat or force or penalty), indentured labour, bonded labour, military labour, slave labour and any form of human trafficking.

The Policy states:

“We support human rights around the world and will comply with all applicable laws regarding the treatment of our employees and other stakeholders. We will not tolerate child or forced labour anywhere and will not do business with any company that does (...) Our commitment to fair treatment and human rights also extends to our joint ventures, suppliers, and other partners. We will insist our suppliers and partners treat their stakeholders in a way that is consistent with our values through our Supplier Code of Conduct”.

I. POLICIES AND GOVERNANCE *continued*

The Policy is guided by the Universal Declaration of Human Rights, the International Labour Organization's declaration on Fundamental Principles and Rights and Work, the United Nations Global Compact and the United Nations Guiding Principles on Business and Human Rights.

In May 2023, Cummins released a new Supplier Forced Labour Prevention Policy. This policy requires supply partners to provide full supply chain transparency as requested by tracing the supply chain from raw materials to the parts they provide to Cummins. Suppliers are required to provide information such as: a detailed description of their supply chain; the role(s) of the entities in the supply chain (including shippers and exporters); a list of suppliers associates with each step of the production, process, including names and contact information; and affidavits from each entity involved in the production process.

Additionally, Cummins requires all suppliers to immediately notify Cummins if it becomes aware of a stopped shipment for any of the supplier's customers, where the shipment was stopped for concerns relating to forced labour. Cummins will investigate any indications that a supplier is engaging in Forced Labor or is not complying with this policy and will suspend any new business with suppliers during an investigation.

Cummins also has a Non-Retaliation Policy which prohibits all forms of retaliation to encourage speak up. Cummins prohibits retaliation against employees who raise concerns or who report violations of the Code of Business Conduct, company policies, or the law. Cummins is committed to providing a workplace conducive to open discussion of its business practices and where employees are encouraged to report concerns and raise issues.





II. DUE DILIGENCE

Cummins values global supply partners who share a commitment to quality and value and operate under a philosophy that focuses on integrity and “doing the right thing”. To support this philosophy, Cummins has a Supplier Code of Conduct (SCOC) specifically for its global supply base. The Cummins’ Supplier Code demonstrates the value Cummins places on global supply partners who share a commitment to quality and value and operate under a philosophy that focuses on integrity and “doing the right thing”. The SCOC outlines Cummins’ expectations that all suppliers (including suppliers of CSP/PL) will comply with certain business and ethical standards and to the laws of their respective countries, as well as all other applicable laws, rules, and regulations. The SCOC applies to all businesses that produce goods or provide services for Cummins and any of its subsidiaries, joint ventures, divisions, or affiliates.

The SCOC is available in 15 languages and outlines 7 principles to ensure that Cummins is doing business with other companies around the world that share its sustainable practices. These provisions include banning child or forced labour, wages, and hours, working conditions, freedom of association, political activity, and bribery/corruption of government officials. The SCOC is provided with CSP/PL’s standard purchasing terms and conditions, and compliance with the principles of the SCOC is a requirement to do business with Cummins.

The SCOC states in part:

“Suppliers must not use slavery or involuntary labour of any kind, including prison labour, debt bondage, forced labour by governments and suppliers must not be involved in human trafficking. Suppliers must not use corporal punishment, physical or psychological abuse, threat or violence, or other forms of physical or mental coercion. There must not be unreasonable restrictions on the ability of employees to enter or exit the workplace”.

Cummins suppliers are required to sign a Supplier Code of Conduct Response form (the “Form”) agreeing to comply with the Supplier Code, or affirmatively set forth a reason why they are unable to comply. Cummins reviews the Form to ensure that it meets the intent of the Supplier Code. If Cummins concludes that the supplier is not in compliance based on the Form, Cummins will work with the supplier to (a) develop a plan to attain compliance, or (b) work on an exit strategy. If the supplier agrees to take the appropriate steps to comply, Cummins will monitor the suppliers action until all those required have been taken.

Cummins requires suppliers that make up the top 80% of procurement spend to sign the Form or a contract that contains language from the Supplier Code, which requires suppliers to comply with applicable laws and regulations and include prohibiting the use of child or forced labour of any kind.

In 2022 an SAQ was sent to a pilot group of CSP/PL’s existing suppliers. The questions focused on:

- policies and procedures to identify, investigate, and remedy instances of Modern Slavery
- understanding if the supplier has mechanisms to raise concerns related to Modern Slavery; and
- requesting a copy of the supplier’s Modern Slavery Statement (if applicable)

In 2023, the findings of the returned SAQs were reviewed and found that most of these suppliers were well progressed in their journey to prevent and detect Modern Slavery. This included having policies and procedures in place to identify, investigate and remedy risks or instances of Modern Slavery and had reporting mechanisms to raise concerns related to Modern Slavery. CSP/PL will continue to support our suppliers in their management of Modern Slavery risk.



III. GRIEVANCE AND REMEDIATION

CSP/PL is committed to creating a supportive and safe environment to enable employees and third parties to raise suspected breaches of the Cummins Code of Conduct and Supplier Code of Conduct.

Employees and third parties have multiple avenues to raise a concern or seek guidance on suspected Modern Slavery or Human Rights issues at Cummins or within its supply chain. Some of these avenues are: (1) for CSP/PL employees, raising the issues with a supervisor/manager; (2) for CSP/PL employees or third parties, online reporting via ethics.cummins.com or (3) for CSP/PL employees or third parties, calling the Cummins Ethics Help Line; and (4) concerns about potential code violation contact can also be sent to supplierconcerns@cummins.com. There is also a QR code to access Cummins' Ethics Help Line, which has been made available internally and externally to enable easier access to raise a concern or seek guidance. All reports can be raised anonymously and are independently investigated.

Violations of policies at any level of the company will be acted on swiftly and appropriately. Outcomes are tracked and root causes and required remediations determined and carried out. If a supplier was found to be in continued noncompliance with the SCOC, additional action may be taken, including the termination of the business relationship.

The CSP/PL Whistleblower Policy was reviewed and updated in 2022. This policy addresses a process for reporting disclosable conduct, to encourage the identification of wrongdoing by a safe and secure means. Cummins does not tolerate retaliation. No action will be taken against an employee or third party because he or she reports a concern. The Cummins Human Rights Policy also lists external reporting options to report a human rights issue or to request information.

In 2023, all salaried and exempt employees in CSP/PL completed an annual ethics certification which enables them to certify their compliance to Cummins policies. The focus of this ethics certification is to encourage an ethical culture by providing employees who witness or come to know of ethical violations the opportunity to speak up without fear of retaliation. Part of the ethics certification is a specific question on SCOC and / or the Human Rights Policy, which encourages employees to speak up in relation to any potential violations.

In 2023, CSP/PL ethics investigation training was conducted. This training was provided to 7 new Human Resource team members who support the ethics investigation process in the region. Additionally, we also had 2 participants from our joint venture Partner DKSH. This training ensures that when suspected breaches of the Cummins Code of Conduct or Supplier Code of Conduct are raised, these concerns are investigated by employees who are specifically trained to conduct an independent, thorough, and procedurally fair investigation. In total CSP/PL has access to twenty-seven (27) trained ethics investigators who support reports made to the Ethics Help Line.





IV. TRAINING

In 2023, CSP/PL employees completed an online mandatory Cummins Code of Business Conduct training. This training addressed issues ranging from Cummins' commitment to diversity and how we treat each other, to how we compete fairly for business around the world. It also focused on our unchanging responsibility as a Cummins employee to always behave ethically and to report behaviour that does not reflect our standards and values.

In 2023, CSP/PL employees also completed online mandatory Treatment of Each Other at Work Policy training. Cummins strives to create inclusive environments in our communities and workplaces where employees feel comfortable bringing their whole selves to work. This training focuses on employees treating each other with dignity and respect. It also outlined that employees must try and understand the different backgrounds and ways of thinking of our co-workers and that harassment and discrimination of any kind is not allowed.



V. SUPPLIER AGREEMENTS

There have been no further changes to supplier agreements and terms and conditions since the updates noted in the 2022 Modern Slavery Statement.



ASSESSING EFFECTIVENESS

CSP/PL is continually working to further develop and protect Cummins' commitment to doing business ethically. Throughout 2023:

- No reports were received in relation to human rights and modern slavery concerns in CSP/PL's operations and / or supply chain.
- 100% of the top 80% of indirect purchasers who make up the highest spend certified their intent to comply with the SCOC.
- 98% of the top 80% of direct purchasers who make up the highest spend certified their intent

to comply with the SCOC. One direct supplier did not sign the Supplier Code of Conduct in 2023 that direct supplier has since been deactivated.

- 99% of salaried and exempt employees completed their ethics certification. Those that did not complete the certification were on long term leave at the time the certification took place.
- 100% of salaried and exempt employees completed their Ethics Curriculum training which included Code of Business Conduct and Treatment of Each Other at Work Policy.

CONSULTATION

CSP/PL has a cross-functional team dedicated to the Modern Slavery work, including leaders from supply chain, legal, compliance, investigations and a Six Sigma blackbelt. Throughout 2023, there were regular interactions between key areas of the business and more broadly at leadership meetings regarding Modern Slavery. These leadership

meetings included senior leaders from both market segments and functions where they were encouraged to educate, engage, and have input with respect to Modern Slavery issues. The Board of Directors of CSP/PL also reviewed and approved the 2023 statement.

OTHER RELEVANT INFORMATION

Cummins believes its impact socially, both inside and outside the company, creates stronger communities. In 2023, more than 61,000 Cummins employees volunteered more than 343,000 hours, organised 11,000 community events and partnered with 3,300 non-profits.

CSP/PL is currently partnering with several expert non-profits to challenge inequality and improve education outcomes (which are significant risk factors of Modern Slavery). CSP/PL's programs continue our legacy of community problem solving and include;

Equality of Opportunity

Cummins has a deeply rooted commitment to removing barriers for those who have historically been denied access to opportunity, including racial and ethnic minorities, women, people with disabilities, the economically disadvantaged, immigrants and refugees, and the LGBTQ community.

- **Cummins Powers Women** is a global strategic program which works toward achieving gender equality. The program unites our leaders and employees around the world, with a focus on finding solutions to gender inequality in our communities, reinforcing Cummins' commitment to the advancement of women everywhere. Cummins Powers Women represents a multi-million-dollar investment in proven programs designed to create large-scale change in the lives of women and girls globally and break the cycle of women and girls' exploitation.

- **National Aboriginal Sporting Chance Academy (NASCA):** CSP/PL partners with NASCA to create whole communities of healthy and prosperous Aboriginal and Torres Strait Islander girls. In 2023, CSP/PL engaged in activities such as cultural awareness programs and mentoring indigenous girls as part of the career pathway program.

Education

CSP/PL believes that high quality education leads to strong social and economic outcomes for students, a skilled workforce for employers and vibrant, prosperous Cummins communities. Cummins engages in various education programs to ensure that equitable education systems and high-quality teaching and learning environments prepare today's students for tomorrow's workforce.

- **Technical Education for Communities (TEC):** is a partner-focused strategic global community initiative that targets the technical skills gap through vocational education programs that strengthen our local communities and markets. It helps disadvantaged youth around the world secure good jobs through school-based, industry-supported skills training. CSP/PL supported five schools in 2023 across Australia to deliver the **TEC program** to high school students in the Automotive Industry. All students come from socially disadvantaged communities, with a particular focus on recruitment of females, Indigenous peoples and refugees to the program from Western Australian, Victoria, and Queensland.
- **Beacon Foundation:** Beacon is working to create an Australia that understands, cares and is motivated to support young people to successfully transition from education to meaningful employment. Beacon work to build connections between industry, education and the community to create real world education in schools that is relevant and engaging for young people in the 21st century. Students engaged with Beacon are wholly from disadvantaged background/community. In 2023, CSP/PL

engaged with Beacon in Queensland, New South Wales, Victoria, Western Australia, South Australia and Tasmania to support their High Impact Programs which provide mentoring and education for students in year 10-12.

- **Ardoch Foundation:** Ardoch is a children's education charity focused on improving educational outcomes for children and young people in disadvantaged communities (such as Refugees and cultural minorities). In 2023, CSP/PL engaged in volunteering with Ardoch's numeracy buddies' program, which is a mentor program for math's with students from a number of primary schools. This is completed online in New South Wales, Victoria, and Queensland. CSP/PL also participates across the 3 states in the Ardoch Broadening Horizons program and Learning through lunch programs.
- **Australian Network on Disability ("AND"):** CSP/PL is both a member and partner for the AND. The AND brings together the experience and knowledge of hundreds of Australia's leading organisations who include people with disability as their employees and customers. In 2023, CSP/PL participated in the AND PACE Mentoring program in Victoria to support those with a disability to return to the workforce.

In addition, CSP/PL contributed USD \$332,000 in **Cummins Foundation** grants to the organisations discussed above and other organisations who aligned with Cummins' focus areas of equality and education. CSP/PL also contributed 7089 hours of employee volunteer time as part of our **Every Employee Every Community Program** to support the communities in which we operate.

BUSINESS ETHICS

In 2023 Cummins received several workplace honors and recognition including.

- The Cummins Board of Directors received a NACD Award from the National Association of Corporate Directors in recognition of board practices related to diversity, equity, and inclusion. This annual award program highlights the cutting-edge DE&I practices of companies.
- Named Employer of the Year at the Diesel Program Summit Awards. The award recognizes a company in the engine and drivetrain industry that excelled in its role as an employer in areas such as workforce development, including training, apprenticeships, recruitment, diversity, sustainability, and human resources.
- Recognised at a “Best Place to Work for Disability Inclusion” for the third year in a row. Cummins earned the distinction by achieving a top score of 100 on the Disability Equality Index (DEI).
- Recognised as a Military friendly employer receiving the groups bronze designation for our success in creating sustainable and meaningful benefits for the military community.
- Cummins ranked No. 4 on the Forbes magazine's list of Best Employers for Women in 2023. The ranking is based on a survey of employees working for companies employing at least 1000 people within the United States.

APPROVAL

This statement was approved by the Board of Cummins South Pacific Pty Ltd.



Peter Jensen Muir

Director, Cummins South Pacific Pty Ltd and
Executive Managing Director, Cummins Asia Pacific.

Dated: 30 June 2024



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