

## **Cummins Filtration Inc.'s Supply Chains Act Report (2024)**

### **ABOUT THIS REPORT**

Cummins Filtration Inc. (“CFI”, “we”, “our” or “us”) has prepared this report (the “**Report**”) being submitted pursuant to Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) for the financial year ended December 31, 2024 (the “**Reporting Period**”).

This Report describes the efforts being taken to promote transparency in our supply chains by outlining the steps taken during the 2024 financial year to prevent and reduce the risk that forced labor or child labor is used at any step of the production of goods in Canada or elsewhere, or of goods imported into Canada. This has been done in accordance with the mandatory reporting criteria outlined in Sections 11(1) and 11(3) of the Act.

CFI, along with its parent company, Atmus Filtration Technologies Inc. (“**Atmus**”)<sup>1</sup>, also produces a statement under the *California Supply Chain Transparency Measures Act*, which can be found [here](#). Cummins Filtration International Corp., a subsidiary of CFI, files an annual report in Australia pursuant to Section 13 of the Modern Slavery Act 2018, which can be found [here](#). Fleetguard UK Limited, another Atmus subsidiary, reports under similar legislation in the United Kingdom. The most recent report for Fleetguard UK Limited can be found [here](#).

### **INTRODUCTION**

Founded by Cummins in 1958, but fully independent in 2024, CFI, its parent company Atmus, and Atmus’ subsidiaries, continue to build on a 65-year history, differentiating ourselves through a vast global footprint, a comprehensive portfolio of premium products, technology leadership and a multi-channel path to market. We are proud of our longstanding commitment to integrity and the highest ethical standards.

At CFI, we respect human rights wherever we operate. We are guided by international human rights principles, including the Universal Declaration of Human Rights, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights to ensure that all people across our operations are treated with dignity and respect.

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<sup>1</sup> Atmus is not a Reporting Entity under Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act*.

CFI respects and seeks to protect human rights because it is the right thing to do.

## **COMPANY STRUCTURE, ACTIVITIES AND SUPPLY CHAIN**

### ***Company Structure***

CFI is incorporated pursuant to the laws of Indiana and headquartered in Nashville, Tennessee. CFI is a wholly owned subsidiary of Atmus, a publicly traded company on the New York Stock Exchange (NYSE: ATMU).

As of December 31, 2024, Atmus employed approximately 4,500 persons worldwide. As of December 31, 2024, approximately 53% of Atmus' employees worldwide were represented by various unions under collective bargaining agreements. Of these employees, approximately 1,770 are employed by CFI.

### ***Activities***

CFI is a global leader in filtration solutions for on-highway commercial vehicles and off-highway agriculture, construction, mining and power generation vehicles and equipment. CFI designs and manufactures advanced filtration products, principally under the Fleetguard brand, that enable lower emissions and provide superior asset protection. CFI develops technologies ranging from filtration media, filter element formation and filtration systems integration to service-related solutions such as remote digital diagnostic and prognostic platforms and analytics.

### ***Supply Chain***

As part of Atmus, CFI utilizes Atmus' broad supplier base, which includes products and components sourced from international and domestic suppliers. The performance of the end-to-end supply chain, extending through to CFI's suppliers, is foundational to our ability to meet customers' expectations and support long-term growth. CFI is committed to having a robust strategy for how it selects and manages its suppliers to enable a market focused supply chain. This requires us to continuously evaluate our supply base, as we strive to ensure we are meeting the needs of our customers.

The analysis of our supply chains uses a combination of proactive and reactive methodologies to enhance our understanding of supply chain risks, which can help guide our development of risk monitoring and sourcing strategies. The category sourcing strategy process (a process designed to create the most value for the company) supports the review of its long-term needs and guides decisions on what it

produces internally and what it purchases externally. Key suppliers are managed through long-term supply agreements.

Other important elements of our sourcing strategy include:

- Selecting and managing suppliers to comply with its Supplier Code of Conduct; and
- Monitoring our suppliers' compliance with the prohibited and restricted materials policy.

CFI's supply chains are monitored for supply chain disruptions and undergo structured supplier risk and resiliency assessments. Additionally, our supply chains are subject to increased frequency of formal and informal supplier engagement to address potentially impactful supply base constraints and enhanced collaboration to develop specific countermeasures to mitigate risks. Atmus' global team, located in different regions of the world, uses various approaches to identify and resolve threats to supply continuity, including risks of child and forced labor.

In 2024, the principal materials that CFI used directly in manufacturing our products are steel, filter media and petrochemical-based products, including plastic, rubber and adhesives products. Additionally, we procured paper, electronic components and finished filters. Our supply chains consisted of suppliers predominately located in the United States, Europe, China, and India in the automotive, manufacturing, and energy industries.

## **POLICIES AND DUE DILIGENCE**<sup>2</sup>

Atmus takes a company-wide approach to its human rights and modern slavery compliance, which includes CFI. The policies and procedures set out in this Report, including the Code of Conduct (the "**Code**"), the Supplier Code of Conduct (the "**Supplier Code**"), and the Forced Labor Prevention Policy (the "**FLP Policy**"), apply to all Atmus subsidiaries, including CFI.

The policies and procedures listed in this Report form part of a broader comprehensive set of policies and procedures that are used to assess and manage risks within Atmus' operations and supply chains. CFI relies on the supply chain processes used by Atmus.

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<sup>2</sup> References to "Atmus' suppliers" should be understood as including CFI's suppliers and references to "Atmus" should be read to include CFI, as a subsidiary of Atmus.



## **Code of Conduct (the “[Code](#)”)**

*“We respect human rights around the world. We recognize that we can have a positive impact on the human rights in communities in which we operate. We are guided by international human rights principles, including the Universal Declaration of Human Rights, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, and the United Nation Guiding Principles on Business and Human Rights to ensure that all people across our operations are treated with dignity and respect. – Code at p. 25.*

We are committed to protecting human rights by:

- Ensuring fair employment practices – we will follow applicable local laws and regulations related to wages, work hours, benefits, and working conditions;
- Respecting the freedom of association of our employees and recognizing the right to collective bargaining;
- Prohibiting the use of child labor, forced or prison labor, and human trafficking;
- Responsibly sourcing our materials and partnering only with suppliers who share our principles; and
- Respecting the communities where we operate, including the internationally recognized human rights of Indigenous Peoples.

These principles reflect our values and are backed by corporate policies and other key documents that provide specific guidance on various topics, including human rights and international trade.

The Code addresses issues ranging from our 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 CFI employees to always behave ethically and to report behaviour that does not reflect our standards and values. The Code includes provisions prohibiting forced labor or child labor.

The Code is designed to help our people make decisions ethically. It includes information about where and how to ask for help. It is the responsibility of each and every employee to speak up when they have concerns. We are committed to fostering an environment where retaliation is not tolerated. It is the behavior and actions of every individual in our company that shapes our reputation.



### **Supplier Code of Business Conduct (the “[Supplier Code](#)”)**

*“Suppliers must have a process in place that identifies and assesses the relative significance of legal, environmental, health and safety, labor practice, ethical and other risks associated with their operations. Corresponding procedures and internal controls must be implemented to mitigate the identified risks.” – Supplier Code at p. 6.*

The Supplier Code is rooted in our values: Build Trust. Be Inclusive. Have Courage. Show Caring. It is designed to guide and inform our suppliers on the behaviors and actions expected while conducting business with Atmus. We are committed to being a strong, ethical company and to always doing the right thing within our operations and supply chain. Our suppliers’ adherence to the Supplier Code helps us to deliver exceptional products that leave a positive impact on the world. The Supplier Code applies to all businesses that produce goods or provide services for CFI and any of its subsidiaries, joint ventures, divisions, or affiliates.

Our suppliers are advised that they may be subject to survey, audit, and part mapping by Atmus and/or by third parties on behalf of Atmus to verify compliance with our expectations. Noncompliance or misrepresentation of compliance by a supplier may result in sanctions, including, but not limited to, termination of their agreements with Atmus or cancellation of Purchase Order issued by Atmus for default. Since we conduct business around the world, the Supplier Code has been translated into 14 languages so that the intentions and expectations are clear and accessible.

### **Supplier Certifications**

Atmus’ suppliers are expected to acknowledge and adhere to the Supplier Code, which includes a prohibition against child labor, forced or prison labor and human trafficking. Atmus suppliers are expected to complete a Supplier Code of Conduct survey to confirm their compliance with the Supplier Code both prior to engaging in any business with Atmus and on an annual basis.

Adherence to the Supplier Code is also included as a specific provision in the Atmus Purchase Order Standard Terms & Conditions.

## **Supplier Audits**

To verify that suppliers remain in compliance with the Supplier Code, Atmus conducts an annual compliance audit of its top 80% suppliers (by spend) – including both direct and indirect suppliers. The audit process includes the issuing of a Supplier Code compliance survey, monitoring responses and taking necessary actions to address supplier noncompliance, which may include the preparation of a compliance plan for the supplier at issue or a plan to cease business with the supplier.

Additionally, our suppliers were subject to an audit during visits in the following regions: United States, China, Indonesia, South Korea, India, Brazil, Mexico, Italy, France, Sweden, Turkey, and South Africa.

Per Atmus policy, an annual risk assessment is conducted to determine which suppliers require onsite audits. The informal audit is conducted by Atmus personnel, who prepares a report of the audit findings. Pursuant to that policy, where there are findings of noncompliance, there are processes in place to have them relayed to the appropriate Atmus personnel and addressed directly with the supplier. If any findings of noncompliance that are viewed as systemic or critical are observed during the audit, there are processes in place to have the situation reviewed with the Atmus Legal, Ethics and Compliance team for assessment of the appropriate action.

## **Supplier Forced Labor Prevention Policy (the “[FLP Policy](#)”)**

Respect for human rights is fundamental to the sustainability of CFI, our customers, and the communities in which we operate. We are committed to ensuring that people are treated with dignity and respect.

The FLP Policy is a global policy that affects the entire supply chain, including raw material suppliers. The FLP Policy aims to provide us and our suppliers with an understanding of our expectation that all suppliers comply with all applicable forced labor prevention laws and regulations.

CFI is committed to reducing the risk of forced labor through supply chain transparency. CFI benefits directly from Atmus’ due diligence that is consistent with international human rights principles related to Forced Labor and Child Labor as encompassed in the Universal Declaration of Human Rights, the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights.

We prohibit all forms of Forced Labor and Child Labor. The FLP Policy outlines our expectation that our supply chain partners will provide full supply chain transparency and tracing upon request, including all sub-tier information. Suppliers are also expected to certify their compliance with the Supplier Code and applicable global laws and regulations.

### ***Human Rights Policy***

The Human Rights Policy (the “**HR Policy**”), available [here](#), applies to Atmus employees and entities worldwide, including CFI. It recognizes and supports fundamental human rights. The HR Policy prohibits the use of all forms of forced labor and child labor (including threat of force or penalty), indentured labor, bonded labor, military labor, slave labor and any form of human trafficking.

The HR 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 Guiding Principles on Business and Human Rights and the United Nations Global Compact.

### ***Atmus Ethics Line***

Atmus also encourages the reporting of suspected violations of the Code or Supplier Code, among other things. If an Atmus employee, contractor, or third-party suspects or becomes aware of an actual or potential human rights abuse, Atmus’ various speak up resources are available. As set forth in the Human Rights Policy, employees are encouraged to raise concerns with their supervisor or business leader, Human Resources, Internal Audit, the Atmus Legal team, the Atmus Ethics & Compliance team, or by raising the concern to the Atmus Ethics Line.

The Ethics Line is open to Atmus employees, including CFI, and third parties, such as suppliers, contractors, customers, and the general public. Atmus actively monitors the Ethics Line and has policies in place to support prompt and thorough investigations. If any violation of Atmus policies is confirmed during an investigation, Atmus will take immediate and appropriate action.

### **POTENTIAL RISKS OF FORCED LABOR OR CHILD LABOR IN OUR OPERATIONS AND SUPPLY CHAINS**

In 2024, as part of efforts to prevent and reduce the risk of the presence of child and forced labor in supply chains, CFI, through its parent, among other things:



- Conducted an annual risk assessment to determine which suppliers require onsite audits;
- Conducted onsite audits of specific suppliers;
- Engaged a third party to conduct a supply chain analysis;
- Developed and implemented the Supplier Code; and
- Developed and implemented employee training on the Atmus Code of Conduct, including a standalone section on human rights

### ***Potential Risks in Our Operations***

CFI views the risk of child and forced labor occurring within its operations to be low considering our workforce and the policies and procedures that govern recruitment / labor sourcing, working conditions and the ethical treatment of our employees. Moreover, our workforce primarily consists of skilled, qualified, and experienced individuals, some of which are represented by strong labor unions.

### ***Potential Risks in Our Supply Chain***

From a geographical risk perspective, the products that CFI imports into Canada originate from the US, which, is a low-risk jurisdiction.<sup>3</sup> However, we understand that particular regions, products and raw materials carry a higher risk of child and forced labor because of the prevalence of child and forced labor in particular countries. There are also risks linked to certain industries even in countries considered to have lower risks of child and forced labor. Accordingly, during the Reporting Period, our supply chains were subject to assessments for risks of child and forced labor. These assessments considered a combination of several factors including category, industry, country, and supplier management risk profiles. CFI relied on these assessments of its risks.

During the Reporting Period, the policies and processes in place, as described in this Report, were in place to assist with mitigating the potential risks identified in this Report.

Based on our assessment of our operations and supply chains as it relates to the risk of forced labor or child labor being used, we did not identify any instances of child or

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<sup>3</sup> Walk Free, Global Slavery Index 2023, found [here](#)

forced labor. Accordingly, no steps were required to remediate child or forced labor, or the loss of income associated with remediation efforts.

## **TRAINING**

CFI requires that all employees comply with the Code of Conduct, which includes provisions prohibiting forced or child labor. CFI, through Atmus, also provides Code of Conduct training, which is mandatory for all new employees and required for all existing employees on an annual basis. The Code of Conduct training includes a section entirely dedicated to human rights.

## **ASSESSING EFFECTIVENESS**

The effectiveness of the risk mitigation efforts related to forced and child labor are assessed by reviewing the completion metrics associated with its Supplier Code of Conduct survey to assess suppliers' compliance with the Supplier Code prior to engaging in any business with Atmus, and on an annual basis. Our supplier compliance is continuously monitored through the annual Supplier Survey audit process and the onsite audits of select suppliers during supplier visits in certain regions.

We intend to continue to consider, where appropriate, implementing measures to assess the effectiveness of any of our processes that are designed to prevent and reduce the risks of child and forced labour.

## **BOARD OF DIRECTORS APPROVAL AND ATTESTATION**

This Report was Approved by the Board of Directors of Cummins Filtration Inc. pursuant to section 11(4)(a) of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above

*Laura Heltebran*

Laura Heltebran (May 29, 2025 11:47 CDT)

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I have the authority to bind Cummins Filtration Inc.

Laura Heltebran

Director, Cummins Filtration Inc.

Date: May 29, 2025