Cummins Inc.

Climate Transition Plan

June 2025

Contents

Foreword

Climate change represents one of the most pressing environmental, community and business challenges of our time. Global temperatures continue to rise above pre-industrial levels, and severe weather events are increasing in frequency and intensity. As a global power technology leader, Cummins recognizes both our responsibility and our opportunity to drive meaningful solutions that support the transition to a low-carbon future while creating value for all our stakeholders. This is our Destination Zero™ strategy in action and it is grounded in our mission and core values that call us to advocate for a just energy transition that unlocks opportunities for all.

Cummins' business and sustainability strategies are intentionally and intricately aligned through Destination Zero — the company's commitment to sustainability and helping our customers navigate the energy transition while growing our business. Cummins' comprehensive environmental sustainability strategy focuses on three interconnected priority areas:

- **Decarbonization:** Doing our part to address climate change and air emissions
- **Materials:** Using natural resources in the most sustainable way
- **Communities:** Communities are better because we are there

This Climate Transition Plan outlines the company's Destination Zero strategy, including near-term 2030 goals and long-term 2050 targets.

Cummins sets ambitious long-term goals to guide our direction, recognizing that clearly articulated guideposts help us stay focused on continuous progress while adapting our strategy along the way.

However, achieving these aspirations will require collective effort across society and close collaboration with all our stakeholders. Execution of this plan relies on several key enablers: a constructive policy environment, an accelerated global energy transition, the development of clean energy infrastructure and widespread customer adoption of low-emissions technologies. Our Climate Transition Plan is not only intended to guide Cummins' own strategic actions, but also to serve as a roadmap for stakeholders who share these challenges. Cummins remains committed to transparent, periodic evaluation and ongoing refinement of this plan in response to evolving external conditions and insights gained through implementation.

Cummins continues to focus on understanding climate change related risks and opportunities to actively manage challenges and strengthen business and operational resiliency. This Climate Transition Plan also outlines climate-related risks and opportunities, along with corresponding mitigation measures, aiming to lead and ensure preparedness in a transitioning world.

As Cummins navigates this period of complexity, we remain grounded in the principles that guide our every step. Our unwavering commitment to sustainability continues to shape our decisions and actions.

We recognize that the strength of our business is deeply connected to the health and resilience of the communities where we operate. We are dedicated to investing in our global workforce and fostering a culture that reflects our core values and empowers every employee to thrive. We also embrace both the responsibility and the opportunity to lead our industry into a new era — one defined by smarter, cleaner power — ensuring meaningful progress for our customers, our stakeholders and the planet.

Cummins is committed to making people's lives better by powering a more prosperous world which requires a healthier planet, vibrant communities and engaged citizens. You can count on Cummins to contribute meaningfully to a net-zero future in a way that benefits all stakeholders and the environment.

For further details on Cummins' sustainability goals and initiatives, please refer to:

- Sustainability Progress Reports: Document Library
- Website: cummins.com

Brian Mormino

BRIAN MORMINO

Executive Director,
Technical and Environmental Systems

Terren Magid

TERREN MAGID

Executive Director,
Global Risk

"We are relentless in our pursuit of our 2030 environmental sustainability goals and our commitment to contributing to a net-zero future. Guided by our mission of making people's lives better by powering a more prosperous world, we remain committed to enabling our customers' success, growing our business, creating opportunities for our people, impacting our communities positively, and protecting our planet for future generations."

JONATHAN WOOD
Vice President – Chief Technical Officer

Cummins' environmental footprint

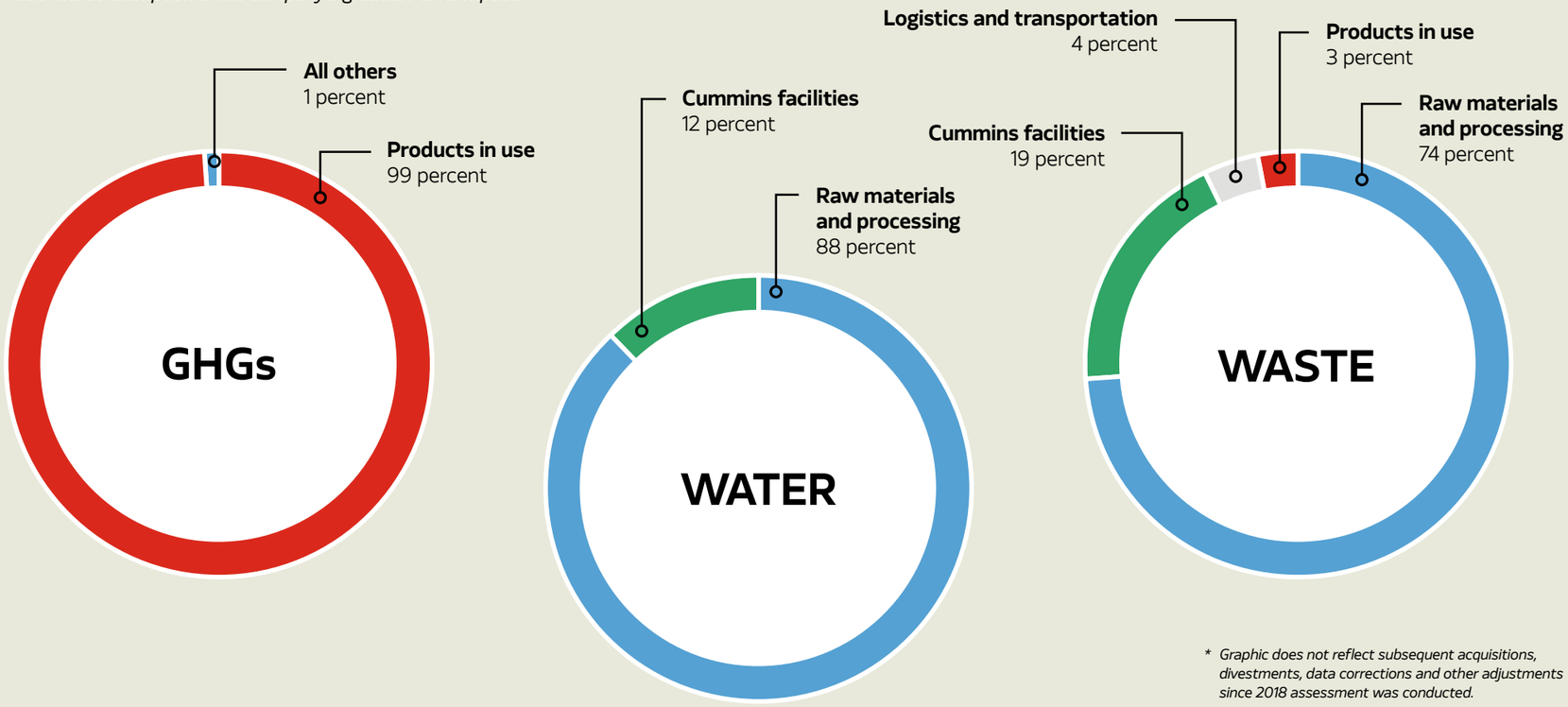
When Cummins launched its environmental sustainability strategy in 2019 — then called PLANET 2050 — the company used environmental hotspot analysis, product lifecycle analysis, climate scenario planning and materiality assessments to help shape the strategy.

Given the evolution of sustainability-focused materiality assessments, which help companies identify and prioritize sustainability-related topics relevant to the company and its stakeholders, and global regulations and standards expected to drive changes in how companies conduct those, Cummins completed its first double materiality assessment (DMA) in 2024. This assessment considered two dimensions — the company's impact, positive or negative, on people and the environment — as well as sustainability matters that may generate risks or opportunities that influence the company's financial performance. The results of the double materiality assessment largely confirmed the previously identified material impact areas, with climate change mitigation being the top impact area.

2018 BASELINE ENVIRONMENTAL ASSESSMENT

Figure 1

Cummins product lifecycle analyses have indicated that products in-use fuel consumption is the company's greatest GHG impact.



* *Graphic does not reflect subsequent acquisitions, divestments, data corrections and other adjustments since 2018 assessment was conducted.*

Advancing Destination Zero

Cummins' business and sustainability strategies are intentionally and intricately aligned through Destination Zero — the company's commitment to sustainability and helping customers navigate the energy transition.

This strategy builds on Cummins' long-standing commitment to environmental sustainability, with focused efforts on three priority areas: decarbonization, materials and communities. Cummins' 2030 goals and 2050 targets for climate change encompass Scope 1, 2 and 3 emissions, which include its facilities and operations (Scope 1 and Scope 2), products (Scope 3) and procurement (Scope 3). Cummins near-term 2030 GHG reduction goals for facilities and operations and products are approved by the Science Based Target Initiative (SBTi). Further information and definitions regarding the 2030 goals and 2050 targets can be found at cummins.com.

This section provides additional details of Cummins' environmental sustainability goals for 2030 and targets for 2050, including the key actions and dependencies anticipated to enable effective implementation of the company's Destination Zero strategy.

Cummins will continue to monitor the evolution of external dependencies annually and adjust its actions to maintain progress toward these goals and targets.

Destination Zero™

Destination Zero is Cummins' commitment to sustainability and helping its customers navigate the energy transition while growing the business.

Decarbonization

2030 GOALS

FACILITIES ENERGY

GHG emissions ↓ 50%
(Scope 1 & 2)

PRODUCTS

GHG emissions ↓ 25%
(Scope 3, Category 11)

SUPPLIERS

Key supplier engagement
(Scope 3, Category 1)

2050 TARGETS

- Achieving net-zero emissions across Cummins' facilities and operations
- Delivering low-carbon and zero-emissions technologies across all markets the company serves to power customer success while aligning with market needs

Materials

2030 GOALS

FACILITIES WASTE

Zero waste growth and minimize single-use plastics

CIRCULARITY

90% material circularity plans for new products

2050 TARGETS

- Design out waste in products and processes
- Use materials again for next life

Communities

2030 GOALS

FACILITIES VOC

Volatile organic compounds (VOCs) ↓ 50%

FACILITIES WATER

Water consumption ↓ 30%

COMMUNITY WATER

Net water positive across Cummins regions

2050 TARGETS

- Net positive impact in locations that account for 80% of total water consumption
- Near-zero pollution across Cummins' facilities and operations
- Reuse water and return clean to the community

Previously known as PLANET 2050, Cummins is rolling its environmental sustainability goals under Destination Zero to reflect the alignment of the company's business and sustainability goals.

Decarbonization

Cummins is committed to addressing climate change and reducing air emissions through its decarbonization efforts. Cummins is targeting net-zero emissions by 2050, in alignment with a pathway to limit global warming to 1.5°C above pre-industrial levels, supported by a flexible strategy that adapts to emerging technologies, policy developments and evolving customer needs. Cummins 2050 targets for decarbonization reflect its long-term ambition to create a sustainable future, including:

- Achieving net-zero emissions across Cummins' facilities and operations
- Delivering low-carbon and zero-emissions technologies across all markets the company serves to power customer success while aligning with market needs

Cummins recognizes that achieving its long-term climate goals requires measurable progress in the near term. Therefore, the company has established the following 2030 goals, aligned with a 1.5°C pathway as part of its near-term Science Based Targets initiative (SBTi) commitment:

- Reduce absolute greenhouse gas (GHG) emissions from facilities and operations by 50%
- Reduce absolute lifetime Scope 3 GHG emissions from newly sold products by 25%

In addition, Cummins has established a 2030 goal for upstream GHG reductions:

- Reduce upstream Scope 3 GHG emissions by engaging key suppliers, while continuing to meet customer commitments

The following section outlines Cummins' key decarbonization actions planned for 2030 and extending to 2050, along with critical dependencies required for their execution.

Facilities decarbonization

Cummins is taking several actions to reduce emissions from its facilities by transforming how energy is consumed, sourced and managed. The approach combines immediate improvements in efficiency with long-term investment in clean energy infrastructure. A detailed breakdown of key drivers and their contributions to the goals is presented in Figure 2.

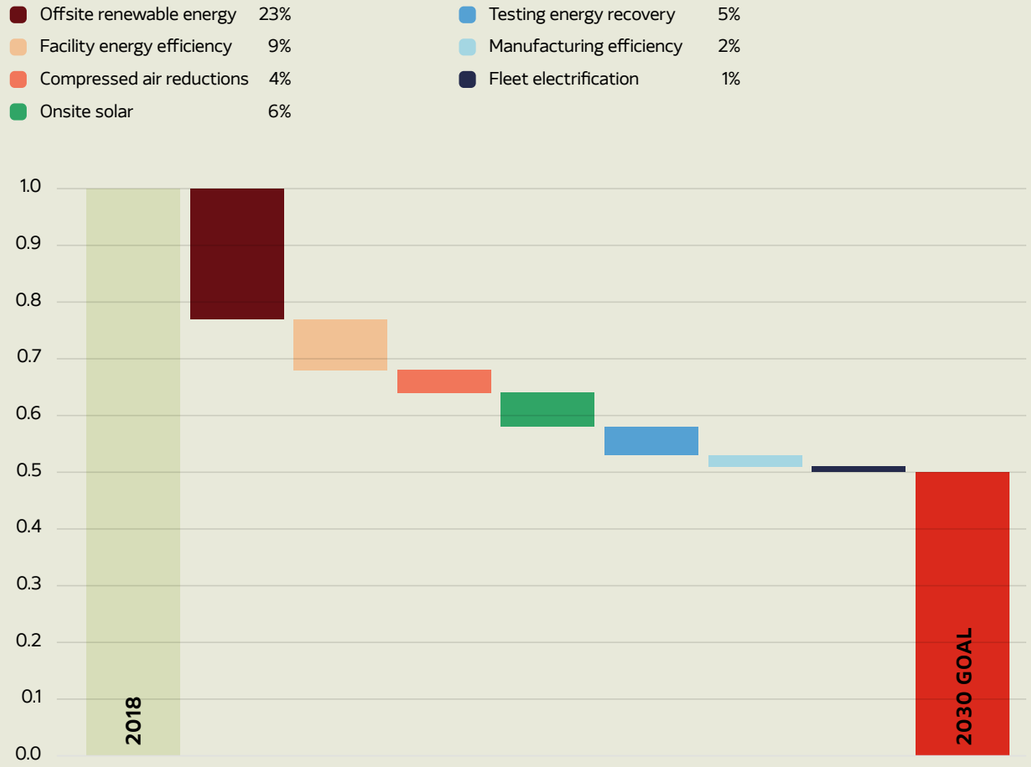
Key actions for 2030 include:

- **Expand onsite renewable energy** installations, including geothermal, solar and wind, with ongoing monitoring to foster optimal performance and scalability across global sites
- **Procure renewable energy** through Power Purchase Agreements (PPAs) in regions aligned with operations and projects that meet Cummins' renewable energy principles
- **Invest in advanced technologies and process optimizations** to improve energy efficiency in buildings and manufacturing operations — such as eliminating compressed air use where feasible, upgrading building insulation to reduce energy

DELIVERING ON FACILITIES DECARBONIZATION

Figure 2

As Cummins continues its efforts to meet this goal, the company anticipates that a 50% reduction will be achieved through the following areas:



consumption and installing high-efficiency heating and cooling systems with smart controls

- **Accelerate the adoption of low-carbon technologies**, including electric vehicle infrastructure and energy-efficient equipment
- **Install technology to recover and reuse energy** produced during the testing and development of products, utilizing microgrids and battery energy storage systems

Cummins will continue reducing emissions from its facilities and operations beyond 2030. Key actions for 2050 include:

- **Enhance energy efficiency** through advanced technologies and process optimizations — eliminating compressed-air leaks, upgrading insulation, and installing high-efficiency heating, cooling, and smart-control systems
- **Electrify operations** by replacing fossil-fuel-based equipment and heating processes with electric alternatives powered by renewable energy, complemented by heat-recovery systems
- **Secure renewable energy** via power purchase agreements (PPAs) and virtual PPAs (VPPAs) to meet on-site and off-site needs
- **Decarbonize transportation** by transitioning vehicle fleet to electric models and promoting clean-energy mobility
- **Minimize residual emissions** by phasing out high-global-warming-potential refrigerants and deploying low-carbon fuels in applications where electrification is not yet feasible

Key dependencies that will influence and enable near- and long-term actions include:

- **Market conditions:** Achieving sustainability goals depends on the availability and affordability of renewable energy and low-carbon technologies. Managing the cost dynamics of power purchase agreements (PPAs) and virtual power purchase agreements (VPPAs) is essential to ensuring financial viability.
- **Technological advancement:** Advancing decarbonization efforts depends on the development and deployment of cost-effective, advanced low-carbon technologies. Scaling innovations that improve energy efficiency and reduce emissions are critical to long-term success.
- **Grid decarbonization and capacity:** Expanding operational electrification depends on the pace of grid decarbonization and adequate capacity to meet rising demand. Long-term grid reliability and reducing carbon intensity are key to enabling low-emission energy systems.
- **Regional infrastructure and variability:** Implementing low-carbon solutions depends on the readiness of local energy infrastructure and the degree of regional variability. Adapting strategies to reflect local grid conditions, renewable energy availability and regulatory environments is necessary for effective deployment.
- **Regulatory policies:** Sustaining momentum toward renewable energy deployment and overall decarbonization progress depends on the evolution of policies and incentives across different jurisdictions.

Product decarbonization

Cummins' product decarbonization efforts are characterized by strategic diversification, cross-sector collaboration, technological adaptability and a strong commitment to delivering customer-focused solutions to enable a successful transition to a low-carbon future. Because more than 90% of Cummins lifecycle GHG emissions are attributed to products in use, every engine, power module and drivetrain the company ships represents both a responsibility and an opportunity.

Cummins has established a robust product strategy built around four synergistic technology families: optimized internal combustion, zero-carbon combustion, zero-emissions powertrains and enabling components. Together, they create a complete end-to-end decarbonization ecosystem. Key historical milestones illustrating how Cummins has advanced its strategy are shown in Figure 3, with additional details on our product portfolio provided in Table 1.

Table 1

Optimized diesel and gas platforms	▪ **HELM™ Platforms:** High-efficiency, lower-emissions, multi-fuel engines (diesel, biodiesel blends, renewable natural gas, renewable diesel); modular design allows tailored fuel options per application ▪ **Industrial Hybrids:** Modular hybrid systems for heavy-duty equipment that blend engines with batteries, delivering immediate diesel savings and CO_2 reduction with no new infrastructure requirements
Zero-carbon combustion	▪ **Fuel-Agnostic Engines:** Support 100% hydrogen with advanced combustion and controls — offering a low-carbon bridge to electrification ▪ **E-Fuels & Renewable Fuels:** Engines compatible with e-diesel, renewable natural gas, and synthetic fuels to reduce lifecycle GHG (greenhouse gas) emissions
Zero-emissions powertrains	▪ **Accelera™ Battery Systems:** Advanced LFP (Lithium Ferrous Phosphate) batteries for light- and medium-duty vehicles ▪ **Integrated E-Powertrains:** LFP (Lithium Ferrous Phosphate) batteries, streamlining OEM integration; driving scale with Isuzu's F-Series chassis ▪ **Fuel Cells & Electrolyzers:** Modular PEM (Proton Exchange Membrane) fuel cells and compact electrolyzers for zero-emissions mobility and on-site power from hydrogen
Enabling components and energy storage	▪ **Battery Energy Storage Systems (BESS):** Plug-and-play LFP (Lithium Ferrous Phosphate) with liquid cooling, fire safety, and grid/off-grid support for peak shaving and renewable integration ▪ **Powertrain Components:** Turbochargers, fuel systems, aftertreatment, and valvetrain technologies to enhance efficiency and performance

More information available on cummins.com; acceleratezero.com

Key milestones in advancing Destination Zero

Figure 3

STRATEGIC POSITIONING
JOINT VENTURES / COLLABORATIONS
TECHNOLOGY ADVANCEMENTS

2022

- Acquired: **Meritor**, a global leader of drivetrain, mobility, braking, aftermarket and electric powertrain solutions provider; and **Jacob Vehicle Systems**, an engine braking and cylinder deactivation company

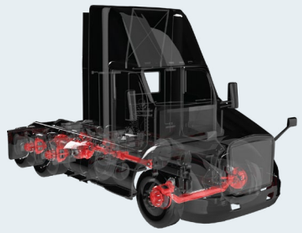
- Opened new facilities: **hydrogen technology** in Germany and a new **Power Integration Center**

- Launched **Destination Zero,** which is Cummins' commitment to sustainability and helping its customers navigate the energy transition while growing the business*

Destination Zero™

- Acquired 50% of **Momentum Fuel Technologies**, a provider of compressed natural gas (CNG) fuel delivery systems, from Rush Enterprises

* *As part of the midpoint review of the company's environmental sustainability goals in 2024, Cummins rolled the most recent sustainability strategy — launched in 2019 and formerly known as PLANET 2050 — into Destination Zero.*



- Acquired **Siemens Commercial Vehicle Business**, a leading global supplier of high-performance electric drive systems for commercial vehicles

2023

- Launched **Accelera™ by Cummins**, a new brand for its business segment providing a diverse range of zero-emissions power solutions

- Announced collaborations with **Isuzu** on a medium-duty electric truck prototype; **Sinopec** to produce green hydrogen technology in China; **Daimler Truck North America (DTNA)** on hydrogen fuel cell trucks; **Komatsu** on zero-emissions mining haul trucks; **VoltStorage** to advance solutions for grid and energy storage; and **Versatile** for hydrogen engine technology

- Unveiled the **industry-first, fuel-agnostic internal combustion solutions**

- Strengthened 30-year alliance with **Tata Motors** with agreement for low- to zero-emissions technologies

- Formed a joint venture with **Accelera, Daimler Trucks & Buses, PACCAR, and EVE Energy** for battery cell production in the U.S.

- Launched the **first green hydrogen passenger train** in North America; Green hydrogen manufacturing capability with first China PEM electrolyzer facility; and a **gigawatt electrolyzer manufacturing plant** in Spain

- Announced collaborations with **Chevron** to innovate in lower-carbon fuel value chains; **Exergy Energy** for power systems solutions; **Knight Transportation** and **Clean Energy** to demonstrate ultra-low carbon fuel potential; **E-quality Intelligence Technology Wuxi, Co., Ltd.** for electronic control systems in China

This is not an exhaustive list of key milestones. Please refer to cummins.com for all news on advancing our strategy.

2024

- Finalized the separation of **Atmus Filtration Technologies, Inc.**

- Announced collaboration with **Isuzu and Accelera** to launch a battery-powered truck in North America

- Launched **next-gen hydrogen and electric solutions** for commercial vehicles through Accelera

- Inaugurated state-of-the-art manufacturing facility in India to produce hydrogen-based internal combustion engines through **Tata Cummins Private Limited (TCPL)**

Key actions for 2030 to progress product decarbonization include:

- **Innovate for the future** by developing new, lower-emissions solutions for the diverse applications Cummins serves
- **Increase efforts** to reduce emissions from products in use through fuel efficiency projects, customer partnerships and technology upgrades over the next five years
- **Support clear and enforceable environmental regulations** that deliver real-world benefits, including advocating for and collaborating with global regulators on GHG emissions standards for heavy-duty vehicles and engines, and engage with organizations to develop practical, effective regulations and advance infrastructure for low-carbon and zero-emissions technologies that support customer adoption

Building upon the 2030 product decarbonization progress, key actions for 2050 include:

- **Innovate diverse technological solutions** by developing a range of products — including electric powertrains, EV batteries, high-efficiency transmissions, hybrid systems, and advanced combustion engines compatible with low-carbon fuels — to meet the varied needs of Cummins' customers
- **Invest in supporting technologies** by advancing adaptive controls, stationary batteries, and hydrogen solutions such as electrolyzers to enable clean energy use and storage across applications
- **Engage with stakeholders** by aligning technological developments with infrastructure readiness and policy frameworks to support broader adoption of low-carbon technologies
- **Execute a phased approach** by pursuing emissions reductions and innovation, based on a deep understanding of customer-specific operational needs, while investing in and advancing zero-emissions solutions
- **Provide customer-centric solutions** by working closely with customers to deliver technologies that align with their unique goals, operational demands, and decarbonization strategies

Key dependencies that will influence and enable near- and long-term actions include:

- **Customer adoption and technology costs:** The widespread adoption of low-carbon technologies is significantly influenced by their affordability and the financial incentives available. High upfront costs and insufficient financial incentives may hinder market implementation.
- **Availability of clean energy and low-carbon fuels infrastructure:** The transition to low-carbon technologies is heavily dependent on the availability of infrastructure supporting clean energy sources and low-carbon fuels. Investments in renewable energy infrastructure and the development of alternative fuels on a large scale globally are essential to reduce reliance on fossil fuels.
- **Regulatory and industrial policy:** The adoption of low-carbon technologies depends on the implementation of supportive regulatory and industrial policies. Establishing robust policy frameworks is necessary to lower the costs of emerging technologies, level the competitive landscape and accelerate the transition to sustainable energy systems.

Cummins is continuing to take decisive action today to drive both near-term emissions reductions and long-term decarbonization across its product portfolio. By optimizing core engine platforms, scaling advanced fuel and powertrain technologies, and investing in zero-emissions technologies, the company is delivering measurable impact now while laying the groundwork for a truly zero-carbon future. For detailed examples of Cummins progress toward product decarbonization, please refer to the company's latest Sustainability Progress Report.

LEARN MORE

Please refer to cummins.com for all news on advancing our strategy.

Upstream GHG emissions

As Cummins continues to help its customers navigate the energy transition to low- and zero-emissions technologies and reduce emissions associated with its products, upstream emissions are expected to become a larger percentage of the company's overall GHG footprint.

In 2025, Cummins introduced a procurement sustainability goal to address these upstream Scope 3 emissions. This goal focuses on strategic supplier engagement to drive meaningful reductions in upstream GHG emissions throughout the value chain. Key actions for 2030 include:

- **Collaborate with trade organizations and peers** to create industry-standard criteria and metrics using third-party systems to improve data accuracy and facilitate supplier reporting on GHG emissions
- **Encourage suppliers to disclose** Scope 1, Scope 2 and relevant Scope 3 emissions through standardized frameworks or their sustainability reports
- **Conduct supplier training and workshops** on emissions reduction and regulations
- **Share best practices** for GHG reductions across the supplier network

Cummins is committed to reducing upstream GHG emissions over both the near- and long-term. As this sustainability initiative progresses and implementation provides new data and insights, Cummins will continue to assess its approach and share additional actions planned beyond 2030.

Key dependencies that will both influence and enable actions include:

- **Legal and regulatory evolution:** The ability of suppliers to remain compliant with evolving legal, environmental, and reporting requirements depends on the pace and clarity of regulatory change across Cummins' global operations. Shifts in government priorities — and the extent to which they are clearly defined — may influence sourcing strategies and affect suppliers' operational continuity.
- **Data collection and accuracy:** Industry trends are shifting as companies collaborate to develop standardized formulas based on actual parts and materials, leading to more accurate emissions calculations.
- **Supply base awareness:** The volume and complexity of reporting requirements in multiple countries create additional considerations for suppliers to disclose emissions.
- **Supplier participation and reporting:** Supplier commitment and participation will be crucial to achieving this goal. The company has taken a collaborative and industry-wide approach to benchmark against and pilot new approaches on policy development and supply chain data transparency.

Global suppliers joined Cummins senior leaders in Indianapolis, Indiana, for the 2024 Cummins US Supplier Conference.

Materials

Cummins is committed to using natural resources in the most sustainable way. The company's 2050 targets for materials include:

- Design out waste in products and processes
- Use materials again for next life

Cummins recognizes that delivering on its commitment to the sustainable use of materials requires measurable near-term progress. To support this, the company has set the following goals for 2030:

- Achieve zero waste growth and minimize single-use plastics in Cummins facilities and operations
- Create lifecycle plans for new products capable of 90% material circularity

Cummins' overarching circular economy strategy encompasses these near-term 2030 goals and additional focus areas that will progressively advance the company toward its 2050 targets. This integrated strategy addresses multiple dimensions of material stewardship throughout the value chain — from initial design and sourcing to end-of-life management. Key actions for 2030 include:

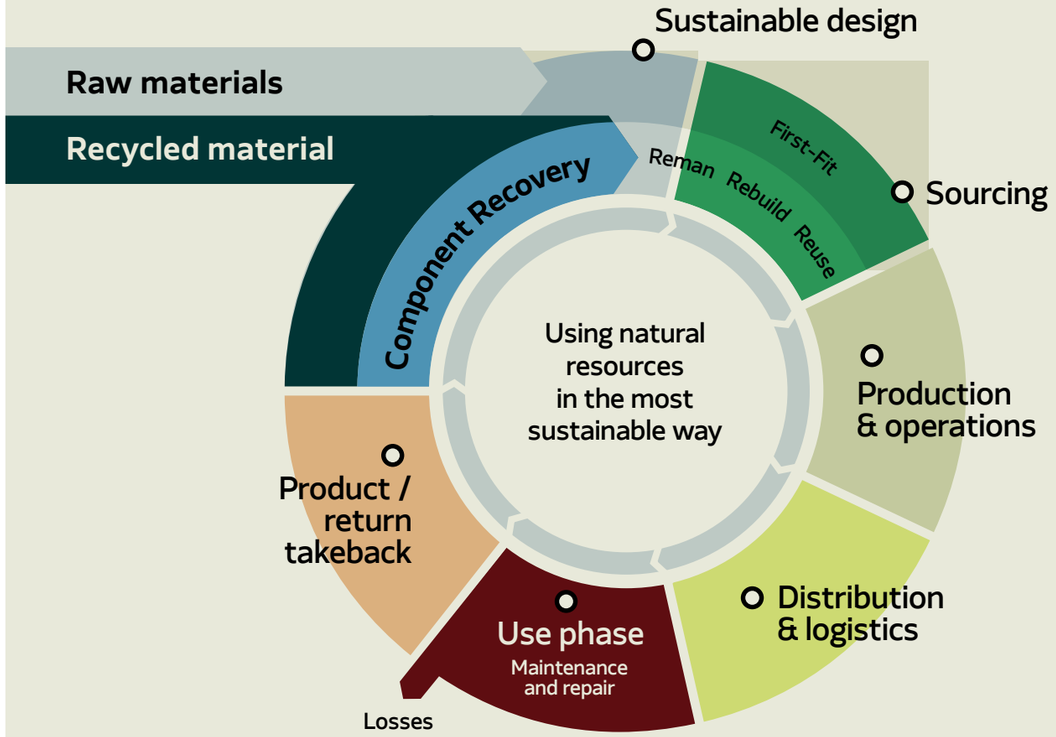
- **Reduce packaging waste** by standardizing reuse, expanding returnable packaging, and increasing material visibility through improved sourcing and specifications
- **Minimize operational waste** by optimizing machining processes, exploring closed-loop recycling for critical materials, and prioritizing waste strategies higher up the waste management hierarchy (e.g., reuse over disposal)
- **Reduce plastic use** by engaging suppliers to shift from non-recyclable plastics and implement roadmaps to reduce single-use plastics across facilities, amenities and events
- **Establishing foundational processes** needed to define and manage key aspects of product circularity, including intended product lifecycle use, end-of-life treatment and product mass data
- **Launch material circularity pilot programs** within business units to begin integrating circularity into new product requirements
- **Implement processes** at sites where decisions on component and material recovery are made — such as remanufacturing plants and rebuild centers — to begin measuring how effectively circular design opportunities are being realized in practice

Building on the progress achieved through Cummins' 2030 sustainability goals, Cummins will continue to implement its circular economy strategy to advance toward its 2050 targets.

CIRCULAR-ECONOMY MODEL

Figure 4

Materials move through design, production, use, take-back and component recovery, then re-enter as recycled input — keeping resources circulating and waste minimal.



Execution of this strategy requires the development of critical capabilities within the company's workforce, systems, tools, and upstream and downstream partnerships with suppliers and customers. These capabilities include innovation in circular design and manufacturing, data traceability and analytics growth, development of lifecycle value mindset across the product value chain, talent development to accelerate circular principles, and development of internal and external circular partnerships.

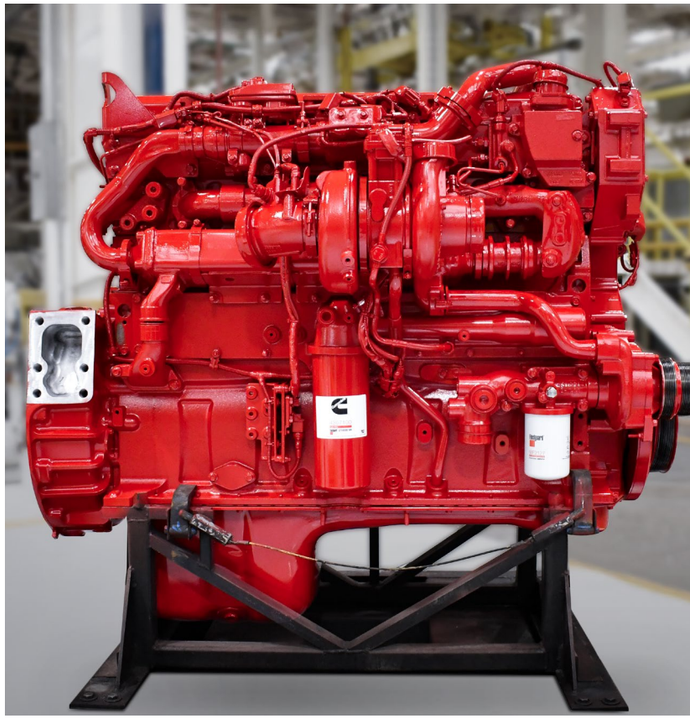
Key actions towards 2050 include:

- **Embed circular design principles** into product development, prioritizing durability, repairability and recyclability
- **Optimize circular sourcing, manufacturing and packaging** through near-shoring, reverse logistics and shared recycling infrastructure
- **Expand product takeback, component reuse, and recovery programs** to strengthen resource resilience and reduce environmental impact across the value chain
- **Pursue circular distribution and product takeback programs** by using recycled or renewable materials, designing processes for durability and repairability, and implementing efficient production methods to reduce waste, water and energy consumption
- **Design packaging for reuse**, using recycled, recyclable, or biodegradable materials while complying with evolving regulatory requirements
- **Enhance remanufacturing and rebuild capabilities** through strengthening tracking systems, part inspection and salvage efforts to reduce raw material use and extend product life cycles — supporting greater circularity and cost-effective aftermarket solutions

Key dependencies that will influence and enable near- and long-term actions include:

- **Sustainable packaging materials:** The adoption of returnable and reusable packaging solutions depends on the availability of sustainable materials that meet required performance and durability standards. Reducing reliance on single-use plastics requires the substitution of these materials with effective, environmentally friendly alternatives.
- **Collaboration and partnerships:** The implementation of circular economy solutions depends on strong partnerships with suppliers, recycling organizations, technology providers, and other stakeholders. Effective collaboration is essential to co-develop takeback programs, reverse logistics systems, and material recovery initiatives that support circular sourcing and distribution.
- **Circular infrastructure and logistics:** The scalability of product takeback and remanufacturing processes depends on the development and optimization of global reverse logistics infrastructure. Efficient systems for material recovery, product reuse, and recycling are critical to closing the product lifecycle loop and minimizing waste.
- **Sustainable material supply:** The success of Cummins' circular economy strategy depends on the consistent availability of sustainable alternative materials. Access to high-quality, traceable materials is essential to reduce reliance on virgin resources and to mitigate risks related to supply chain disruptions, resource scarcity and regulatory challenges.

Engine core in the condition it was received in the plant before remanufacturing.



Remanufactured engine after all parts have been individually remanufactured and assembled to the original engine performance requirements.

Communities

Cummins is committed to making the communities in which it operates better. This commitment goes beyond environmental stewardship, encompassing social and economic well-being. The company's 2050 targets for communities include:

- Net positive impact in locations that account for 80% of total water consumption
- Near-zero pollution across Cummins facilities and operations
- Reuse water and return clean to the community

Cummins recognizes that delivering on commitments to the community will need both near-term and long-term actions. To support this, the company has set the following goals for 2030:

- Reduce volatile organic compounds (VOC) emissions from paint and coating operations by 50% (2018 baseline)
- Reduce absolute water consumption in facilities and operations by 30% (2018 baseline)
- Produce net water benefits that exceed Cummins' annual water use in all Cummins regions

Water

Reducing water consumption across its facilities is central to Cummins' commitment to building a more sustainable and resilient future. Cummins is implementing strategic actions to reduce water use within its operations while also supporting the health of local water ecosystems.

Key actions for 2030 include:

- **Expand water recycling and reuse efforts**, with an emphasis on recirculating water and prolonging the life of water-based processes by treating the water directly where it is used
- **Explore the use of alternative water sources**, such as fire suppression system test discharge, and condensation and harvested rainwater, so that fresh water and municipal water sources are only used in processes after all other conservation alternatives have been explored
- **Expand xeriscaping** to reduce water consumption by using drought-tolerant plants and efficient water management techniques
- **Expand community partnership** efforts in areas working toward exceeding annual water use with net benefits

Key actions for 2050 will include:

- **Enhance processes** to minimize water usage, improve irrigation efficiency and implement wastewater reuse strategies, including the recycling of firewater*
- **Prioritize the top ten sites** — which account for 52% of the company's total water use — to accelerate progress toward net water-positive outcomes
- **Select and prioritize future site projects** based on water consumption levels and opportunities to achieve significant reductions, particularly in water-stressed regions.
- **Strengthen and expand water partnerships** by collaborating with NGOs, and industry peers to implement measurable water conservation projects, and improve watershed health in high-risk areas

Key dependencies that will influence and enable near- and long-term actions include:

- **Water recycling technologies:**
  The implementation of water reuse systems depends on the advancement and availability of technologies capable of effectively treating and recycling water within industrial facilities. The development of solutions that enable water recirculation in operational processes is essential to extend water usability and reduce dependence on freshwater resources.
- **Alternative water sources:**
  The reduction of reliance on conventional freshwater supplies depends on access to non-traditional water sources such as harvested rainwater and atmospheric condensation. The development of infrastructure to capture, store and utilize these sources is critical to supporting long-term water conservation efforts.

* *Firewater reuse in facilities refers to the collection, treatment, and reuse of water that is used (or stored) for firefighting purposes, especially after it has been used in an emergency or fire drill*

Cummins volunteers in China support litter removal and beautification of shoreline.

Volatile organic compounds (VOC) & air emissions

Cummins is committed to reducing volatile organic compound (VOC) emissions to improve air quality and drive positive outcomes for the communities in which it operates. Key actions for 2030 include:

- **Target VOC reduction efforts** at prioritized sites globally; Cummins has prioritized 16 key sites responsible for about 75% of total VOC emissions from paint and coating operations to meet its 2030 reduction goal, while other sites continue to pursue material and process improvements.
- **Transition to low-VOC waterborne paints and coatings**, which contain significantly lower levels of VOCs and are less toxic compared to traditional solvent-based coatings
- **Implement paint process optimization** projects at facilities to enhance efficiency by minimizing overspray and excessive paint use
- **Evaluate end-of-line treatment technologies** in cases where low-VOC alternatives and process optimization are not determined to be feasible to effectively capture VOCs and prevent their release into the environment

Beyond 2030, the company will focus on implementing advanced technologies and process improvements to further reduce VOC emissions, building on the progress made toward its 2030 goals.

Key dependencies that will influence and enable near- and long-term actions include:

- **Low-VOC paint technologies:** The adoption of low-VOC and waterborne paint technologies depends on their availability and ability to meet performance, durability and aesthetic standards. Continued advancements are essential to ensure these alternatives can replace traditional solvent-based coatings without compromising quality.
- **Process optimization technologies:** The improvement of manufacturing efficiency depends on advancements in technologies that optimize painting processes. Implementing solutions that reduce overspray and minimize excessive paint use is critical to enhancing resource efficiency and reducing environmental impact.

Cummins' Destination Zero strategy integrates decarbonization, materials stewardship and community engagement to advance the company's environmental sustainability commitments. With clearly defined goals for 2030 and targets for 2050, Cummins is pursuing both operational improvements and technological innovation.

The team at Cummins' Daventry Engine Plant in the U.K. who led the transition to water-borne paints.

Climate risk management

Cummins recognizes that climate change presents physical and transition risks that can challenge business resilience, as well as introduce opportunities for growth and market differentiation.

Physical risks include acute events — such as hurricanes, floods, and wildfires — and chronic changes like water scarcity, heat stress and rising sea levels. These events can damage facilities, disrupt utilities and transportation and interrupt supply chains, which may impact operations and workforce safety. The long-term effects of physical risks also raise critical considerations for protecting employees, assets and overall business resilience.

Transition risks and opportunities emerge from the shift toward a low-carbon economy, which can be driven by policy changes, technological advancements and evolving market dynamics. Transition risks and opportunities also present opportunities for innovation and market differentiation.

Cummins is committed to identifying, assessing, addressing, monitoring and disclosing its climate-related impacts, risks and opportunities. A climate scenario analysis is a strategic approach that helps organizations identify, evaluate and prepare for a range of potential climate-related risks and opportunities. Cummins conducted a climate scenario analysis in 2018 to evaluate potential impacts on its operations and business strategy, aligning its disclosures with the Task Force on Climate-related Financial Disclosures (TCFD) framework. This scenario analysis has been instrumental in identifying physical and transition risks for Cummins, as well as opportunities for innovation and resilience.

In 2024, Cummins reassessed its climate scenario analysis utilizing the Network for Greening the Financial System (NGFS) scenarios[1] to reflect policy shifts, advances in climate science and improved data availability. Guided by the NGFS scenarios, the company deepened its understanding of various climate pathways and their potential implications for the business.

[1] *The Network for Greening the Financial System (NGFS) is a group of 141 central banks and supervisors and 21 observers (as of 29 May, 2024) committed to sharing best practices, contributing to the development of climate and environment-related risk management in the financial sector and mobilizing mainstream finance to support the transition toward a sustainable economy.*

Climate scenario analysis process

1 Scenario development

Cummins began by selecting three NGFS climate scenarios — representing a range of climate outcomes — to provide the base narratives for the company's climate scenario analysis. Each of these narratives was expanded to include additional content illustrating how a range of business-relevant topics could unfold under each scenario, including analysis of key physical and transition data projections from the NGFS platform.

- **Current Policies:** This scenario represents a pathway where only existing climate policies are maintained, without additional efforts to mitigate climate change. This scenario assumes a global temperature increase of over 3°C by 2100, leading to significant physical risks such as extreme weather events and sea-level rise. Economically, it projects substantial losses, with potential GDP reductions of up to 20% by the end of the century. The scenario underscores the importance of proactive climate action to avoid severe long-term economic and environmental consequences. *Maps to RCP 4.5**
- **Net Zero 2050:** This scenario represents a pathway where global CO_2 emissions reach net zero by 2050, aiming to limit global warming to 1.5°C above pre-industrial levels. This scenario assumes immediate and coordinated climate policies, rapid technological advancements, and significant investments in clean energy, with renewables and biomass supplying approximately 70% of global primary energy needs by 2050. Achieving this transition necessitates substantial economic restructuring and a global commitment to decarbonization across all sectors. *Maps to RCP 1.9**
- **Fragmented World:** This scenario represents the consequences of delayed and divergent climate policy ambitions globally. In this scenario, while countries with net-zero targets still achieve approximately 80% of their goals, others follow current policies, leading to a projected global temperature rise of 2.3°C by 2100. This pathway results in significant physical and transition risks, including increased frequency of extreme weather events and economic disruptions due to inconsistent policy implementations across regions. The scenario underscores the importance of coordinated and timely climate action to mitigate adverse outcomes and drive towards a sustainable future. *Maps to RCP 4.5**

* *RCP temperature refers to the projected global temperature change associated with a specific Representative Concentration Pathway (RCP) — a greenhouse gas concentration trajectory used in climate modeling.*

2 Identification of climate-related risks and opportunities

The three selected climate scenarios were customized to assess both physical and transition climate risks across Cummins' business and operations. This assessment was carried out in collaboration with a cross-functional group of stakeholders, including senior leaders. Through this process, climate-related risks and opportunities for Cummins were identified in each scenario and across scenarios. The risks and opportunities that were identified were then organized in alignment with the TCFD risk and opportunity categories to support the disclosures, develop of climate resilient business strategies and evaluate potential financial impact.

3 Climate-related risk and opportunity evaluation

Cummins has evaluated risks and opportunities across all three scenarios to gain a comprehensive understanding of potential challenges and implement effective management strategies. Climate-related risks and opportunities identified were evaluated on the severity of impact and likelihood over short-, medium- and long-term time horizons. The likelihood and financial impact of risks and opportunities are assessed using Cummins' Enterprise Risk Management (ERM) criteria. Disclosures were then prioritized based on internal financial materiality thresholds aligned with Cummins Enterprise Risk Management (ERM) and Double Materiality Assessment (DMA) frameworks to highlight the most significant risks and the greatest opportunities for the Cummins.

4 Mitigation capability analysis

Cummins engaged internal subject matter experts to assess the company's management and mitigation capabilities for each risk identified. This process helped Cummins prioritize the risks and opportunities requiring enhanced management focus. For key management gaps, interventions for resilience were identified. Risk mitigation capability was assessed and scored in alignment with the ERM methodology.

RISKS & OPPORTUNITIES ASSESSMENT CRITERIA

Time horizons	Likelihood	Financial impact definitions
Short term 0-3 years	Probability expected within time horizon	**Low:** Minor financial effect with limited impact on overall business performance and easily managed within normal operations
Medium term 3-10 years	**Low** Remote <10%; Not likely 10-30%	**Medium:** Noticeable financial effect that may require management attention and adjustments to business activities to control impact
Long term 10-30 years	**Medium** Likely 30-70%; Highly Likely 70-90%	**High:** Major financial effect with significant consequences for business performance, requiring senior leadership involvement and strategic response
	High Expected or already occurring >90%	

TIME HORIZONS DEFINED

Short-term *(0-3 years):*
For Cummins, a three-year period is a short time horizon, especially for product development. Acquisitions would be included in this timeframe.

Medium-term *(3-10 years):*
Most of Cummins' planning falls into this time horizon, as engine platforms or specific product launches are initiatives that take longer than 3 years.

Long-term *(10 to 30 years):*
Cummins environmental sustainability strategy would fall into this category. Destination Zero has near-term 2030 goals and long-term 2050 targets

Risks and opportunities

The following themes for risks and opportunities emerged from the evaluation across all scenarios.

Physical risks

ACUTE

- Disruptions to operations
- Supply chain stability
- Labor health and safety

CHRONIC

- Long-term temperature increases
- Water stress
- Labor migration

Transition risks

MARKET

- Demand shifts to clean energy
- Access to materials

TECHNOLOGY

- Facility retrofits and upgrades

POLICY AND REGULATORY

- Cost of compliance
- Carbon pricing

REPUTATION

- Slow transition

Risks

Table 2

Risk type	Risk	Potential impact	Time horizon	Likelihood	Financial impact
Physical	**ACUTE:** Acute weather events disrupt operations and affect labor safety	Cummins could experience operational disruptions due to extreme weather events like floods, hurricanes, wildfires etc. Climate change may exacerbate the frequency and intensity of natural disasters and adverse weather conditions, which may cause disruptions to the company's operations, including disrupting manufacturing, distribution and supply chain. The disruptions may also affect transportation infrastructure and raw material deliveries, which could impair the company's ability to meet customer demand and result in materially higher costs. Additionally, severe weather could pose health and safety risks to Cummins' workforce — potentially increasing healthcare and insurance expenses and causing labor shortages or site closures.	Short, medium and long-term	Medium	Medium
Physical	**CHRONIC:** Chronic weather events impact operations and workforce	Cummins could be exposed to significant operational risks from changing environmental conditions. The company may experience labor shortages if climate-induced migration intensifies in regions subject to extreme weather and heat stress. Long-term water scarcity at key facilities could disrupt production processes and could have a material adverse effect on Cummins' results of operations and cash flows by driving up operational costs due to limited water availability. Additionally, rising ambient temperatures may affect energy consumption, worker productivity and equipment performance, potentially requiring material investments in resilient infrastructure.	Medium to long-term	Medium	Medium

Risk type	Risk	Potential impact	Time horizon	Likelihood	Financial impact
Transition	**MARKET:** Reduced demand for traditional internal combustion engine vehicles as customer preferences shift toward clean-energy technologies and products could adversely affect sales and market share.	Cummins may face reduced demand for current products and services due to development of new technologies. The company is investing in new products and technologies, including electrified powertrains, hydrogen production, and fuel cells, for planned introduction into certain new and existing markets. Given the early stages of development of some of these new products and technologies, there can be no guarantee of the future market acceptance and investment returns with respect to planned products, which will face competition from an array of other technologies and manufacturers. The ongoing energy transition away from fossil fuels and the increased adoption of electrified powertrains in some market segments could result in lower demand for current diesel or natural gas engines and components and, over time, reduce the demand for related parts and service revenues from diesel or natural gas powertrains. Furthermore, it is possible that the company may not be successful in developing segment-leading electrified or alternate fuel powertrains and some existing customers could choose to develop their own, or source from other manufacturers, and any of these factors could have a material adverse impact on results of operations, financial condition and cash flows.	Medium to long-term	Medium	Medium
Transition	**TECHNOLOGY:** Higher capital outlays to retrofit and upgrade facilities in response to the global shift to low-emissions technologies could strain investment capacity.	Cummins may be required to invest in facility retrofits and upgrades, including renewable energy installations and modifications to manufacturing tooling and processes, to comply with evolving regulatory requirements and product portfolio changes. Such actions could result in materially increased capital expenditures.	Medium to long-term	Medium	Medium
Transition	**ACCESS TO MATERIALS:** Constrained access to materials from geopolitical tensions, climate-driven supply chain disruptions and intensified competition.	Cummins may experience supply chain disruptions if constrained inputs limit access to essential materials needed for both current and new technologies development. Such disruptions may interrupt production schedules, delay product launches and impede the ability to meet customer requirements, resulting in materially higher procurement costs and inventory shortages. Additionally, restricted access to next-generation technologies could slow innovation and strain supplier relationships, potentially reducing sales volumes and compressing margins.	Medium to long-term	Medium	Medium
Transition	**REPUTATIONAL:** Failure to meet environmental, social and governance (ESG) expectations or standards, or to achieve Cummins' ESG goals, could adversely affect the business, results of operations and financial condition.	Cummins may face increased reputational risk in the event of failure to meet ESG regulatory compliance requirements. In recent years, there has been an increased focus from stakeholders on ESG matters, including GHG emissions and climate-related risks, renewable energy, water stewardship, waste management, diversity, equity and inclusion, responsible sourcing and supply chain, human rights and social responsibility. Given Cummins' commitment to certain ESG principles, the company actively manages these issues and has established and publicly announced certain goals, commitments and targets which the company may refine, or even expand further, in the future. These goals, commitments and targets reflect current plans and aspirations and are not guarantees that the company will be able to achieve them. Evolving stakeholder expectations and efforts to manage these issues, report on them and accomplish the company's goals present numerous operational, regulatory, reputational, financial, legal and other risks, any of which could have a material adverse impact, including on the company's reputation.	Medium to long-term	Medium	Medium
Transition	**POLICY AND REGULATORY:** Increased compliance costs from evolving climate-related regulations and carbon-pricing mechanisms could materially increase operating and capital expenditures.	Cummins may become subject to new or more stringent international, national or regional legislation, regulations or accords intended to reduce or mitigate the effects of GHG emissions. Compliance with any such requirements could be difficult and costly and may have a material adverse effect on results of operations, financial condition and cash flows, including through materially increased capital expenditures. Additionally, the implementation or escalation of carbon-pricing mechanisms — particularly in jurisdictions with existing emissions-related taxes — could materially increase the company's operating costs.	Medium to long-term	Medium	Medium

Opportunities

Table 3

Cummins has identified several opportunities with potential for significant business benefits. Some are already underway, with room to achieve even more.

Opportunity type	Opportunity	Potential impact	Time horizon	Likelihood	Financial impact
Transition: **Energy Sources**	Improved product efficiency could reduce energy consumption and lower emissions, enhance performance and ensure compliance with evolving regulations.	Cummins may reduce customer fuel consumption and materially lower operating costs through enhanced product efficiency and targeted investments in zero-emissions technologies. Such improvements could strengthen brand loyalty, drive repeat business and unlock new market opportunities for the company by aligning with growing demand for sustainable, energy-efficient solutions.	Medium-term	Medium to high	Medium
Transition: **Products and Services**	Diversifying the product portfolio to meet demand in hard-to-abate sectors helps adapt to different regulations and reduces dependence on emerging technologies, while providing reliable power solutions that strengthen infrastructure against extreme weather and support long-term market position.	Cummins may continue to generate a stable revenue stream from internal combustion engine products in sectors where zero-emissions alternatives are not yet commercially viable — such as heavy-duty trucking and agriculture. At the same time, investments in hydrogen combustion engines and fuel-agnostic platforms could position the company to lead in the transition to low-carbon solutions, support the Destination Zero strategy and maintain long-term competitiveness. Cummins may continue to support growing energy resilience needs — driven by climate-related challenges like extreme weather and grid instability — by providing reliable power solutions for critical sectors such as data centers, healthcare, and industry. These efforts help address evolving energy demands and may contribute to responsible growth through Cummins' diverse Power Systems portfolio.	Medium to long-term	High	High
Transition: **Resilience**	Enhanced manufacturing capabilities through advanced technologies and process improvements could optimize production, increase facility resilience and reduce operational costs.	Cummins may achieve significant operational improvements and enhance production-system adaptability by advancing technological capabilities in manufacturing facilities and processes. Such enhancements could optimize resource utilization and minimize waste, thereby supporting sustainability efforts and strengthening long-term competitiveness.	Medium to long-term	High	High

Risk mitigation and opportunities management

Physical risk mitigation

Cummins launched a Climate Change & Resiliency working group to understand how climate change might impact the risks within its operations. Weather events have increased in frequency and severity, which pose potentially different threats. Annually, Cummins assesses weather-related risks and the potential impact on its worldwide footprint. In addition to factors like heat, water scarcity, and rising temperatures considered in climate scenario analysis, Cummins evaluates key global locations against both existing and emerging climate-related perils — such as flooding, high winds, extreme heat, hail, drought, wildfire, cold snaps and shifting precipitation patterns.

These perils represent physical risks that may directly impact facilities, supply chains, and operations. Cummins assesses these risks through the year 2100 to understand their potential impact on business strategy and continuity, prioritizing the most significant threats based on exposure and vulnerability. A cross-functional team including facilities, manufacturing, supply chain, employee health and safety, and human resources collaborates to monitor, identify, assess, manage and mitigate these risks, and integrates climate risks into its business resiliency plans and sustainability goals. This integrated approach supports the incorporation of physical climate risks into strategic and business continuity planning, enhancing overall business, operational and financial resilience.

Cummins leverages a water sourcing risk-scoring matrix to identify and prioritize sites most at risk of water scarcity globally, with detailed watershed assessments conducted for the highest-risk facilities. Facility data and conditions are reviewed annually and may alter the priority sites from year to year. These assessments help Cummins better understand and evaluate water-sourcing risks, alternatives and overall watershed conditions across the company. In addition to continued water conservation measures and technologies, additional response measures may include the deployment of more water storage and low- or no-water use processes such as air-cooled chiller systems where warranted, and upgrades to wastewater treatment systems to allow for 100% reuse for non-potable purposes.

Transition risk mitigation

Cummins is taking proactive steps to manage climate-related transition risks across four key areas: technology, market dynamics, access to materials, and policies and regulations. These efforts enable long-term resilience and competitiveness in a decarbonizing world. More details on Cummins' transition risk management approach are outlined below.

MARKETS AND TECHNOLOGY

Cummins' annual Technology Portfolio Investment Review ensures the company's R&D investments stay aligned with market trends and energy-transition objectives. By combining scenario planning, market intelligence and talent assessments, Cummins balances core growth with accelerated progress toward zero-emissions solutions.

Cummins' Destination Zero strategy drives the transition to low- and zero-emissions products, including electrified powertrains, hydrogen and other clean energy technologies. Cummins is investing in next-generation technologies for both new and existing markets, while exploring strategic partnerships to

BUSINESS CONTINUITY PLANNING

In preparation for business disruptions, Cummins has a Holistic Emergency Management (HEM) program which requires all sites globally to prepare and maintain a business continuity plan (BCP). Site leadership is required to rank the site risks from highest to lowest. For each risk, appropriate mitigation strategies and actions are required to be set out in the BCP plan. These risks are reported to Cummins' Regional Security Advisor and Global Integrated Services (GIS) function for review. The GIS function reports to the Executive Director of Global Risk. Those plans include policies, processes and training, and are tested once every three years.

enhance capabilities. Cummins addresses technology investments risk through targeted R&D spending and scaling critical capabilities through strategic partnerships to co-develop solutions, and market-access initiatives that accelerate adoption and scale. This holistic approach ensures that the company remains competitive as the industry transitions away from fossil fuels, minimizing risks and optimizing future returns.

FACILITIES AND OPERATIONS

Cummins mitigates facility retrofit and upgrade risks through a multi-faceted strategy. Digital manufacturing initiatives enhance operational efficiency and adaptability. To reduce the risk of stranded assets, Cummins leverages flexible, long-life machinery that can be repurposed for remanufacturing. Computer Numerical Controls (CNC) machining upgrades — such as modular fixture bases and implementation of robotic cells — enable efficient retooling and process adjustments as product technologies evolve. This built-in flexibility supports compliance with regulatory changes, facilitates smoother product and technology transitions, and helps manage capital expenditures effectively.

SUPPLY CHAIN

Cummins' supply chain strategy is designed to secure critical inputs and stabilize costs through supplier and geographic diversification, buffer inventories and long-term agreements. To further strengthen access to essential materials, Cummins is building strategic partnerships and joint ventures with key suppliers and customers. The company is also advancing circular economy initiatives — such as closed-loop recycling and remanufacturing — while pursuing backward integration and applying advanced procurement tactics, including hedging, real-time market analytics, and scenario stress-testing, to minimize disruptions and support both current operations and next-generation innovation.

POLICIES AND REGULATIONS

Cummins has a holistic approach to managing policy and regulatory transition risks. Government Relations, Product Compliance & Regulatory Affairs and ESG Strategy teams play a critical role in managing climate transition risks by actively promoting strong, consistent climate and disclosure policies worldwide. Their work includes advocating for clear, enforceable emissions standards, supporting the adoption of low-carbon fuels, and engaging in industry associations to drive collective action and shape regulatory frameworks that enable sustainable innovation and long-term competitiveness. The teams also proactively monitor current and emerging regulations and are enhancing data management infrastructures to enable robust reporting capabilities.

An assembly line at Cummins' Columbus Mid-Range Engine Plant in Columbus, IN, (U.S.).

Opportunities management and actions

Cummins is actively capitalizing on climate change opportunities through Destination Zero. At Cummins, business and environmental strategies are intentionally and intricately aligned to capture the growth opportunity decarbonization presents through Destination Zero.

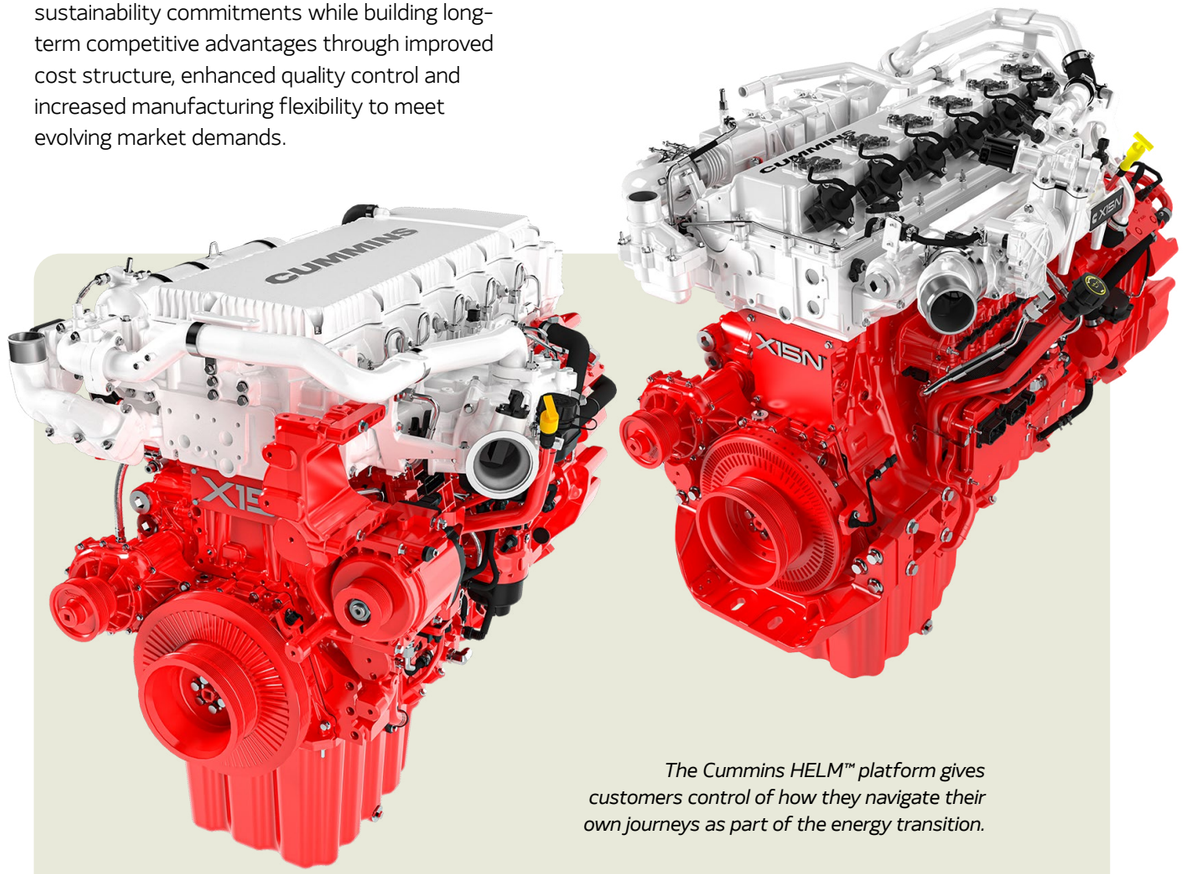
Cummins is advancing its product decarbonization strategy by increasing focus on areas where it can directly deliver meaningful GHG reductions — helping customers decrease emissions now and in the long term. This includes innovating lower-emissions technologies across its portfolio and doubling efforts to reduce emissions from products in use through fuel efficiency projects and technology upgrades. These efficiency improvements strengthen customer relationships while positioning Cummins to capture growing demand for sustainable, energy-efficient solutions.

Cummins is positioning itself to generate stable revenue from internal combustion engines while simultaneously leading the transition to low-carbon solutions through introduction of the Cummins HELM™ engine platforms, which, applied across legendary B-, X10- and X15-series engine portfolios, provide customers with the option to choose the fuel type — either advanced diesel or alternate fuels like natural gas or hydrogen — that best suit their business needs, while delivering the power and performance they expect. This multi-solution approach fosters continued competitiveness in sectors where zero-emissions alternatives are not yet commercially viable, such as heavy-duty trucking and agriculture. Milestones in HELM include:

- Cummins started full production of the X15N™ natural gas engine at its Jamestown Engine Plant. This engine marks a major milestone in the trucking industry, offering a natural gas engine for long-haul operations with substantial financial and environmental benefits.
- Cummins launched HELM engine platforms with the L10 engine, an advanced hydrogen fuel delivery system (FDS), and the B6.7N natural gas engine, supporting the Destination Zero strategy across global markets.

Cummins is strategically positioned to capitalize on rising demand for resilient power solutions through its customer-driven, multi-solution Destination Zero approach, which advances innovation across businesses and unlocks climate-driven market opportunities while sustaining long-term competitiveness. The company expanded its power generation portfolio with the addition of the state-of-the-art zero emissions 200kWh to 2MWh Battery Energy Storage Systems (BESS) solutions.

Cummins is strategically positioned to achieve significant operational improvements and enhance production-system adaptability by advancing technological capabilities across manufacturing facilities and processes. Through targeted investments in manufacturing excellence, Cummins will continue to optimize resource utilization, minimize waste generation and strengthen operational resilience. These enhancements directly support Cummins' sustainability commitments while building long-term competitive advantages through improved cost structure, enhanced quality control and increased manufacturing flexibility to meet evolving market demands.



The Cummins HELM™ platform gives customers control of how they navigate their own journeys as part of the energy transition.

Governance for risk management

The Cummins Board of Directors and the senior management team effectively oversee the company's top risks, while the Enterprise Risk Management (ERM) program gives the board and senior management a framework to help them understand, identify, assess, manage and monitor risks so the company can meet its strategic objectives.

As climate-related risks affect multiple aspects of the business, the enterprise risks incorporate, where relevant, climate-related aspects, with a separate stand-alone enterprise risk on climate change for effective oversight and management. The Cummins board is ultimately responsible for assessing and managing climate-related risks and opportunities. Managing risk effectively is on the agenda at regularly scheduled board meetings, and the board reviews the ERM program and the results of Cummins' latest enterprise risk assessment annually.

The company has a mature ERM program that identifies, categorizes and analyzes the relative severity and likelihood of the various types of material enterprise-related risks to which Cummins is or may be subject. The company has an executive risk council (ERC) that meets five times each year with the Executive Director, Global Risk to review and update material enterprise-related risks and mitigation plans for each. The ERC also is responsible for reviewing and approving the company's double materiality assessment that identifies ESG impacts, risks and opportunities and the Climate Scenario Analysis that identified risks and opportunities for Cummins under different climate change scenarios. The company assigns ownership of every enterprise risk to a member of the executive management team, which includes the climate change risk. Additionally, the board and its Committees provide oversight of the company's ESG risks and opportunities, including regular review by the full board of ESG strategy and challenges. The designated committees undertake detailed reviews of specific ESG risks and opportunities. For example, the Safety, Environment and Technology (SET) Committee provides primary oversight for environmental risks and opportunities. The board or its committees reviews elements of ESG strategy, risks and progress with dedicated time at every regular board meeting. The SET Committee provides overall guidance and insight on major environmental sustainability initiatives such as Cummins' environmental sustainability strategy, as well as environmental management at its facilities and operations.

A central climate risk management program led by this Technical and Environmental Systems (TES) group continuously monitors the evolution of climate-related risks and opportunities, ensuring the appropriate adaptation and mitigation strategies are in place to effectively manage transition and physical risks across the company.

In response to the growing impact of climate-related risks and the increase in regulatory requirements, the ESG Strategy Team was established under the Executive Director of Global Risk. This team is responsible for leading the company's double materiality assessment to identify ESG impacts, risks and opportunities; co-ordinates Cummins' global approach to ESG; provides support to Cummins' businesses in the achievement of their ESG-related business strategies; and ensures compliance with the company's obligations under the growing number of ESG reporting and disclosure regulations globally. The ESG Strategy Team established a cross-functional working group, primarily comprised of various functional, business segment and regional representatives, responsible for executing Cummins' ESG strategy. Cummins also has established an ESG management review group which includes senior leaders who help break down barriers and provide guidance to the ESG Strategy Team that can be put into action by the ESG Working Group.

Stakeholder engagement

For decades, sustainability — including environmental, social, and governance efforts — has been central to the company's long-term business and growth strategies. Since the 1970s, Cummins has embraced the stakeholder model of doing business, focusing on producing engines that reduced the environmental impact, supported healthier communities, and embraced diversity and inclusion among its values. Cummins acknowledges the responsibility and opportunity it has to guide the industry into the next era of smarter, cleaner power. Destination Zero is the customer driven, multi-solutions approach rooted in the understanding that a variety of technologies are required to achieve industry-wide decarbonization across diverse applications, and it is grounded in the company's mission and core values which call for a just energy transition that unlocks opportunities for all.

Engagement with suppliers

Cummins is committed to maintaining effective communication with suppliers to ensure alignment with the company's business strategies and expectations, including Destination Zero. The company meets regularly with strategic suppliers and uses a scorecard to track the performance of critical suppliers on such metrics as quality, on-time delivery and sustainability. Cummins also maintains a supplier portal to ensure its partners are aware of requirements, informed on company news and announcements, and have access to resources to support their development and performance. By fostering collaboration and transparency, Cummins aims to support suppliers in achieving shared sustainability goals and prepare for the future. Cummins also supports suppliers' adoption of new requirements and technologies necessary for the future of energy. Cummins collaborates with external suppliers through Supplier Relationship Management (SRM) and Quarterly Business Review (QBR) forums to promote continuous information technology (IT) improvements that drive efficiency and cost reduction. The company provides strategic vendors and global preferred vendors with key metrics to drive innovation within contracts and for related projects, including incentives such as Innovation Funds allocated by vendors for new technology, Industry 4.0 and process optimization. Cummins shares its expertise, including articles and new project documentation, with vendors to drive sustainability and cost-reduction outcomes. Cummins' relationship owners and suppliers share best practices and consider how vendors can apply these approaches and IT solutions to meet new business requirements and/or drive improvements. Small suppliers value Cummins' insights and may not have the resources to quickly implement process improvements. The company works with suppliers to establish more practical timelines for driving improvements and follows up during QBR meetings to track progress.

Engagement with communities

The company's mission seeks out new and better ways to ensure Cummins' communities continue to be inclusive and leave no one behind and applies these principles as it considers the energy transition. To be successful, the company engages with leading nonprofits and community partners to listen, assess and invest in solutions that meet the evolving community needs where employees live and work. Employees also have access to community development grants, for the nonprofits with which they volunteer, deepening the company's understanding of community needs and impact around the world. This approach is highlighted by the opening of an electrolyzer facility in Guadalajara, Castilla-La Mancha, Spain. Electrolyzers use renewable energy sources to produce green hydrogen, which plays a crucial role in accelerating the clean energy transition, and this sustainably designed facility is expected to create 150 highly skilled job in the region and help scale the development, manufacturing and adoption of zero-emissions technology in Spain and Europe. For additional details on this project, see the spotlight story in this year's Sustainability Progress Report.

LEARN MORE

Visit this year's Sustainability Progress Report to learn more about Cummins' community engagement efforts.

Cummins' community engagement efforts focus on three global priority areas critical to healthy communities:

- **EDUCATION:** Advancing equitable educational systems and high-quality learning environments
- **EQUITY:** Increasing opportunity and access for all
- **ENVIRONMENT:** Contributing to a cleaner, healthier and safer environment

Cummins employees volunteer through the company's Every Employee Every Community program, which provides all employees at least four hours of paid time off each year to volunteer in their communities.

Cummins engages in a wide range of environmental community initiatives aimed at ensuring communities are better because the company is there. This is the heart of Cummins' commitment to sustainability, community impact and a more prosperous future for all. Partnerships are essential to drive meaningful, scalable impact. The Nature Conservancy (TNC) is a leading expert in conservation and nature-based solutions. The company also partners with the Arbor Day Foundation, reinforcing Cummins' support for reforestation and the planting of seedlings in the Mississippi River Valley Region (U.S.). Strengthening Cummins' environmental impact, Cummins Water Works serves as the company's strategic program to address the global water crisis and empowers communities by engaging in sustainable, high-impact water projects. The company partners with leading experts and nonprofit organizations, such as TNC, Water.org and WaterAid, that are focused on analyzing, prioritizing and implementing high-impact water projects in major water-stressed regions around the world. Informed by the needs of local communities, the program focuses on large-scale impact and is working toward a bold goal: becoming net water positive in every region where Cummins operates by 2030.

Engagement with employees

As Cummins leads through the energy transition, embedding inclusive best practices in its workforce strategy is essential. The company is not only reimagining its operations but also reshaping how it hires, develops and empowers its people. This transformation demands agility, foresight and a culture that balances collaboration with accountability. Cummins has a strong, purpose-driven culture that is key to the company's success. It is imperative that the company understands the capabilities and workforce required, both now and in the future, to successfully manage the energy transition. Cummins regularly deploys the Global Employee Experience Survey to hear employees' concerns and proactively address gaps and needs within the organization. Employees are encouraged to share honest feedback about their workplace culture experiences, and every leader is expected to create an action plan based on the unique needs of their team. By actively listening to employee feedback through the Global Employee Experience Survey and translating data and insights into actionable development programs, Cummins is not only reinforcing its core values but also equipping its workforce with the tools to thrive in a diverse environment. This integrated approach ensures that skill gaps are addressed and that every employee is empowered to contribute meaningfully to a culture of respect, collaboration and continuous growth. In addition to the survey, Cummins routinely engages in ongoing conversations with its employees about many matters affecting the workforce. By harnessing the strengths of its global workforce, the company accelerates breakthrough ideas and technology for the energy transition, delivers strong business results and creates exceptional solutions for customers and communities worldwide helping them navigate the energy future.

Engagement with customers

At Cummins, customer engagement is about more than transactions — it's about a relentless commitment to its customers' success. The company achieves this by deeply understanding their needs and proactively

Cummins employees attending a global town hall in Columbus, Indiana (U.S.).

developing solutions that empower them to thrive. This commitment is strengthened by its collaborative approach, which includes proactively gathering customer insights through Voice of Customer interviews, user experience programs, Customer Satisfaction Surveys, and other feedback mechanisms. This goes hand-in-hand with delivering best-in-class products, solutions, and unwavering support, fostering enduring customer loyalty, advocacyand long-term partnerships. Cummins' ability to leverage longstanding customer relationships and forge new partnerships across its business and around the world is one of the company's unique capabilities and how Cummins expands its impact.

Cummins' business and environmental strategies are intentionally aligned through Destination Zero to unlock decarbonization opportunities and help customers navigate the energy transition with confidence. As the company navigates an increasingly dynamic energy landscape, Cummins advocates alongside its customers for clear, technology-neutral policies that accelerate adoption of clean power solutions and expand market opportunities for all. Cummins' commitment to a just energy transition means collaborating with customers — whether through scalable battery energy storage systems or advanced fuel-agnostic engines — to unlock new efficiencies and drive profitable, low-carbon growth.

Engagement with governments and industry

As the global energy transition accelerates, Cummins recognizes that legislation and regulations are pivotal pacing factors in advancing low- and zero-emissions technology deployment and infrastructure readiness.

Through its Government Relations function, the company strategically engages with policymakers to shape policy, secure funding and drive regulatory advancements through collaborative, cross-sector initiatives that underpin its Destination Zero strategy. Government funding plays a critical role in accelerating the transition, allowing for Cummins to make investments in innovative projects. Working with the U.S. Department of Energy (DOE), Cummins received a grant for $75 million to convert existing manufacturing space at the original Cummins Engine Plant in Columbus, Indiana, to zero-emissions components and powertrain systems. This grant is essential to Cummins' commitment to advancing electrification and domestic battery supply chains. Cummins is also investing, along with several partners, in a new battery plant in Marshall County, Mississippi. With incentives from state and local governments, the Amplify Cell Technologies battery cell joint venture is building a state-of-the-art manufacturing facility in Mashall County, Mississippi. Cummins also worked closely with the DOE to advance critical research on hydrogen internal combustion engines and next-generation electrolyzer development. These milestones underscore Cummins' commitment to innovation, U.S. domestic manufacturing and a sustainable energy future.

Cummins continues its high-level engagement around the world as well, with policymakers in Europe, the United Kingdom (U.K.) Brazil, and beyond, advocating for a regulatory landscape that supports Cummins' clean energy and decarbonization initiatives. In the European Union (E.U.), the company was instrumental in securing the adoption of the EURO 7 Regulation, which introduces stricter emissions limits for commercial vehicles. Cummins also played a key role in Electrolyzer Partnership meetings, engaging with E.U. officials on the Net-Zero Industry Act to advocate for global supply chain resilience and fair market access. In the U.K., Cummins actively participated in the International Investment Summit, where company regional leaders met with senior government officials, including Prime Minister Sir Keir Starmer and King Charles III, to advocate for policies supporting Destination Zero.

The company celebrates over 30 years of a comprehensive partnership between Cummins and Valvoline Global. Since 1994, the teams have worked together in the field and in labs to develop products that complement each other. Working as a single team to deliver the best customer value, Cummins designs and builds cutting-edge engines, generators and power systems, and Valvoline Global creates innovative lubricants and fluid solutions alongside them.

Cummins leaders engaged with Girls Inc. supporters to discuss the importance of advocacy and put it into practice at the Indiana Statehouse.

Governance

Cummins' Board of Directors plays a critical role in aligning and advising on the company's strategy and operations while safeguarding stakeholders' interests. By leveraging their combined, vast experiences and perspectives across multiple fields, the board exercises sound and independent judgment on key matters pertaining to the company's future and its success.

The board works with and advises company leadership on a multitude of topics pertaining to Destination Zero, employee health and wellbeing, enterprise risk management, advancing talent management, and development strategies and more. The board is integral to upholding strong corporate governance practices, which are vital for the sustained advantage of shareholders. Cummins believes that effective corporate governance involves regular dialogue between its directors and shareholders. The company's board members consistently engage with shareholders to discuss its expertise, renewal process and oversight of various subjects, including company strategy, growth, risk management and sustainability. Furthermore, in 2024, Cummins' Vice President of Investor Relations, Chief Legal Officer and Corporate Secretary conducted discussions with several investors to gather their insights on governance matters and practices. The feedback from these sessions was compiled and presented to the entire Board for consideration.

Ten of Cummins' 11 director nominees qualify as independent directors within the meaning of the rules adopted by the Securities and Exchange Commission (SEC) and the corporate governance standards for companies listed on the New York Stock Exchange (NYSE). The company's board has adopted independence standards that meet or exceed the independence standards of the NYSE, including categorical standards to assist the Governance and Nominating Committee and the board in evaluating the independence of each director. All current directors are nominated for reelection at the Annual Shareholders Meeting to hold office until the 2026 meeting and until their successors are elected and qualified (if applicable).

The board has established six standing committees, with five consisting entirely of independent directors. These include the: Audit; Talent Management and Compensation; Governance and Nominating; Finance; and Safety, Environment and Technology Committees. The board and its committees continuously oversee significant enterprise-related risks. The company has established a comprehensive enterprise risk management program that identifies, categorizes and evaluates the relative severity and likelihood of various types of material risks. In 2024, the board convened five times, with all directors attending at least 75% of the meetings. The non-employee members of the board also met in executive session without management present as part of each regular meeting. Thomas J. Lynch, current Lead Director, presided over these sessions.

The Chair and CEO at Cummins has direct responsibility for climate-related issues in strategy, operations (manufacturing and supply chain), planning, budget, technology and innovation. The centralized technical and environmental systems organization, reporting to the Chief Technical Officer (CTO), contains the Environmental Sustainability Program office for sustainability plans and reviews with a focus on technology and innovation. The CTO oversees advancements in research and technology, enterprise technology portfolio management, and the overall responsibility for the company's environmental sustainability strategy.

The company's Action Committee for Environmental Sustainability (ACES), formed in 2012, integrates climate action into Cummins' overall business strategy. The executive sponsor and the head of this group both report up to the CTO. The group is the voice and catalyst for environmental action beyond compliance in the company and provides tools and resources for employees to go further and faster in reaching Cummins' environmental goals. The group meets regularly and reports progress to the CTO through its executive sponsor. ACES directs the development and implementation of the environmental sustainability strategy and reports out on progress in meeting goals. The corporate ACES team has a global focus, including among its stakeholders every business segment and key functions. It meets annually with the Chair and CEO. The individual stakeholders and goal owner areas of ACES ensures that all aspects of the environment and relevant areas of the business are included,

and data is collected and reported that informs decision-making and goal setting. Additional executive sponsor meetings align functional and business leaders across the organization and prioritize actions required for goal progress.

In response to the growing impact of climate-related risks and the increase in regulatory requirements, the ESG Strategy Team was established, under the Executive Director of Global Risk. This team is responsible for leading the company's double materiality assessment to identify ESG impacts, risks and opportunities; co-ordinates Cummins' global approach to ESG; provides support to the Cummins businesses in the achievement of their ESG-related business strategies; and ensures compliance with Cummins' obligations under the growing number of ESG reporting and disclosure regulations globally. The ESG Strategy Team established a cross-functional working group, primarily comprised of various functional, business segment and regional representatives, responsible for executing Cummins ESG strategy. Cummins also has established an ESG management review group which includes senior leaders who help break down barriers and provide guidance to the ESG Strategy Team that can be put into action by the ESG Working Group.

Conclusion

Cummins' Climate Transition Plan represents the company's commitment to leadership in the global transition to a low-carbon economy and climate resilient economy. By aligning its business strategy with its sustainability goals through Destination Zero, Cummins is creating long-term value while working towards a net-zero future.

Cummins recognizes that this journey will require adaptation and innovation as technologies, markets and policies evolve. The company will continue to work with its stakeholders, monitor progress, adjust strategies as needed, and transparently report its achievements and challenges along the way to a sustainable future.

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