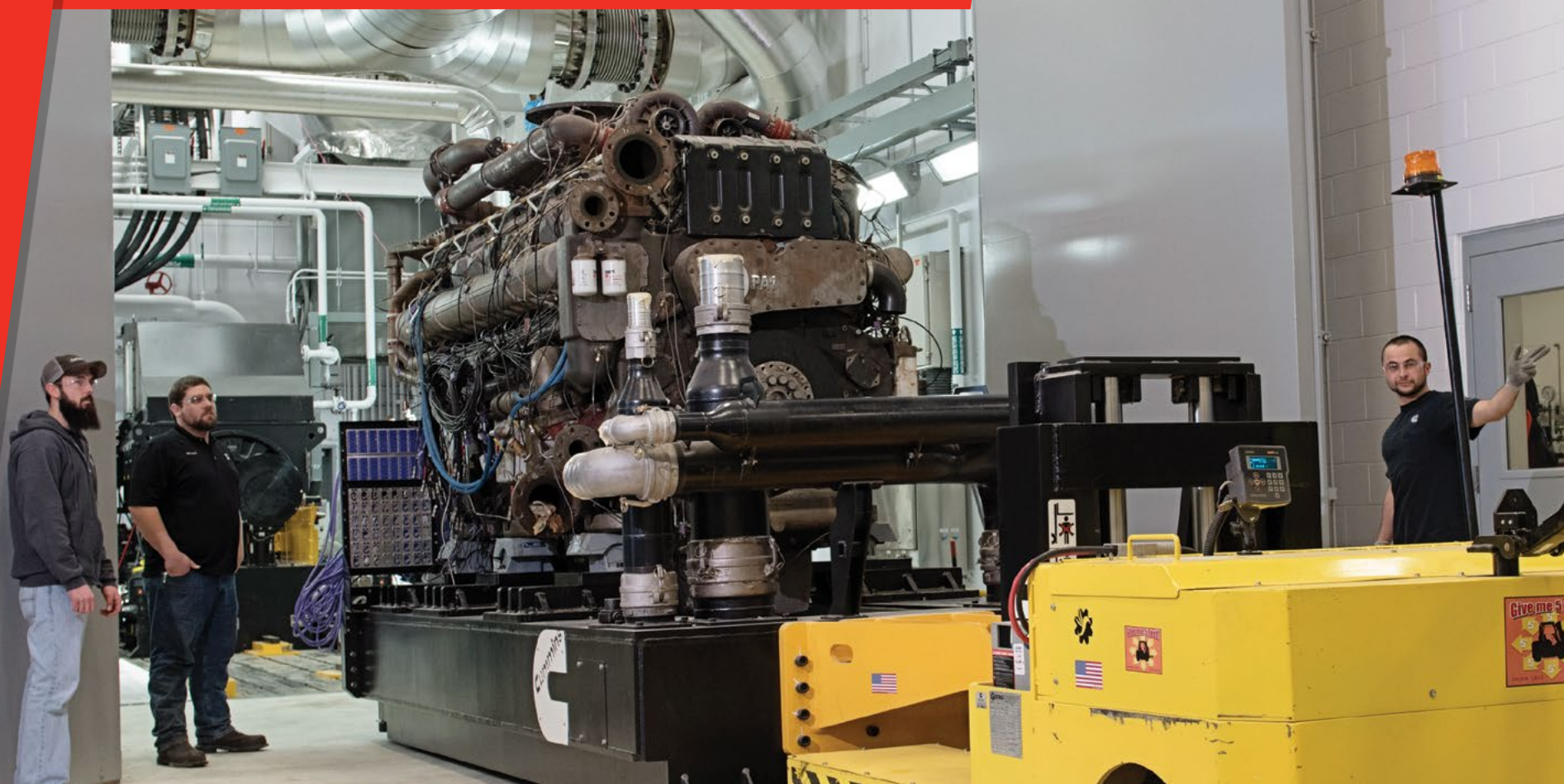




# *THE **POWER** OF CUMMINS*

SUSTAINABILITY PROGRESS REPORT 2014-2015

EXECUTIVE SUMMARY



## **ABOUT THIS REPORT**

This is the Executive Summary of Cummins' 2014-2015 Sustainability Progress Report.

The Executive Summary includes condensed versions of many of the stories found in the Company's full Sustainability Progress Report. To learn more about the stories in the summary, and to read other stories about Cummins' sustainability efforts, you can find the full report at [cummins.com/sustainability](http://cummins.com/sustainability).

## **ABOUT THE COVER**

The QSK95, the largest engine Cummins has ever built, is getting a lot of attention these days. It was chosen by Siemens to power its Charger locomotive in the United States. Siemens won a multi-state, \$225 million contract in 2014 to build 35 diesel-electric locomotives. And the engine is featured in the new QSK95 series of generators unveiled by Cummins Power Generation late in 2014. In the photograph, Cummins employees are pushing the engine into a test cell in Seymour, Indiana (U.S.A.). You can read about the locomotive on page 4.

## **ABOUT THE CUMMINS SUSTAINABILITY DATA BOOK**

In 2015, Cummins will produce its first Sustainability Data Book. The Data Book will include all of the statistics in the 2014-2015 Cummins Sustainability Progress Report plus additional disclosures, especially pertaining to the Company's efforts in environmental sustainability. We know some of our report stakeholders are most interested in the data behind our sustainability efforts. Look for this publication to be posted on [cummins.com/sustainability](http://cummins.com/sustainability) late in the second quarter of the year.

## WHO WE ARE

*Cummins Inc., a global power leader, is a corporation of complementary business units that design, manufacture, distribute and service engines and related technologies, including fuel systems, controls, air handling, filtration, emission solutions and electrical power generation systems.*

### WORLD HEADQUARTERS

500 Jackson Street  
Columbus, IN 47201

### FOUNDED IN 1919

#### WEBSITE

[www.cummins.com](http://www.cummins.com)

### FORTUNE 500 RANKING (2015)

# 154

### STOCK SYMBOL

(traded on NYSE)

# CMI

### CUSTOMERS

The Company's customers are located in approximately **190 countries** and territories that Cummins reaches through a network of more than **600** Company-owned and independent distributor locations and approximately **7,200 dealer locations.**

### SALES / EARNINGS

In 2014, Cummins earned

**\$1.65 billion** on revenues of

# \$19.2 billion.

### EMPLOYEES

Worldwide, Cummins employs approximately

# 54,600 people.

More than 60 percent of the Company's employees are located outside the United States.

# HOW WE DO IT

*Cummins is organized into four business units:*



## CUMMINS ENGINE BUSINESS

The Engine Business manufactures and markets a complete line of diesel and natural gas-powered engines for on-highway and off-highway use. Markets include heavy- and medium-duty trucks, buses, light-duty trucks and industrial uses such as agricultural, construction, mining, marine, oil and gas and military equipment.



## CUMMINS POWER GENERATION BUSINESS

Power Gen is a global provider of power generation systems, components and services in standby power, distributed power generation, as well as auxiliary power in mobile applications. It also provides a full range of services including long-term operation and maintenance contracts and turnkey and temporary power solutions.



## COMPONENTS BUSINESS

**Cummins Emission Solutions** designs and manufactures exhaust aftertreatment technology and solutions for the light-, medium- and heavy-duty, and high-horsepower engine markets.

**Cummins Filtration** designs and builds heavy-duty air, fuel, hydraulic and lube filtration and chemical and exhaust system technology products.

**Cummins Fuel Systems** designs and manufactures new fuel systems.

**Cummins Turbo Technologies** designs and builds turbochargers to boost engine power and related products.



## CUMMINS DISTRIBUTION BUSINESS

Cummins Distribution sells and services the full range of Cummins products for over 20 application segments in over 190 countries around the globe.

# TABLE OF CONTENTS

## 1 INTRODUCTION

WHO WE ARE

## 2

HOW WE DO IT

## 4 COVER STORY

**CUMMINS HELPS  
PASSENGER RAIL  
PICK UP SPEED IN  
NORTH AMERICA**



## 6 ENVIRONMENT

CUMMINS ESTABLISHES  
NEW SUSTAINABILITY GOALS

## 8

CUMMINS MAKES PROGRESS  
ON ITS ENVIRONMENTAL GOALS

## 11

CUMMINS PRODUCTS ALWAYS  
HAVE THE ENVIRONMENT IN MIND

## 13 INNOVATION

INNOVATION'S KEY  
ROLE AT CUMMINS

## 14

IN MYANMAR, CUMMINS POWER  
GENERATION IS CONNECTING A  
NATION TO THE WORLD

## 15

**NEW NISSAN TRUCK  
INCLUDES CUMMINS'  
INNOVATION,  
COMMITMENT  
TO EXCELLENCE**



## 16 CORPORATE RESPONSIBILITY

EMPLOYEES TAKE CORPORATE  
RESPONSIBILITY VALUE TO HEART

## 17

ENVIRONMENTAL CHALLENGE  
ENJOYS ANOTHER  
SUCCESSFUL YEAR

## 18

TECHNICAL EDUCATION PROGRAM  
INCREASES OPPORTUNITIES FOR  
WOMEN IN TURKEY

## 19

**CUMMINS HELPS  
CITY GET WISE  
ABOUT WASTE**



## 20 HEALTH & SAFETY

CUMMINS REDOUBLES  
ITS HEALTH AND  
SAFETY EFFORTS

## 21

'KNIGHT KNUCKLE' INVENTOR  
CREATES A SAFER CUMMINS

## 22 RIGHT ENVIRONMENT

CUMMINS STRENGTHENS  
DIVERSITY VALUE IN 2014

## 24

DIVERSITY PROCUREMENT  
CELEBRATES OUTSTANDING YEAR

## 25 GOVERNANCE

CUMMINS ENCOURAGES BROADER  
ADOPTION OF ETHICAL PRINCIPLES

## 26 FINANCIAL & OPERATIONS

CUMMINS ACHIEVES RECORD  
FINANCIAL YEAR IN 2014

## 27

**CUMMINS TEAMS  
UP TO DELIVER  
FOR CUSTOMERS  
IN MADAGASCAR**



## 28

CENTER'S GOAL IS A  
HEALTHIER EMPLOYEE

## 29

OUR RECOGNITION



## COVER STORY

# CUMMINS HELPS PASSENGER RAIL PICK UP SPEED IN NORTH AMERICA

*Toronto's new rail service, when fully implemented, is expected to remove more than a million cars annually in and around Canada's largest city. (Photo courtesy of METROLINX.)*

*From its distinctive shades of green to its custom seats, handy power outlets and Wi-Fi, the UP Express will have plenty to keep passengers talking about as it whisks visitors from Toronto's Pearson International Airport to Union Station downtown for the Pan American Games in 2015.*

Few people, however, will likely notice what's beneath Nippon Sharyo's state-of-the-art railcars. Cummins' underfloor QSK19-R diesel engine will power the new service, but Company leaders say they'll understand if riders focus on the new railcars' passenger amenities.

"At Cummins, we are all about partnering in our customers' success," said Melina Kennedy, the Company's General Manager – Global Rail and Defense Business. "We're very pleased that our ultra-clean diesel technology is seen as a way to help move people

more efficiently while significantly reducing emissions."

Powering the 18 railcars included in Toronto's UP Express is merely one example of how Cummins is playing an increasingly important role today

in passenger rail in North America. Other projects include:

» Cummins' QSK19-R will also power 14 Nippon Sharyo railcars headed to the Sonoma Marin Area Rail Transit (SMART) system north of San Francisco, California (U.S.A.),

as part of a more than \$200 million expansion.

- » Cummins' QSK95 engine, the largest high speed diesel engine the Company has ever built, is the preferred engine for Siemens' new Charger locomotive. Siemens won a multi-state, \$225 million contract in 2014 to build 35 diesel-electric locomotives in the U.S.
- » That same locomotive will also power All Aboard Florida, the first privately owned, operated and maintained passenger rail system in the United States.

When these projects looked for a fuel-efficient engine meeting stringent U.S. Environmental Protection Agency (EPA) regulations, Cummins had the right product at the right time to deliver the power and torque they needed to succeed.

The QSK19-R powers more than 1,700 railcars currently in use in intercity operations in Germany, the United Kingdom, Australia, China and elsewhere. To meet U.S. and European emissions regulations, the engine is fully integrated with Cummins' Selective Catalytic Reduction (SCR)

aftertreatment that reduces exhaust emissions to extremely low levels.

SCR converts oxides of nitrogen (NOx), which can cause smog, into nitrogen and water that can be safely emitted into the atmosphere. With the use of SCR, engine combustion can be optimized to improve fuel efficiency. Engines with Cummins' SCR package have delivered up to six percent better fuel economy.

When the service is fully implemented in Toronto, the UP Express is expected to remove the equivalent of more than a million vehicles annually in and around Canada's largest city.

A similar configuration will power the railcars for the Sonoma Marin Area Rapid Transit system. SMART wants to build a line serving Sonoma and Marin counties, north of San Francisco. The initial operating segment between Santa Rosa and San Rafael is slated to open in late 2016.

The QSK95, meanwhile, has been quickly making a name for itself since its introduction in November of 2011. The engine is eight feet tall, 14 feet long and capable of producing up to 4,400 horsepower (2,983 kW).



It is ideal for passenger rail, providing clean power in a relatively small footprint compared to heavy, medium-speed diesels traditionally used in locomotives. It was the perfect fit for Siemens, which was looking for an American-made engine for a new locomotive it planned to build for U.S. markets.

When officials from Illinois, California and Washington state jointly bid a contract for 35 diesel-electric locomotives, with an option for another 222 locomotives, Siemens won. The 35 locomotives are scheduled to be delivered starting in 2016.

The company's Charger locomotive with the QSK95 will also power a ground breaking initiative called All Aboard Florida.

The privately owned passenger rail service will eventually connect Miami and Orlando, making intermediate

*When Siemens went looking for a North American-made engine for its new Charger locomotive, it chose Cummins' QSK95. It expects to begin delivering the locomotive in 2016. (Rendering courtesy of Siemens.)*

stops in Fort Lauderdale and West Palm Beach. Service from Miami to West Palm Beach is scheduled to begin in late 2016. All Aboard Florida is expected to eventually remove about 3 million cars from the road annually.

Skeptics question whether North Americans will ever give up their cars in big numbers for train travel. But advocates say as highway congestion grows, the climate improves for passenger rail.

"This is a very exciting and important time for passenger rail," Cummins' Kennedy said. "Our hope is the high technology we're developing coupled with our deep knowledge of engines will help Cummins customers develop successful solutions to moving people quickly and efficiently."

## ENVIRONMENT

# CUMMINS ESTABLISHES NEW SUSTAINABILITY GOALS

*Cummins is establishing new goals to address two of the Company's biggest environmental opportunities, improved efficiency of its products in use and more efficient logistics within Cummins' own operations.*

The new goals are in addition to the goals the Company set publicly for waste, water and energy in 2014.

Cummins' Action Committee for Environmental Sustainability (ACES) has been working on the new goals for the past year, which, like the 2014 goals, are timed to 2020. Here's a look at the new goals:



## PRODUCTS IN-USE GOAL

*Partner with customers to improve the efficiency of our products in use, reaching by 2020 an annual reduction of 3.5 million metric tons (MMT) of carbon dioxide (CO<sub>2</sub>), saving 350 million gallons of fuel.*

Cummins produced 1.1 million engines in 2014 (including joint ventures), and carbon dioxide emissions from these engines in use represent 99 percent of its CO<sub>2</sub> footprint.

*Cummins' new Southern Indiana Logistics Center is expected to help make the Company's supply chain more efficient.*

The Company has done more than 100 fuel economy projects with Cummins customers using Six Sigma tools since 2004.

Those projects saved customers more than 100 million gallons of fuel and prevented the release of more than 1 million tons of CO<sub>2</sub>.

The projects included optimizing vehicle specifications and engine operating parameters, fleet and driver training and advanced engine integration with the vehicle. Doing fuel efficiency projects with customers not only can save them money while reducing greenhouse gases (GHGs), it is also consistent with the Company's pledges of dependability and customer support.

Cummins' new goal presents an opportunity for the Company's products in-use team to do its work faster and expand beyond current initiatives.

*Carbon dioxide savings from 2014 customer fuel efficiency projects equaled the total CO<sub>2</sub> emissions from Cummins' global operations during the year.*

Cummins made significant progress on products in use in 2014, completing initiatives that reduced nearly 700,000 metric tons of CO<sub>2</sub>. The products in-use team has worked to identify opportunities and accelerate fuel efficiency improvement efforts with a project list numbering close to 200 from 2014 to 2020.

In the past year, the team also trained more than 450 people to work on fuel efficiency improvements globally.



## LOGISTICS GOAL

*Use the most efficient method and mode to move goods across the Cummins network to reduce CO<sub>2</sub> per kilogram of goods moved by 10 percent by 2020.*



Transportation is a key element of the logistics process that impacts the supply chain from suppliers to customers. Transforming how Cummins moves raw materials and finished goods across its supply chain is at the core of the Company's transportation, logistics and warehouse strategy as well as an important priority area for its global environmental sustainability plan.

Cummins spends close to \$442 million in transporting goods across the Company's network. In 2014, Cummins adopted a transportation network optimization initiative to get the most out of its transportation efforts as part of the Company's larger supply chain transformation.

Cummins is now using a global transportation management system to improve the speed and visibility of goods moved and provide better analytics to manage the process.

The main focus of the Company's goal is shipments from suppliers to Cummins facilities and shipments

between Cummins' own facilities, as its own business units supply each other.

The transportation management system will help Cummins reduce the total number of miles goods travel by combining shipments of different products going to common locations. The Company will also be able to reduce the number of less-than-full truckload shipments.

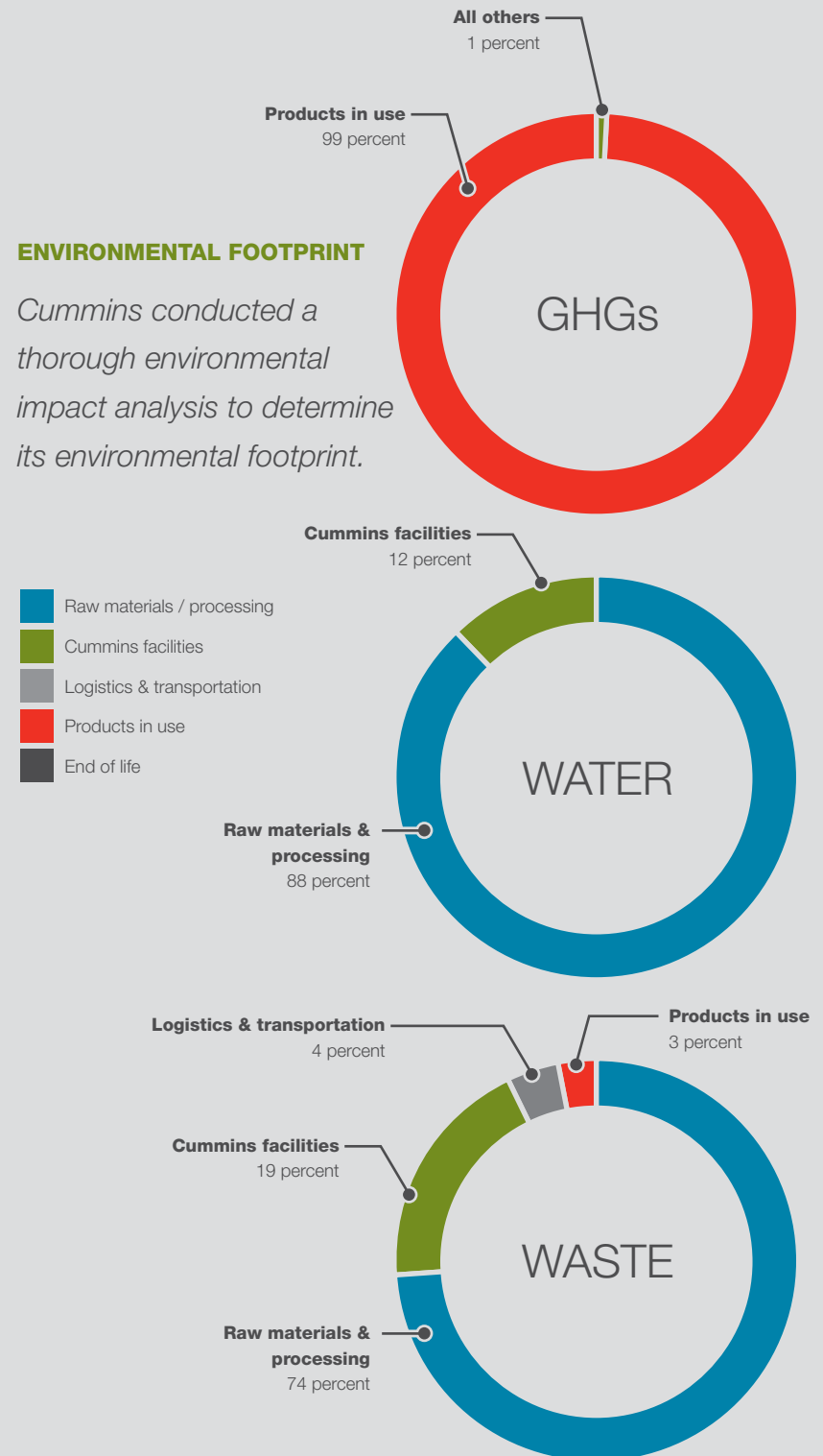
The system will help Cummins' logistics team choose the most efficient way – whether by road, rail or sea – to ship material. As a result, the Company expects to save \$40 million to \$64 million annually.

Cummins is taking a phased-in implementation approach, which began as a pilot in North America in 2014 followed by a European launch in January 2015, with India integration occurring in the third quarter of 2015.

Working with carriers in India, Brazil and Asia-Pacific is a priority because those are regions where the Company can achieve the biggest CO<sub>2</sub> reductions.

## ENVIRONMENTAL FOOTPRINT

*Cummins conducted a thorough environmental impact analysis to determine its environmental footprint.*



# CUMMINS MAKES PROGRESS ON ITS ENVIRONMENTAL GOALS

*Cummins made significant progress on all of the goals it established in 2014 to reduce its use of water and energy and the waste it produces in its facilities.*

The Company is close to its energy goal, which is tied to 2015, and is already near its overall target for water consumption by 2020.

But officials say it is too soon to declare the water goal has been met.

“We want to show we can consistently meet these goals before we develop new ones,” said Mark Dhennin, Cummins Director of Energy Efficiency and Environment.

Here’s a progress report on the six goals Cummins established in 2014:



## WATER GOALS

*Reduce direct water use across Cummins by 33 percent by 2020, adjusted for hours worked.*

*Achieve water neutrality at 15 Cummins manufacturing sites where water is in short supply, also by 2020.*

### **BASELINE YEAR: 2010**

Cummins used 972 million gallons of water in 2014. While this is an increase of 14 million gallons from 2013, the number represents a 9 percent decrease in water use intensity since last year.

Since the goal’s baseline year of 2010, direct water use is down by 14 percent, while water use adjusted for hours worked is down by 36 percent.

Many Cummins sites started working to reduce their water consumption before the new goals were announced. Four sites, including three engine plants in China and the Technical Center in Columbus, Indiana (U.S.A.), collectively saved more than 67 million gallons, about 7 percent of the Company’s total water use in 2013 and 2014.

This fast pace led Cummins to exceed its goal of 33 percent adjusted per hours worked, but the Company knows it must maintain that level of water use over an extended period before the goal is met.

Cummins defines water neutrality as off-setting the Company’s own water use at a particular location through conservation and with community improvements that either conserve water or make new water sources available. As of the end of 2014, the Company did not have any sites confirmed as water neutral, but did have six sites pending validation.



## WASTE GOALS

*Increase recycling rate from 89 percent in 2014 to 95 percent by 2020.*

*Reach “zero disposal” status at 30 sites by 2020 where 100 percent of waste is recycled in a useful manner.*

### **BASELINE YEAR: 2010**

The Company in total recycled 90.4 percent of its total waste generated in 2014, equivalent to approximately 165,000 metric tons of waste. Since the baseline year of 2010, Cummins’ total waste disposed decreased by about 22 percent in absolute terms, while experiencing a 41 percent reduction in disposal adjusted for hours worked.

Compared with 2013, Cummins’ total waste disposed in 2014 decreased by 2,000 metric tons on an absolute basis or 20 percent, adjusted for hours worked.

Cummins has been working to formalize its definition of



Employees did a facility-wide “dumpster dive” in Charleston, South Carolina (U.S.A.), looking for recyclable material as part of the Company’s 2014 Global June Environment Month.

“zero disposal.” There are currently four sites confirmed and one site awaiting validation as zero disposal.

Under Cummins’ definition of zero disposal, waste can only be burned for energy recovery after reasonable efforts have been made to reduce, reuse and recycle, and then only if more energy is created than needed to sustain combustion.



## ENERGY AND GHG GOALS

*Reduce energy use and greenhouse gas (GHG) emissions by 25 percent and 27 percent, respectively, compared to a 2005 baseline and adjusted to sales, by 2015.*

**BASELINE YEAR: 2005**

The focus on energy and greenhouse gas was the first company-wide initiative of its kind at Cummins, targeting a specific set of environmental impacts around the globe. Achieving the second goal (the first goal year was set for 2010) will require the Company to double its energy efficiency reductions as Cummins’ business is changing.

The Company, for example, is producing more high-horsepower engines, which require a lot of fuel

to test. But Cummins is on track to meet both its energy and GHG goals in 2015.

In 2014, the Company’s GHG emissions increased on an absolute basis (up 8 percent) and decreased when adjusted for sales (down 2 percent) from the prior year. Since the energy / GHG goal baseline year of 2005, however, emissions have decreased 35 percent adjusted for sales, while increasing by 10 percent on an absolute basis.

# ENVIRONMENTAL GOAL PROGRESS

Cummins' water and waste facility goals have a goal year of 2020, while the energy and greenhouse gas (GHG) goals are set to be met in 2015.

The charts to the right show the Company's goal progress visually, while the data table below gives more detail.

## WHAT IS THE IMPACT?

Since 2010, Cummins substantially reduced facility water and waste, adjusted for hours worked, and GHG emissions, adjusted for sales. The Company avoided impacts equivalent to these real-life examples.



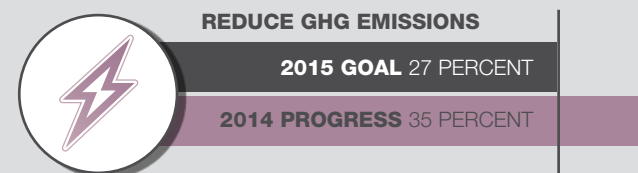
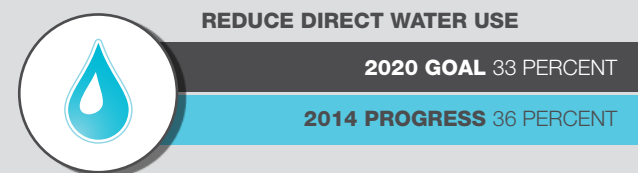
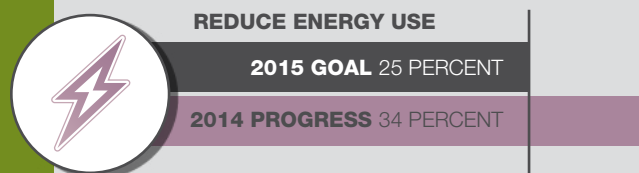
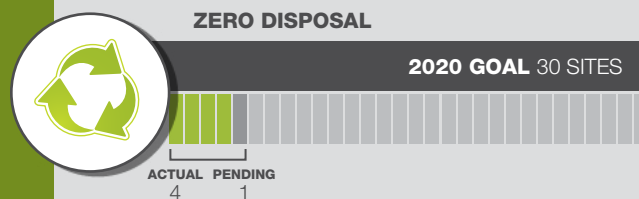
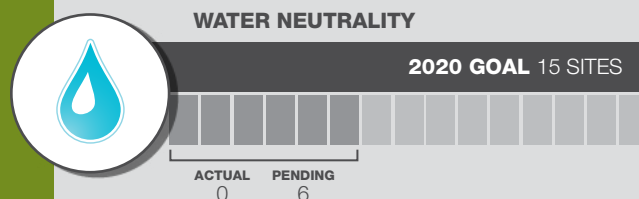
Emissions equal to taking **46,700 passenger cars** off the road annually



Water for drinking, sanitation and hygiene for **284,000 people** for a year



**3,500 garbage trucks** full of waste



Sites that are pending validation are not yet confirmed to have met the goal, but have enough data and evidence to support the commencement or continuation of the validation process. Sites pending validation are not necessarily guaranteed to qualify as "actual" once the validation process is complete.

## ENVIRONMENTAL PERFORMANCE

Includes all consolidated operations and joint ventures subscribing to Cummins' Enterprise Environmental Management System.

Environmental Performance	2010	2011	2012	2013	2014
Energy consumption (thousands of MMBtu) <sup>1</sup>	11,847	12,263	11,711	12,077	12,746
GHG emissions (thousands of metric tons CO <sub>2</sub> e)	760	783	729	750	788
Generated waste (thousands of metric tons)	171	188	179	177	183
Disposed waste (thousands of metric tons)	22	25	21	20	18
Recycled waste (thousands of metric tons)	149	164	158	157	165
Recycling rate (%)	87	87	88	89	90
U.S. hazardous waste (metric tons)	98	101	104	85	92
Water use (millions of gallons)	1,135	1,083	1,069	958	972
Number of Enterprise ISO 14001 certified entities	67	76	81	86	102
Number of Enterprise ISO 14001 certified manufacturing sites	53	55	63	67	71
Net sales (millions US dollars)	13,226	18,048	17,334	17,301	19,221
Energy intensity reduction since 2005 (%) <sup>2,3</sup>	16	35	33	30	34
GHG intensity reduction since 2005 (%) <sup>2,3</sup>	16	36	35	33	35
Water intensity reduction since 2010 (%) <sup>2</sup>	0	21	22	30	36

<sup>1</sup> Primary energy excludes sold electricity and associated fuel usage <sup>2</sup> Intensity defined as adjusted for sales (energy/GHG) or hours worked (water)

<sup>3</sup> Reduction includes consolidated entities only

## PRODUCT STEWARDSHIP

# CUMMINS PRODUCTS ALWAYS HAVE THE ENVIRONMENT IN MIND

*Products are at the center of the Company's vision to make people's lives better by unleashing the power of Cummins.*

Product stewardship means the Company has an environmental mindset about its products as employees think about their design, use, remanufacture and end of life. Here is a summary of Cummins' views on product stewardship:

## ENVIRONMENTAL IMPACT ANALYSIS

After an intensive study and analysis, Cummins adopted its first-ever comprehensive environmental sustainability plan in 2014. This plan prioritizes actions by the Company to address its biggest environmental opportunities. Cummins focused on the key areas of water, waste, energy and greenhouse gases (GHGs).

It was clear from this analysis that the Company's top priority must be products, both in design and in use.

This analysis led Cummins to establish its products in-use goal and design for environment initiative.

## PRODUCT DESIGN

Seventy percent of a product's environmental footprint is determined during the earliest phases of the design process, according to the U.S. Environmental Protection Agency (EPA). Cummins' design for environment strategy will focus on materials and fuel efficiency. Material efficiency includes designing with less material and designing for circular material flow, such as recycled material use and remanufacturing.

Improving fuel efficiency not only means reducing the fuel consumption of Cummins products, but also designing for alternative energy sources as well as reducing the

amount of fuel burned in the Company's development testing.

Cummins is beginning to integrate tools and training programs into its new product development process to take into account the environmental impacts of all phases of the product life cycle. Cummins expects to report more on its design for environment strategy in 2016.

## PRODUCTS IN USE

Greenhouse gas emissions from Cummins products in use are the Company's largest environmental impact and represent 99 percent of Cummins' greenhouse footprint due to fossil fuel use which emits carbon dioxide (CO<sub>2</sub>).

Cummins' biggest opportunity to expand its product stewardship beyond upfront design will be working with customers to improve the efficiency of the Company's products in operation.

This is a win-win as it saves customers money on fuel and reduces GHG emissions.

The Company has added more people and tools to accelerate and expand this important work. High-horsepower engines, used in applications such as mining and power generation, are a priority given the large amount of fuel they burn and the corresponding CO<sub>2</sub> emissions.

## REMANUFACTURING

In 2014, some 50 million pounds of Cummins product were put back into use thanks to remanufacturing. Remanufacturing requires about 85 percent less energy than manufacturing the same product with new parts and saves water since new metal does not need to be extracted.

Through the common application of salvage technology, component re-use guidelines and remanufacturing-specific policies and procedures,



*Cummins puts millions of pounds of product back to useful life through the Company's remanufacturing operations.*

the Company has become increasingly sophisticated in what it can remanufacture.

Lighter, more compact, engine designs combined with new materials (compact graphite and aluminum) and special coatings are changing Cummins' approach to remanufacturing and making engines more fuel efficient.

#### **REGULATORY INTEGRITY**

Cummins' product stewardship is underpinned by the Company's commitment to regulatory integrity, advocating for cleaner and more efficient products for the future.

Cummins has a long history of supporting regulatory actions to make the environment cleaner, going back to the 1970s as a strong advocate for the Clean Air Act in the United States. The Company continues to advocate globally for sound public policy and regulations that are tough, clear and enforceable.

As more regions around the world consider regulating GHGs and fuel consumption, Cummins sees an

opportunity for technological innovation that can benefit both vehicle owners and the environment. The Company also believes its technical leadership is a distinct advantage in this marketplace.

#### **MATERIAL COMPLIANCE**

The Company maintains a comprehensive corporate policy regarding the use of prohibited and restricted substances in its products, taking into account key global environmental regulations.

Compliance is designed into the materials Cummins uses and the Company partners with its suppliers to ensure global compliance requirements are met.

These requirements include Section 1502 of the Dodd Frank Act in the United States on conflict minerals. Conflict minerals are mined in conditions of armed conflict and human rights abuses in the Democratic Republic of Congo and adjacent countries. Cummins strives to ensure the minerals in its products come from conflict-free sources.

## INNOVATION

# INNOVATION'S KEY ROLE AT CUMMINS

*At Cummins, innovation is one of the Company's six core values, calling on employees to "apply the creative ingenuity necessary to make us better, faster, first." That value is almost tangible at any of Cummins' global network of technical centers.*

The Company's Advanced Engineering and Technology organization looks out six to 10 years and sometimes longer, well upstream of product development.

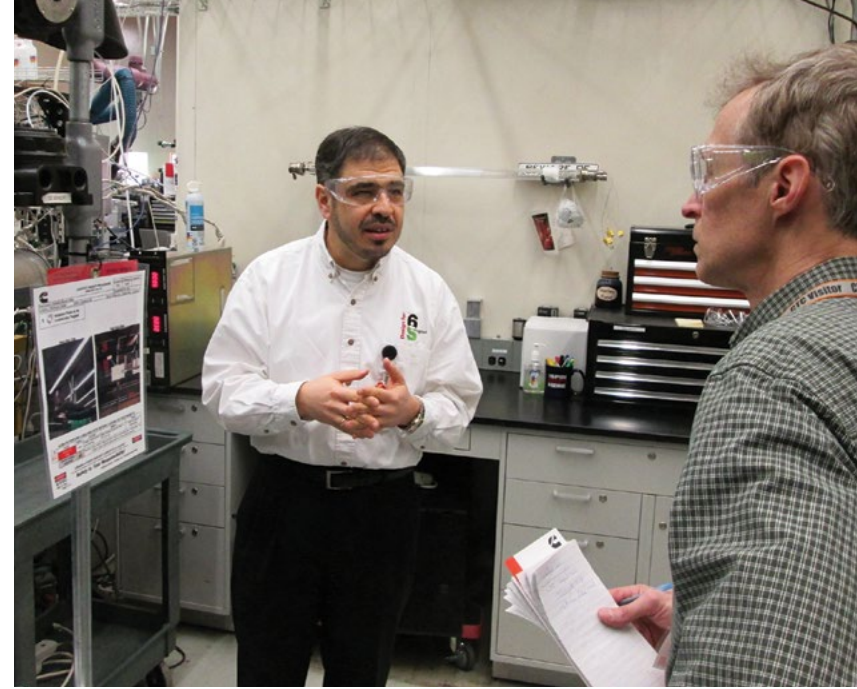
The engineers and scientists who make up this group are discovering, inventing and applying the most advanced technologies in engines, power generation and related products. Their work is vital to Cummins' sustainability.

"We need to know our markets better than anyone else," said Dr. John Wall, Vice President – Chief Technical Officer. "We need to know our technologies better than anyone else. And we need

to be able to combine these so we can differentiate our products in the eyes of our customers."

In just the past five years, Cummins has more than doubled its investment into research and development, increasing its contribution from \$362 million in 2009 to \$754 million in 2014.

The Company uses very powerful computer models to simulate the harsh environment inside an engine and how an engine works in real world applications. To get the computing power it needs, the Cummins Technical Center in Columbus, Indiana (U.S.A.),



regularly works with Indiana University's Big Red II super computer, one of the fastest research computers in the world.

The most powerful computer models, of course, won't get a company far if it doesn't have the right people using them. The Cummins research and technology team is smart, diverse and dedicated to finding solutions for customers.

Today, most of the new hires in research and technology for salaried positions have doctorates or master's degrees, according to Wayne Eckerle, Cummins Vice President of Research and Technology. The work is so

*Cummins also has chemists in research and technology exploring the chemical reactions necessary to convert pollutants into something that can be safely emitted into the atmosphere. Aleksey Yezerets, Cummins Director of Catalyst Technology, likes to say "There is a chemical plant behind every engine."*

complicated that "you have to love it," says Eckerle, who himself has a Ph.D. in fluid mechanics.

"We are a global team," Wall said. "We benefit from the insights and talents of engineers all around the world who work together to deliver innovative technologies and products to our customers."

## IN MYANMAR, CUMMINS POWER GENERATION IS CONNECTING A NATION TO THE WORLD



*Imagine a nation where only 25 percent of the population has electricity and less than 10 percent have a mobile telephone.*

Then, the government begins to shift to a more democratic system, and a nation with an extremely limited infrastructure and no global reach is suddenly open for business.

Welcome to Myanmar, where Cummins Power Generation has been working

with Irrawaddy Green Towers (IGT) since September 2014 to supply battery hybrid and diesel generator solutions to power hundreds of new cell phone tower sites. Two-thirds of those sites are off the country's insufficient power grid, many in remote locations.

*Cummins learned many lessons working to power cell phone towers in remote parts of Myanmar.*

"With Cummins equipment working on these cell towers, we are empowering people in Myanmar to get connected to the rest of the world," said J.P. Singh, marketing manager for the project.

Myanmar is pushing to grow from 10 percent penetration earlier this decade to 80 percent by 2016. IGT contracted with Cummins to supply and install a power package that includes a generator, hybrid control and a renewable battery pack.

The battery hybrid model can cut the time the generator must run by more than half, extending its life by as much as two-thirds and significantly lowering diesel fuel usage and carbon dioxide (CO<sub>2</sub>) emissions.

The installation of these power packages has forced Cummins

to adapt in ways that will benefit the Company as it enters other markets with underdeveloped infrastructures.

Small changes can make an installation much faster as the components travel to remote projects where local residents must sometimes be enlisted to help clear a path to the installation site.

That's why engineers working on the Myanmar project added forklift slots and eye bolts to the generators to make transportation more uniform and efficient. These design changes have since been used for a rollout in Ethiopia.

"We worked hard to develop technologies that are helping to open up the telecommunication market and connect a nation to the world," said Alan Zhao, director of the telecom business at Cummins. "Through that process, we're also learning on a continuous journey how to make our product better and prepare for future projects."

## NEW NISSAN TRUCK INCLUDES CUMMINS' INNOVATION, COMMITMENT TO EXCELLENCE



*When you turn the key on the all-new 2016 Nissan TITAN XD powered by the Cummins 5.0L V8 Turbo Diesel, it almost purrs to life.*

Don't be fooled. The TITAN XD is all tiger, no housecat.

The powerful engine, a clean sheet design, was also developed to meet the latest emissions regulations using Cummins' most recent innovations

including sophisticated turbocharger technology and Selective Catalytic Reduction (SCR) aftertreatment that reduces emissions.

The result: a strong, fuel-conscious diesel engine to power Nissan's light-duty pickup truck line.

The new pickup made its much-anticipated debut at the 2015 North American International Auto Show in Detroit, Michigan (U.S.A.), followed by a celebratory event at the Columbus

*Employees celebrate the return of engine making to the Columbus Engine Plant with the all-new 2016 Nissan TITAN XD.*

Engine Plant in January 2015 where the engines are made.

Bringing the TITAN XD to life, however, was a decade-long journey.

First, some background. The Columbus Engine Plant (CEP) was originally built around a two-story Civil War-era house purchased by Cummins co-founders Clessie Cummins and W.G. Irwin in Columbus, Indiana (U.S.A.). It has been at the center of some of the Company's most important developments.

But about 15 years ago, Cummins stopped making engines at the plant for a variety of reasons.

"It was, quite frankly, a sad day for me," said Cummins President and Chief Operating Officer Rich Freeland, a 35-year Cummins employee, speaking at the January ceremony.

"I always felt it left a hole in the heart of this Company."

In 2006, Cummins announced plans to build a light-duty diesel engine at CEP, but then the global economic downturn stalled the project.

Enter Nissan and the TITAN. Discussions actually began in 2007, but it wasn't until August 2013 before the partnership became official.

Eighteen months and 150 new jobs later, hundreds of Columbus Engine Plant workers looked on as the truck they'd worked so hard to bring to life finally rolled onto the shop floor.

Jeff Caldwell, General Manager of Cummins Global Pickup and Van business, praised employees for sticking with the project.

"We've looked back. We've looked forward. Here we are today, and this is another big day in the history of the CEP," Caldwell said.

## CORPORATE RESPONSIBILITY



*Cummins employees clean a beach in Callao, Peru, as part of an Environmental Challenge project that also included an educational campaign on healthy ocean ecosystems.*

## EMPLOYEES TAKE CORPORATE RESPONSIBILITY VALUE TO HEART

*Cummins employees continued to leverage engagement to build stronger communities in many ways in 2014, from recycling tires in Mexico to empowering students to speak out on environmental policy in Dubai, to helping women develop technical skills in Turkey.*

Cummins' Corporate Responsibility value calls on the Company and its employees to "serve and improve the communities in which we live."

Cummins has more than 200 employee-led Community Involvement Teams (CITs) around the world that organize most of the Company's community

service work. Cummins encourages employees to focus on three global priority areas where they can add knowledge, skills and passion:

- » Education
- » Environment
- » Social justice / equality of opportunity

The Company believes building stronger communities ultimately builds stronger markets for its products.

The Every Employee Every Community (EEEC) program provides employees with at least four hours of Company time each year to engage in community service work.

In 2014, more than 50,000 Company employees, joint-venture employees and Cummins' contractors reported devoting some 364,000 hours to community involvement work as part of the EEEC program.

Participation in EEEC increased from 68 percent of eligible employees and contractors in 2013 to 73 percent in 2014. Meanwhile, engagement in another of the Company's major community involvement programs, the Environmental Challenge, increased by 18 percent in 2014 compared to the previous year.

The Company is keeping its 2015 EEEC goal at 70 percent participation so it can put more focus on improving the quality of that engagement.

Meanwhile, donations from Cummins employees to the United Way in North America also increased from about \$2.8 million in 2013 to nearly \$3.12 million in 2014. Cummins matches the gifts made by its employees, so more than \$6 million was donated to the United Way.

"Last year (2014) was a very good year for helping our Cummins communities grow stronger," said Mark Levett, Vice President of Corporate Responsibility and CEO of the Cummins Foundation. "We feel that our continued focus on defining impact and related metrics will improve our communities that much more."

## ENVIRONMENTAL CHALLENGE ENJOYS ANOTHER SUCCESSFUL YEAR



*For the sixth year in a row, Cummins employees demonstrated their passion for the environment through the Company's Environmental Challenge. The numbers say it all.*

More than 13,500 employees working on 62 teams in 17 countries removed an estimated 22,370 tons of greenhouse gases (GHGs), a record amount equivalent to taking 4,709 vehicles off the road annually.

Employees donated more than 63,000 hours, planted more than

82,000 trees and diverted more than 8,000 tons of garbage from landfills. About 55 percent of the Challenge projects had at least some educational component, reaching more than 250,000 children and adults.

About 16 percent of the 2014 Challenge projects involved water

*Cummins employees in San Luis Potosí, Mexico, helped a nearby community get its trash problem under control.*

conservation or protection. Projects in the Challenge conserved or made fit for use about 3.6 billion gallons of water, enough to fill 5,500 Olympic-size swimming pools.

The Environmental Challenge is a global competition where Cummins employees take their skills into the community to address environmental issues. Community service projects are evaluated based on their level of employee engagement, environmental impact and ingenuity.

The winning projects received up to \$10,000 each for the charitable or non-governmental organization of their choice. Here's a quick look at three of the 19 global project winners:

» The Community Involvement Team (CIT) at Cummins Generator Technologies (CGT) in San Luis

Potosí, Mexico, raised awareness about the benefits of waste management and recycling in nearby La Pila. CGT's project, "Zero Waste Management," established a framework for a public waste collection service and promoted waste responsibility through a public campaign called "I am responsible for my waste."

- » Employees at Cummins' Megasite in Phaltan, India, home to eight Company plants, worked to improve access to water in villages near the site. They installed rain harvesting systems, fixed leaks, implemented drip irrigation and built two dams to manage water for nine nearby villages.
- » Cummins employees in Yangquan, China, meanwhile, addressed indoor air pollution caused by inefficient cook stoves. The employees installed cleaner, more efficient cook stoves in 150 homes and urged residents to use cleaner burning fuel.

# TECHNICAL EDUCATION PROGRAM INCREASES OPPORTUNITIES FOR WOMEN IN TURKEY

*There's a growing gap between the increasingly technical jobs available at companies like Cummins and the number of people who have the skills to succeed in those jobs.*

That's why Cummins and the Cummins Foundation are investing in communities around the world through TEC: Technical Education for Communities. TEC targets the technical skills gap through local vocational education programs.

*Students and leaders of Ege University in Turkey join Cummins employees in celebrating the start of a mechatronics program.*

TEC is built on a five-point educational framework. The standardized education program includes resources, processes and tools to help schools identify and supplement gaps in their existing programs, ensuring a global approach that allows the implementation of TEC at any site.

In 2014, a new TEC program focused on mechatronics launched in Izmir, Turkey. Mechatronics is a

multidisciplinary field that includes mechanical engineering, electrical engineering, telecommunications engineering, control engineering and computer engineering.

Cummins seeks to partner in each school location with business, government and community organizations. At each TEC school, students are taught skills needed in the local labor market. There are also opportunities for apprenticeships, internships and job shadowing. The TEC program uses Cummins and local employer talent to teach classes, train teachers on new technology and mentor students.

One key focus of the Turkey TEC program has been recruiting women. With Cummins' assistance, the Ege University TEC Mechatronics program was awarded a quota from the government stating that 50 percent of its students must be qualified females, the first of its kind in Turkey.

"TEC holds great importance in training female students in Turkey to become qualified technical staff," said Dr. Candeger Yilmaz, Ege University Rector.

Cummins, Schneider Electric and local Turkish business partners support Ege University with scholarships for students, curriculum, teacher training, guidance counseling and equipment purchases.

TEC also has programs in India, Morocco and Saudi Arabia with plans to expand in 2015 into Australia and parts of South America.

"Industry, government and civil society have a stake in global education," said Mark Levett, Vice President of Corporate Responsibility and CEO of the Cummins Foundation. "The coalition in Turkey provides skills training and access to good jobs for students, including underrepresented groups such as women."





## CUMMINS HELPS CITY GET WISE ABOUT WASTE

*Civic authorities in Pune, India, are looking to a Cummins Corporate Responsibility initiative for help as they work to get the city's trash problems under control.*

Until mid-2014, Pune collected and disposed garbage in a landfill close to the city. Then, with garbage volumes growing to over 1,600 tons of solid waste per day, residents near the landfill began to protest.

Civic authorities are evaluating the possibility of no longer collecting wet garbage from households in the city of 3 million people. That would leave Pune residents with no option but to segregate their waste and build pits to convert wet garbage into compost.

Cummins India's "Zero Garbage Project" is one model under consideration to reduce the amount of waste heading to the landfill. The Company has been working on waste management issues in Pune since 2011, partnering with a non-governmental organization, the Pune Municipal Corporation and a cooperative made up of low-income residents who collect trash (wet and dry) from doorsteps for recycling.

The project converts biodegradable waste into energy and facilitates the recycling of non-biodegradable material. With the successful implementation of the project in the Katraj Ward and then the Baner-Balewadi Ward, which have significantly different demographics, some civic authorities believe the Company has a model that could be replicated across the remaining 46 wards of the city.

Cummins employees organized rallies and door-to-door campaigns to create a basic awareness about waste segregation. Cummins engineers, meanwhile, designed a cost-effective, durable and user-friendly push cart that is better ergonomically, improving conditions for the waste-collectors.

*Cummins employees raise awareness about the need to reduce the amount of waste sent to a landfill outside Pune.*

The program has reached over 14,500 households, leading to a 66 percent increase in separating dry and wet waste at the source. The treatment of wet waste in local composting pits has increased by 400 percent in the two wards.

Cummins leaders say it has been extremely gratifying to play a role in such an important community issue.

"It is a tremendously rewarding experience to see how the skills of our employees can be leveraged in developing a change model for different demographics of the city," said S. Ravichandran, who leads Corporate Responsibility for Cummins India.

## HEALTH & SAFETY

# CUMMINS REDOUBLES ITS HEALTH AND SAFETY EFFORTS

*Cummins recorded improvements in three key health and safety metrics in 2014, expanded critical programs and won one of the world's most prestigious health, safety and environmental awards.*

The Company, though, also recorded an increase in its Major Injuries and Dangerous Occurrences (MIDO) Rate in 2014.

"We made real progress in implementing our vision that all employees are responsible for health and safety, not just on the job but in all facets of their lives," said Stan Woszczyński, Cummins Chief Manufacturing Officer and the Company leader who oversees health and safety. "However, we know when it comes to health and safety, our work is never done."

The Company won the Robert W. Campbell Award from the National Safety Council in 2014. In a video message to Cummins employees,

Chairman and CEO Tom Linebarger said he felt tremendous pride about winning such a prestigious award and at the same time a sense of urgency to do even more about safety.

"I came away thinking to myself since safety is the primary duty of a leader... (a goal of) zero incidents is really the only ethically responsible position to take," Linebarger said.

In 2014, Cummins saw improvements in three key health and safety performance indicators:

- » A 5 percent reduction compared to 2013 in the Company's Incidence Rate, the relative number of recordable injuries and illnesses per 100 employees.



- » A 5 percent reduction in Cummins' Severity Case Rate, which is based on the number of injuries and illnesses resulting in lost work days per 100 employees.
- » A 13 percent drop in the Company's Ergonomics Incidence Rate. Ergonomics has been a leading cause of injury at Cummins.

The Company also expanded several initiatives including its driver safety program.

The MIDO Rate in 2014, however, was well above Cummins' goal (0.057 compared to 0.020). Dangerous occurrences included a technician

*Local firefighters demonstrate how they would respond to a crash with victims inside the car at Cummins' Driver Safety Expo in Columbus, Indiana (U.S.A.). The expo wrapped up activities during Driver Safety Week in October 2014.*

getting struck by a wind-blown door and another falling off the top step of a truck, both resulting in fractured wrists.

"That underscores why you have to think about safety every time," said Cummins Occupational Safety Director Pramod Palat.

There were 279 lost work days, in 2014, 162 first aid incidents and sadly one work-related fatality at one of the Company's joint ventures in China.

## ‘KNIGHT KNUCKLE’ INVENTOR CREATES A SAFER CUMMINS

*When Jamestown Engine Plant tool builder Kendrick Knight came up with the idea for a device to improve ergonomics at his workplace, he did not foresee the impact his torque-reducing invention would have.*

In the past year, his creation has gone from blueprint to patent-pending reality. Dubbed the “Knight Knuckle,” it has improved ergonomics for engine

assembly workers, earned international recognition and has garnered interest from Cummins sites and outside companies, alike.



“I can’t believe how well this project has been received,” said Knight, who has worked at the Cummins plant in Jamestown, New York (U.S.A.), for the past two years. “The level of press and enthusiasm is really exciting, and it’s great to think of this tool being used at Cummins manufacturing sites all over the world.”

Knight worked in a manufacturing tool room for five years prior to joining the Company. He realized the need for a new tool when he saw his colleagues at Cummins working on jobs that had a “kick” of torque at the end due to their use of high-torque tools. Any time a bolt or screw is tightened, the tool creates torque once the screw reaches full tightness. The torque is then transferred directly to the operator.

*Kendrick Knight’s “Knight Knuckle” both protects employees and saves time.*

While on a much smaller scale, it’s somewhat like the jolt one feels using a hand-held power drill to put a screw in a wall at home. Knight’s invention virtually eliminates the transfer of torque at the end.

The Knight Knuckle also shaves about eight seconds off the time it takes to complete a job; over the course of a full day, that translates to about 45 minutes. The tool is durable, having been run through thousands of test cycles without breaking down or failing.

The invention won top honors in Cummins’ third annual Ergo Cup competition, earning it the right to compete in the International Ergo Cup Competition at the Applied Ergonomics Conference in Nashville, Tennessee (U.S.A.). It took first place in the engineering category, and garnered interest from outside manufacturing companies. The tool will be deployed at multiple Cummins sites in 2015.

## RIGHT ENVIRONMENT



## CUMMINS STRENGTHENS DIVERSITY VALUE IN 2014

*Diversity is a core value at Cummins, which calls for employees to embrace the diverse perspectives of all people with dignity and respect.*

In 2014, the Company took steps to deepen its commitment, while at the same time re-examining many of its diversity initiatives to ensure they remain relevant.

“In addition to helping us create innovative products, diversity and inclusion are critical to establishing a solid foundation for future growth and success that will better serve our customers,” said Kelley Bertoux Creveling, the Company’s Executive Director of Global Diversity and Right Environment.

Cummins’ commitment to diversity could be seen in many ways in 2014 and early 2015. The Indiana Women’s Affinity Group at the Company, for example, sponsored a special session for managers to talk about gender diversity in the workplace.

The event, which featured several top leaders in the Company, was streamed live to managers at Cummins facilities in the United States, Mexico and the United Kingdom.

*Chairman and Chief Executive Officer Tom Linebarger holds his annual diversity town hall meeting at the Columbus Engine Plant in Columbus, Indiana (U.S.A.) in 2015.*

The Company also continued posting personal statements from its leaders regarding their own diversity journeys on the Company’s internal website.

In 2014, Rich Freeland, Cummins President and Chief Operating Officer; John Wall, the Company’s Vice President – Chief Technical Officer and Mark Osowick, Cummins Vice President – Human Resources Operations, all posted personal statements.

A dozen leaders have now posted diversity statements since Chairman and CEO Tom Linebarger kicked off the initiative in January 2013.

“Different life experiences and unique sets of knowledge all add up to team members who can best understand our customers’ experiences and see different angles on how to target our innovation more effectively,” Wall said.

Creveling and her staff, meanwhile, began a project to update and expand diversity training from a one-time training to a layered approach stretching across an employee’s time at Cummins.

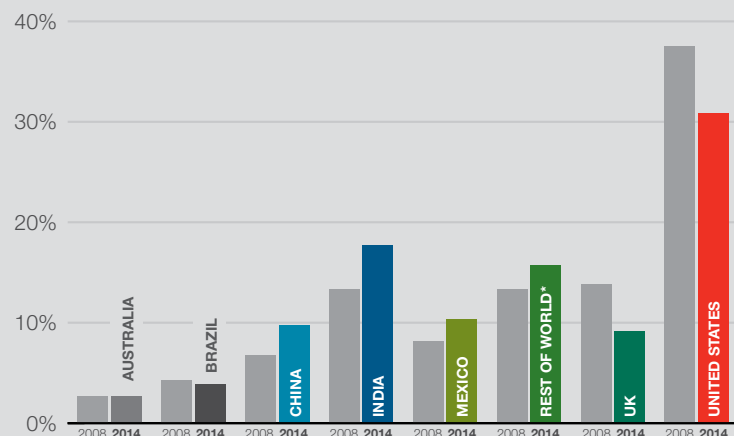
“I want to be sure we’re building strategies and plans around diversity and inclusion in ways that support our common value but allow us to flex around the world and leverage the full, creative power of all our employees to the benefit of our customers,” Creveling said.

## DEVELOPING A TRULY GLOBAL WORKFORCE

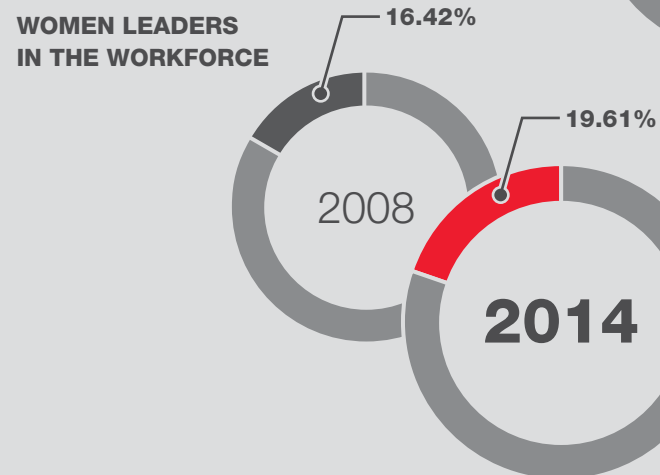
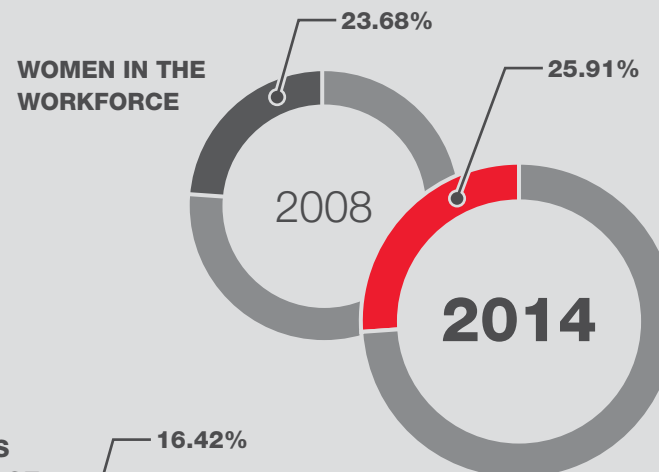
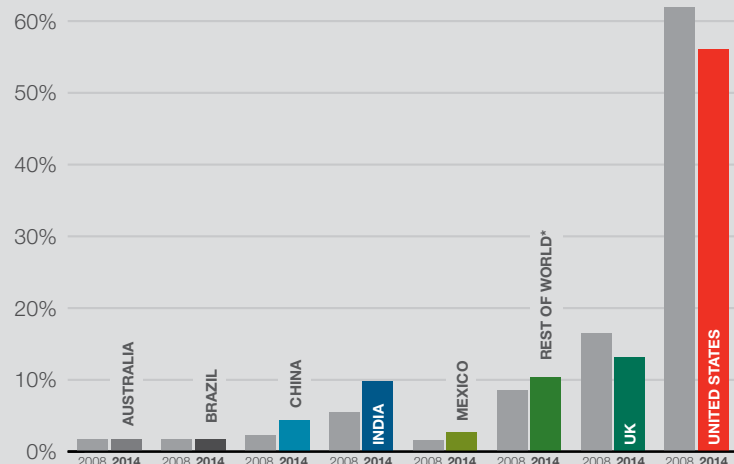
Diversity at Cummins has long been about more than representation. But as a truly global company, Cummins wants to develop a workforce that closely resembles the demographics in the countries and markets where it does business.

Company leaders pay special attention to some key metrics of under-represented groups at Cummins, such as women. An employee's country of birth is another key metric to ensure leadership isn't limited to one country or group of countries. Here's a look at what's been happening in these areas from 2008 to 2014.

### COUNTRY OF BIRTH FOR THE WORKFORCE

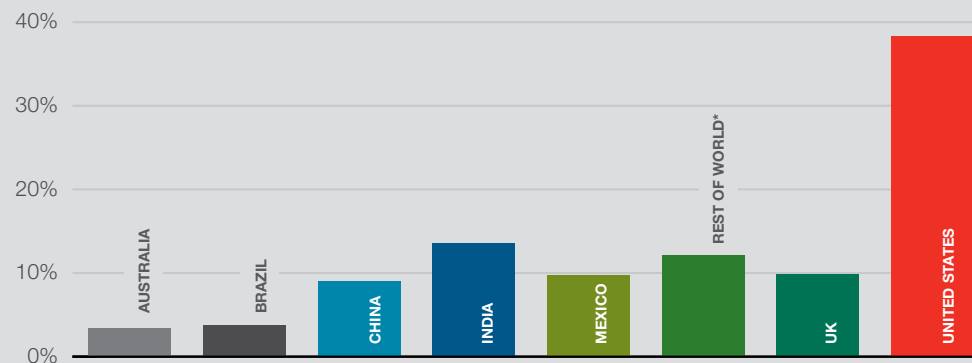


### COUNTRY OF BIRTH FOR LEADERS



### WORKFORCE BY LOCATION

More than half the Cummins workforce works outside the United States. Here's a look at where Cummins employees were in 2014.



\*Rest of world category includes countries with less than 1,000 Cummins employees.

# DIVERSITY PROCUREMENT CELEBRATES OUTSTANDING YEAR

*Cummins' diversity procurement initiative reached its long-standing goal of \$1 billion in spending with diverse suppliers across eight categories in 2014.*

Spending with diverse suppliers in the U.S. was \$1.2 billion, up about 21 percent over the \$990 million spent in 2013. Looking just at minority-owned and women-owned businesses, the Company spent about \$926 million in 2014.

Meanwhile, Cummins' efforts continued to show promise outside the United States. Diverse spend connected to Cummins Area Business Organizations (ABOs) reached \$291.3 million, sending global spend with diverse suppliers to nearly \$1.5 billion.

"We had a very good year in terms of raising the visibility of diversity procurement at Cummins," said Michelle Taylor, the Company's Diversity Procurement Director. "Now we need to leverage diverse suppliers in areas where historically Cummins has not had diverse supplier exposure."

By working with diverse suppliers, the Company increases competition

for its business, which ultimately decreases costs and improves service. At the same time, diversity procurement develops economic growth in all of the communities where Cummins employees live and work.

The Company made communicating with diverse suppliers a top priority in 2014, launching several initiatives over the course of the year.

A new website (supplierdiversity.cummins.com) is designed to make it easier for diverse suppliers to learn about the opportunities at Cummins. It includes a video featuring Taylor and Cummins Chairman and CEO Tom Linebarger discussing Cummins' desire to promote diversity procurement.

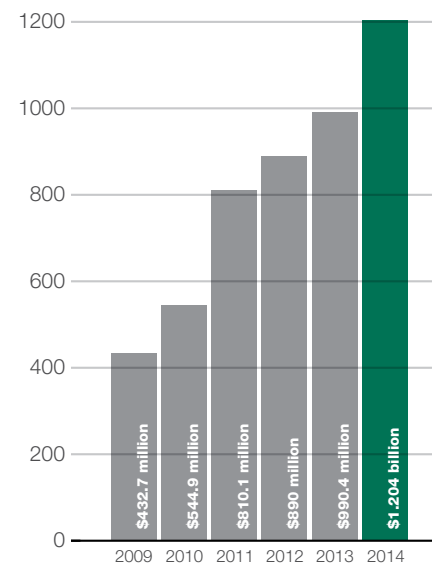
The website also tells diverse businesses how to work with Cummins. The Company works with diverse suppliers in eight categories – minority business enterprises, women business enterprises, service disabled, veteran owned small businesses, lesbian, gay, bisexual, transgender owned businesses; historically under-utilized business zone businesses; small disadvantaged businesses and philanthropic enterprises.

The Company in 2014 also sponsored its first diversity procurement symposium since 2006. The event drew some 400 participants including many people in Cummins' purchasing function who got a chance to meet with diverse suppliers.

Linebarger spoke at the symposium in addition to Lisa Yoder, Vice President – Global Supply Chain and Timothy Millwood, Vice President – Purchasing.

## Spending on diverse suppliers in millions of dollars

*The total amount of money Cummins spent with diverse suppliers in the U.S. since 2009.*



*Cummins Chairman and CEO Tom Linebarger talks to Cathy Langham, President and CEO of Langham Logistics, at a symposium on diversity procurement sponsored by the Company.*

## GOVERNANCE

# CUMMINS ENCOURAGES BROADER ADOPTION OF ETHICAL PRINCIPLES

*Cummins guides employees and suppliers toward ethical behavior through its codes of conduct and related training. But the Company also strives to hold everyone who does business on Cummins' behalf to the same high ethical standards.*

The Cummins Code of Business Conduct outlines the 10 Ethical Principles that are foundational for making Cummins a sustainable company and a great place to work:

- 01 *We follow the law everywhere.*
- 02 *We will embrace diverse perspectives and backgrounds, and treat all people with dignity and respect.*
- 03 *We will compete fairly and honestly.*
- 04 *We will avoid conflicts of interest.*
- 05 *We will demand that everything we do leads to a cleaner, healthier and safer environment.*
- 06 *We will protect our technology, our information and our intellectual property.*
- 07 *We will demand that our financial records are accurate and that our reporting processes are clear and understandable.*
- 08 *We will strive to improve our communities.*
- 09 *We will communicate honestly and with integrity.*
- 10 *We will create a culture where employees take responsibility for ethical behavior.*



Vice President of Ethics and Compliance Mark Sifferlen discusses creating a culture of ethics with Customer Care Manager Marcya Carter in Nashville, Tennessee (U.S.A.).

The Code of Business Conduct is translated into 16 languages and posted globally on the Company's internal website and also on cummins.com, the Company's external website.

All Cummins employees are held to these high standards and have multiple ways to report suspected violations, including the Company's ethics website and the Cummins Ethics Help Line, a phone service accessible around the world.

As a global company, Cummins relies on a number of external companies and vendors to sell and service its products, bid on business, obtain licenses and permits and interact

with officials to move products across borders.

The Company's Ethics and Compliance organization is actively working to strengthen compliance in this area by improving due diligence around compliance processes, enhancing contract language and delivering compliance training to high-risk third parties.

The Company's Supplier Code of Conduct, last updated in 2013, applies to all businesses that provide products or services to Cummins and its subsidiaries, joint ventures, divisions or affiliates. It helps ensure Cummins is doing business with other companies around the world that share the Company's values.

## FINANCIAL &amp; OPERATIONS

## CUMMINS ACHIEVES RECORD FINANCIAL YEAR IN 2014

*Cummins reported record financial results in 2014 driven by higher revenues in North America, which more than offset lower demand in Brazil and Europe.*

Overall revenues over the year increased 11 percent to \$19.2 billion. Revenues in North America increased 20 percent over that time period while international sales went up 2 percent as growth in China offset weaker demand in Brazil and India.

Net income attributable to Cummins for the full year was \$1.65 billion (\$9.02 per diluted share), or \$1.67 billion (\$9.13 per diluted share) excluding one-time items, up from \$1.48 billion (\$7.91 per diluted share) in 2013.

EBIT (Earnings Before Interest and Taxes) was \$2.5 billion or 13 percent of sales for 2014. Excluding one-time items, EBIT was \$2.53 billion or 13.2 percent compared to \$2.16 billion or 12.5 percent of sales in 2013.

“We reported record revenues in 2014 despite weak economic conditions in several of our most important international markets,” said Cummins Chairman and CEO Tom Linebarger. “Revenues grew 11 percent as demand in on-highway markets in North America improved, we continued executing our distributor acquisition strategy and we delivered strong growth in China driven by new products.”

The 2014 numbers returned the Company to its previous growth trajectory after sales were flat in 2013.

Cummins’ improvement in profitability was driven in 2014 by record performance in the Components and

Distribution businesses and higher earnings in the Engine Business.

Full year sales in Components in 2014 were up 18 percent, while overall sales in Distribution were up about 38 percent compared to 2013. The Engine Business Unit, meanwhile, was up about 9 percent for overall sales compared to the year before.

The Company also benefited from its decision to acquire the remaining equity in its North American distributors to leverage their expertise and provide the best customer support. Acquisitions contributed about 3 percent to revenue growth in 2014.

Cummins invested a record \$754 million back into the Company, increased its dividend by 25 percent and repurchased 4.8 million shares of stock. In addition, Cummins received ratings upgrades from Standard & Poor’s and Moody’s.

### FINANCIAL PERFORMANCE AT A GLANCE

Here’s a summary of Cummins’ performance since 2009.

YEAR	SALES	NET INCOME attributable to Cummins
2009	\$10.8 billion	\$428 million
2010	\$13.2 billion	\$1.04 billion
2011	\$18.0 billion	\$1.85 billion
2012	\$17.3 billion	\$1.65 billion
2013	\$17.3 billion	\$1.48 billion
2014	\$19.2 billion	\$1.65 billion



## CUMMINS TEAMS UP TO DELIVER FOR CUSTOMERS IN MADAGASCAR

*The generators upon landing in Madagascar still faced an eight hour trip to Toamasina.*

Many residents of Toamasina, one of the most densely populated areas of Madagascar, were facing a gloomy holiday, literally, in December of 2014.

The country's power grid couldn't adequately support the city of 200,000 on the east coast of the island nation. Fearing a possible blackout, the government was looking for an answer, fast. Not only was Christmas nearing, but so was the litchi (frequently spelled lychee) harvest. The fruit provides a lot of jobs in Toamasina.

The country's power utility contacted Cummins' regional dealer in the country, Madagascar Automobile

(Madauto), in November of 2014 asking for 6 megawatts of power by mid-December. Madauto, in turn, reached out to Cummins Power Generation in Johannesburg, South Africa, for help.

"Turning around a request like this would normally take 14 or 15 weeks," said Darryn Scheepers, General Manager for Dealer Development for Cummins in Southern Africa. "We were being asked to do it in less than half that time."

Scheepers said the Cummins team was fortunate that one unit was already available in Madagascar. Five more could be obtained from

the Cummins Dubai Distribution facility. But that equipment needed modifications to withstand the humidity of Madagascar's coast.

The modifications were available from Cummins Power Generation in Kent in the United Kingdom and the needed material was soon on its way to Dubai.

Air travel was the only viable way to get the generators to Madagascar on time, but all their fluids had to be drained and batteries disconnected to reduce the risk of leaks or sparks in flight. Then, there was the sheer size of the load; each generator had a dry weight of over 16 tons.

The generators were eventually transported to Antananarivo, Madagascar's capital, by the French aviation charter company, Air Partner. Each was then loaded on its own truck for the final eight hours of their incredible journey to Toamasina.

"This project was immensely challenging," Scheepers said. "...We couldn't have done it without a tremendous amount of cooperation and collaboration among all of the parties involved."

The generators, by the way, started producing power on Dec. 24 – Christmas Eve.

## CENTER'S GOAL IS A HEALTHIER EMPLOYEE

*Cummins is committed to helping its employees live fuller, healthier lives both at home and at work. That's why the Company is exploring a different way to deliver health care to its employees and their families.*

The Cummins LiveWell Center under construction just north of Cummins' Corporate Office Building in downtown Columbus, Indiana (U.S.A.), is the Company's first health and wellbeing facility. When it opens in 2016, the center will be home to a number of health related services, ranging from routine health and optometry exams to acupuncture, chiropractic and physical therapy services.

"The center will be an entirely new way to experience healthcare, with everything focused on the patient," said Dr. Dexter Shurney, Cummins Chief Medical Director and Executive Director of Global Health and Wellness. "That includes everything from wait times, to the design of the center, to how patients communicate with their healthcare team."

While employees and their families will not be required to utilize the center, Shurney believes they will want to come to improve their health and wellbeing. The Company's goal is to give employees and their families the tools they need to achieve optimal health on their own terms.

The center is designed to take a team approach to a person's health. Exam rooms at the center, for example, are designed to encourage a dialogue between physicians and their patients about healthy lifestyle choices. Employees and their families then have access to the services that can help them maintain that lifestyle including

health and wellness coaching, educational seminars and live cooking demonstrations.

Other features and services at the center include:

- » A pediatric care suite with exam rooms specially designed for children
- » Physical therapy
- » Radiology/Lab services
- » On-staff pharmacist for medication consultations and limited dispensing
- » Visiting specialists in a variety of disciplines
- » A multi-purpose space for health seminars and other events
- » Nutritional and exercise advice
- » A teaching kitchen for cooking demonstrations

The LiveWell initiative is starting in Columbus. If successful, the intent is to expand the concept nationally and potentially globally over time.

*Cummins' LiveWell Center is designed to give employees and their families the tools they need to obtain optimal health on their own terms.*



# OUR RECOGNITION

*Cummins received several awards in 2014 and 2015 that touched on the sustainability of the Company.*

## ENVIRONMENT

MEMBER OF  
**Dow Jones  
Sustainability Indices**  
In Collaboration with RobecoSAM

Cummins was named to the **DOW JONES SUSTAINABILITY INDEX FOR NORTH AMERICA** in 2014. The Company has been on the Dow Jones North American Index since 2006. The survey measures a company's sustainability in a wide range of areas including the environment, corporate responsibility and human resources.

Cummins was ranked 52nd among the 500 largest public companies in the United States in **NEWSWEEK'S 2014 GREEN RANKINGS** of businesses. The Company was ranked 86th among the largest public companies in the world for its environmental performance.

## DIVERSITY / WORKPLACE



Cummins was named one of the **TOP 50 COMPANIES FOR DIVERSITY** by DiversityInc magazine for a ninth consecutive year in 2015. Cummins ranked 21st.



**EQUALITY INDEX** awarded by the Human Rights Campaign, the largest U.S. civil rights organization for lesbian, gay, bisexual and transgender (LGBT) employees.

Cummins in 2015 was named to Forbes magazine's list of the **TOP 25 EMPLOYERS IN AMERICA**. Forbes surveyed more than 20,000 American workers at large U.S. firms or institutions. Cummins finished 21st on the magazine's list.

Cummins in 2014 received a perfect score for a 10th consecutive year in the **2015 CORPORATE**

## CORPORATE RESPONSIBILITY / ETHICS

Cummins was named one of the **WORLD'S MOST ETHICAL COMPANIES** in 2015 by the Ethisphere Institute for an eighth consecutive year. The institute recognized the Company's commitment to ethical leadership, compliance practices and corporate social responsibility.



Cummins was one of 11 global companies named winners of the **2014 GOLDEN PEACOCK AWARD** for Excellence in Corporate Governance by the Institute of Directors. The group initiated the awards in 1991 to establish a benchmark for corporate excellence.

Cummins in 2014 was named a member of the **FTSE4GOOD INDEX**, a stock market indices which measures the performance of companies demonstrating strong social, governance and environmental practices.

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