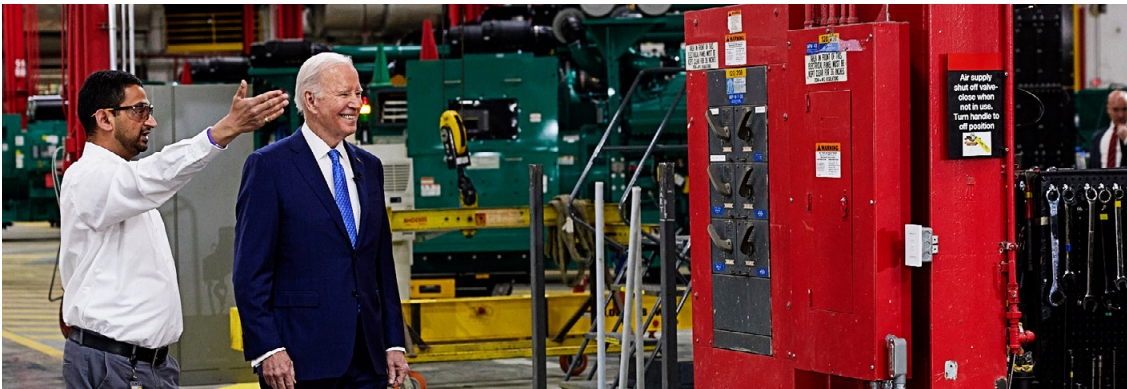




# 2022-2023 SUSTAINABILITY PROGRESS REPORT





CEO LETTER //

# POSITIONED FOR IMPACT ON THE WORLD'S BIGGEST CHALLENGES



As a leader in our industry, Cummins has the incredible opportunity, and responsibility, to be part of the solution to the world’s climate challenges.

Our business and environmental strategies are aligned to capture the growth opportunity decarbonization presents for Cummins and its stakeholders, as we strive to reduce our company’s environmental impact on the planet while strengthening the communities in which our employees live and work.

There will certainly be risks in this journey, but Cummins has a proven track record of outsized growth in the markets we serve, while delivering for our stakeholders—customers, investors, employees, communities and others.

**MEETING THIS CHALLENGE**

The opportunity to engineer better outcomes for customers and the environment is what first attracted me to Cummins nearly 25 years ago, and it has kept me here ever since. I believe this moment of truth for our planet and society is Cummins’ time to shine.

Our company powers some of the world’s most demanding and economically vital applications, from trucks, trains, and buses to agricultural and construction equipment, watercraft, and generators providing emergency power to hospitals, data centers and more.

Our company’s financial strength, market position and key capabilities have positioned us to execute our **Destination Zero** decarbonization strategy, helping our customers in the energy transition as we pursue Cummins’ 2030 environmental sustainability goals and our 2050 aspiration to achieve carbon neutrality.

Responding to the critical needs of our customers and addressing climate change requires innovation and focus across our entire business. While the biggest impact and opportunity we have is through our products, we are working to address climate change

## CEO LETTER //

across all aspects of Cummins—improving our operations as we develop new products, working closely with our customers and suppliers.

Here are just a few highlights from a very successful 2022:

- Cummins completed the **acquisition of Meritor Inc.** and two other companies—Jacobs Vehicle Systems and Siemens Commercial Vehicles—that will accelerate our development of economically viable decarbonized powertrain solutions. Meritor also delivers complementary synergies to our core business, expanding our product offerings, as well as our sales and service network and our customer relationships.
- Cummins launched the company's industry-first, **fuel-agnostic internal combustion powertrain** platforms, utilizing a technology customers are already familiar with while applying a high level of parts commonality across lower-carbon fuels including natural gas and hydrogen to reduce emissions.
- Our company unveiled its fourth-generation **hydrogen fuel-cell engine**, demonstrating the commercial viability of hydrogen as a solution for customers to decarbonize their profile.

- Cummins, Chevron and Walmart announced an agreement to **integrate Cummins' X15N** natural gas engine, powered by renewable natural gas, into Walmart's heavy-duty truck fleet as part of a demonstration project.
- The company advanced the commercialization of no-carbon, green hydrogen with the first **U.S. electrolyzer manufacturing facility** at our Fridley, Minnesota plant. Cummins now has manufacturing capabilities for this technology in Belgium, Canada and the United States, with new plants under construction in China and Spain.

In March of 2023, our company's New Power business segment was rebranded as **Accelera by Cummins** as part of an effort to speed the global transition to no- and low-carbon technologies. Establishing Accelera reinforces our commitment to leading in zero-emissions solutions.

All of these accomplishments reflect the significant investments we have made in recent years to meet our evolving customer needs while also reducing the environmental footprint of our plants and facilities.

In recent years, we have also navigated numerous supply chain and operational challenges, delivering record 2022 revenues—a testament to the capability and dedication of our employees.

## KEEPING PEOPLE FIRST

In August of 2022, I was deeply honored to be named just the seventh Chief Executive Officer of Cummins. A focus on purpose, people and impact has shaped my career and will influence how I lead.

***I am committed to keeping our Cummins employees, as well as our customers, suppliers, communities, and our shareholders at the center of everything we do. Connecting people to our company's powerful purpose at this critical moment is one of my key responsibilities as CEO.***

Our more than 73,000 employees power innovation across our company today. Attracting, building and retaining the best talent will be critical to our continued success.

We do this in two distinct ways: investing in leadership and development opportunities to enable Cummins employees to grow and reach their full potential, and by creating inclusive work environments where our company can harness the diverse perspectives of our employees to solve the complex challenges our customers face.

These are key elements of Cummins' strategy and a competitive advantage that contributes to our continued success and growth.

We have invested significantly to attract and build the best talent and to create an environment for innovation and long-term success. Cummins offers extensive training and development for our leaders to ensure they are living our corporate values as well as the company's leadership culture: inspiring and encouraging all employees to achieve their full potential.

CEO LETTER //

EDUCATION

CAREER

JENNIFER RUMSEY



*Graduate,*  
Columbus East High School,  
Columbus, Indiana, 1992.

*Bachelor of Science in Mechanical Engineering,*  
Purdue University, 1996.

*Master of Science in Mechanical Engineering,*  
Massachusetts Institute of Technology, 1998.

*Controls Engineer, Leader,* Nuvera Fuel Cells,  
Cambridge, Massachusetts, 1998–2000.

*Various technical roles, Research & Technology  
and Product Development,* Cummins Inc., 2000–2009.

*Quality Director, Cummins Turbo Technologies,*  
Cummins, 2009–2010.

*Executive Director – Heavy Duty Engineering,*  
Cummins, 2010–2013.

*Vice President of Engineering, Engine Business,*  
Cummins, 2013–2015.

*Vice President and Chief Technical Officer,*  
Cummins, 2015–2019.

*Vice President and President, Components Business,*  
Cummins, 2019–2021.

*President and Chief Operating Officer,*  
Cummins, 2021–2022.

*Board of Directors,* Cummins, 2022 to present.

*President and Chief Executive Officer,*  
Cummins, 2022 to 2023.

*Chair and Chief Executive Officer,*  
Cummins, 2023 to present.

Leaders learn they need to make time for coaching as well as help the employees they supervise access all of the training and development opportunities available at a Fortune 200 company like Cummins.

Embedding diversity, equity and inclusion (DE&I) into the fabric of our company starts at the top. As CEO, I want to reinforce that this work is critical to our success as a business and deeply personal to me.

While there is more to be done, the diversity of the Cummins Leadership Team—my direct team members—has increased in several areas. Nearly half are women, and a third are people of color, including Black and Asian representation. Three of our five business segments were led by women in 2022.

Cummins has a unique culture, shaped by our unwavering commitment to the company’s values. Following the pandemic, we launched Cummins Cafes, a global program to reconnect with employees, recognizing their extraordinary efforts and discussing the company’s exciting future.

In just six months, more than 125 Cummins leaders reached in excess of 38,000 Cummins employees through some 400 sessions at more than 200 sites globally. To learn more about our approach to talent management and the many ways we work to connect with

our employees, see our [2023 Human Capital Management Report](#).

**BUILDING STRONGER COMMUNITIES**

The health of our communities affects the health of our people and business. In 2022, more than 70% of the company’s employees volunteered in their communities, nearly reaching pre-pandemic levels.

Employee-led engagement is complemented by our focused effort on Cummins’ three global strategic priorities: education, environment and equality of opportunity.

In its first two years, Cummins Water Works, the company’s initiative to address the impact of the global water crisis on communities, has provided nearly 6 billion gallons in annual water benefits by improving water quality and increasing communities’ access to clean water.

Meanwhile, since its launch in 2012, more than 3,000 students have graduated from Cummins TEC: Technical Education for Communities, which builds technical vocational skills through industry-supported skills training that leads to living wage jobs.

Cummins Powers Women has partnered with expert non-profits around the world to change more than 30 laws and policies to improve gender equality since the program

began in 2018. CARE: Cummins Advocating for Racial Equity has helped more than 400 Black-owned businesses since its founding two years ago and has influenced more than a half-dozen law and policy changes in the U.S.

*Whether it’s our work to lead on climate action, keep people first in everything we do, or engage with our communities, Cummins’ approach to being a more sustainable company is merely an extension of our corporate mission of making people’s lives better by powering a more prosperous world.*

Moving forward, Cummins will leverage our company’s expertise to achieve that mission, developing sustainable solutions supporting our customers’ success, positively impacting our communities, and protecting our planet for future generations.

I believe there is no company better positioned than Cummins to make a lasting positive impact on our world. ■

**Jennifer Rumsey**  
*Chair and CEO*



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OVERVIEW //

# SUSTAINABILITY AT CUMMINS

Cummins’ approach to sustainability is grounded in the company’s mission of “making people’s lives better by powering a more prosperous world.”

A more prosperous world goes beyond just a financial component to include a world with clean air, clean and sustainable water supplies and a world with strong and vibrant communities. A more prosperous world is a world where everyone feels included, is treated with respect, and embraced for who they are and what they aspire to achieve.

Cummins has long believed success is about more than just the bottom line. In fact, the company maintains its approach to environmental, social and governance is a competitive advantage. The company has long followed the stakeholder model of business and the idea it best serves any individual stakeholder by serving to the best of its ability the needs of all stakeholders—customers, employees, investors, regulators, communities and more.

The company’s goal is for this report to help Cummins’ stakeholders hold the company accountable for the way it lives Cummins’ *mission, vision, and values*.



## CUMMINS REPORTS

The Cummins Sustainability Progress Report is divided into three sections to show the company’s progress toward achieving its mission: environmental reporting, social reporting, and governance and economic reporting. Cummins strives to be consistent with the reporting structures established by the Global Reporting Initiative (GRI) and other top sustainability platforms.

Since 2019, the company has posted reports to the following sustainability frameworks in addition to this report:

- The CDP’s (formerly the Carbon Disclosure Project) Water and Climate platforms (2019, 2020, 2021, 2022).

- The Task force on Climate-related Financial Disclosures (2021, 2022).
- The Sustainability Accounting Standards Board (2019).
- The GRI Content Index and Data Book (2019).

In 2021, Cummins also issued its first Human Capital Management Report exploring the company’s workforce and Cummins’ approach to leadership development, compensation and benefits, employee training, and diversity, equity and inclusion.

For those looking for a summary of the company’s sustainability efforts, Cummins produces a 10-page sustainability overview and a two-page sustainability flyer. All of these, including the company’s sustainability reports back to 2003, can be found in Cummins’ [Sustainability Document Archive](#).

## ABOUT CUMMINS’ DATA

The data in this report primarily focuses on company performance in 2022. Cummins works with Apex, a leader in verification and assurance, to review the company’s key environmental, social and governance data. Apex’s assurance letter will be posted in Cummins’ Sustainability Document Archive as soon as it is available.

More than 75% of the environmental, social and governance data in this report

is reviewed under Apex’s limited data assurance process.

For Cummins’ environmental data, company facilities include all consolidated operations and joint ventures that are part of the Cummins Enterprise Environmental Management System. This data includes 2022 data from Meritor Inc., which the company acquired in August 2022.

Employee data consists of just consolidated operations. Demographic data from Meritor was still being processed on Dec. 31, 2022. Our reports on employee data will include Meritor in the 2023–2024 reporting cycle.

Financial data comes from the company’s Annual Report on Form 10-K timed to 2022. The 2023 Proxy Statement is the source of information for the Cummins Board of Directors.

## CUMMINS AND MANDATORY REPORTING

Cummins is committed to meeting the mandatory sustainability reporting regulations in every country where they are applicable, in keeping with the first principle of Cummins’ Code of Business Conduct—“We follow the law everywhere.”

The company has assembled a team to lead its efforts under the direction of Cummins’ Global Risk function. ■



OVERVIEW //

# ABOUT THE COVER

Looking back, 2022 will be remembered as an exciting year of change as the company welcomed new leadership, a critical new strategy and an acquisition key to the implementation of that strategy.

Jennifer Rumsey was named the company’s first female Chief Executive Officer in 2022. The company rolled out its Destination Zero product decarbonization strategy in 2022. And Cummins acquired Meritor, Inc., a leading global supplier of drivetrain, mobility, braking, aftermarket and electric powertrain solutions for commercial vehicle and industrial markets, also in 2022.

Here’s some background behind the photos on the cover:

**(A)** Rumsey is only the company’s seventh Chief Executive Officer, succeeding Tom Linebarger who retired from Cummins effective Aug. 1, 2023. An engineer by training, Rumsey has extensive experience at Cummins and vows to keep people at the center of everything she does.

**(B)** Consistent with the company’s PLANET 2050 environmental sustainability strategy, Cummins’ Rocky Mount Engine Plant in North Carolina began receiving power in 2022 from its new solar array. The array is the second largest at the company.

**(C)** Living the company’s commitment to community service and engagement, Cummins leaders traveled to Louisiana to check out a Cummins Water Works project in partnership with The Nature Conservancy to help restore an extensive oyster reef to improve water quality in the region.

**(D)** The company was honored to be named to the S&P Dow Jones World Sustainability Indices for a second consecutive year. The honor was noted on the Nasdaq Tower in New York City’s Times Square.

**(E)** Cummins employees at several company plants sponsored community recycling days at their facilities, inviting residents to dispose of their hard to recycle items.

**(F)** Cummins employees at the company’s Fridley, Minnesota, plant welcomed some important visitors in April 2023. U.S. President Joe Biden was joined by Minnesota’s governor and members of the state’s Congressional delegation. They toured the plant, which in 2023 added Cummins’ first U.S.-based electrolyzer manufacturing operation.



A



B



C



D



E



F

MATERIALITY MATRIX //

# CHOOSING REPORT TOPICS

Cummins uses a reporting matrix to help the sustainability reporting team determine what topics are sufficiently important for inclusion in the Sustainability Progress Report.

Built along the lines of the standard matrix used in sustainability, the reporting matrix puts a special focus on the upper right quadrant of the matrix where topics involve a significant Cummins impact (reflected on the X axis) and are highly relevant to the company's stakeholders (reflected on the Y access), both inside and outside the company.

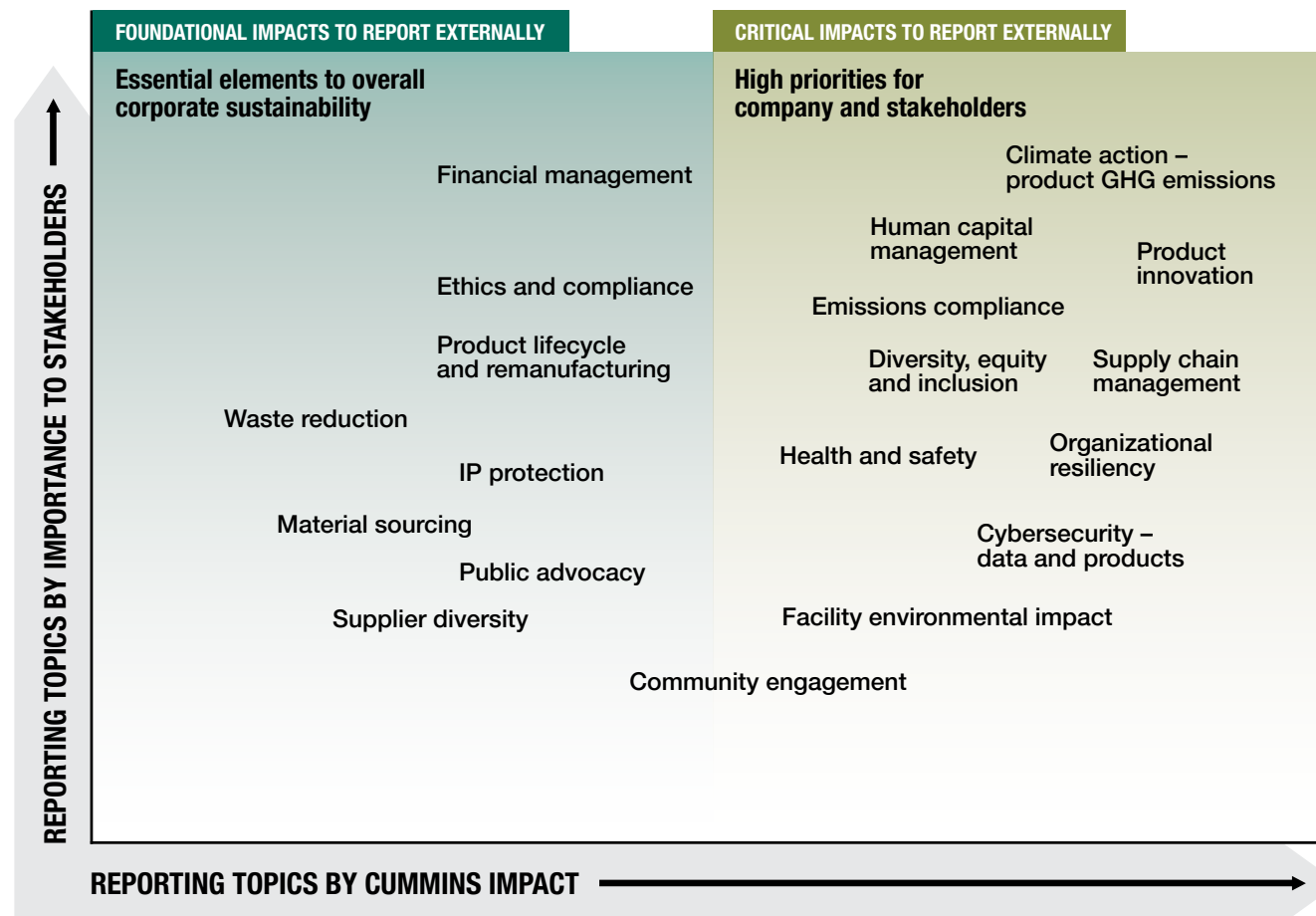
The items in the upper left quadrant are also covered in the report because the company has determined they touch on matters fundamental to the company's sustainability. The bottom quadrants are not included in this diagram to improve readability.

Cummins' first matrix was completed in 2018-2019, working with Deloitte. To account for year-to-year changes since then, a cross-functional team annually reviews the reporting matrix to determine if topics should be added or moved up or down, aligning it to inputs such as

stakeholder requests for information, the company's risk evaluation process and other information sources.

Since the company has initiated this process, there has been a global pandemic, critical supply chain challenges, a global call for climate action and a renewed focus on racial equity, especially in the United States. Topics related to these items were added to the reporting matrix and remain in the upper right-hand quadrant in the company's most recent diagram.

In the past year, the unprecedented changes around how and where people work has also emerged. Their importance is reflected in the topics of "human capital management" and "diversity, equity and inclusion," which have been elevated in importance in this matrix. Cummins also started a Human Capital Management Report in 2021.



Geopolitical concerns have also been on the rise with the increase in global military actions and general unrest. These concerns are reflected in the "organizational resilience" topic in the reporting matrix. New to the report this year is a story on the company's holistic **approach to global security**.

The reporting matrix process helps the sustainability reporting team ensure it has included the most relevant topics in this report. ■



KEY INDICATORS //

# KEY PERFORMANCE INDICATORS

Cummins takes a broad approach to sustainability, including a number of metrics to gauge environmental, social and governance excellence.

The environmental numbers in the chart on this page include Meritor's performance in 2018. The other metrics do not include Meritor's performance in either year. Cummins acquired Meritor in August 2022.



Cummins believes in transparency. This icon identifies multi-year data that allows for comparisons.

\* Data includes Meritor Inc. both in 2018 and 2022.

\*\* Data does not include employees joining Cummins through the acquisition of Meritor Inc.

1 Primary energy excludes sold electricity and associated fuel usage.

2 Scope 1 and 2 energy consumption.






	2018	2022
<b>ENVIRONMENT*</b>		
GHG emissions Scope 1 (thousands of metric tons CO <sub>2</sub> e)	367	311
GHG emissions Scope 2 location-based (thousands of metric tons CO <sub>2</sub> e)	695	533
GHG emissions Scope 2 market-based (thousands of metric tons CO <sub>2</sub> e)	706	426
Energy consumption (thousands of MMBtu) <sup>1,2</sup>	18,917	17,221
Water use (millions of gallons)	1,171	988
Generated waste	306	289
<b>SOCIAL**</b>		
H&S Severity Case Rate	0.26	0.34
H&S Incidence Rate	0.65	0.71
Women in the workforce	26.87%	28.34%
Every Employee Every Community	83%	73%
People impacted by community giving	4.3 million	3.2 million
<b>GOVERNANCE / ECONOMIC</b>		
Ethics investigations**	2,215	1,714
Research and development*	\$894 million	\$1.2 billion
Annual revenues	\$23.8 billion	\$28.1 billion*

U.N. GOALS //

# U.N. SUSTAINABILITY DEVELOPMENT GOALS

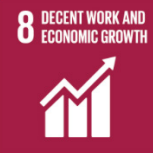



Cummins supports the U.N.’s Sustainable Development Goals to “end poverty, protect the planet and ensure prosperity for all.”





As a signer of the U.N. Global Compact in 2017, the company wants to do its part to make the world a better place to live. Cummins believes its initiatives touch 17 goals with a special focus on 13 where it has the biggest impact. Here are some examples:

U.N. GOAL	GOAL NAME	CUMMINS' ROLE	STATUS SUMMARY	REFERENCE
	<b>NO. 1 NO POVERTY</b>	Cummins TEC provides disadvantaged youth a career path.	The program has produced 3,317 graduates since launching in 2012.	<a href="#">Page 39</a>
	<b>NO. 4 QUALITY EDUCATION</b>	Education is one of three focus areas for the company’s community engagement efforts.	14% of the company’s community giving in 2022 went to education initiatives.	<a href="#">Page 37, 38</a>
	<b>NO. 5 GENDER EQUALITY</b>	Cummins Powers Women works with non-profits and NGOs to address equality for women and girls.	More than 1 million women and girls have been impacted directly or primarily by Cummins Powers Women since its launch in 2018.	<a href="#">Page 40</a>
	<b>NO. 6 CLEAN WATER AND SANITATION</b>	Creating sustainable water supplies for communities is the key focus of Cummins Water Works.	Cummins Water Works is already producing benefits exceeding the company’s overall water consumption.	<a href="#">Page 28</a>
	<b>NO. 7 AFFORDABLE AND CLEAN ENERGY</b>	Sustainable energy use is a key part of Cummins’ PLANET 2050 environmental sustainability strategy.	Cummins added the company’s second largest solar installation in 2022.	<a href="#">Page 32</a>



U.N. GOALS //

U.N. GOAL	GOAL NAME	CUMMINS' ROLE	STATUS SUMMARY	REFERENCE
	<b>NO. 8 DECENT WORK AND ECONOMIC GROWTH</b>	Cummins' mission is to build a more prosperous world for every stakeholder.	The company has multiple efforts in this area, from its approach to compensation and benefits to the CARE program addressing racial equity.	<a href="#">Page 42, 52</a>
	<b>NO. 9 INDUSTRY INNOVATION AND INFRASTRUCTURE</b>	Cummins is working to reduce carbon produced by internal combustion engines while bringing to market zero emissions platforms.	In 2022, Cummins received a record 623 patents while exceeding \$1 billion in research, development and engineering expenses.	<a href="#">Page 68</a>
	<b>NO. 11 SUSTAINABLE CITIES AND COMMUNITIES</b>	Cummins believes strongly companies are only as strong as the communities where it does business and its employees live and work.	Cummins Water Works is reducing the company's impact on communities.	<a href="#">Page 29, 43</a>
	<b>NO. 12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b>	Cummins is creating a lifecycle plan for every part to use less, use better and use again.	Cummins took several steps in 2022 foundational to achieving this goal.	<a href="#">Page 24</a>

U.N. GOAL	GOAL NAME	CUMMINS' ROLE	STATUS SUMMARY	REFERENCE
	<b>NO. 13 CLIMATE ACTION</b>	Cummins wants to take a leadership role on addressing climate change in the commercial power industry.	Addressing climate change is a key focus of PLANET 2050, Cummins' environmental sustainability strategy.	<a href="#">Page 17</a>
	<b>NO. 14 LIFE BELOW THE WATER</b>	Cummins Water Works is striving to offset the water the company uses by helping communities develop sustainable water supplies.	Cummins is undertaking projects to reduce pollutants flowing into rivers, lakes and streams but must do more in certain more challenging regions.	<a href="#">Page 29</a>
	<b>NO. 15 LIFE ON LAND</b>	Cummins is working to reduce the waste it generates and working with farmers to reduce pollutant runoff into lakes, rivers and streams.	Cummins is making progress on its 2030 goal to generate 25% less waste in facilities and operations as a percentage of revenue. Cummins Water Works is striving to reduce nutrient runoff into rivers and streams.	<a href="#">Pages 25, 28</a>
	<b>NO. 17 PARTNERSHIPS TO ACHIEVE GOALS</b>	Cummins believes strongly in the power of partnerships to achieve its goals and aspirations.	The company is partnering with a number of different groups and companies to reach its goals on carbon reduction and the global water crisis.	<a href="#">Page 33</a>

ABOUT CUMMINS //

# WHO WE ARE

Cummins Inc., a global power technology leader, is a corporation of complementary business segments that design, manufacture, distribute and service a broad portfolio of power solutions.

The company's products range from internal combustion, electric and hybrid integrated power solutions to components including aftertreatment, turbochargers, fuel systems, controls systems, air handling systems, and automated transmissions, as well as electric power generation systems, microgrid controls, batteries, electrolyzers and fuel cell products.



## WORLD HEADQUARTERS

Columbus, Indiana



## ESTABLISHED

1919

## STOCK SYMBOL

(New York Stock Exchange)

CMI

## WEBSITE

cummins.com

## CUSTOMERS

Cummins serves customers through a network of company-owned and independent distributor locations, thousands of dealer locations worldwide, and online.

## NUMBER OF EMPLOYEES

(as of Dec.31, 2022)

73,600

## SALES / EARNINGS

Cummins earned **\$2.2 billion** on sales of **\$28.1 billion\*** in 2022.

\* Includes acquisition of Meritor Inc. in August 2022.

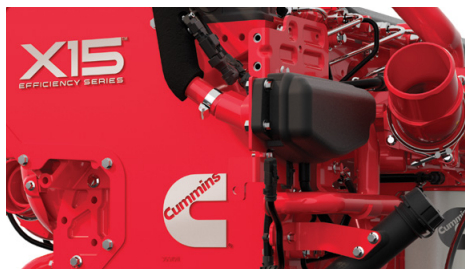
## FORTUNE 500 RANKING (2023)

146

ABOUT CUMMINS //

# HOW WE DO IT

Cummins is organized around five complementary business segments: Engine, Power Systems, Components, Distribution and Accelera by Cummins. The company's New Power segment was rebranded Accelera in March 2023 to lead on no-emission technologies.



## ENGINE SEGMENT

The Engine segment manufactures a broad range of diesel and natural gas-powered engines under the Cummins brand name, as well as certain customer brand names, for the heavy- and medium-duty truck, bus, recreational vehicle, light-duty automotive, construction, mining, marine, rail, oil and gas, defense and agricultural markets.

## POWER SYSTEMS

The Power Systems segment produces power generation systems, components, and services in standby and prime power, distributed power generation, and auxiliary power in mobile applications. It also designs and builds the high horsepower engines used for these and other purposes.



## COMPONENTS

The Components segment supplies products complementing the Engine and Power Systems segments, including aftertreatment systems, turbochargers, transmissions, and electronics to meet increasingly stringent emission and fuel economy standards. It is organized around several businesses, including:

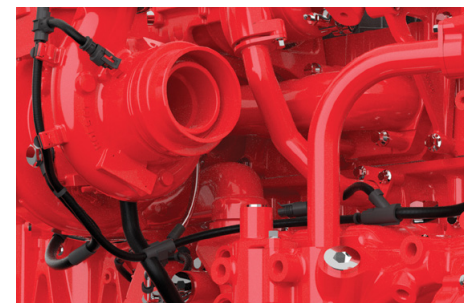
**EMISSION SOLUTIONS:** Designs and manufactures aftertreatment technology to convert criteria pollutants in engine exhaust into harmless emissions.

**ENGINE COMPONENTS:** Designs, manufactures, and markets turbochargers, engine brakes, valve actuation technologies and fuel systems to help meet challenging performance and emission standards.

**SOFTWARE & ELECTRONICS:** Develops and supplies control units, specialty sensors, power electronics, actuators and software for on-highway, off-highway applications.

**AUTOMATED TRANSMISSION TECHNOLOGIES:** Develops automated transmissions for the heavy-duty commercial vehicle market.

**CUMMINS-MERITOR:** Develops drivetrain, mobility, braking, aftermarket and electric powertrain solutions for commercial vehicle and industrial markets.



## ACCELERA BY CUMMINS

Accelera is an energy technology leader for zero-emissions technologies. Its product portfolio includes battery systems, fuel cells, ePowertrain systems and electrolyzers to convert water into low- and no-carbon hydrogen.

## DISTRIBUTION

The Distribution segment is Cummins' primary sales, service and support channel, serving customers and certified dealers through a global network of wholly owned, joint venture and independent distribution locations.





ABOUT CUMMINS //

# CUMMINS' STORY

## WHY WE EXIST

### MISSION

*Making people's lives better by powering a more prosperous world*

## WHAT WE WANT TO ACCOMPLISH

### VISION

*Innovating for our customers to power their success*

## HOW WE WILL DO IT

### VALUES

#### INTEGRITY

*Doing what you say you will do and doing what is right*

#### DIVERSITY & INCLUSION

*Valuing and including our differences in decision making is our competitive advantage*

#### CARING

*Demonstrating awareness and consideration for the wellbeing of others*

#### EXCELLENCE

*Always delivering superior results*

#### TEAMWORK

*Collaborating across teams, functions, businesses and borders to deliver the best work*

### LEADERSHIP CULTURE

*Inspiring and encouraging all employees to achieve their full potential*

### BRAND PROMISE

*Powering our customers through innovation and dependability*

### STRATEGY

*Delivering value to all stakeholders*

ABOUT CUMMINS //

# AWARDS AND RECOGNITION

Cummins received the following recognition and awards in 2022–2023. Here’s a brief look.

Member of  
**Dow Jones Sustainability Indices**  
 Powered by the S&P Global CSA



## ENVIRONMENT

- Cummins was named to the 2022 S&P **DOW JONES WORLD AND NORTH AMERICAN SUSTAINABILITY INDICES**. It was the company’s second consecutive year on the world index and the 15th consecutive year on the North American index. The indices are one of the most prestigious sustainability ratings.
- The company was named one of 36 industry leaders for environmental performance in JUST Capital’s 2023 rankings of **AMERICA’S MOST JUST COMPANIES**. Cummins led the Commercial Vehicles and Machinery category and finished No. 67 in the overall ranking of just business behavior.
- Cummins in 2022 received **FROST & SULLIVAN’S ENLIGHTENED GROWTH LEADERSHIP BEST PRACTICES AWARD** for its approach to climate action and other issues. It won the award for a second consecutive year. Frost & Sullivan is a leading global market research company.
- The company was named to **INVESTOR BUSINESS DAILY’S ANNUAL 100 BEST ESG COMPANIES FOR 2022**. Cummins finished No. 27 in the rating based on the company’s environmental, social and governance score from the S&P Dow Jones Sustainability Indices along with publicly available data and media coverage.

- Cummins India Limited (CIL) received a **2022 EXCELLENCE IN ENVIRONMENTAL MANAGEMENT AWARD** from the Confederation of Indian Industry (CII)-ITC Center for Excellence. The recognition cited CIL’s innovative approaches and exemplary results toward reducing its environmental impact.

## SOCIAL

- Cummins was named to **FORBES’ 2022 BEST COMPANIES FOR DIVERSITY** list, finishing No. 4 in the ranking based on workforce and board diversity, and a survey of employees at companies with at least 1,000 workers.
- Cummins in 2023 ranked No. 4 in Forbes magazine’s list of **THE BEST EMPLOYERS FOR WOMEN 2023**. The ranking is done by a partnership between the business magazine and Statista, one of the world’s leading statistics portals and industry rankings provider. The ranking is based on a survey of employees working for companies employing at least 1,000 people within the United States.
- The company was one of 66 corporations named to the 2023 list of **AMERICA’S TOP CORPORATIONS FOR WOMEN’S BUSINESS ENTERPRISES** for the way it includes women-owned businesses in its supply chain. The list is sponsored by the Women’s Business Enterprise National Council.

- Cummins was named a **2022 BEST PLACES TO WORK FOR LGBTQ+ EQUALITY** as part of the Human Rights Campaign’s Corporate Equality Index. The Human Rights Campaign is a leading advocate for LGBTQ+ people.
- The company was named a **2022 BEST PLACES TO WORK FOR DISABILITY INCLUSION** by scoring 100 on the Disability Equality Index, a benchmarking tool sponsored by the American Association of People with Disabilities and Disability:IN, a global disability inclusion network.

## GOVERNANCE AND FINANCIAL

- Cummins in 2023 was named a **WORLD’S MOST ETHICAL COMPANY** for a 16th consecutive year by Ethisphere, which honors businesses demonstrating integrity through ethics, compliance and governance.
- The company in 2022 had its **ENVIRONMENTAL, SOCIAL AND GOVERNANCE RATING UPGRADED BY MSCI**, a rating prepared by Morgan Stanley International. The change was driven by strong workforce management, Cummins’ environmental efforts and the board’s approach to refreshment and diversity.
- Cummins finished in the top 100 of the 2022 **WALL STREET JOURNAL’S MANAGEMENT TOP 250**, finishing No. 63, up from No. 79 in 2021. The ranking is based on the principles of Peter F. Drucker (1909–2005), an educator and author, who wrote a monthly column at the newspaper.

HISTORY //

# FUTURE FOCUSED

For more than 100 years Cummins has been at the forefront of new ideas. Here's a brief look at the company's remarkable history.

1920

1940

1960

1980

2000

Clessie Cummins creates the Cummins Engine Company based in Columbus, Indiana (U.S.). William G. Irwin, who employed Cummins as a driver, supplies nearly all of the \$50,000 in startup capital.



1919

Cummins takes Irwin for a ride in a used Packard limousine that he equipped with a diesel engine on Christmas Day, convincing Irwin of the engine's potential. Irwin invests a much-needed infusion of cash.

1929

Cummins barnstorms across the country, demonstrating the power and fuel efficiency of the diesel engine in his Coast to Coast Cummins Diesel Test Bus.



1932

1937

Cummins earns its first profit.

1934

J. Irwin Miller, great-nephew of W.G. Irwin, becomes general manager of Cummins at the age of 24.



1962

Cummins begins operations in India, first as a joint venture with one plant in Pune. Today, the company owns all or part of 20 manufacturing facilities in the country and employs nearly 14,000 people.

1951

Miller becomes Chairman of the Cummins Board.

1977

Miller retires as Chairman of the Board, although he remains active with the company until his death in 2004.

1972

Miller lays out his thinking on Corporate Responsibility in Cummins' 1972 Annual Report.

**"While some still argue that business has no social responsibility, we believe that our survival in the very long run is as dependent upon responsible citizenship in our communities and in the society as it is on responsible technological, financial and production performance."**



Miller helps Dr. Martin Luther King, Jr. with some of the organizing behind the 1963 March on Washington. Miller was acting as leader of the National Council of Churches.

1963

Miller becomes Executive Vice President of Cummins.

1944

Cummins enters China as part of a deal involving heavy construction equipment with Cummins engines.



1975

1986

Cummins purchases 86% of the Onan Corporation in suburban Minneapolis, Minnesota (U.S.), which would become the basis for its Power Systems Business.

2019

Cummins celebrates 100 years in business. Cummins unveils PLANET 2050 strategy to further reduce its carbon footprint and address climate change.



2022



Jennifer Rumsey becomes Cummins' first female CEO as she succeeds Tom Linebarger as the company's leader. In 2023, she's elected Chair of the Cummins Board of Directors.

Cummins acquires Meritor Inc., boosting its decarbonization efforts while delivering synergies with Cummins' core products.

President and Chief Operating Officer Tom Linebarger succeeds Tim Solso as Chairman and CEO on Jan. 1.

2012

A global pandemic closes most Cummins locations for at least several weeks, but the company learns to safely reopen and support customers performing essential work.



2020

2021

Cummins announces it will build one of the largest electrolyzer manufacturing plants in Spain and partner on major hydrogen production projects in Spain and Portugal.

2023

Cummins' New Power rebrands as Accelera by Cummins, demonstrating commitment to leading on no-emission technologies.

2018





# ENVIRONMENT

Cummins is committed to reducing its carbon footprint and doing more to use less of the world’s natural resources. The company is also committed to acting with transparency.

## WHAT’S INSIDE:

- PLANET 2050 overview..... 17
- Goal by goal update ..... 19
- Environmental performance chart.... 29
- Goals at a glance ..... 30
- The path to Cummins’ GHG goal ..... 31
- Committed to renewables ..... 32
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PLANET 2050 OVERVIEW //

# CUMMINS STRIVES TO REDUCE ENVIRONMENTAL IMPACT OF ITS OPERATIONS AND PRODUCTS

Cummins continued implementing its PLANET 2050 environmental sustainability strategy in 2022, expanding in size and capability to lead on climate action.

**PLANET 2050** includes nine goals timed to 2030 and the aspiration to reach carbon neutrality in the company’s products and operations by 2050. The strategy works in concert with **Destination Zero**, Cummins’ strategy to go further, faster to reduce the greenhouse gas and air quality impacts of its products, and **Cummins Water Works**, the company’s initiative to address the global water crisis.

The past year was highlighted by the company’s acquisition of Meritor Inc., a leading global supplier of drivetrain, mobility, braking, aftermarket and electric powertrains, which many believe will be a key integration point for electrified power applications.

The August 2022 acquisition, the largest in Cummins’ history, also added more than 30 sites and about 10,000 employees to Cummins’ environmental footprint, and, by extension, some additional complexity to achieving the company’s PLANET 2050 goals and aspirations—at least in the short term.

Incorporating a company the size and scope of Meritor in some cases slowed progress on the 2030 goals in PLANET 2050.

Environmental leaders, however, believe in time there is an opportunity to achieve meaningful progress through Cummins’



*A Cummins employee uses scanner technology to track and trace returnable packaging assets. Increasing the use of returnable packaging is key to the company’s waste reduction goal.*

learnings and the ingenuity of the new employees joining the company. Therefore, Cummins does not foresee modifying the 2030 goals in PLANET 2050 at this time.

Two of the 2030 goals in PLANET 2050 align with the Science Based Target initiative to reduce emissions in line with climate science. More than 3,000 businesses and financial institutions are working with the SBTi to take action on the world’s climate challenges.

SBTi was established following the Paris Climate Agreement in 2015 by organizations including the United Nations Global Compact, CDP (formerly the Carbon Disclosure Project), the World Wildlife Fund and the World Resources Institute.

Cummins’ goals aligned to the framework include one for newly sold products and the other for facilities and operations. The facilities and operations goal is specifically tied to keeping global warming to a 1.5°C temperature increase over pre-industrial levels and the newly sold products goal is aligned to a 1.5°C to 2°C range.

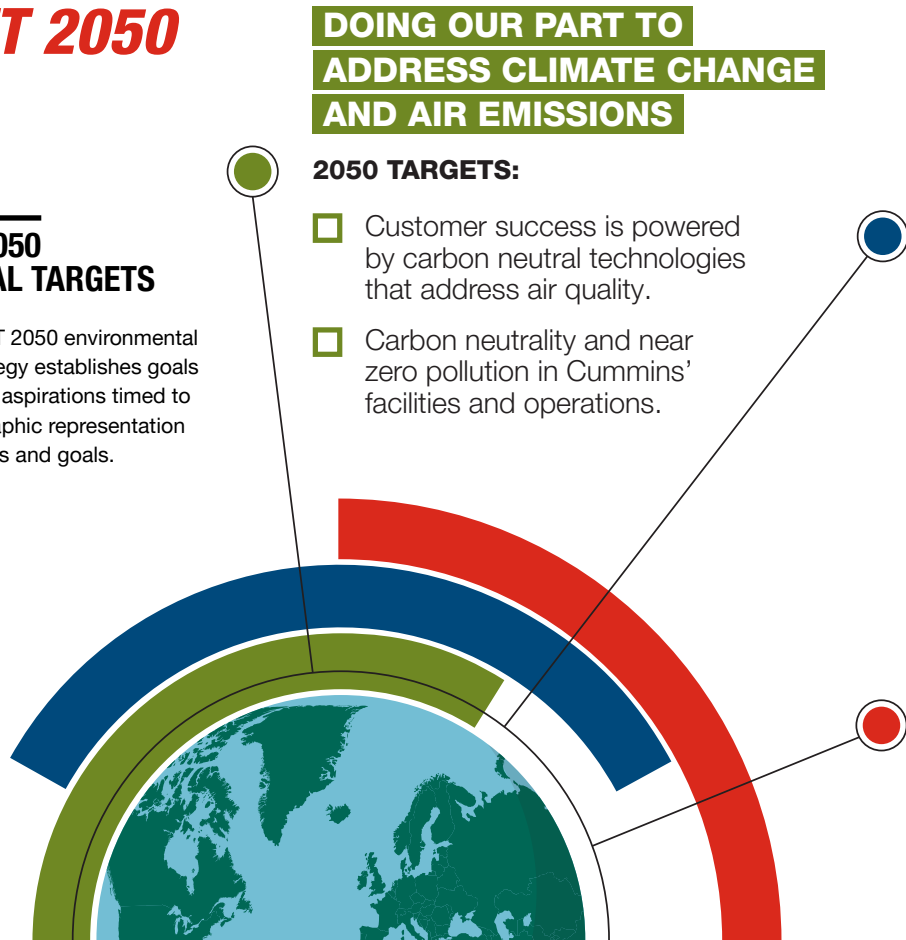
While 2022 presented many challenges, the company still saw important progress on establishing foundations to reduce waste, create lifecycle plans for every part, improve water stewardship and more. Updates on goal progress are included on the following pages. ■

PLANET 2050 OVERVIEW //

# PLANET 2050

## CUMMINS' 2050 ASPIRATIONAL TARGETS

Cummins' PLANET 2050 environmental sustainability strategy establishes goals timed to 2030 and aspirations timed to 2050. Here is a graphic representation of those aspirations and goals.



### DOING OUR PART TO ADDRESS CLIMATE CHANGE AND AIR EMISSIONS

**2050 TARGETS:**

- Customer success is powered by carbon neutral technologies that address air quality.
- Carbon neutrality and near zero pollution in Cummins' facilities and operations.

### COMMUNITIES ARE BETTER BECAUSE WE ARE THERE

**2050 TARGETS:**

- Net positive impact in every community where Cummins operates.
- Near zero local site environmental footprint.
- Reuse water and return clean to the community.

### USING NATURAL RESOURCES IN THE MOST SUSTAINABLE WAY

**2050 TARGETS:**

- Design out waste in products and processes.
- Use materials again for next life.
- Reuse water and return clean to the community.

## NINE 2030 GOALS

SCIENCE-BASED TARGETS	1. Reduce absolute greenhouse gas (GHG) emissions from facilities and operations by 50%.
	2. Reduce Scope 3 absolute lifetime GHG emissions from newly sold products by 25%.
	3. Partner with customers to reduce Scope 3 GHG emissions from products in the field by 55 million metric tons.
	4. Reduce emissions of volatile organic compounds from paint and coating operations by 50%.
CIRCULAR ECONOMY	5. Create a circular lifecycle plan for every part to use less, use better, use again.
	6. Generate 25% less waste in facilities and operations as a percent of revenue.
	7. Reuse or responsibly recycle 100% of packaging plastics and eliminate single-use plastics in dining facilities, at employee events and as amenities.
	8. Reduce absolute water consumption in facilities and operations by 30%.
	9. Produce net water benefits that exceed Cummins' annual water use in all Cummins regions.

NOTE: Company facilities include all consolidated operations and joint ventures that are part of the Cummins Enterprise Environmental Management System.



GOAL BY GOAL UPDATE //

2030 GOAL NO. 1

Reduce absolute greenhouse gas (GHG) emissions from facilities and operations by 50%.

ABOUT OUR NUMBERS

To accurately reflect the company's impact on the environment, Cummins' environmental data includes data reflecting the full impact of its 2022 acquisitions, even for parts of the year when the acquisitions weren't owned by the company.

For example, Cummins acquired Meritor Inc., the largest of the company's 2022 acquisitions, in August of 2022. Cummins' environmental metrics, however, include calculations reflecting the full year of Meritor's operations in 2022.

The company has also recalculated its 2018 baseline year to reflect the totality of the company's 2022 acquisitions.

# CUMMINS SEES PROGRESS ON GOAL TO REDUCE GHGS FROM PLANTS AND FACILITIES

Cummins in 2022 made progress on reducing greenhouse gas (GHGs) emissions from plants and facilities, achieving an absolute reduction of 35% from the company's baseline year of 2018 excluding the company's 2022 acquisitions.

That level of reduction is equivalent to removing 312,000 metric tons of carbon as the company works to achieve Cummins' 2030 goal of a 50% reduction.

Recent acquisitions have had a slightly negative impact on goal attainment to date, but Cummins foresees significant opportunities for energy efficiency improvement at the company's newest locations. When looking at combined Cummins and acquisition data, GHG reductions reflect a 31% absolute total GHG reduction.



The solar farm at Cummins' Rocky Mount Engine Plant in North Carolina went on-line in 2022. It is the second largest solar installation at the company.

In 2022, Cummins invested over \$16.7 million to complete 156 GHG reduction projects (183 projects if carry-over projects that started in 2022 are included), saving 17,884 metric tons of GHG emissions, with an average return on investment of four years. Key projects completed in 2022 include:

- 20 onsite projects to increase the use of renewable energy, with 10 additional projects underway expected to be complete in 2023. The completed projects reduced 7,879 metric tons (MT) of carbon dioxide equivalent (CO<sub>2</sub>e).
- 65 facility efficiency projects, such as LED lighting and heating, ventilation and air conditioning (HVAC) upgrades and building envelope improvements. The projects saved around 5,000 MT of CO<sub>2</sub>e.
- \$1.7 million invested over 32 projects in manufacturing and compressed air improvement projects, leading to a more efficient manufacturing process and 2,453 MT of CO<sub>2</sub>e in GHG reductions.

Over 40% of the savings in 2022 can be attributed to on-site solar projects across all regions, with India representing the biggest footprint of solar projects completed in 2022.

In 2023, solar projects are planned across North America and China, increasing the company's onsite solar offset, which is currently 3% of all total purchased electricity.

## GHG REDUCTION PROGRESS



This table looks at the company's progress toward the 2030 goal of reducing GHGs by 50% at company facilities in thousands of metric tons of CO<sub>2</sub>e.

YEAR	SCOPE 1 GHG EMISSIONS	SCOPE 2 GHG EMISSIONS	TOTAL GHG EMISSIONS	% REDUCTION FROM BASELINE
2018	367	706	1,073	Baseline
2019	369	509	877	18%
2020	324	432	756	30%
2021	333	451	784	27%
2022	311	426	737	31%
<b>2030 GOAL</b>			<b>537</b>	<b>50%</b>

NOTE: Goal calculation uses market-based Scope 2 emissions.

Cummins' support for the expansion of a northwest Indiana windfarm contributed around 120,000 metric tons of CO<sub>2</sub>e in 2022, equivalent to the carbon sequestered by over 143,000 acres of U.S. forest land in one year, according to the EPA. ■

GOAL BY GOAL UPDATE //

2030 GOAL NO. 2

Reduce Scope 3 absolute lifetime GHG emissions from newly sold products by 25%.

# CUMMINS MOVES FORWARD TO REDUCE GHG EMISSIONS FROM NEWLY SOLD PRODUCTS

Cummins made numerous strides in 2022 toward hitting its 2030 goal of a 25% reduction in greenhouse gas (GHG) from newly sold products.

The company's commitment is clear. Cummins leaders believe the drive to reduce carbon emissions represents a significant growth opportunity for the company and are committed to delivering on this opportunity in the best interests of all stakeholders.

Meeting the 2030 product GHG reduction goal is a function of technology, market behavior, and volume. Mass adoption of Cummins' low- and no-carbon platforms is just beginning to build, and the timing of product launches, future regulation that will drive GHG reduction, and market acceptance will have an impact on the goal trajectory.

Cummins leaders regularly update the investment community in quarterly earnings calls and dedicated sessions on the progress of Cummins' low- and no-carbon technology. Product decarbonization-focused planning sessions were conducted with senior leadership and product and technology planning leaders multiple times in 2022.

Lifetime greenhouse gas emissions from newly sold products in 2022 were essentially flat compared with the goal's baseline year of 2018, in line with expectations. They decreased 4.5% from 2021 primarily due to shifts in product mix and sales volumes.

Cummins' overall goal progress is categorized in two main ways: the company's own technology and external forces. Key factors include:

**Advancements in and market adoption of new technology powertrains:**

Announced in early 2022, Destination Zero is the company's product decarbonization strategy—investing in and advancing lower- and zero-emission technologies for those customers who are ready now.

For customers who aren't yet ready—either because of economic concerns, the absence of infrastructure, or other reasons—Cummins is advancing its product portfolio to offer the ability to achieve meaningful carbon reductions using the company's core technologies. Part of Destination Zero that

*Cummins displayed its carbon-reduction efforts at the 2022 IAA Transportation trade show in Hanover, Germany, focusing on the future of transportation.*

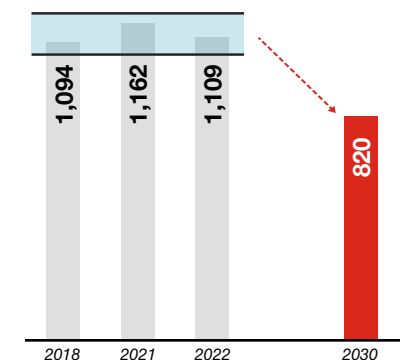
**PROGRESS ON GOAL TO REDUCE LIFETIME EMISSIONS**



Reductions in estimated lifetime product GHG emissions are expected to increase with adoption of zero emission technologies.

**LIFETIME EMISSIONS FROM NEWLY SOLD PRODUCTS**

(million metric tons of CO<sub>2</sub>e)



*This graphic is based on a number of estimates, assumptions and projections, ranging from product mix and volumes to the carbon intensity of fuels used as well as end customer duty cycles and real world fuel economy. Assumptions also include how customers will use company products over their lifetime.*

*This uncertainty is illustrated by the blue bar on top of each column showing a range of potential outcomes. Cummins may revise the baseline and these projections as better tools and information become available.*

- » Cummins custodial plant volumes
- » Consolidated and non-consolidated Joint Venture volumes
- » Cummins 2022 acquisition of Meritor Inc.

- EXCLUDED:**
- » Generators powered by outsourced engines
  - » Remanufactured products' emissions





## GOAL BY GOAL UPDATE //

has the opportunity for near-term GHG reduction is the company's fuel agnostic platform and expansion of more products available fueled by natural gas.

In 2023, the company also introduced Accelerera by Cummins, formerly the company's New Power business segment, to develop and manufacture zero-emission solutions that meet the needs of the company's broad customer base. Accelerera is both a components supplier and integrator, focused on batteries, hydrogen fuel cells, e-axles, traction drive and electrolyzers critical to the production of green hydrogen.

**Continued machine and powertrain efficiency improvements:** Cummins is working on advancements in the capability of using electronic control module data to more accurately account for fuel economy in customer use and more completely incorporate telematics. Some key applications, such as heavy-duty on highway, show significant potential. For example, heavy-duty truck engines, one of the company's largest segments, has seen a 4 to 5% fuel economy improvement globally since 2018.

**Strong regulatory support for GHG reductions:** Cummins is committed to taking a leadership role in the effort to reduce carbon, working with others to achieve the world's climate goals.

Cummins has long supported tough, clear and enforceable regulations that deliver real-world environmental benefits. This support includes advocating for and collaborating with regulators around the world and diverse stakeholders on GHG emissions standards for heavy-duty commercial vehicles and engines.

In April 2023, the U.S. Environmental Protection Agency (EPA) proposed more stringent GHG standards for commercial vehicles starting in 2027 through 2032. The proposal assumes significant and growing adoption of new zero-emission vehicles by end-users over those five years. Consistent with the Destination Zero strategy, Cummins is highlighting the important role of a range of low- and no-carbon technologies in its feedback to EPA's proposal.

Cummins also supports the broader availability of lower carbon fuels, taking steps such as developing electrolyzer technology critical to increasing the global supply of low- and no-carbon hydrogen.

**Broader availability of lower carbon fuels:** Late in 2022, Cummins announced increased compatibility with renewable diesel/hydrotreated vegetable oil (HVO), which is seeing acceptance in states such as California partially due to state and federal incentives. Through this compatibility with specified blends of renewable diesel/HVO, biodiesel, and renewable natural gas, Cummins is providing the opportunity to reduce GHGs in both existing and new engines.

**Customer and industry partnerships to reduce carbon:** In May 2023, Cummins partnered with Walmart to showcase its new X15 natural gas engine in a cross-country drive from Indiana to California (see other partnerships and collaborations on [page 33](#)). Cummins also has a partnership with The Love's Family of Companies to help customers use alternative fuel and zero emission technologies. Trillium, a leading provider of renewable and alternative fueling solutions, will take the lead in the development and deployment of strategies to support this initiative. ■

## ABOUT CARBON MODELING

The scope for Cummins products' science-based target includes GHG emissions generated during the use phase throughout the product's estimated lifetime. The goal does not include full lifecycle or well-to-wheel considerations.

The company committed to creating a science-based target for newly-sold products as part of the Science-based Target initiative (SBTi) in 2017 and announced its goal as part of the PLANET 2050 launch in 2019. Cummins used sector decarbonization data provided by the SBTi and applied it to the company's existing lifetime emissions model. Cummins intends to reassess its goal, resulting in validation or modification, as prescribed by the SBTi by the end of 2025.

Cummins is fully committed to transparency in its goal reporting and has provided its calculation assumptions for lifetime emissions through various reporting frameworks. Since the company first reported an estimate for the lifetime emissions of its products in 2015, Cummins has been able to identify and leverage increasingly sophisticated tools and data for carbon modeling.

The company will continue to update its GHG accounting methods to the best available information and practices and communicate sources of known or potential uncertainty. For example, the model does not yet fully incorporate historical year-over-year incremental fuel economy improvements nor does it include the impact of lower-carbon existing products such as natural gas or biogenic carbon biofuels.



GOAL BY GOAL UPDATE //

2030 GOAL NO. 3

Partner with customers to reduce Scope 3 GHG emissions from products in the field by 55 million metric tons.

## PARTNERING WITH CUSTOMERS TO MAKE A DIFFERENCE ON GHG

**While Cummins’ Destination Zero strategy works to deliver new technology solutions for customers who are ready, many customers still have years of life left in their current fleets.**

These customers are achieving greenhouse gas (GHG) reductions in a variety of ways, including customized engine parameters, optimized calibration settings, parts upgrades and insights through Cummins’ digital platforms to improve fuel economy.

Since first surpassing the company’s 2020 goal in 2018, Cummins has continued partnering with customers to implement fuel savings projects that translate into GHG reductions and is on track to exceed its 2030 goal. In 2022, an additional 21 customer projects were completed, bringing the cumulative total since 2014 to more than 720.

The PLANET 2050 goal is now formally expressed as a cumulative carbon dioxide (CO<sub>2</sub>) reduction since a baseline year of 2014, rather than the annual run rate achieved.

Cummins and its customer partnerships achieved big gains in the early years of this initiative as projects with high returns in terms of carbon reductions, and often cost of operation, were identified and completed.

As products have become more and more efficient, Cummins is now tackling increasingly complex projects to achieve fuel economy savings, including route optimization and the introduction of lower emission fuels.

A mining customer, for example, running a large fleet of trucks partnered with Cummins to reduce fuel consumption without impacting operations. The customer was hoping for a 1.7% reduction in fuel. Together, engineering and on-site teams

implemented a custom calibration and optimized speed settings across the fleet.

The project resulted in a 7% fuel economy improvement, saving 17 million liters per year in fuel (4.49 million gallons) and 45,900 metric tons of carbon dioxide equivalent (CO<sub>2</sub>e). It saved the customer over \$16 million a year.

Customers continue to show interest and dedication to improving their product environmental footprint, and Cummins is dedicated to continuing to partner to help customers achieve their sustainability goals. ■

### PRODUCTS IN-USE BY THE NUMBERS

**\$11 BILLION**

Customer savings in dollars from products in use fuel economy projects since environmental sustainability goals were established in 2014. Projects with customers also saved 3 billion gallons of fuel and avoided 30.5 million metric tons of CO<sub>2</sub>.

### PROGRESS ON GOAL PARTNERING WITH CUSTOMERS TO REDUCE EMISSIONS



Cummins is well on its way of achieving its goal for GHG reductions through partnering with the company’s customers.

YEAR	CUMULATIVE EMISSION REDUCTION (in metric tons of CO <sub>2</sub> )
2014	Baseline
2015	2.3 million
2016	5.2 million
2017	8.6 million
2018	12.9 million
2019	17.4 million
2020	22 million
2021	26.4 million
2022	30.5 million
<b>2030 GOAL</b>	<b>55 million</b>

GOAL BY GOAL UPDATE //

2030 GOAL NO. 4

Reduce emissions of volatile organic compounds from paint and coating operations by 50%

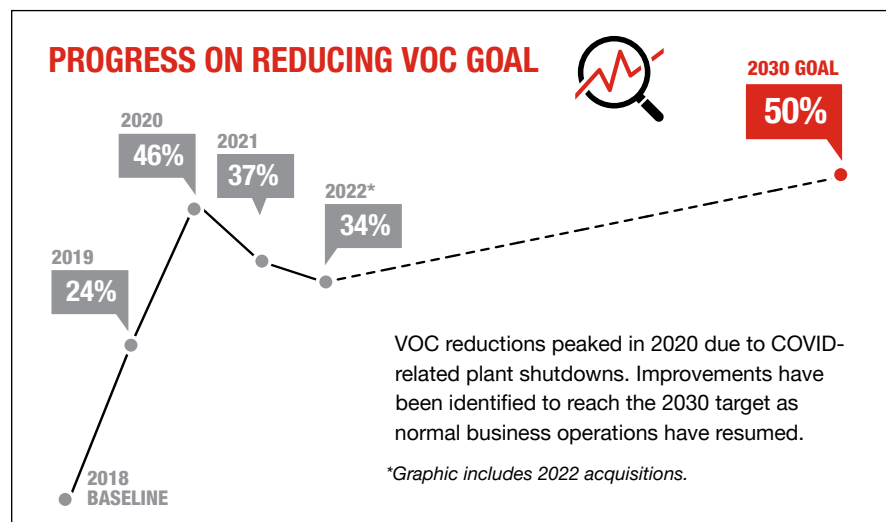
## STRONG START FOR EFFORT TO REDUCE VOCS

Addressing air pollution is a top environmental priority for Cummins' products as well as the company's facilities and operations.

Air pollution is a growing global health concern, and emissions regulations and enforcement are increasing. For these reasons, addressing air pollution is a top environmental priority for Cummins products and the company's facilities and operations.

Volatile organic compounds (VOCs) react in the presence of sunlight to create ground-level ozone, a key contributor to smog. So, fewer VOCs in the atmosphere means better air quality. As a result, VOCs are highly regulated in many of the countries where Cummins operates.

Painting and coating processes at Cummins facilities account for 73% of the VOC emissions from those locations, with the rest from combustion of fossil fuels.



Cummins has a mix of sites using solvent- and water-based paints and resins. Some sites have transitioned to water-based materials or installed air emission abatement systems to comply with stringent local regulations to reduce their VOC footprint.

In 2022, Cummins' Daventry Engine Plant in the United Kingdom worked on a project to transition to a low VOC water-based paint.

The water-based paint meets all required product specifications and offers improvements on resistance to discoloration after heating of components during run cycles.

Cummins' Columbus Mid-Range Engine Plant in Columbus, Indiana, went further with a project that, with the customer's support, completely removed painting from the manufacturing process for one engine line produced there, cutting costs and VOCs.

These projects led to additional environmental savings related to waste generation and water consumption.

The company's absolute VOC emissions increased by about 3% compared to 2021 when Cummins' 2022 corporate acquisitions are included, ending the year with a 34% overall reduction compared to the company's baseline year of 2018. Excluding acquisitions, 2022 VOC emissions would have decreased by more than 43% from 2018.

To drive the same improvements at Cummins sites and newly acquired sites, the company is deploying global sustainability management programs to meet Cummins' 2030 goal. ■



Senior Industrial Engineer Clarissa Arriaga and Current Product Senior Engineer Ashwini Khandelwal.

### CUMMINS PLANT HONORED FOR ENVIRONMENTAL EXCELLENCE

The Columbus Mid-Range Engine Plant (CMEP) received a 2022 Indiana Governor's Award for Environmental Excellence for a project resulting in the plant no longer painting the company's 6.7-liter diesel engine with a clear coating before shipping to the customer.

The award was presented during the state's 25th Annual Pollution Prevention Conference in Indianapolis, Indiana. The plant's effort not only reduced the emission of volatile organic compounds (VOCs), but also reduced the water, soap and chemicals used to prepare the engines for painting as well as the energy used to dry the engines after they were painted.

Senior Industrial Engineer Clarissa Arriaga and Current Product Senior Engineer Ashwini Khandelwal did extensive research finding most engine parts were either already made of corrosive-resistant materials or had some kind of treatment prior to assembly. The benefit of painting was largely degraded by the time the Cummins engine was installed at the customer's facility.

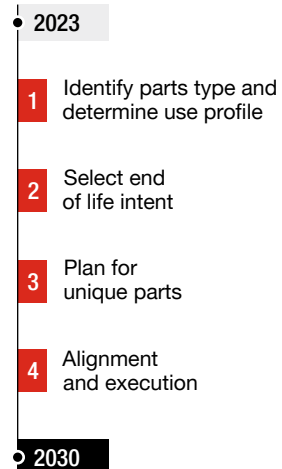
GOAL BY GOAL UPDATE //

2030 GOAL NO. 5

Create a circular lifecycle plan for every part to use less, use better, use again.

GOAL NO. 5 PROGRESS TIMELINE

There are four key steps to accomplish this 2030 goal.



## CUMMINS PUTTING CIRCULAR LIFECYCLE PLANNING IN PLACE TO ACHIEVE 2030 GOAL

Material circularity is an emerging, industry-wide requirement and at the heart of the PLANET 2050 goal to use natural resources in their most sustainable way.

Cummins has participated in the circular economy for 60 years through its active remanufacturing business. The PLANET 2050 goal of creating a lifecycle plan for every part, however, takes circularity to a new level of material planning and execution.

In 2022, the company continued to define the necessary processes and tools with an eye to accelerating implementation starting in 2023. In establishing the goal’s foundation, Cummins is guided by these seven words: use less, use better, and use again.

### USE LESS

To date, the company’s efforts in this area have focused on reductions in resource use through design improvements that don’t sacrifice the durability and dependability customers expect in Cummins products.

The company launched its Design for Sustainability center in 2021 with dedicated resources to support material use optimization. The center provides coaching and training resources to help design engineers in their efforts.

This approach is already showing promise. Projects done in collaboration with the center have avoided an estimated \$1.9 million and saved 9,500 metric tons of carbon dioxide (CO<sub>2</sub>).

### USE BETTER

This element of goal achievement involves characterizing the footprint of commonly used materials and processes, identifying the most sustainable options and areas where material-focused, product-preceding technology is needed for better choices.

Incorporating elements such as mass and other circularity considerations into new product development is an important step and not something that has always been standard practice.

Goal leaders have worked to translate lifecycle design principles and concepts into Cummins’ existing new product design process, making it easier for designers to include them in their work. One method to more quickly make progress is to develop suggested lifecycle plans for parts based on common names.

### USE AGAIN

Internal combustion engine (ICE) products are already highly recyclable, and Cummins will continue to rebuild and re-manufacture engines to retain their embodied energy, as well as embed lifecycle methodology into standard new product processes.

The company is also working on the resource lifecycle management planning necessary for

Accelera by Cummins’ (formerly New Power) zero-emission products, as the manufacturing and lifecycle-related impact is potentially greater than with internal combustion engines. ■

### ABOUT THE SUSTAINABILITY DESIGN CENTER

A commitment to optimizing new product designs for lifecycle material-use is necessary to minimizing Cummins’ environmental impact.

In addition to achieving good environmental stewardship, design-for-sustainability techniques also have other benefits, including:

- Establishing design-for-sustainability techniques as a standard part of the design process.
- Helping design engineers increase their design proficiency and speed in design changes.
- Helping engineers determine when less material can be used without compromising performance and durability.
- Demonstrating and realizing financial savings from design for sustainability to the company.



GOAL BY GOAL UPDATE //

**2030 GOAL NO. 6**

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

## CUMMINS MAKES KEY STRIDES FOR 2030 WASTE GOAL

Cummins follows the principles of the circular economy to “use less, use better and use again,” with the aspiration of achieving “nothing wasted” by 2050.

In 2022, waste as a percentage of revenue decreased by 3.1% against the company’s baseline year of 2018 when Cummins’ 2022 acquisitions are included. Excluding those acquisitions, there was an intensity decrease of 7.4% towards the 25% reduction goal for 2030, equating to a 10.5% absolute total waste reduction.

Excluding data from the acquisitions, Cummins in 2022 saw overall packaging waste increase by almost 4 million pounds (1.8 million kilograms), compared to the company’s 2018 baseline year, a 0.5% absolute increase. Packaging waste is a key segment of the company’s waste stream. Metal scrap, another key segment, decreased by 43 million pounds (20 million kg) from the baseline, a 17.1% reduction.

Process derived waste, meanwhile, decreased by 953,000 pounds (432,000 kg), a 3.6% absolute reduction since 2018. E-waste increased by 2.2 million pounds (981,000 kg) about six times larger than 2018. Again, both of those figures don’t include the 2022 acquisitions.

In 2022, Cummins invested more than \$4 million to complete 108 waste reduction projects, avoiding the generation and disposal of more than 5 million pounds (2.27 million kg) of waste. Significant investment is planned in 2023 to support the roll out of the Cummins Returnable Packaging Program, which deployed several successful pilot projects in 2022 with more planned the following year.

Cummins was able to accomplish this reduction primarily through two company-wide initiatives—the increased emphasis on packaging waste reduction projects and Cummins’ Returnable Packaging Program.

The company avoided more than 4.8 million pounds (2.2 million kg) of packaging related waste through 55 focused projects. In 2023, the goal is to reduce more than 84 million pounds of packaging-related waste through many more strategically focused projects.

The Returnable Packaging Program is expected to reduce packaging-related waste an estimated 84 million pounds (38.1 kilograms) annually. Major program accomplishments in 2022 include:

- Developed and initiated the Returnable Packaging Program project plan.
- Completed three initial pilots to test asset tracking software.
- Selected suppliers for corporately owned returnable packaging, tracking technology and the initial container management center.

Cummins will be moving forward with deploying its tracking system to its facilities and supplier partners. The tracking software will focus on gathering data for the following metrics:

- Total pounds of expendable packaging reduced per year by packaging material type.
- Total cost reduction for packaging per year by supplier.
- Total cost reduction by supplier. ■

### PROGRESS ON GOAL TO REDUCE WASTE



This chart looks at Cummins’ progress on Goal No. 6, including the company’s 2022 acquisitions.

YEAR	WASTE REDUCTION (% intensity change)
2018	Baseline
2019	1.2%
2020	6.7%
2021	8%
2022	3.1%
<b>2030 GOAL</b>	<b>25%</b>

#### WHY PACKAGING WASTE IS SO IMPORTANT

Cummins projects addressing packaging waste reduced more waste for less money in 2022 than non-packaging waste.

CATEGORY	# PROJECTS IN 2022	POUNDS OF WASTE SAVED	INVESTMENT
Waste (non packaging)	53	638,985	\$2.7 million
Packaging	55	4,782,001	\$2 million

GOAL BY GOAL UPDATE //

2030 GOAL NO. 7

Reuse or responsibly recycle 100% of packaging plastics and eliminate single-use plastics in dining facilities, employee amenities and events.

## COMPANY TAKES AIM AT GOAL TO RECYCLE AND REDUCE USE OF PLASTICS

Cummins in 2022 established a clear timeline for action on dining plastics while acknowledging challenges on the plastics used in packaging.

As part of its PLANET 2050 goal, the company is committed to tackling pollution tied to plastics and developing a management strategy for the synthetic material that is in line with the principles around a circular economy. Cummins has identified two key focus areas for plastics management at the company:

- **DINING:** Single-use domestic food-grade plastics such as cups, cutlery and food packaging.
- **PACKAGING:** Non-food grade packaging plastics such as shrink wrap, expanded polystyrene and polyurethane foam.

For the elimination of single-use, domestic food-grade plastics, the company has developed a roadmap for goal achievement to strategize and streamline Cummins' approach. Single-use plastics are defined as petroleum or non-bio-degradable plastics designed to be used one time before they are thrown away or recycled, excluding materials used for health and safety or regulatory requirements.

The focus between now and 2024 will be on single-use plastic elimination in 60 onsite dining facilities within Cummins plants and facilities. Work is focused on understanding the current plastic footprint, current and upcoming legislation, and analysis of replacement materials to offer the most sustainable solutions tailored to each site and region.

For example, the canteens at Cummins' facilities in and around its headquarters city of Columbus, Indiana, have switched out all plastic serving ware, cups, cutlery and straws in their canteens to compostable material. Through the first six months of 2023, more than 53,000 pounds of waste was composted.

Goal efforts on plastic packaging are still in the planning phase as the company learns more about market demand, regulations and policy that will affect global recycling markets. The company's focus is on building a transparent and sustainable strategy for eliminating unnecessary and problematic plastics packaging.

Key actions under way include increasing the use of returnable packaging across Cummins' supply chain and developing and integrating a packaging specification system into the company's sourcing processes to ensure the creation of accurate inbound and outbound packaging specifications.

This allows for reporting of materials' sustainability status, identification of non-recyclable packaging, and the ability to increase Cummins' regulatory compliance. ■

### SINGLE-USE PLASTICS BY THE NUMBERS

8 MILLION

Approximate number of pieces of plastic pollution that find their way to the ocean each day.

4X

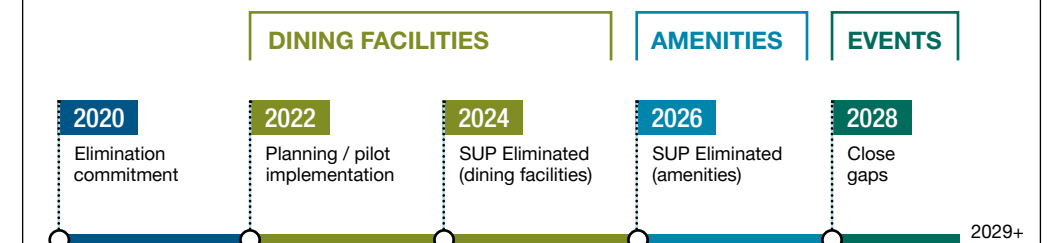
Enough plastic bottles are thrown away each year to circle the Earth four times.

91%

Plastic that is not recycled and ends up in landfills or the environment.

### SINGLE-USE PLASTICS ACTION TIMELINE

Cummins has established the following timeline for action on its single-use plastics (SUP) 2030 goal.



GOAL BY GOAL UPDATE //

2030 GOAL NO. 8

Reduce absolute water consumption in facilities and operations by 30%.

**PARTNERING ON WATER**

Cummins has joined several organizations working to address the world's water issues.

The company joined the CEO Water Mandate, an extension of the United Nations' Global Compact, in 2019, and the related Water Resilience Coalition in 2021. Companies joining the coalition pledge to make the necessary investments in their own operations, as well as work together, to accomplish three goals by 2050:

- A net positive impact in water-stressed areas.
- Water resilience practices across a company's value chain.
- Collaboration to achieve water resilience.

**CUMMINS' WATER GOAL PUSHES COMPANY'S SUSTAINABILITY EFFORTS**

Cummins' PLANET 2050 water-use goal is an absolute reduction of 30% by 2030, chosen based on scientific evidence suggesting a significant deficit in global water resources by 2040.

If achieved, the goal, combined with the anticipated positive impacts from the Cummins Water Works program (see Goal No. 9 on following page) to help communities with the global water crisis, would offset more than the projected 40% deficit in 2040 in available water resources in communities where Cummins has a presence.

Achieving Cummins' goal won't be easy. The 2030 goal is about 350 million gallons below what the company consumed in 2020, when many Cummins facilities closed for significant time periods to help prevent the spread of COVID-19. Achieving that kind of reduction under more normal conditions while including 2022's acquisitions will be a challenge.

In 2022, the company's water use, excluding the 2022 acquisitions, was 826 million gallons, a 15.9% reduction from the 2030 goal's baseline year of 2018, but down 14.6% from 2021. Including the acquisitions for all of 2022, Cummins' consumption was 988 million gallons, a 15.6% reduction from the company's adjusted 2018 baseline.

Cummins will continue to reduce water use through low- and no-cost efforts including aggressive preventative maintenance programs, fixing leaks and optimizing processes, while working to eliminate water use completely where possible. The company also wants to tap alternative water sources and re-use water by steps such as capturing and treating water used when testing fire sprinkler systems, capturing condensation and harvesting rainwater.

The company has established some guidelines such as using treated wastewater whenever possible for non-potable purposes and utilizing fresh water for processes

only after all other conservation options have been fully explored. Sites in water-stressed regions are working toward 100% wastewater reuse in processes, and zero freshwater irrigation. Cummins India has committed to 100% wastewater reuse, beginning with its Maharashtra sites.

Cummins is embracing "xeriscape" landscapes, the practice of designing landscapes with drought-tolerant plants that need little or no water beyond what the natural climate provides while also reducing excess stormwater runoff.

Efforts to meet the goal also include capital projects, primarily efficiency upgrades in innovative wastewater reuse projects. Cummins has adopted a strategic replacement plan to replace older product engineering test cells with regenerative dynamometers, which use less water and recover energy. Optimization of test cycle times also is reducing water and energy. In addition, the company is moving from hot testing, which requires the engine to start up, to cold testing or offline testing.

Cummins is already conserving millions of gallons of water through on-site treatment systems at the Jamestown Engine Plant in Jamestown, New York; the Rocky Mount Engine Plant in Rocky Mount, North Carolina; and the Kothrud Engine Plant in Pune, India—three of the company's largest plants. These multi-faceted systems are designed to treat water used at each location and return a significant amount to the plants for non-potable re-use. ■



Cummins is using "xeriscaping" to reduce water use at facilities like the Distribution business headquarters in Indianapolis. Xeriscaping is landscaping needing little or no water beyond what the natural climate provides.

**WATER GOAL PROGRESS**



Achieving Cummins' water goal will be a challenge for the company.

YEAR	WATER WITHDRAWN (in gallons)	PERCENTAGE REDUCTION (from 2018)
2018	1,171 million	Baseline
2019	1,100 million	6.0%
2020	933 million	20.3%
2021	1,002 million	14.4%
2022	988 million	15.6%
<b>2030 GOAL</b>	<b>819 million</b>	<b>30%</b>

\* Metric includes water use from Cummins acquisitions in 2022.



GOAL BY GOAL UPDATE //

2030 GOAL NO. 9

Produce net water benefits that exceed Cummins' annual water use in all Cummins regions.

## CUMMINS PROGRAM ADDRESSING GLOBAL WATER CRISIS IS KEY TO 2030 NET-POSITIVE IMPACT GOAL

The Cummins Water Works program is playing a key role in meeting PLANET 2050's aspiration to have a net positive impact on the communities where the company has a presence.

On July 14, 2023, the \$13 million program marked its second anniversary addressing the global water crisis by strengthening communities through increased water quantity and quality, and access to hygiene and sanitation supplies.

Through partnerships with global nonprofits, including The Nature Conservancy and Water.org, **Cummins Water Works** ended 2022 having helped more than 527,000 people and generated approximately 5.9 billion gallons in annual water benefits since its 2021 launch.

The company's 2030 goal calls for Cummins to achieve water neutrality by producing net water benefits exceeding the company's annual water use in all Cummins regions. The Cummins Water Works program is currently active in 11 different countries, including Mexico, Brazil, India, South Africa and the United States, and is continuing to expand.

The program's 5.9 billion gallons in annual water benefits in 2022 is significantly outpacing the company's overall global water consumption of 987.6 million gallons, including the companies Cummins acquired in 2022. On a regional basis, water benefits through the program exceeded consumption in two of the company's seven regions.

Cummins Water Works has implemented a range of projects around the world. In the United States, for example, the program is partnering with the Nature Conservancy on its mission to address the dual threats of accelerated climate change and biodiversity loss. The partnership is supporting an oyster reef restoration project to help filter water in the Gulf region of Louisiana and Texas, and reintroduced Kidney Shell Mussels in the Midwest to improve water quality in creeks, streams and rivers.

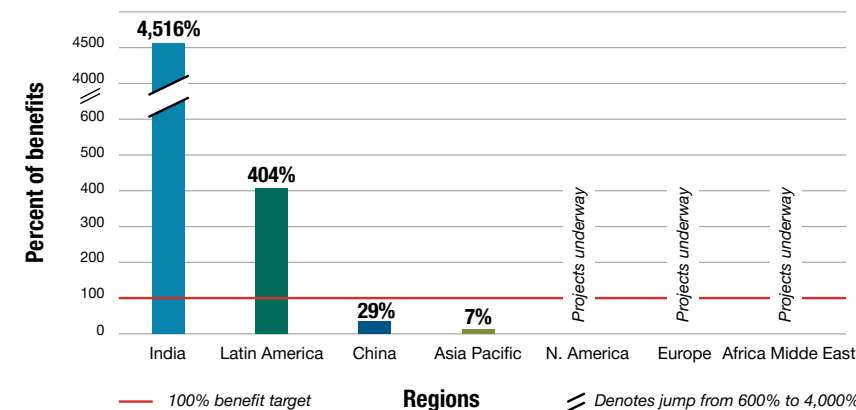
### CUMMINS AND WATER NEUTRALITY

Cummins has been working on water neutrality since 2014 when it committed to having 15 water neutral sites (achieving 16) by 2020. During that time, the company as a whole became water neutral by offsetting its total company water use by returning or replenishing water to the community through the water neutral sites.

Cummins Water Works is now taking a targeted approach by committing to provide net water benefits by region to promote geographic dispersion of benefits.

### GOAL PROGRESS TO NET WATER BENEFITS BY REGION

Cummins has already provided net water benefits in two of its seven regions.



The partnership has also worked to educate and encourage Midwestern farmers to implement conservation practices that reduce fertilizer runoff into waterways to address the hypoxic (dead) zone in the Gulf of Mexico. Excess nutrients trigger algae blooms, which remove oxygen from water and make it difficult or impossible for marine life to survive.

In Brazil, the Cummins Water Works program has partnered with Water.org, on its mission to bring water and sanitation to the world, launching an education program targeting 7-to-13-year olds on the importance of sanitation and clean water to public health.

In India, Cummins Water Works' financial support is backing a low-cost loan program to enable families to install taps and toilet facilities in their homes to live safer and healthier lives. The families also save money, because the monthly loan payments for these improvements are less than what they pay local water vendors for clean water.

In these ways and many others, Cummins is demonstrating its commitment to being good water stewards, consistent with the company's overall mission of making people's lives better by powering a more prosperous world. ■

**LEARN MORE ABOUT CUMMINS WATER WORKS IN THE COMMUNITY ENGAGEMENT SECTION.**

2030 GOAL PROGRESS //

# CUMMINS ENVIRONMENTAL PERFORMANCE

Here’s a look at Cummins’ performance on some key metrics aligned to the company’s 2030 goals in PLANET 2050.

**CHART NOTES**

- All historic energy, waste, and water metric totals have been restated to include facilities acquired in 2022.
- The number of sites certified to ISO 14001/ISO 45001 includes global CMI managed facilities and 50:50 JV non-managed facilities.

ENVIRONMENTAL PERFORMANCE	2018	2019	2020	2021	2022
<b>ENERGY/EMISSIONS</b>					
Energy consumption – Scope 1 (thousands of MMBtu)	4,569	4,641	4,167	4,168	3,859
Energy consumption – Scope 2 (thousands of MMBtu)	14,347	13,820	12,595	13,949	13,362
GHG emissions – Scope 1 (thousands of metric tons CO <sub>2</sub> e)	367	369	324	333	311
GHG emissions – Scope 2 location based (thousands of metric tons CO <sub>2</sub> e)	695	624	537	565	533
GHG emissions – Scope 2 market based (thousands of metric tons of CO <sub>2</sub> e)	706	509	432	451	426
<b>WASTE</b>					
Generated waste (thousands of metric tons)	306	299	257	291	289
Disposed waste (thousands of metric tons)	27	22	16	18	19
Recycled waste (thousands of metric tons)	280	277	240	274	270
Hazardous waste (thousands of metric tons)	10	11	10	10	9
<b>WATER</b>					
Water use (millions of gallons)	1,171	1,100	933	1,002	988
<b>OTHER</b>					
ISO 14001/ISO 45001 certified sites	375	363	342	339	339
ISO 50001 certified sites	36	44	45	45	46

2030 GOAL PROGRESS //

GOALS AT A GLANCE

GOAL 1	GOAL 2	GOAL 3	GOAL 4	GOAL 5	GOAL 6	GOAL 7	GOAL 8	GOAL 9
Reduce absolute greenhouse gas (GHG) emissions from facilities and operations by 50%.	Reduce Scope 3 absolute lifetime GHG emissions from newly sold products by 25%.	Partner with customers to reduce Scope 3 GHG emissions from products in the field by 55 million metric tons.	Reduce emissions of volatile organic compounds from paint and coating operations by 50%.	Create a circular lifecycle plan for every part to use less, use better, use again.	Generate 25% less waste in facilities and operations as a percentage of revenue.	Reuse or responsibly recycle 100% of packaging plastics and eliminate single-use plastics in dining facilities, employee amenities and events.	Reduce absolute water consumption in facilities and operations by 30%.	Produce net water benefits that exceed Cummins' annual water use in all Cummins regions.
2022 STATUS	2022 STATUS	2022 STATUS	2022 STATUS	2022 STATUS	2022 STATUS	2022 STATUS	2022 STATUS	2022 STATUS
<b>31%</b>	<b>Early stages</b>	<b>30.5 million metric tons</b>	<b>34%</b>	<b>Phase 1</b>	<b>3%</b>	<b>Phase 1</b>	<b>16%</b>	<b>2 of 7 regions</b>
PROGRESS	PROGRESS	PROGRESS	PROGRESS	PROGRESS	PROGRESS	PROGRESS	PROGRESS	PROGRESS
<ul style="list-style-type: none"> <li>20 onsite projects to increase the use of renewable energy</li> <li>65 facility efficiency projects</li> <li>\$1.7 million invested over 32 projects in manufacturing and compressed air improvement projects</li> </ul>	<ul style="list-style-type: none"> <li>Anticipated progress resulting from fuel agnostic platform announcement and regulatory changes</li> <li>Increased compatibility with lower carbon fuels</li> </ul>	<ul style="list-style-type: none"> <li>Route optimization</li> <li>Introduction of lower emission fuels</li> </ul>	<ul style="list-style-type: none"> <li>Transition to a low VOC water-based paint</li> <li>Regulatory push</li> </ul>	<ul style="list-style-type: none"> <li>Design for Sustainability Center launched</li> <li>Common part grouping for easier lifecycle planning</li> </ul>	<ul style="list-style-type: none"> <li>108 waste reduction projects</li> <li>Developed and initiated the Returnable Packaging Program project plan</li> </ul>	<ul style="list-style-type: none"> <li>Understanding current plastic footprint, current and upcoming legislation, and analysis of replacement materials</li> <li>Pilot implementation at dining facilities</li> </ul>	<ul style="list-style-type: none"> <li>Aggressive preventative maintenance programs</li> <li>Tap alternative water sources and re-use water</li> <li>Xeriscape landscape</li> </ul>	<ul style="list-style-type: none"> <li>5.9 billion gallons of water in annual water benefits</li> </ul>
<i>See page 19.</i>	<i>See page 20.</i>	<i>See page 22.</i>	<i>See page 23.</i>	<i>See page 24.</i>	<i>See page 25.</i>	<i>See page 26.</i>	<i>See page 27.</i>	<i>See page 28.</i>

Progress toward 2030 goals includes acquisitions completed in 2022.



2030 GOAL PROGRESS //

# THE PATH TO CUMMINS' 2030 FACILITIES AND OPERATIONS GHG GOAL

Achieving Cummins' 2030 greenhouse gas reduction goal will require action across the company. Each circle pictured represents that action's contribution to the 50% reduction.

Here's a description of what each facet will contribute:

**OFFSITE RENEWABLE ENERGY:** Provide renewable electricity through offsite power purchases such as the current agreement with a northwestern Indiana windfarm.

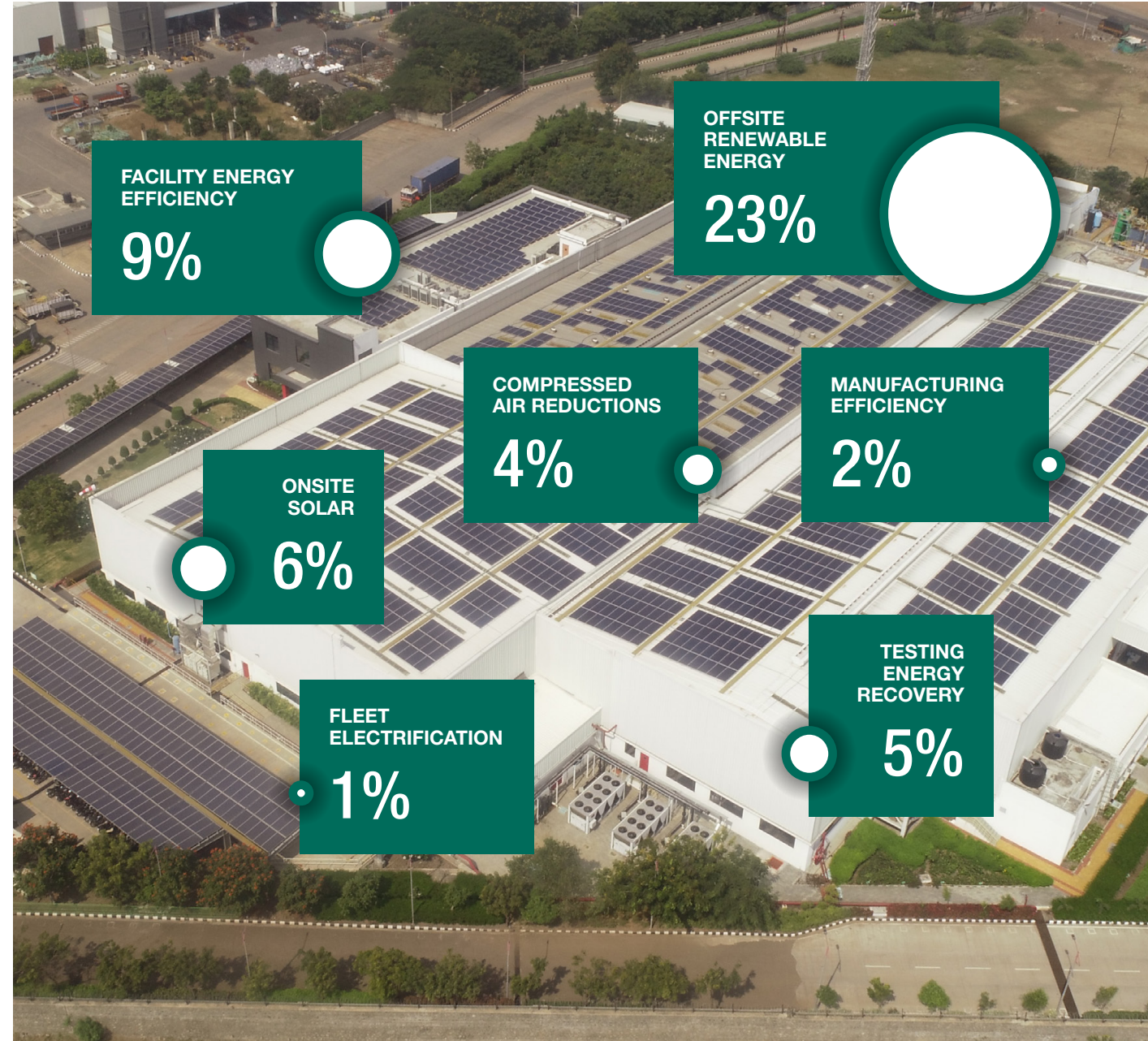
**FACILITY ENERGY EFFICIENCY:** Equipment upgrades, building envelope improvements, integrating PLANET 2050 into new construction standards, improved environmental monitoring.

**SOLAR ENERGY:** Incorporate more renewable energy through onsite solar systems.

**TESTING ENERGY RECOVERY:** Additional use of regenerative dynamometers and heat energy for building and process uses, storage and microgrids in conjunction with onsite solar to get the most out of reusing the energy generated onsite. Become more efficient using fuel for production and research as well as development testing.

**MANUFACTURING EFFICIENCY:** Advanced manufacturing and existing site process transformations, upgraded equipment, reducing or eliminating compressed air use, focus on legacy equipment.

**FLEET ELECTRIFICATION:** Upgrade vehicle fleet electrification, onsite electrification for maintenance and terminal trucks.





2030 GOAL PROGRESS //

# COMMITTED TO RENEWABLES



**Cummins has more than 50 global sites with solar arrays— with more planned for 2023.**

With the addition of Cummins' second largest solar installation at its Rocky Mount Engine Plant in North Carolina, the company ended 2022 with a total installed solar capacity of 39,973 kilowatts peak (kWp). Kilowatts peak is the maximum amount of electricity a system can produce under ideal conditions.

Cummins is continuing to expand its solar capacity, with plans to add additional solar arrays to facilities in 2023. Since 2017, the company has also been supporting the expansion of the Meadow Lake Wind Farm (photo at left) in northwest Indiana under a 15-year Virtual Power Purchase Agreement.

Between its on-site solar installations and the windfarm, Cummins offsets about 16% of its GHG footprint.



Cummins' solar array at the company's plant in Daventry, United Kingdom.

## SOLAR ARRAYS GLOBALLY



This chart looks at on-site solar arrays by region.

REGION	# SOLAR ARRAYS	PEAK CAPACITY (KWP)
Africa	3	1,563 kWp
China	5	13,174 kWp
Europe	6	2,259 kWp
India	18	13,721 kWp
Latin America	4	1,492 kWp
NE/SE Asia & Pacific	8	1,023 kWp
North America	7	6,741 kWp

## TOTAL RENEWABLE ELECTRICITY GENERATION

Total renewable electricity generation as a percent of electricity consumption at Cummins' plants and facilities.

	% OF GLOBAL ELECTRICITY (KWH) GENERATED	% REDUCTION IN TOTAL GHG FOOTPRINT
On site solar installations	2.2%	2.3%
NW Indiana Virtual Power Purchase Agreement	16.3%	13.8%
<b>Total</b>	<b>18.5%</b>	<b>16.1%</b>

PARTNERSHIPS //

# THREE KEYS TO CUMMINS' WORK FOR A BETTER ENVIRONMENT

Cummins' approach to environmental strategy and compliance is built on three key pillars—regulatory support, policy advocacy, and effective partnerships.

Together, they enable the company to achieve three strategic goals to support its work on technology development:

- The development of tough, clear and enforceable regulations.
- A balanced, global regulatory approach.
- Incentives to accelerate progress on the environment.

Here's a closer look at each area, and how they work together to help Cummins accomplish those goals:

## REGULATORY SUPPORT

Cummins believes the technical knowhow of its employees give the company a competitive advantage in meeting tougher regulations, provided they are enforced equally to create a level playing field. The global power technology leader expects standards will continue to strengthen around the world for nitrogen oxides (NOx), particulate matter (PM), greenhouse gases (GHGs) and other emissions.

The company is committed to working with the U.S. EPA, the California Air Resources Board, China's Ministry of Environment and Ecology, the European Commission and other regulators as they develop new standards to drive innovation.

Cummins' work in this area is led by the company's Product Compliance and Regulatory Affairs (PCRA) team. The team was created in 2019 to strengthen Cummins' collaboration with agencies setting emissions regulations and certification processes. PCRA functions independently from, and provides oversight to, the product development teams and business segments at the company.

Keeping track of global standards is no small task. In 2022, the company certified or maintained more than 185 engine configurations with approximately 21 governing agencies around the world. These certifications represented at least 46 different emissions standards for diesel and natural gas products for on-highway, off-highway, marine and rail applications.

## ADVOCATES FOR ACTION

As attention has turned to the world's climate challenges, Cummins has joined with like-minded companies to support climate action. Ahead of the global climate summit in Glasgow, Scotland (U.K.), in 2021, Cummins joined Business Ambition for 1.5°C, which encourages companies to set robust emission reduction goals for GHGs using science-based targets aligned to the 2015 Paris Climate Accords.

By extension, the company also was accepted into the United Nations' Race to Zero campaign, a global effort to rally leadership and support from businesses, investors, cities and regions for climate action. Both groups maintain acting now can address not only global environmental threats, but also create jobs, and unlock sustainable growth.

Cummins continues to advocate for tackling climate challenges across Europe. In 2023, the company hosted a delegation of 35 policymakers from the European Union at Cummins' plant in Oevel, Belgium, to discuss electrolyzer manufacturing and the role that this technology can play in reducing carbon and other emissions.

Company leaders have also addressed the All Party Parliamentary Group on Hydrogen in the United Kingdom to advocate for cleaner technologies as Cummins implements its Destination Zero strategy to reduce emissions. The company is also working closely with the U.K. government's first Hydrogen Champion to address regulatory barriers that hinder growth in hydrogen innovation.

In 2022, Cummins hosted a series of in-person engagements across company sites with senior U.K. policymakers to discuss Cummins' strategy including local and senior



## PARTNERSHIPS //

government officials. Vice President Antonio Leitao, Cummins' top leader in Europe, also addressed leading automotive trade associations on industry competitiveness in the transition to cleaner power technologies.

### PARTNERSHIPS FOR PROGRESS

As Cummins becomes more involved in low- and no-carbon hydrogen platforms, the company is partnering with groups such as the global Hydrogen Council, the U.S. Fuel Cell Hydrogen Energy Association, the California Hydrogen Business Council, the CA Fuel Cell Partnership, Hydrogen Europe and Hydrogen Forward.

Cummins also participates in the U.S. EPA's Green Power Partnership and the Renewable Energy Buyer's Association, which promote the use of low-carbon power sources such as wind and solar. In addition, the company works with groups such as the Diesel Technology Forum, which promotes the importance of clean diesel. Cummins is a founding member of the Health Effects Institute, which, in partnership with the EPA, provides impartial, high quality scientific findings on air pollution.

In Europe, Cummins is a founding member of the Hydrogen Engine Alliance, working alongside automotive companies and suppliers to drive hydrogen technology in future mobility. Cummins also partnered in 2023 with Bosch in Europe to hold the Hydrogen for Life Conference in London, which brought together senior policymakers, industry leaders and academics to discuss the latest challenges with hydrogen policymaking and find solutions to enable further innovation in hydrogen technologies.

Cummins has also worked with the International Council on Clean Transportation, whose mission is to improve the environmental performance of on- and off-highway technologies to benefit public health.

Finally, Cummins is partnering with groups concerned more generally about sustainability, including BSR (formerly Business for Social Responsibility), a leader in helping its members develop sustainable business strategies.

Cummins' regulatory support, advocacy and its partnerships all inform the way the company's Technical and Environmental Solutions function carries out its work. This work is critical to the company's efforts to be a leader on environmental sustainability. ■

## CUMMINS ADOPTS ENVIRONMENTAL JUSTICE POLICY

Cummins has established a new environmental justice policy to guide the company to prosperity in a way that reduces Cummins' environmental impact on people and the planet.

The company's Environmental Justice and Prosperity Policy brings together Cummins' long-standing dedication to the environment and social justice. The company is taking actions today that mitigate environmental harms and optimize more equitable environmental and economic benefits. Cummins is committed to improving equity and reducing disparity on vulnerable and marginalized communities.

Cummins champions environmental justice and prosperity by incorporating data on environmental impact and vulnerability into decision-making processes across the company's products, facilities and operations, through three fundamental principles:

- Innovating products for a cleaner, more equitable future consistent with the company's Destination Zero strategy.
- Increasing equitable environmental benefits where Cummins operates.
- Partnering with impacted communities and neighborhoods to solve the problems that matter to them.

# SOCIAL

Social issues ranging from community engagement to the health and safety of employees are key to Cummins' sustainability.

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*Cummins employees work on a community project for Advocates for Children in Columbus, Indiana, as part of the company's global Volunteer Week.*

## COMMUNITY ENGAGEMENT //

# ***BUILDING MORE PROSPEROUS COMMUNITIES IS A CUMMINS PRIORITY***

**In 2022, Cummins furthered its rich legacy of leadership and dedication to the civil rights, advancement and prosperity of the people living and working in the communities it serves.**

The company's corporate responsibility work aims to both build more prosperous communities and inspire its employees. To accomplish this, Cummins focuses on employee-led volunteerism in communities, and four strategic community programs the company sponsors.

The company focuses its community engagement efforts on three focus areas where it believes Cummins can have the greatest impact: education, the environment, and equality of opportunity. See the next page to learn more about those focus areas.

COMMUNITY ENGAGEMENT //

Cummins employees and leaders engage in their communities by identifying opportunities they have a unique ability to address using their knowledge and skills focused on three global priorities critical to healthy communities:

**EDUCATION**

*Advocating for equitable educational systems and high-quality learning environments*

High quality education leads to strong social and economic outcomes for students, a skilled workforce for employers and vibrant, prosperous Cummins communities. The company engages in education to ensure equitable educational systems with high-quality teaching and learning environments to prepare today's students for tomorrow's workforce.

Among many Cummins education initiatives is **Cummins TEC: Technical Education for Communities** a global strategic program to build technical vocational skills through school-based, industry-supported skills training that leads to living wage jobs.

**ENVIRONMENT**

*Creating a net positive impact and near zero footprint*

Cummins strives to make a net positive environmental impact in its communities through volunteerism and partnerships, so the company has a positive impact greater than its local environmental footprint.

This focus area is both part of the company's community engagement efforts and included in PLANET 2050, the company's environmental sustainability strategy.

Among many initiatives to achieve Cummins' environmental goals, **Cummins Water Works** is a global strategic program to strengthen communities through sustainable water, and address the global water crisis.

**EQUALITY OF OPPORTUNITY**

*Increasing opportunity and equity*

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

Among many Cummins commitments to build opportunity is **Cummins Powers Women**, a global strategic program to achieve gender equality, and **Cummins Advocating for Racial Equity**, which seeks to drive a sustainable impact in dismantling institutional racism and creating systemic equity in the United States.

**COMMUNITY ENGAGEMENT BY THE NUMBERS**

**\$33.9 MILLION**

Cummins' community giving in 2022.

**56.5%**

Percentage of community grants going toward Equality of Opportunity initiatives, the most of the three focus areas in 2022.

**3.2 MILLION**

People served primarily or directly by Cummins grants in 2022.

**73%\***

Percentage of Cummins employees who participated in the company's chief employee volunteering program.

*\*Data doesn't include employees joining Cummins through 2022 acquisitions.*



KEY ENGAGEMENT STATISTICS //

# COMMUNITY IMPACT AND GIVING

## GOAL ALIGNMENT

Cummins' community engagement initiatives align with these U.N. Sustainable Development Goals:

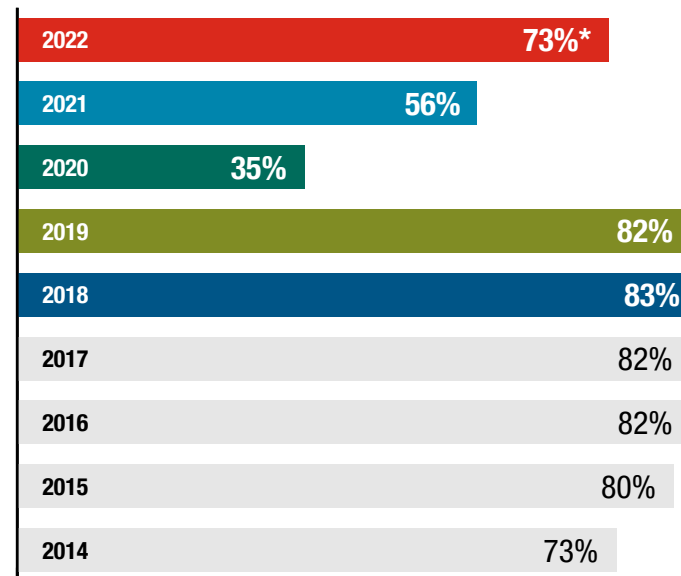


## ENGAGEMENT



One of the company's chief metrics for community engagement is employee participation in Cummins' Every Employee Every Community (EEEC) program, which enables employees to use at least four work hours to volunteer in their communities. In total, eligible employees participating in the EEEEC program in 2022 donated more than 292,000 hours with nonprofits around the world.

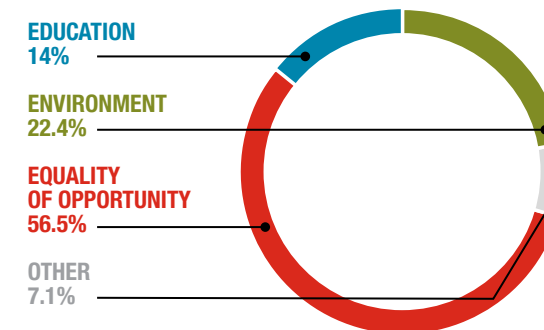
In 2022, to reconnect with communities following restrictions during the pandemic, the company launched its first global Volunteer Week, June 6-10. The company set a goal of having at least 10,000 employees around the world volunteer 40,000 hours during the week. Across the globe, thousands of employees helped serve meals, tutor children, plant trees, provide assistance to veterans, and so much more. Together, employees exceeded the company goal, with more than 13,000 employees volunteering almost 41,000 hours.



\* Participation rate doesn't include employees joining Cummins through 2022 acquisitions.

## GRANT MAKING

Global community giving in 2022 totaled \$33.9 million. A look at 2022 grantmaking by priority area:

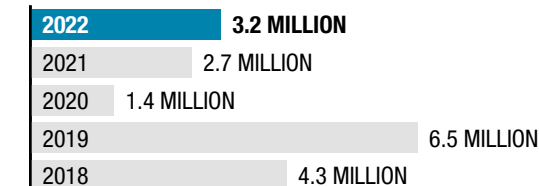


## IMPACT

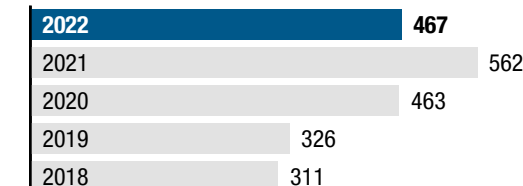


People served directly or primarily by Cummins grants:

### PEOPLE SERVED (BY YEAR)



### COMMUNITY GRANTS (BY YEAR)



STRATEGIC COMMUNITY PROGRAMS // TECHNICAL EDUCATION FOR COMMUNITIES

*This is the first of four stories on Cummins' strategic community programs.*

# PREPARING YOUTH WITH TECHNICAL SKILLS TRAINING FOR THE PRESENT AND FUTURE

**In 2012, the company launched its first global strategic initiative called Cummins TEC: Technical Education for Communities, which seeks to transform lives through career technical education by training disadvantaged youth in employable skills to gain good jobs.**



**Henrie Adesina**

The program has been implemented in 26 career-focused school programs throughout the world. One of the early programs was established in Lagos, Nigeria, at the Institute for Industrial Technology (IIT) and focuses on electrotechnics, which teaches electrical, electronics and automation engineering technologies to provide skilled workers for the power, utility and service industries.

Since the program started in Nigeria in 2014, 23 students have secured internships at Cummins West Africa Limited, 10 of whom enrolled in Cummins' two-year Technician Apprenticeship Program. All have since graduated and are now employed as field service technicians at Cummins.

Henrie Adesina first heard about the Cummins TEC program at IIT as he was considering registering for a different course. At age 16, he instead enrolled in IIT's electrotechnics program, so he could help financially support his family. A family friend had espoused the benefits of a career in technical education and this encouragement, coupled with the school network and mentorship program offered at IIT, led to Adesina applying.

Upon graduation, Adesina was offered a spot in Cummins' apprenticeship program, followed by a role as a field service technician working with gas generator sets. Despite receiving multiple job offers, he was secretly hoping to hear from Cummins.

*"I'd been interested in power generation for as long as I've had engineering leanings," he said. "Cummins is a major player in the power generation space, so it made sense to start my career here. Cummins is rich*

*with information and networks, and as an intern, I was learning at a pace I didn't think I'd get elsewhere. Cummins' work culture and values played a large part in my decision, too."*

Adesina feels it's important to give back to his community. He currently serves as a member of the school's board of trustees and is working towards a qualification to teach the courses Cummins co-developed at IIT. He also co-developed the internship and apprenticeship training program for new students and helps with cover letters and resumes for young graduates. He offers this advice to students:

*"If you're currently in the program and think you want to throw in the towel, don't. I can assure you it's so worth it. Your growth journey has one driver and that's you. Keep upskilling and finding ways to add value to your work. Seek to learn new things, but keep your feet planted and your roots deep by learning a specialty in your field."*

STRATEGIC COMMUNITY PROGRAMS // CUMMINS POWERS WOMEN



*WE (Women Empowerment) Trucking is designed to help families where women work alongside their driver husbands.*

## ***GENDER EQUALITY PROGRAM CONTINUES ITS GLOBAL COMMITMENT***

Since its launch in 2018, this \$23 million commitment to advancing gender equality in Cummins' global communities has resulted in 47 gender equality law and policy changes that positively impacted millions of women and girls. The program has funded 253 advocacy grants through its 10 global partners in 18 countries.

Cummins Powers Women focuses on the four main drivers to achieving gender equality: educational attainment, economic empowerment, legal rights and personal safety.

One initiative the program supports in China focuses on women in the trucking industry. In that country, fewer than 5% of truck drivers are women; however, an estimated 10 million women work alongside their driver husbands. In such a male dominated industry, these women

STRATEGIC COMMUNITY PROGRAMS // CUMMINS POWERS WOMEN

face unique challenges such as poor working conditions, health and safety concerns, family separation, lack of communication, poor career development and isolation.

Cummins partnered with the China Women’s Development Foundation (CWDF) to launch WE (Women Empower) Trucking, a new Cummins Powers Women initiative in China to empower women in the trucking industry and engineer targeted solutions to help improve their living conditions and working environment.

By partnering with CWDF, and joining with other industrial partners, Cummins supports a range of programs to remove visible and invisible barriers in women’s lives and help them achieve business success. These programs target health and wellbeing, security and safety, parenthood and family relationships, skills training, and individual development.

In 2022, the program benefitted 150,000 people, with a direct impact on more than 1,900 women. In collaboration with community partners, Cummins employees:

- Distributed 1,400 care packages of emergency tools and hygiene products.
- Conducted 48 online trainings and lectures on road safety, health and well-being, and more for almost 500 women.
- Conducted three in-person workshops for 60 women to enhance individual relationships.
- Launched an online trucking community for women via WeChat with 294 participants.
- Held a three-day summer camp for 10 families.

“Caring is at the core of Cummins’ values and Cummins Powers Women perfectly reflects our commitment on caring,” said Nathan Stoner, Vice President of Cummins’ Area Business Organization in China. “Women have made great contributions to the trucking industry, but they are confronting unique challenges. Through the WE Trucking project, we are working closely with the nonprofit, industry partners and academia to provide solid support and address the real issues women are facing, and reduce the barriers that prevent them from unleashing their full potential in work and life.”

Zhen Yan, Chairwoman of CWDF, said the program is making a difference for families.

*“When you empower a woman, you empower a whole family,” she said. “WE Trucking is our second women empowering program with Cummins. We believe it will deliver real value for women in the trucking industry.”*

Xu Yingying is a participant in the program. She’s both a truck driver and the wife of a truck driver. This dual role has brought dual challenges: health and safety concerns as a female driver and lack of time to care for her children.

Through the WE Trucking program, she will acquire the skills-training and knowledge to help individual owners and operators run a business, and guidance on parent-child relationships.

CUMMINS POWERS WOMEN BY THE NUMBERS

\$23 MILLION

Cummins’ commitment behind the program since it launched in 2018.

1 MILLION+

Women and girls directly or primarily served by Cummins Powers Women in 2022.

60,634

Women attaining education through the program since launching in 2018.

1,300+

Cummins employee ambassadors supported by more than 24 Cummins regional leaders.



STRATEGIC COMMUNITY PROGRAMS // CUMMINS ADVOCATING FOR RACIAL EQUITY



Company leaders share life and career experiences with Indianapolis, Indiana, high school students as part of a CARE partnership to help guide young people.

# BUILDING BLACK WEALTH THROUGH A COMMITMENT TO RACIAL EQUITY

As a company, Cummins has a long history of fighting for social justice. Launched in 2020, CARE: Cummins Advocating for Racial Equity furthers the company’s goal to power a more prosperous world.

CARE’s vision is to create more equitable and inclusive communities in the United States by leading with the company’s values. The commitment works to dismantle systemic racism in three focus areas: social justice reform, economic empowerment and criminal justice reform.

To help build Black wealth and income, the program invests in Black-owned businesses and economic opportunities. In February 2022, for example, Cummins invested \$1 million to build Black homeowner equity in the Martindale-Brightwood neighborhood of Indianapolis, Indiana. The grant to Intend Indiana supports an innovative program to build generational wealth while addressing the impact of gentrification in historically Black neighborhoods.

In partnership with the city of Indianapolis’ Lift Indy program, the grant funds mortgages for low-income homebuyers of 12 newly constructed houses in the Martindale-Brightwood neighborhood. Homeownership counseling for first-time home buyers was provided by Intend Indiana, along with financial support.

Doris Barringer, a recipient of the home assistance grant, had been denied a home loan several times despite working as a dedicated teacher in the local school system for many years.

“I am ecstatic about the program,” she said. “If I can do it, anyone can do it.”

CARE also focuses on building Black wealth through business sustainability. To date, the program has helped 730 Black-owned enterprises.

Black Business Boom is a social enterprise that partners with CARE and focuses on helping entrepreneurs thrive in today’s digital economy.

In 2022, Black Business Boom facilitated an in-depth training for 210 Black entrepreneurs from six cities throughout the United States. The training focused on digital marketing, brand development, advertising and social media campaigns. It offered low-cost and easily implemented strategies for launching and growing a business in a digital world. Digital marketing is important to all businesses, but it can make or break minority-owned businesses that are historically under-resourced.

*“We’re thrilled to have the opportunity to make a major impact on the Black entrepreneurial community,” said Danielle McGee, founder and CEO of Black Business Boom. “From the day we launched, our company has existed to empower Black entrepreneurs. This partnership will give us the scale we need to make a major difference.”*

STRATEGIC COMMUNITY PROGRAMS // CUMMINS WATER WORKS



*Cummins employees in Seymour, Indiana, build nesting boxes for the endangered Hellbender Salamanders. The salamanders can be an important indicator of a waterway's vitality.*

## **WATER UNITES OUR PEOPLE, PURPOSE AND IMPACT**

Since July 2021, Cummins Water Works has been addressing the global water crisis by partnering with leading water experts and investing and engaging in sustainable, large-scale, high impact water projects.

Cummins understands water scarcity is a global problem with more than 785 million people around the world lacking access to basic drinking water. Cummins Water Works aims to strengthen communities through sustainable water.

The program focuses on collective action to solve the growing global water crisis, which impacts many aspects of Cummins' global communities.

Producing net water benefits that exceed the company's annual water usage in every region by 2030 is one of nine goals in Cummins' PLANET 2050 environmental sustainability strategy.

Cummins continues its commitment towards this goal by having produced more than 5.9 billion gallons of annual water benefits in 2022.

More than 527,000 people benefitted from projects supported by Cummins Water Works around the world since its launch through the end of 2022. The program continues to grow, having expanded into 11 countries so far, to help improve the lives of more people and achieve the company's 2030 goal.

**LEARN MORE ABOUT CUMMINS WATER WORKS IN THE ENVIRONMENT ENGAGEMENT SECTION.**



STRATEGIC COMMUNITY PROGRAMS // CUMMINS WATER WORKS

Cummins partners with world-class nonprofits to provide large scale change in Cummins communities. Two major partners for Cummins Water Works are Water.org and The Nature Conservancy. In São Paulo, Brazil, Cummins is working with Water.org to provide more than 14,000 water infrastructure improvements including toilets, taps and water storage tanks for more than 56,000 people. The volumetric water benefits from these projects are 109 million gallons of water per year.

Cummins Water Works' partnership with The Nature Conservancy is helping secure resilient water supplies for São Paulo by supporting the implementation of nature-based solutions across the Upper Tietê, Piracicaba/Capivari/Jundiaí and Paraíba do Sul watersheds. Last year, Cummins launched a project with The Nature Conservancy to conserve 67,000 hectares of forest to help stabilize the landscape.

Cummins regional leaders have been active participants in the program, continuing to support employee engagement activities and encouraging large scale change to tackle the water challenges in river basins around the world. To date, the program has committed more than \$13 million in grants to support water-related projects.

IMPACT BY THE NUMBERS

Here are some numbers regarding the impact of Cummins' Strategic Community Programs. Cummins Powers Women's numbers are on [page 41](#).

CUMMINS TEC BY THE NUMBERS

26

Number of locations with Cummins TEC programs.

3,317

Total number of Cummins TEC graduates since program's inception.

782

Cummins TEC graduates in 2022.

12.5%

Cummins TEC students who are female.

CARE BY THE NUMBERS

730

Black-owned enterprises positively impacted by CARE since it launched in 2020.

17

Law and policy changes achieved by initiatives with CARE volunteers or support.

40

Advocacy efforts involving CARE volunteers or support.

150

Cummins volunteers supporting the CARE program.

CUMMINS WATER WORKS BY THE NUMBERS

8

Strategic partners, including The Nature Conservancy, Water.org and 50L Home.

\$13 MILLION

Investment to date (committed) in the Cummins Water Works program.

11

Countries with projects so far: U.S., Canada, Mexico, Peru, Brazil, South Africa, Spain, India, the Philippines, China and Ghana.

5.9 BILLION

Gallons of annual water benefit in 2022 from Cummins Water Works program.

HEALTH AND SAFETY //

# KEEPING COMPANY'S MOST IMPORTANT ASSET SAFE IS KEY TO CUMMINS

Cummins believes employees are its most important asset, and the company is always working to promote an interdependent safety culture designed around reducing risk and returning everyone home safely every day.

The company's Health, Safety and Environment organization exists to ensure every employee, contractor, supplier and visitor has access to a healthy, safe and clean work environment. Cummins, however, maintains everyone has an important role to play in creating that environment, including employees, who are urged to raise safety concerns, approach others they see at risk of injury, and share ideas on controlling safety risks.

Only through this kind of collaboration can a company create a truly interdependent safety culture.

This approach has resulted in a stellar record for many years, with an employee Incidence Rate consistently below national averages for the work the company performs. In 2021, the most recent nationwide data available, the average Incidence Rate for manufacturers of motors and generators was 1.7 and for the motor vehicle industry, 5.6. Cummins had an Incidence Rate of 0.57.



Cummins employees are urged to share their safety concerns, so everyone returns home safely at the end of the day.



HEALTH AND SAFETY //

**PURSUING CONTINUOUS IMPROVEMENT**

The company, however, believes there is no acceptable rate for injuries. In 2021, Cummins implemented a new initiative around a metric known by health and safety professionals as Potential Serious Injuries and Fatalities or PSIF. PSIF is based on understanding the underlying causes of potentially severe incidents to develop preventive actions that mitigate risk before a serious injury occurs.

A Potential Serious Injury and Fatality is defined as a work-related incident that had the potential to lead to a serious injury or fatality if not for one or two factors. A serious injury is considered a life threatening injury or illness requiring medical intervention, while a life altering injury or illness is something that results in a permanent loss of a body part or function.

The company's focus on PSIF aligns with Cummins' efforts to build an organizational culture that values safety by promoting a workplace where performance excellence, trust and employee engagement are equally valued, and where everyone, at every level of the organization, is accountable for health and safety.

Creating this kind of culture is critical to encouraging employees to report potentially dangerous situations, so corrective action can be taken to address the underlying causes.

**CHALLENGING TIMES FOR SAFETY**

Continuous improvement in health and safety has never been more important. The pandemic and its many aftereffects, ranging from limitations on personal communication and travel, to workplace reorganizations and supply chain disruptions, have all contributed to a challenging safety environment.

This challenge is reflected in many of the key 2022 metrics Cummins follows on health and safety, including:

- Cummins' Incidence Rate, the rate of recordable injuries, which increased from 0.57 in 2021 to 0.71 in 2022.
- The company's Severity Case Rate, the rate of lost or restricted workdays, which increased from 0.28 in 2021 to 0.34 in 2022.
- Cummins' Ergonomic Incidence Rate, the rate of ergonomic injuries, which increased from 0.17 in 2021 to 0.22 in 2022.

- The company's PSIF Rate, the rate of potentially serious injuries and fatalities, which increased from 0.41 in 2021 to 0.52 in 2022.

While there were no employee fatalities in 2022, leaders expected the PSIF increase as they encouraged employees to report potentially dangerous situations before there was an incident.

The 2022 safety metrics do not include data from Meritor, Inc., which the company acquired in August of 2022. The acquisition will be reflected in the company's 2023 safety metrics.

With COVID-19 cases relatively low in most locations, the Health, Safety and Environment function is working with company leaders to put a special emphasis on getting out regularly on plant floors and other locations to observe and encourage safe behaviors, steps that were routine before the pandemic.

Employees are also being urged to talk about the importance of an interdependent safety culture with their co-workers. In addition, health and safety leaders put a focus on recognizing employees exhibiting safe behaviors and practices. ■

**HEALTH AND SAFETY BY THE NUMBERS**

**\$26 MILLION**

Productivity and efficiency savings from the projects submitted for the 2022 Ergo Cup competition.

**\$20 MILLION**

Estimated cost avoidance from the projects submitted for the 2022 Ergo Cup Competition.

**25%**

Cummins' target for reducing risk and injuries from musculoskeletal disorders by 2025 as part of national initiative targeting the most common workplace injury.

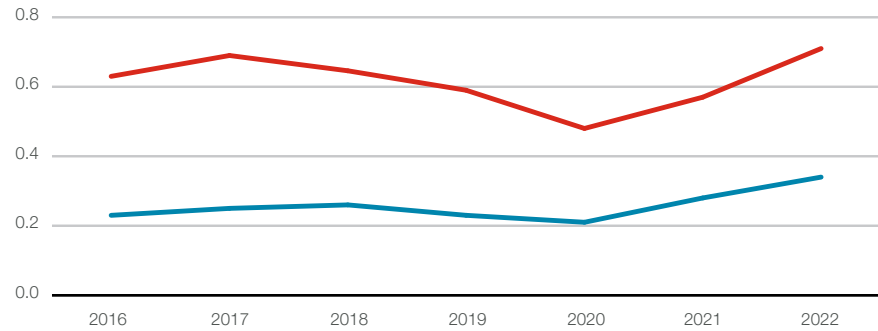
**0.71**

Cummins' safety Incidence Rate in 2022.

HEALTH AND SAFETY //

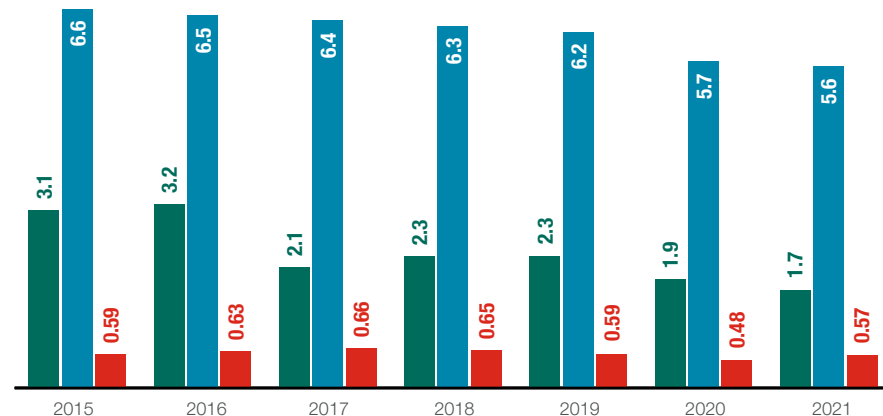
**SAFETY PERFORMANCE INDICATORS**

Here's a look at key trends in safety at Cummins.



**HOW CUMMINS COMPARES**

Cummins' Incidence Rate compared to other industries as compiled by the U.S. Bureau of Labor Statistics.



**2022 ERGO CUP COMPETITION**

Cummins again held its Ergo Cup competition in 2022, receiving over 150 project submissions from nearly 70 sites delivering on the company's commitment to reduce the risk of ergonomic injuries.

The projects submitted for the 2022 Ergo Cup collectively totaled a record \$26 million in productivity and efficiency savings and \$20 million in cost avoidance. Two projects were judged global winners:

- Cummins Turbo Technologies in Huddersfield, U.K., developed a custom-designed arm to lift and manipulate heavy grinding wheels.
- The Cummins High Horsepower function in Phaltan, India, integrated collaborative robots to remove risk in the deburring and brushing process. Deburring removes rough and sharp edges from a part.

**CUMMINS JOINS NATIONAL SAFETY COUNCIL EFFORT TO ADDRESS WORKPLACE INJURIES**

Cummins in 2022 joined the National Safety Council (NSC) and more than a dozen leading U.S. employers in signing the MSD Pledge to address the most common workplace injury: musculoskeletal disorders (MSDs).

Born out of the council's groundbreaking MSD Solutions Lab program—launched to tackle this omnipresent safety challenge, which affects more than a quarter of the world's population—the pledge represents a first-of-its-kind commitment from employers to identify and reduce MSDs across workplaces worldwide.

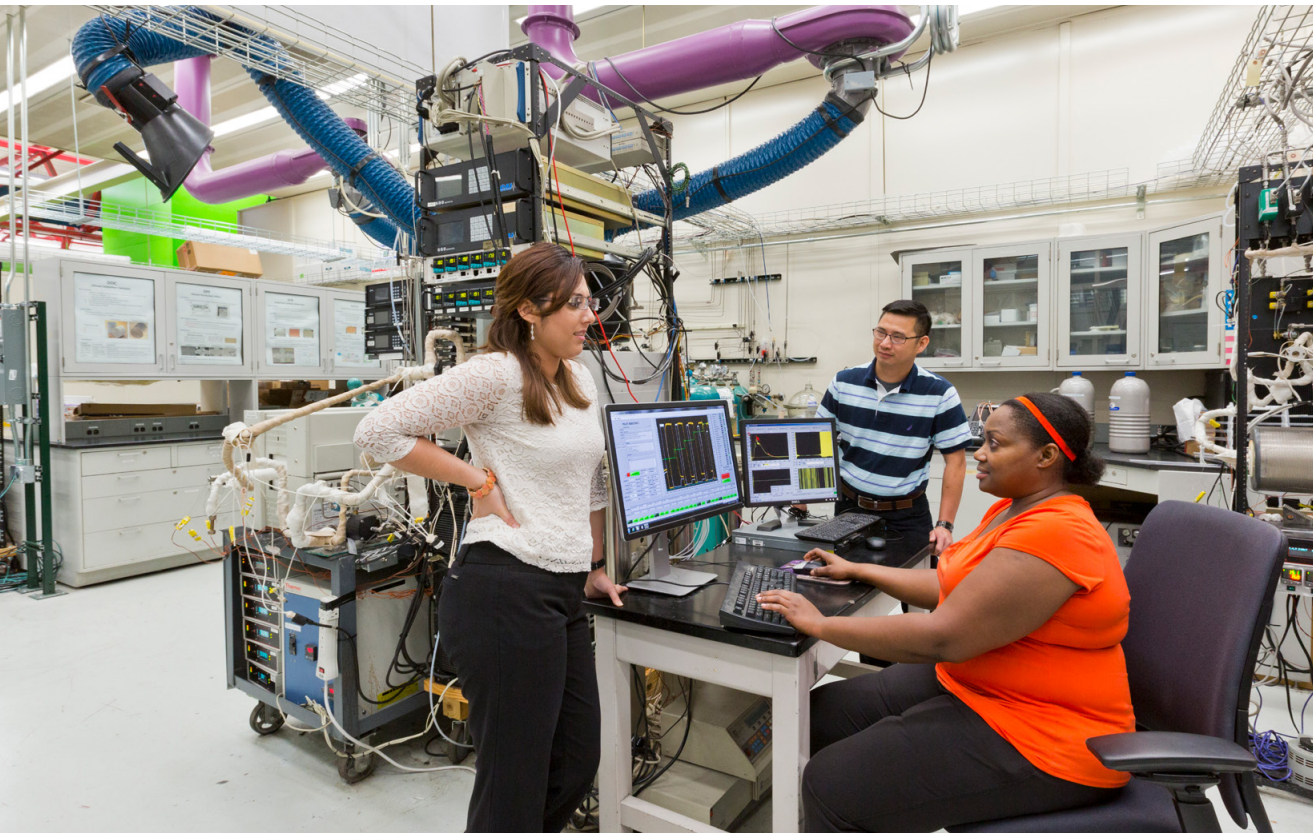
Along with Cummins and NSC, America's leading nonprofit safety advocate, founding pledge members include Amazon, Alcon Research, LLC; Ansell Inteliforz; Amentum; American Industrial Hygiene Association; AMP; Benchmark ESG; Human Balance and Stability Systems, LLC; MEGA InTech; Meteorite; Tenneco; United Airlines; and Velocity EHS.

The **MSD Pledge** aims to inspire a global movement across industries that improves workplace safety, reduces MSD risk and enhances the well-being of all workers. Specifically, Cummins pledged to:

- Reduce risks by analyzing the causes of MSD injuries across operations and investing in solutions and practices that reduce risks to workers.
- Innovate and collaborate by leveraging best practices and sharing learnings and countermeasures to expand upon innovations to improve safety practices.
- Build an organizational culture that values safety by promoting a workplace where safety excellence, transparency, and accurate reporting are equally valued, and where everyone, at every level of the organization, is accountable for the safety and health of workers.
- Commit to a significant reduction of MSD injuries by creating safer outcomes for millions of workers worldwide and reducing MSD risk and subsequent injuries by 25% by 2025.

DIVERSITY, EQUITY AND INCLUSION //

# POWERING A CULTURE OF INCLUSION



Cummins embraces diverse perspectives and skills from every employee. The company is committed to maintaining inclusive and accessible work environments where everyone belongs.

Diversity, equity and inclusion (DE&I) is one of Cummins' core values and business imperatives, critical to creating long-term value for all of the company's stakeholders. Cummins' commitment to forward-thinking DE&I practices have contributed to innovation, profitability, community impact, and gender and racial diversity within the company.

Cummins believes strongly that teams with different backgrounds and approaches are more likely to provide creative solutions to customers' biggest challenges. Diverse, accessible, equitable and inclusive workplaces drive a culture of belonging and also help the company attract, hire, develop and retain the best employees.

*Cummins believes teams from different backgrounds with diverse skills are more likely to arrive at creative solutions to key challenges.*

## ALWAYS RESPONSIBLE

The company has been a leader for more than 60 years in removing barriers for those who have historically been denied access to opportunity, including women, racial and ethnic groups, people with disabilities, veterans, and the LGBTQ+ community. Longtime Cummins leader J. Irwin Miller (1909-2004) was an influential advocate for civil rights legislation while president of the National Council of Churches and he brought an appreciation for the power of diversity to the company he led.

Cummins demonstrates its commitment today by advancing gender and racial equality, advancing global pay equity, empowering diverse suppliers, facilitating technical education, and addressing global challenges—all powered by the company's people and partners.



DIVERSITY, EQUITY AND INCLUSION //

**ADVANCING INCLUSION THROUGH ACCESSIBILITY**

Cummins aims for a workforce as diverse as the communities it serves, and the company's global efforts around disability inclusion have progressed in a number of impactful ways:

- Cummins expanded its portfolio of accessible technology solutions to include Dragon Pro speech-to-text, Zoom Fusion magnifier/reader and more to break down obstacles preventing interaction with, or access to websites, digital tools and technologies for people with disabilities.
- The company has integrated measures into Cummins' building standards to better serve people with disabilities.
- Cummins launched a new Disability Fundamentals online training for employees that complements the company's portfolio of disability learning resources.

**DIVERSITY AND INCLUSION BY THE NUMBERS**

**60+**

Years Cummins has been a leader in removing barriers for those demographic groups historically denied access to opportunity.

**3**

Business segments led by women in 2022 of Cummins' five business segments.

**25%\***

Percentage of Cummins' U.S. Vice Presidents who were Black or Latino in 2022.

Regarding representation, Cummins' goal is to reflect the markets the company serves. Specifically, Cummins' worldwide gender aspirational goal is 50%, and for Black and Latino representation in the United States, 12% and 18%, respectively. While it has more to do, the company is making progress in its DE&I journey. Recent highlights include:

- Cummins named its first female President and CEO in 2022.
- 47% of the Cummins Leadership Team, the CEO's top leadership group, are currently made up of women.
- Three of the company's five business segments were led by women in 2022.
- More than 40% of Cummins' Vice Presidents as of Dec. 31, 2022, were women, and 25% of the U.S.-based Vice Presidents were Black or Latino.

**LIVING CUMMINS' VALUES**

Cummins' commitment to diversity, equity and inclusion can be seen in many ways. The company, for example, promotes DE&I through more than 150 employee resource groups at Cummins locations around the world, organized around multiple dimensions of diversity. The groups offer mentoring, coaching and leadership development opportunities.

The company also has learning and development trainings to encourage

employees to be conscious of their visible and invisible identities, privilege, biases and cultural preferences.

Cummins offers innovative programs such as Cummins RePower to help professionals who left the labor force return with confidence through paid "returnships" that include coaching and development. To create a more diverse talent pipeline, Cummins has partnered with McKinsey & Company to bring its nationally recognized Connected Leaders Academy to the company, offering leadership development programs designed for Black, Latino and Asian employees.

Cummins is improving workforce inclusion in several ways, from advancing pilot hiring programs for neurodivergent people who experience and interact with the world in many different ways; to supporting veterans and their families; enhancing the accessibility of the company's facilities as well as its portfolio of accessible technology solutions; and striving for fair compensation and benefits for everyone.

In these ways and more, Cummins supports the company's overall mission of making people's lives better by powering a more prosperous world. Cummins' unwavering commitment to DE&I not only helps the company better serve its customers, but also strengthens Cummins' business as a whole. ■

**LEADING ON SUPPLIER DIVERSITY**

Cummins' supplier diversity program has helped spread the benefits of economic development to more communities by including diverse suppliers in the company's procurement efforts for more than 40 years.

In 2022, almost 20% of the company's spending globally was with companies whose owners identified themselves as diverse or small businesses. Cummins takes a global approach to supplier diversity, with initiatives in countries around the world.

But supplier diversity is more than just the right thing to do. It's also the business thing to do, ultimately creating more competition for the company's supply needs.

Cummins is a member, and has a representative on the board, of the Billion Dollar Roundtable. Created in 2001 to recognize corporations achieving at least \$1 billion in spending with diverse-owned suppliers year-over-year, the Billion Dollar Roundtable is a leading advocate for supplier diversity initiatives.

\* Does not include employees joining Cummins through acquisition of Meritor Inc.

DIVERSITY, EQUITY AND INCLUSION //

**EMPLOYEE DIVERSITY**

Cummins is committed to diversity across all its dimensions. Here's look at our workforce as of Dec. 31, 2022.

**ABOUT OUR NUMBERS**

The 2022 data in this section for employee race and gender does not include those employees joining Cummins through the August 2022 acquisition of Meritor Inc., a leading global supplier of drivetrain, mobility, braking, aftermarket and electrified powertrain solutions for commercial vehicle and industrial markets.

Cummins was still entering data for those approximately 10,000 employees into the company's information systems in early 2023. So, employee demographic data in this section is limited to those employees whose complete demographic information was in Cummins' systems by the end of 2022.

Updated information will be included in the 2023-2024 reporting cycle. Percentages are subject to rounding to add up to 100%.

**GENDER\***

Cummins is steadily increasing the number of women within its ranks globally, especially among the company's senior leadership.

**WOMEN IN CUMMINS WORKFORCE**

	2021	2022
<b>OVERALL</b>	27.8%	28.3%
Hourly	26.9%	27.4%
Salaried / exempt	29.1%	29.3%
Directors and Executive Directors	25.7%	27.2%
Vice President and above (officers)	40%	40.7%

NOTE: Based on workforce as of Dec. 31 in both years.

**RACE AND ETHNICITY IN THE U.S.\***

Cummins' goal is a workforce that reflects the markets where it does business. Here's a look at the company's workforce in the United States.

RACE & ETHNICITY	ASIAN	BLACK	LATINO	WHITE	OTHER	TWO OR MORE RACES	DECLINED TO ANSWER
<b>ALL EMPLOYEES</b>	11.4%	13.2%	8.9%	64%	0.6%	1.7%	0.2%
Hourly	2.9%	18.4%	9.2%	66.5%	0.8%	2%	0.2%
Salaried / exempt	21.6%	7%	8.6%	61%	0.4%	1.2%	0.2%
Directors and Executive Directors	14.4%	7.4%	7.2%	69.8%	0.3%	0.9%	0%
Vice President and above (officers)	6.8%	18.2%	6.8%	68.2%	0%	0%	0%

\* Does not include employees joining Cummins through the 2022 acquisition of Meritor Inc.  
NOTE: Based on self-identification as of Dec. 31, 2022.

**46.7%**

Women on the 15-member Cummins Leadership Team.

**41.7%**

Women on the Cummins Board of Directors.

WORKFORCE //

# ATTRACTING AND RETAINING A WORKFORCE TO MEET FUTURE CHALLENGES

Cummins’ approach to human capital management is centered on the company’s Leadership Culture and its call for inspiring and encouraging all Cummins employees to reach their full potential.



To achieve this bold objective, the company believes all employees, regardless of employee type, must know what is expected of them, are rewarded based on their performance, and have access to differentiated experiences, tools and leadership coaching to advance in their career goals.

Cummins has established four focus areas critical to the kind of dynamic work environment necessary to

*Cummins employees take advantage of nice weather to meet outside the campus of buildings in downtown Columbus, Indiana.*

support this vision and serve the company’s stakeholders:

- Diverse, equitable and inclusive workplaces.
- Self-aware and effective leaders.
- Talent processes extended to every level and job type, so every employee has access to training and development opportunities.
- Engaging employees in every aspect of wellness—financial, physical and mental.

### WHY DE&I MEANS SO MUCH

Diversity, equity and inclusion (DE&I) has contributed to innovation, profitability, community impact and increased representation across every dimension of diversity at Cummins.

Teams with different skillsets, approaches and backgrounds are better equipped to provide innovative solutions to customers’ biggest challenges. Diverse, accessible, equitable and inclusive workplaces drive a culture of belonging, so employees can bring their full selves to their jobs. DE&I also makes for a more interesting place to work, helping the company attract, hire, develop and retain the best employees.

A complete exploration of DE&I is available on the preceding pages.

### ABOUT THE CUMMINS LEARNING CENTER

Cummins employees invested an estimated 625,466 hours in mandatory and non-mandatory on-line courses offered through the Cummins Learning Center in 2022.

Top mandatory classes were on topics ranging from diversity to ethical business practices, and security awareness. Popular non-mandatory subjects ranged from creating a high performing organization, to health and safety leadership and quality management.

The Cummins Learning Center is just one source for training and development at the company. In addition to company-wide initiatives, training and development takes place at individual business segments, at various functions and at the site level, too.

### LEADERS SET THE TONE

Cummins has long believed the single biggest factor in a great work experience for an employee is an excellent boss. Self-aware and effective leaders are critical to executing the company’s Leadership Culture.

Authentic leaders create safe and caring work environments by admitting mistakes, asking for help and being open to feedback, which they recognize as a means for both them and the company to improve.



**WORKFORCE //**

Cummins offers extensive training to help leaders develop into the best version of themselves. The company’s Building Success in You training has the goal of helping 10,000 company leaders between 2018 and 2025 develop a personal connection to Cummins’ Leadership Culture and Behaviors, along with a commitment to lifelong learning and continuous improvement.



**GO IN-DEPTH ON CUMMINS’ WORKFORCE**

Cummins is serious about effective human capital management.

To learn more, check out the company’s [2023 Human Capital Management Report](#). The report includes an in-depth exploration of the company’s focus areas as well as essays from Chair and CEO Jennifer Rumsey and Vice President – Chief Human Resources Officer Marvin Boakye.

The report is the company’s second devoted exclusively to the topic of human capital management.

**EXTENDING TRAINING AND DEVELOPMENT**

Leaders are committed to extending to every employee at every level the kind of talent processes and training initiatives only available at a global company the size and scope of Cummins. The Cummins Learning Center, for example, offers a wide range of on-line courses, from mandatory ethics and safety classes to voluntary learning on data modeling, project management and advanced business problem-solving tools such as Six Sigma.

The company believes strongly that formal learning has an important role to play in training and development, but training alone rarely helps employees reach advanced or expert levels.

To be effective, training must be followed by practice and application to truly build competency. Cummins provides a wide variety of opportunities to put training into action, including real-world experience with the tools and resources necessary to expand an employee’s skillset, and access to colleagues who can share their practical knowledge and experience.

Cummins employees are strongly encouraged to participate in Competency Assessments to identify skill gaps in their current roles, followed by Individual Development Plans they can work on with their supervisor to prepare for their next position.

**COMPETITIVE PAY AND BENEFITS**

To attract and retain the best employees, Cummins puts a focus on providing competitive pay and benefits aligned to the company’s core values.

Cummins’ compensation and benefit programs are designed to improve the physical, mental and financial wellness of the company’s employees throughout their lifetime. Some examples include base and variable pay, medical benefits, paid time off, retirement savings plans and employee stock purchase plans.

When designing Cummins’ base pay compensation ranges, the company does a market analysis to ensure its ranges are current and Cummins employees are advancing in their earnings potential. Cummins supports pay equity and reviews wages globally to ensure they are fair, equitable, and competitive.

By addressing all four focus areas, Cummins works to attract and retain the best talent to achieve the company’s sustainability goals and serve all of Cummins’ stakeholders—customers, investors, employees, communities and more.

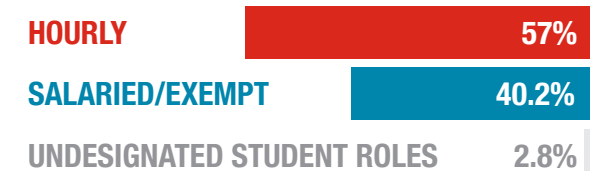
**HOW WE WORK**

Cummins employees\* work overwhelmingly full time. The company’s hourly workers outnumber its salaried/exempt workers.

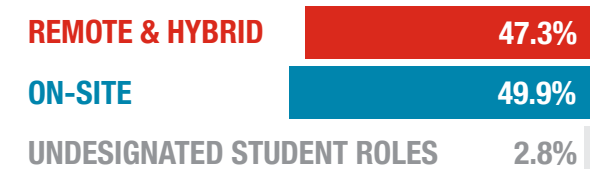
**FULL-TIME VS. PART-TIME**



**HOURLY VS. SALARIED/EXEMPT**



**WORK FLEXIBILITY**



\* Does not include employees joining Cummins through 2022 acquisitions.  
Percentage of workforce as of 12/31/2022.

WORKFORCE //

**ABOUT OUR NUMBERS**

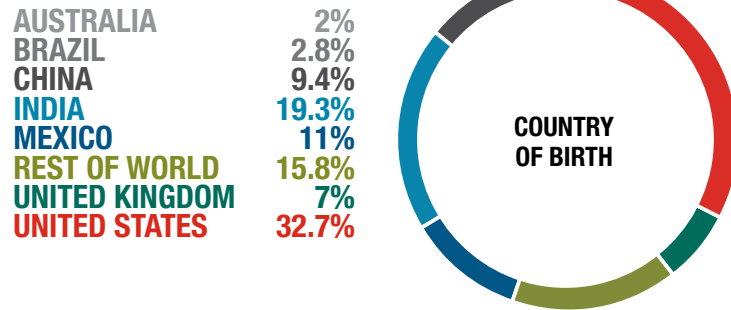
In August of 2022, Cummins completed acquisition of Meritor, Inc., a leading global supplier of drivetrain, mobility, braking, aftermarket and electrified powertrain solutions for commercial vehicle and industrial markets. Meritor was the largest of three acquisitions Cummins made in 2022.

Cummins estimates it ended 2022 with a total of 73,600 employees, including about 10,000 through acquisitions. However, not all of the demographic information had been entered by Dec. 31, 2022, into Cummins' Information systems for the employees who joined the company through 2022 acquisitions.

Employees in this section are limited to those whose completed demographic information had been entered in the Cummins system by Dec. 31, 2022. Updated information will be included in the 2023-2024 reporting cycle. Percentages are subject to rounding to equal 100%.

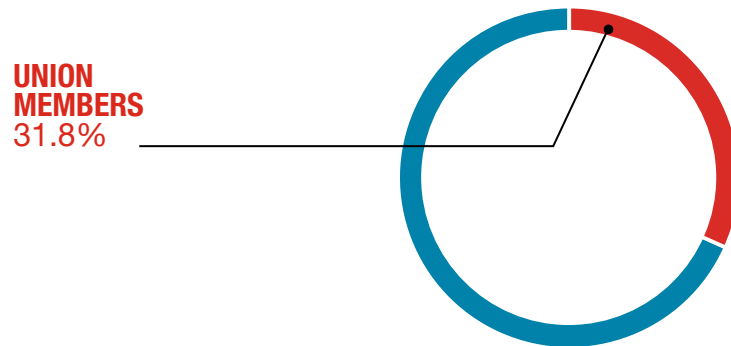
**COUNTRY OF BIRTH\***

About two-thirds of Cummins' employees in 2022 were born outside the United States.



**REPRESENTATION**

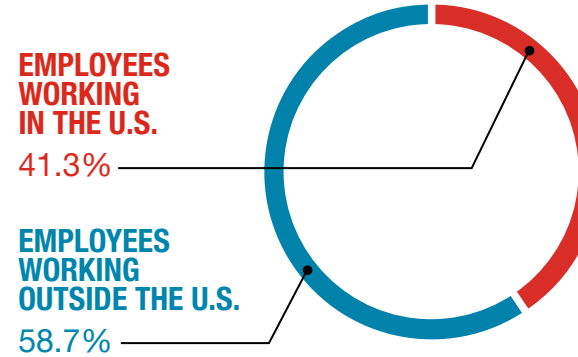
About a third of Cummins employees were represented by a union as of Dec. 31, 2022.



NOTE: Based on estimates including employees through acquisitions.

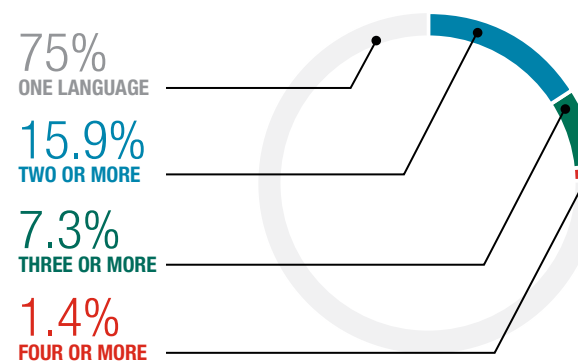
**ASSIGNMENT COUNTRIES\***

More than half of the Cummins global workforce in 2022 worked outside the United States.



**LANGUAGES SPOKEN\***

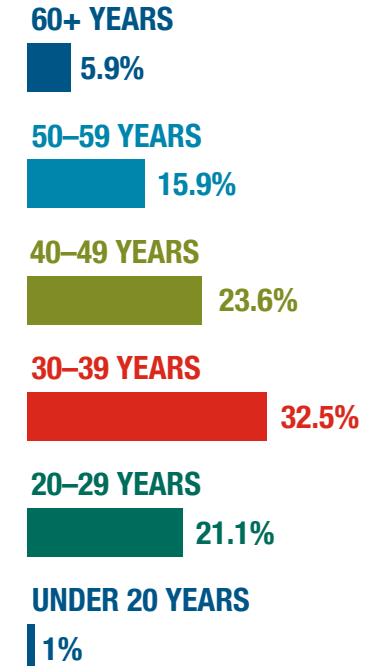
Nearly a quarter of Cummins employees self-identify as speaking more than one language.



NOTE: This metric is not intended to add up to 100%.

**AGE\***

More than half of Cummins' workforce was under 40 as of Dec. 31, 2022.



\* Does not include employees joining Cummins through the 2022 acquisition of Meritor Inc.

# GOVERNANCE AND ECONOMIC

Cummins believes governance and economic performance are fundamental to sustainability. Without both, it's difficult for a company to succeed over the long term.

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BOARD OF DIRECTORS //

# CUMMINS BOARD OFFERS KEY OVERSIGHT ON COMPANY'S SUSTAINABILITY EFFORTS

Cummins' Board of Directors provides independent oversight on a host of issues critical to the company's long-term success.

These issues include environmental, social and governance (ESG) matters key to Cummins' sustainability. The board and its committees are regularly briefed on these topics.

In 2020, for example, the board's Compensation Committee was renamed the Talent Management and Compensation Committee in recognition not just of the committee's expanded scope, but also the critical role employees—and focus areas such as diversity, equity and inclusion—play in creating the right work environment for success at Cummins.

Working with company leadership, the board has been engaging on a wide range of sustainability concerns, including:

- Development and implementation of the company's PLANET 2050 and Destination Zero strategies for environmental sustainability and product decarbonization, respectively.
- A significant expansion in remote and hybrid work assignments, providing those employees who can perform their jobs offsite far greater flexibility in how they work.

- A company-wide mental health awareness campaign to de-stigmatize conditions like depression and encourage affected employees to access the resources offered through the company.
- Expanding key elements of Cummins' talent management programs to hourly employees to help them advance in their skills and careers.
- A one-time financial bonus in 2022 in recognition of both the extraordinary efforts by employees since the outset of the pandemic, and to encourage employee retention.

## BOARD INDEPENDENCE

Ten of 11 board members are fully independent directors consistent with the definition established by the U.S. Securities and Exchange Commission and the New York Stock Exchange. With the Aug. 1, 2023 retirement of Chairman of the Board Tom Linebarger, the only member of the board employed by with Cummins is his successor, Chair and CEO Jennifer Rumsey.

To maintain a fresh perspective, the board has added seven new directors since 2015 and 10 new directors since 2008. Members have a broad and diverse set of backgrounds and skills in areas such as engineering,

## BOARD OVERSIGHT OF RISK AND ESG

**Risk oversight:** The board and its committees exercise robust oversight of the company's enterprise risk management program with dedicated time at every regular board meeting. Top tier risks are assigned to members of the Cummins Leadership Team.

**ESG oversight:** The board and its committees provide strong oversight of ESG risks and opportunities, including at least one annual review by the full Board of ESG strategy and challenges, and detailed reviews in designated committees.

automotive and transportation, government/regulatory, sales and marketing, financial services, manufacturing, international business, technology and academics.

The board annually elects an independent Lead Director whenever the Chair and CEO roles are combined or when the Chair is not an independent board member. The Lead Director has a strong role and significant governance duties, including chairing the

BOARD OF DIRECTORS //

Governance and Nominating Committee as well as all executive sessions of the independent directors.

The Chair of the Board of Directors oversees the board’s activities, including running the board’s meetings. The Chair and Lead Director work together to create meeting agendas. More about the board’s structure is available in the [2023 Proxy](#) and the [Board of Directors website](#).

**LEADING ON DIVERSITY**

The board has long been committed to diversity, equity and inclusion (DE&I). The focus area at the company is regularly on the Talent Management and Compensation Committee’s agenda as it reviews Cummins’ progress in this critical area. The board also leads by example on DE&I.

The Governance and Nominating Committee, for example, will only consider potential directors who share the company’s DE&I value as well as Cummins’ other core values of integrity, caring, excellence and teamwork.

In addition, the Cummins Board of Directors is committed to equal employment opportunities in assembling the board and believes different backgrounds and experiences make the company’s board

room and Cummins stronger. Currently, five of the board’s 11 members are women, 45.5%. Three of the 11 members are ethnically diverse, 27.3%.

Board members’ diverse backgrounds, both on race and gender, and in their areas of expertise, have served Cummins well. They have brought to the company a wide range of experiences and viewpoints, helping Cummins successfully navigate market changes, supply chain challenges, fundamental changes in the way the company works, and much more. ■

**BOARD ACCOUNTABILITY**

**Elections:** Annual election of all directors via majority voting standard.

**Special meetings:** Shareholder right to call special meetings (10% of voting power threshold).

**Proxy access for director nominees:** Available to a shareholder, or group of up to 20 shareholders, holding a total of at least 3% of company common stock for at least 3 years.

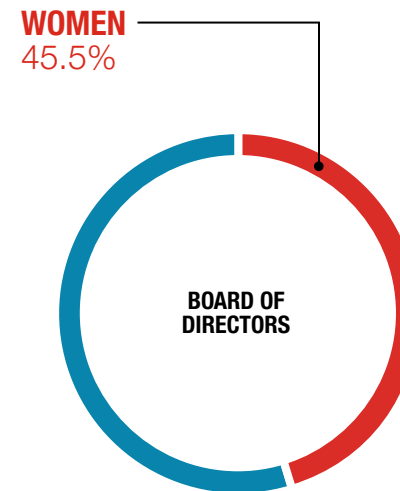
**Shareholder right to unilaterally amend the by-laws:** Upon a majority vote.

**BOARD DIVERSITY**

Diversity, equity and inclusion are important to the Cummins Board of Directors. Here’s a look at representation\* on the 11-member board as of Aug. 2, 2023.

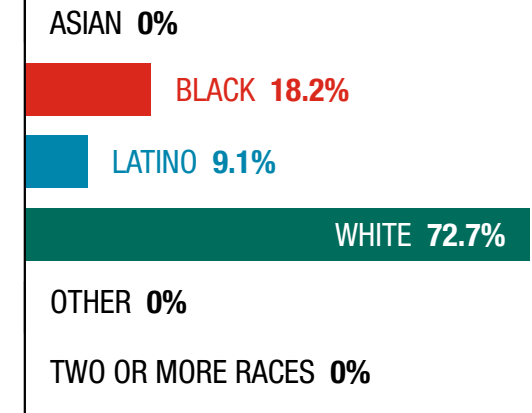
**BY GENDER**

This chart looks at the board by gender:



**BY RACE, ETHNICITY**

This chart looks at the board by race and ethnicity:



\* Data based on self-identification. The board reported no members who are disabled, veterans or LGBTQ+.

BOARD OF DIRECTORS //

# CUMMINS BOARD MEMBERS

## COMPLETING THE TRANSITION

Cummins announced July 12, 2023, that President and Chief Executive Officer Jennifer Rumsey was elected Chair of the company's Board of Directors, effective Aug. 1.

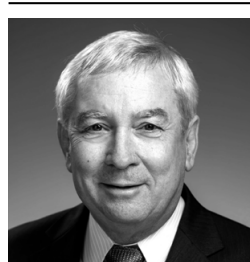
Rumsey succeeds Tom Linebarger, who retired both as Cummins' Executive Chairman and Chairman of the board. Rumsey's election by the board completed the transition between the leaders.

It also completed Linebarger's remarkable 30-year career at Cummins, guiding the company through a global pandemic and the development of strategies for environmental sustainability and reducing greenhouse gas during 10 years as CEO.



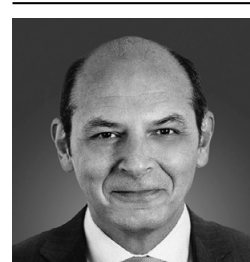
**GARY L. BELSKE**

Retired Deputy Managing Partner and Chief Operating Officer of Ernst & Young after a 38-year career that included many leadership positions. Belske, 66, joined the board in 2022.



**ROBERT J. BERNHARD**

Retired Vice President for Research and Professor in the Department of Aerospace and Mechanical Engineering, University of Notre Dame. Bernhard, 70, joined the board in 2008.



**BRUNO V. DI LEO ALLEN**

Managing Director, Bearing-North LLC, an independent advisory firm focused on business expansion and senior executive counseling in strategy and operations. Retired Senior Vice President, IBM Corporation, a global technology leader. Di Leo Allen, 66, joined the board in 2015.



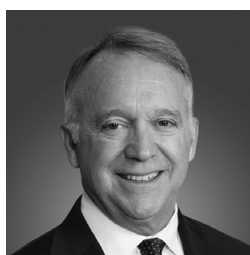
**STEPHEN B. DOBBS**

Former executive of Fluor Corporation, a publicly traded professional services firm providing engineering, procurement, construction, fabrication and modularization, commissioning and maintenance, as well as project management services. Dobbs, 66, joined the board in 2010.



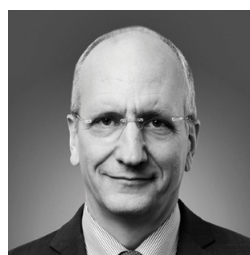
**CARLA A. HARRIS**

Senior Client Advisor, Morgan Stanley, whose responsibilities include serving as a co-portfolio manager of the Next Level Fund and advising the Multicultural Innovation Lab, hosting the podcast "Access & Opportunities," and acting in various client coverage capacities. Harris, 60, joined the board in 2021.



**THOMAS J. LYNCH**

Chairman, TE Connectivity Ltd. (formerly Tyco Electronics Ltd.), a global provider of connectivity and sensor solutions, and harsh environment applications. Formerly Chief Executive Officer from January 2006 to March 2017. Lynch, 68, joined the board in 2015 and currently serves as Lead Director.



**WILLIAM I. MILLER**

President, The Wallace Foundation, a national philanthropy with a mission of fostering equity and improvements in learning and enrichment for young people and in the arts for everyone, since 2011. Miller, 66, joined the board in 1989.



**GEORGIA R. NELSON**

Retired President and CEO of PTI Resources, LLC, an independent consulting firm. Retired in 2005 from Edison International, where she had been President of Midwest Generation EME, LLC. Nelson, 73, joined the board in 2004.



**KIMBERLY A. NELSON**

Retired executive for General Mills Inc., where over her nearly 30-year career she held a number of senior brand and general management roles, including President of the U.S. Snacks Division. Nelson, 60, joined the board in 2020.



**KAREN H. QUINTOS**

Retired Chief Customer Officer of Dell Technologies Inc., the world's third largest supplier of personal computers and other computer hardware items. Quintos, 59, joined the board in 2017.



**JENNIFER W. RUMSEY**

Chair and CEO, Cummins, having served in a variety of leadership positions. Elected Chair of the Board in 2023. Rumsey, 49, joined the board in 2022.



ETHICS AND COMPLIANCE //

# ETHICS AND COMPLIANCE IS CRITICAL TO CUMMINS' SUCCESS

Cummins believes ethical behavior on the part of every employee, contractor, supplier, and other business stakeholders are foundational to the company's sustainability.

As a global power technology leader, Cummins is committed to doing business the right way, competing fairly and honestly and following the law everywhere. The 10 ethical principles in the Cummins Code of Business Conduct touch on nearly every aspect of working at the company, from embracing diverse perspectives to safeguarding Cummins' technology and strengthening the communities where the company has a presence.

Cummins' Supplier Code of Business Conduct aligns closely with the company's Code of Business Conduct for employees. Suppliers must state they are in compliance with the supplier code as a condition of doing business.

## MAINTAINING AN ETHICAL CULTURE

The company's Ethics and Compliance function manages a host of initiatives designed to uphold and enhance Cummins' ethical culture as well as compliance efforts around the world. The function, for example, oversees training courses on topics ranging from anti-bribery and conflicts of interest to preventing money laundering and adhering to data privacy laws.

The function also communicates frequently that employees play a critical role in maintaining the Code of Business Conduct by reporting suspected misconduct or unethical behavior they may become aware of. Cummins has a global investigations program designed to respond to concerns or suspected violations of the Code of Business Conduct, policies, or laws.

Employees can report potential ethical problems in multiple ways. They can use Cummins' external ethics website, call the company's ethics helpline, send an email to the Ethics and Compliance function, or talk to their Human Resources representative, a member of the company's legal function or their supervisor.

Cummins has a strict no-retaliation policy protecting employees making reports in good faith. Employees can remain anonymous, where allowed by law.

The Ethics and Compliance function reinforces the importance of a "speak-up" culture and the company's stance on no-retaliation on multiple internal and external platforms. The Ethics and Compliance function also works to involve senior leaders in its communications efforts.

## CUMMINS' 10 ETHICAL PRINCIPLES

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

- 01 *We will 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.*

ETHICS AND COMPLIANCE //

The function has also initiated a recognition program to honor regions, business units, functions and employees within the company demonstrating behavior supporting Cummins’ code, and ethics in general.

As the company grows, both through acquisitions and organically, the Ethics and Compliance function plays a critical role in ensuring new leaders and the employees they supervise are aware of Cummins’ expectations for ethical behavior, and the important role they play in upholding the company’s ethical culture.

**CORE POLICIES**

Cummins employees have easy access to summaries of key policies in the Core Policies internal website overseen by the Ethics and Compliance function.

More than 30 policies are summarized at the site, ranging from Cummins’ Anti-bribery and Prohibited Payments Policy to the Employee Non-retaliation Policy and the Treatment of Each Other at Work Policy.

Easy access to these policies help Cummins create an ethical work environment where employees know what is expected of them to support the company’s corporate value of integrity.

**SUPPLIER CODE OF CONDUCT**

The supplier code, meanwhile, states suppliers must treat all people with dignity and respect and provide a healthy and safe work environment for their employees.

Both the Supplier Code of Business Conduct and Cummins’ employee code of conduct recognize the right to join a union, and they both prohibit forced or child labor of any kind as well as human trafficking.

The company trains those employees who frequently visit suppliers in what Cummins calls Eyes Open Audits. These audits have expanded in recent years to look not just for potential signs of environmental, health and safety problems, but also violations of Cummins’ Human Rights Policy, which prohibits human trafficking, any form of compulsory labor and the use of underage workers.

In all these ways and more, the company is working to ensure its ethical culture, critical to sustainability and long-term success, remains strong. ■

**CUMMINS SUPPLIER CODE OF CONDUCT**

The Cummins *Supplier Code of Conduct* applies to all businesses providing products or services to Cummins and its subsidiaries, joint ventures, divisions, or affiliates. Available in 15 languages, the supplier code is built around seven principles and helps Cummins ensure it is doing business with other companies around the world that share its values for these practices:

- 01 *Obey the law everywhere.*
- 02 *Treat people with dignity and respect.*
- 03 *Avoid conflicts of interest.*
- 04 *Provide a safe and healthy workspace.*
- 05 *Protect Cummins technology, information, and intellectual property.*
- 06 *Protect the environment and conserve natural resources.*
- 07 *Assist Cummins in enforcing the code.*

Cummins requires a verification response from suppliers that they are following the Supplier Code of Conduct before they are added to the company’s supplier database. Cummins may visit facilities and conduct audits to ensure compliance.

**MAINTAINING THE CODE**



Cummins relies on its employees to speak up if they witness behavior that potentially violates the Code of Business Conduct. Employees may report a potential violation through a secure website or a toll-free telephone number. North America, for purposes of this chart, includes Canada and the United States only.

	2019	2020	2021	2022
<b>Total cases</b>	2,436	1,601	1,575	1,714
<b>Cases outside North America</b>	47%	51%	54%	49%
<b>Cases in North America</b>	53%	49%	46%	51%
<b>Cases reported anonymously</b>	37%	40%	41%	37%
<b>Cases substantiated*</b>	47%	51%	49%	52%
<b>Employee terminations**</b>	41%	37%	43%	49%
<b>Median days to close***</b>	22	17	27	28

\* Substantiated cases are now calculated on cases only investigated through the Ethics Investigation Process.

\*\* The termination rate is now calculated on substantiated cases and cases only investigated through the Ethics Investigation Process.

\*\*\* The median days to close formula has been updated to account for missing dates in the data. In 2021, this calculation switched from working days to calendar days.

ETHICS AND COMPLIANCE //

# MAINTAINING HUMAN RIGHTS IS A KEY PRIORITY AT CUMMINS

Cummins is committed to protecting human rights, both across its supply chain and within the company.

For many years, Cummins Code of Employee Business Conduct has stated the company “will not tolerate child or forced labor anywhere and we will not do business with any company that does.”

In 2018, Cummins officially adopted a separate Human Rights Policy to reinforce where the company stands on this important matter. The policy prohibits all forms of forced labor, as well as human trafficking and applies to the company, its joint

ventures, affiliated companies, and Cummins’ suppliers.

If Cummins does not have a controlling ownership interest or management responsibility with a related entity, the policy states it will take steps to require compliance.

The company implemented training on human rights in 2019 for employees working with Cummins’ supply chain, and integrated provisions of the policy directly into the Eyes Open Audits conducted primarily by employees in the Purchasing function when visiting suppliers to check on worker safety, environmental issues and other concerns.

In establishing the policy, Cummins assessed the company’s risk for violations, determining the greatest threat exists deep in the company’s supply chain. Outside vendors providing services such as catering or cleaning were also identified as potential areas to watch for problems.

Cummins is committed to supply chain transparency and ensuring its partners, especially in high-risk areas, adopt measures to mitigate human rights risks.

Suppliers are required to sign response forms agreeing to comply with the company’s Supplier Code of Conduct, which also specifically prohibits forced

and child labor. Cummins will work with suppliers to either develop a plan for compliance or a strategy for exiting their relationship with the company.

If any inappropriate behaviors or conditions viewed as systemic or critical are observed during supplier audits, the situation is reviewed with the Cummins Legal function for appropriate action. ■

## ETHICS CERTIFICATION

Each year Cummins requires the exempt employee population to certify they have followed company compliance policies during the 12 months prior, and to disclose any witnessed behavior that violates company ethics standards.

The annual process refreshes and reinforces every employee’s commitment to Cummins’ Core Policies and the Code of Business Conduct.

In addition to ensuring employees remain familiar with and adhere to the company’s ethical policies, the certification process helps Cummins identify where there might be ethical behavior challenges so they can quickly be addressed.

## ETHICS AND COMPLIANCE TRAINING FOR 2022

Ethics and Compliance training had more than 86,000 course completions in 2022. Courses were offered virtually with a special emphasis on courses on Export Controls and Fair Competition. There was no course on Preventing Money Laundering as the course is being refreshed.

### TRAININGS COMPLETED

<i>Anti-Bribery and Prohibited Payments</i>	5,634
<i>Carefully Communicating with Technology and Social Media</i>	253
<i>Code of Business Conduct</i>	669
<i>Conflicts of Interest</i>	526
<i>Data Privacy</i>	6,275
<i>Doing Business Ethically</i>	4,557
<i>Export Controls</i>	32,326
<i>Fair Competition</i>	32,303
<i>Protecting Human Rights in the Supply Chain</i>	476
<i>Treatment of Each Other at Work</i>	3,884



CYBERSECURITY //

# CYBERSECURITY WORKS TO PROTECT DATA AND INTELLECTUAL PROPERTY

**Cummins is committed to protecting its intellectual property, customer and employee data, the data increasingly important to product innovation and reliability, and the computer systems critical to keeping the company's employees, contractors and others aligned and moving forward.**

To address increasingly sophisticated attacks, Cummins takes a holistic approach that includes extensive training and innovative programming.

## A SOLID FOUNDATION

The Cummins Global Cybersecurity function reports to the company's Chief Information Security Officer, who regularly updates Cummins' Board of Directors. The function is governed by more than 20 separate policies on different aspects of cybersecurity.

All Cummins personnel, including temporary employees, contractors, and business partners handling information on the company's behalf, must follow the data protection requirements contained in Cummins' policies and procedures.

The company is aligned to the U.S. Commerce Department's National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF).

The company uses outside experts to review its operations and evaluate Cummins Global Cybersecurity's maturity and goals in alignment with NIST. The company benchmarks the function against peer companies and continually enhances its cybersecurity operations to meet the changing security landscape.

## INNOVATIVE TOOLS

Cummins is constantly implementing tools and testing to detect anything outside of normal operations such as malware. In 2022, for example, the company modernized its email security technology to better monitor in-bound and out-bound messages for malicious intent. Covering more than 70,000 email accounts, the system upgrade resulted in significant improvements in the malicious emails stopped at the company's perimeter.

Anyone with a company account, including contract and joint venture workers, can flag suspicious emails at the touch of a button. The upgrade in security technology has made the system more secure and reduced the emails personnel must investigate.

In 2022, the company also improved its management controls and implemented other tools to reduce the risk of accounts being compromised. But the most effective cybersecurity requires more than innovative tools.

## TRAINING AND EDUCATION

Cummins Global Cybersecurity has also worked to engage company employees in its efforts through education and training, starting from the moment an employee joins the company. New employees first learn about the importance of protecting Cummins' data and information during Global Onboarding and the message is reinforced for all employees in the company's Code of Business Conduct.

Employees who receive access to Cummins' digital network receive training on the devices they use, including cybersecurity training. The company has also expanded its required online training for those employees, and is expanding training efforts to include employees who don't have direct access to the network.

In addition, on-site visits resumed in 2022, enabling Cummins Global Cybersecurity personnel to meet with other functions to talk about the critical importance of

cybersecurity to the company's success and sustainability. And the cybersecurity team collaborates with the business to conduct vendor security assessments to ensure vendors have adequate security measures in place before being entrusted with Cummins' data.

Finally, in a world that is increasingly interconnected, Cummins Global Cybersecurity is heavily engaged in product development early on to maintain the highest levels of protection for the company's products against cyber threats.

In all these ways and more, Cummins Global Cybersecurity enables the company to pursue Cummins' mission of powering a more prosperous world. ■

## KEEPING CYBERSECURITY TOP OF MIND

Cummins designated October 2022 as Cybersecurity Awareness Month, holding sessions on a range of topics touching not only on the importance of cybersecurity to the company but also how employees can protect themselves, their families and their homes from cybercrime.

The company has sponsored the month for several years to engage employees in cybersecurity and raise awareness regarding the cyber threats facing Cummins and its employees.

The 2022 kickoff event featured leaders from the Cybersecurity function as well as the highest ranks of the company.

RISK MANAGEMENT //

# CUMMINS' RISK MANAGEMENT PROGRAM KEEPS COMPANY FOCUSED ON THE FUTURE

Cummins believes effective risk management is practiced at multiple levels of the company and starts with a focus on enterprise resiliency.

**TO LEARN MORE**

*An extensive discussion of the risks facing the company is included starting on page 19 of Cummins' most recent Annual Report on Form 10K. That is just one section of the report, which is the definitive source of financial information about the company.*

Enterprise resiliency revolves around a company's ability to anticipate and manage potential business challenges or interruptions. It can be the difference between success and failure if the company is facing something like a global pandemic or supply chain problems, two recent disruptions successfully managed by Cummins.

**LEADER-DRIVEN OVERSIGHT**

Risk management at Cummins starts with the company's Board of Directors, which oversees the biggest risks facing the company. Managing risk effectively is on the agenda at every regular board meeting, and once a year the board reviews the entire

Enterprise Risk Management program and the results of Cummins' latest Enterprise Risk Assessment.

The risks reviewed by the board roll up through the company's Executive Risk Council, which is made up of key leaders at Cummins. The council is charged with following more than 25 enterprise risks, ranging from talent and supply chain management to climate change.

The council assigns every enterprise risk to a member of the Cummins Leadership Team, made up of the top leaders at the company, to manage and report on to the council, and potentially the board. The council meets at least quarterly to review and update the material risks facing the company.

Cummins' Area Business Organizations, which oversee the company's operations in different regions of the world, have also embraced risk management as part of their own oversight efforts, and increasingly different functions around the company are doing the same.

**COUNCIL PLAYS CRITICAL ROLE**

Membership on the Executive Risk Council reflects the importance Cummins places on the process. The council includes the company's Senior Vice President, the Vice President – Chief Financial Officer, the Vice President – Chief Administrative Officer, the Vice President – Corporate Strategy and the Vice President – General Counsel.

The Vice President – Corporate Controller and the Vice President – Internal Audit also attend the council meetings. The Executive Director - Global Risk and the Enterprise Risk Management Director help set council meeting agendas and facilitate council meetings.

Risk owners regularly deliver in-depth reports on the risks they manage. Council members ask questions and debate risks to ensure they get the appropriate amount of attention.

The council is constantly evaluating not only those risks deemed most important to the company, but also emerging risks. The potential impacts of climate change,

for example, started as an emerging risk before joining the ranks of those risks that are actively managed.

**COORDINATION ACROSS THE COMPANY**

Meanwhile, Cummins' Enterprise Risk Management function also works with other assurance groups that play an important role in managing risk across the company, such as Risk Insurance and Global Integrated Services – Security (see page 63), which oversees the Business Continuity Plans established by every Cummins location to prepare for an emergency.

These plans are regularly tested and improved as part of the company's holistic approach to emergency management. Key sites undergo tabletop exercises to ensure they are ready if an emergency occurs. The Risk Management team also works with the company's Area Business Organizations on risk management programs in their regions of the world to track and mitigate key risks.

Cummins' approach to risk management, across multiple levels of the company, ensures the global power technology leader has a consistent and forward-looking focus, in addition to solving the day-to-day concerns it encounters. This focus is critical to Cummins' long-term sustainability. ■

GLOBAL SECURITY //

# GLOBAL SECURITY FUNCTION KEEPS CUMMINS’ LOCATIONS, EMPLOYEES SAFE AND MOVING FORWARD

Cummins addresses many of the insecurities of the modern business world through a comprehensive approach called Holistic Emergency Management.

Holistic Emergency Management is the organization and management of prevention, preparedness, response, mitigation, and recovery principles with the goal of organizational resilience to any emergency or crisis Cummins may experience.

Managed by Cummins’ Global Integrated Services – Security function, Holistic Emergency Management includes the Cummins Response Center, Business Continuity Management, the company’s Crisis Action Management Program, Travel Security and Regional Security Operations. All of these programs are focused on keeping Cummins employees and the company safe, sure and secure.

The Global Integrated Services – Security function has played a key role on issues ranging from the **company’s response** to the COVID-19 global pandemic and the effort to safely reopen plants and facilities, to the activities leading up to the war in Ukraine and Cummins’ ultimate decision to suspend company activities in Russia.

Operating with employees in North America, Latin America, Europe and the United Kingdom, Asia, and Africa and the Middle East, Global Integrated Services – Security leverages local experts familiar with Cummins’ operations and local communities.

Utilizing robust resource networks, the function operates with the overarching goal of providing leaders with the right information at the right time. Here’s a look at some of its key initiatives:

## CUMMINS RESPONSE CENTER

The Cummins Response Center provides a hotline available around the clock for medical, security, travel assistance or emergency team activation, dispensing timely and meaningful information about security risks that can impact Cummins.

Its cross-functional communications support enables the company to respond to incidents, supporting Cummins’ operations by providing the right security experts around the globe.

## BUSINESS CONTINUITY MANAGEMENT

Business Continuity Management moved to Global Integrated Services – Security in 2018. Every Cummins location—about 800 globally—prepares a business-continuity plan to prepare for risks and events that could impact employees, the business, or both.

The process overseen by global security is designed to identify and plan for emergencies before they happen. Sites identified as critical to Cummins’ operations regularly perform tabletop exercises intended to test those sites in a crisis situation.

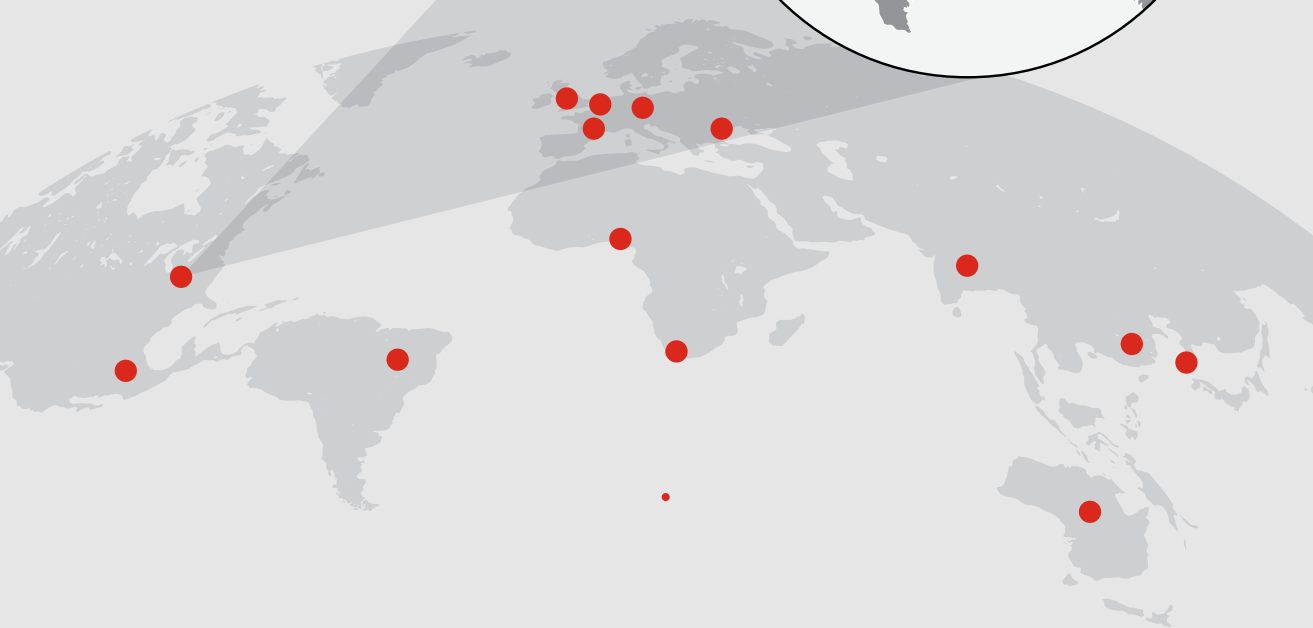
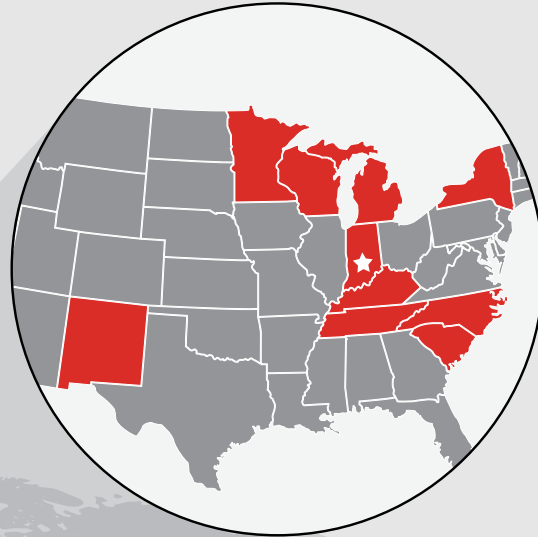


GLOBAL SECURITY //

**GLOBALLY ENGAGED**

Cummins has principal manufacturing locations in eight states and six of the seven continents. We've been doing business internationally for more than 60 years and our plants outside the U.S. primarily serve international markets.

**PRINCIPAL  
MANUFACTURING  
SITES**



**CRISIS ACTION  
MANAGEMENT PROGRAM**

The Crisis Action Management Program coordinates local, regional and corporate response teams to maintain or quickly restore Cummins operations.

The program enables Global Integrated Services – Security to gain a comprehensive understanding of global risk, implement strategic programs and protocols to prevent loss, and respond to threats in the right time and place with the right tools and people.

**REGIONAL SECURITY OPERATIONS**

The Regional Security Operations program focuses on establishing security design standards using approved technologies and criteria. It supports regional team members by delivering design procedures for existing and new buildings. Additionally, the program focuses on establishing risk reduction strategies by:

- Providing functional excellence for conventional security program components based on global standards.
- Customizing and implementing region-specific security strategies and programs.

**TRAVEL SECURITY**

The Travel Security program provides employees the tools needed for safe and secure travel. The program offers regional security assessments, housing and transportation assessments, emergency medical and security support, and pre-travel briefs for employees traveling to high-risk locations.

**LOOKING AHEAD**

Global Integrated Services – Security will continue improving Cummins resilience by partnering across the organization to communicate preparedness and response expectations, outline a data-driven approach to risk identification and business continuity management, and continue to play a key role in helping Cummins navigate the challenges of today's business world. ■

GOVERNMENT RELATIONS //

# COMPANY ADVOCATES FOR CLEANER, SAFER, MORE EQUITABLE WORLD

Cummins, through its Government Relations function, worked on a wide variety of policy issues related to the company’s mission of making people’s lives better by powering a more prosperous world, as governments achieved significant milestones on climate, infrastructure and social policy in 2022.

From setting and pursuing the company’s Destination Zero product decarbonization strategy to promoting racial equity, Cummins strives to use its voice to shape policy that benefits all of the company’s stakeholders—customers, investors, employees, communities and more.

## CLIMATE CHANGE AND INFRASTRUCTURE

In 2022, the U.S. Congress passed the Inflation Reduction Act. As part of Cummins’ Destination Zero strategy, the company worked with legislators to support the inclusion of energy tax credits to hasten the adoption of new energy technologies, including battery-electric and hydrogen-fueled engines and fuel cells, throughout the value chain.

From the opening days of debate on the bill when Cummins’ Senior Vice President Tony Satterthwaite testified before the Senate Energy and Natural Resources Committee, to the closing days before a final vote when Cummins Chair and CEO Jennifer Rumsey participated in a webinar with President Joe Biden, Cummins was integral to ensuring the legislation recognized the role of transportation and, more specifically, commercial vehicles in the energy transition.

Between the Bipartisan Infrastructure Bill, the Inflation Reduction Act, and the CHIPS and Science Act, Cummins advocated for laws that will continue to improve the environment and the competitiveness of U.S. businesses for the next decade.

## TRADE

As a global company with more than 40% of its sales outside of the U.S. and Canada, Cummins also continued to advocate strongly for the promotion of global trade. As recently retired Cummins Executive Chairman Tom Linebarger concluded his Chairmanship of the U.S.-China Business Council, he encouraged both countries to find common ground on critical issues and highlighted the importance of a strong U.S.-China relationship.

The company continues to urge the U.S. government to bring down tariffs on Chinese imports, which have contributed to the increase in prices throughout the supply chain as well as in transportation costs.

When Russia invaded Ukraine in early 2022, Cummins began to wind down its business in Russia. By the end of the year, the process was nearly complete, with only a few outstanding issues

## POLITICAL CONTRIBUTIONS

In the United States, political contributions are made by the Cummins Inc. Political Action Committee (CIPAC) and funded solely by voluntary employee contributions. CIPAC makes contributions to federal and state candidates on a bipartisan basis and in compliance with federal and state election laws.

CIPAC is governed by corporate policies and bylaws that state:

- CIPAC contributions are strictly voluntary.
- Employees will not be reimbursed directly or indirectly for political contributions.
- Employees will not be pressured to contribute to CIPAC or make any other personal political contribution.
- Failure to contribute to CIPAC shall not disadvantage an employee’s career.

CIPAC contributions are based on:

- Public integrity of the candidate.
- Representation of a Cummins facility or employees.
- Support for issues important to Cummins.
- Timely and effective constituent service.
- Political leadership or organization.
- Support for the company’s values.

All of CIPAC’s activities are disclosed to the Cummins Board of Directors in an annual political contribution report. Here’s a complete list of the political action **committee’s contributions**.

**GOVERNMENT RELATIONS //**

remaining that require regulatory approval before Cummins' exit is complete.

**ENVIRONMENTAL STANDARDS**

As part of the company's ongoing effort to protect and improve the environment, Cummins worked with the U.S. EPA as it finalized the Clean Trucks Plan, which resulted in new oxides of nitrogen (NOx) standards for heavy-duty vehicles. The rule aligns with the company's Destination Zero priorities and the company's principle that everything it does leads to a cleaner, healthier, and safer environment.

Cummins also worked with the EPA on its proposed Phase 3 rule for fuel efficiency standards for commercial vehicles, ensuring that there are clear and enforceable standards for the industry while maintaining a priority on environmental protection.

The company also filed comments on the Security and Exchange Commission's (SEC) proposed rule on climate-related financial disclosures.

**Cummins Chair and CEO Jennifer Rumsey (far left and far right on screen) participated in a webinar held by the Biden administration on the carbon reduction benefits of the Inflation Reduction Act.**

Cummins supported the SEC's efforts to standardize data for shareholders and the company offered feedback to the commission on aspects of the rule that may have unintended consequences for business and discourage companies from publicly stating their emissions reduction goals.

Cummins believes that the effort to protect and improve the environment is a collaborative one, and the company

will continue to be a leader in establishing sensible expectations for the industry while working towards substantial environmental improvements.

In Europe, Cummins actively engaged with the European Union on the development of new Euro VII emissions standards. Cummins believes that as the transportation sector transitions to new sources of energy, it is essential to simultaneously continue

improving on the environmental profile of existing technologies, which will continue to be used throughout the transition.

To that end, the company engaged with the Spanish government to encourage the release of public funding to support the country's burgeoning hydrogen economy



**POLITICAL ACTIVITIES**

Cummins bans contributions using corporate funds to candidates, political parties and independent expenditures, including advertisements that support or oppose individual candidates.

The company also will not use corporate funds to contribute to 501 (c) (4) and 527 tax-exempt groups in the United States engaged in political activities or make payments to influence ballot issues, unless the issues are directly tied to the company's core values and business interests.

In those cases, Cummins is committed to publicly disclosing any payments, including recipient names and amounts. The company made no such payments in 2022.



## GOVERNMENT RELATIONS //

and worked closely with U.K. officials as they look to both develop new lower carbon energy policies and expand their use of hydrogen.

In India, Cummins' Government Relations function engaged with the federal government on its national hydrogen road map, which outlines the government's plan for the accelerated adoption of hydrogen energy. The phased approach begins with a policy targeting the increased production of no-carbon green hydrogen by 2030 and simplifies the project approval process.

Cummins also worked with the Government of India on revised norms for generator emissions. These regulations are among the strictest for gensets anywhere in the world and go into effect in August 2023, with the goal of reducing air pollution by 60 to 70%.

### SOCIAL

Cummins continued its long history of advocating on issues that impact its employees, their families, and the communities in which the company operates. Through its Cummins Advocating for Racial Equity (CARE) commitment in the United States, the company invests in community development organizations that

increase access to capital for Black-owned businesses.

At the state-level, Cummins works to create strong communities with equal opportunity for all by supporting early childhood education and vocational programs, while ensuring that the states where the company operates are welcoming places for all, regardless of people's gender, race, national origin, disability, or sexual orientation.

Cummins also advocates for reforms to address voting rights at the federal level in the U.S., in alignment with its CARE commitment. In 2022, Cummins supported the Electoral Count Reform Act, which includes efforts to improve voter participation, and opposes restrictions on voting access.

The company also continues to support efforts to improve immigration processes and advocated for fair Deferred Action for Childhood Arrivals (DACA) legislation. Cummins believes that creating diverse and inclusive work environments is essential to the company's success. Cummins will continue to advocate for all people in the communities where it has a presence to feel safe and welcomed, with access to economic opportunity. ■

## LOBBYING

Cummins belongs to a number of trade organizations. While the company may not agree with these associations on every matter, Cummins believes they help ensure government leaders know where the company stands on key issues.

This chart lists U.S. trade organizations that Cummins paid dues in excess of \$50,000 during calendar year 2022, as well as the U.S. Chamber of Commerce, which fell below that \$50,000 threshold. Listed with each group is an estimate of the portion of dues used for lobbying or other political expenditures.

TRADE ORGANIZATION	ESTIMATE	KEY CUMMINS ISSUES
National Association of Manufacturers	\$32,804	<i>Immigration, trade, manufacturing</i>
Business Roundtable	\$75,000	<i>Trade, environment, taxes</i>
Engine Manufacturers Association	\$6,940	<i>Truck and engine manufacturing</i>
U.S. Chamber of Commerce	\$10,000	<i>Immigration, taxes</i>
American Trucking Association	\$20,326	<i>Trade, environment</i>

PRODUCT INNOVATION //

## SPECIAL REPORT

# BUILDING ON A HISTORY OF INNOVATION TO PURSUE DECARBONIZATION GOALS

Cummins started rolling out its Destination Zero strategy for product decarbonization in 2022, building on past successes reducing greenhouse gas and other harmful emissions to pursue the company's new goals and aspirations.



*U.S. President Joe Biden tours Accelera by Cummins' first electrolyzer manufacturing facility in the United States in April 2023. The facility uses existing space at Cummins' Fridley, Minnesota, plant.*



PRODUCT INNOVATION //



**Cummins is committed to leading on climate action by improving the environmental performance of its existing product line and bringing to market zero- and low-carbon products for markets ready for the energy transition.**

The company has established 2030 goals to reduce product lifetime GHG emissions by 25% for newly sold products, and partner with customers to cut absolute lifetime GHG emissions from products in the field by 55 million metric tons. Cummins has also established the aspiration to power customer success by carbon neutral technologies that also address air quality by 2050.

Company leaders told financial analysts in February 2022 they see global efforts to address climate change not as a burden, but rather a **growth opportunity**, maintaining Cummins’ broad product portfolio uniquely positions the company to help customers make the transition to a low-carbon economy.

Cummins products power everything from the trucks delivering food, medicine and consumer goods to communities around the world, to passenger trains, much of the marine industry, construction and farm equipment, and the generators providing critical backup power to factories, hospitals, data centers and more. Each application has its own unique challenges to reducing carbon.

The company’s **Destination Zero** strategy maintains it is critical to reduce carbon as quickly as possible rather than wait for a perfect power solution. It calls for bringing to market advanced internal combustion engine technology to begin reducing carbon in harder to decarbonize applications, and no-carbon technologies for those power applications ready now.

The company invested \$1.2 billion in research and development in 2022, topping \$950 million for a third time in four years; the only exception being in 2020, at the outset of the pandemic, when Cummins invested

\$903 million. The company expects to continue making a significant investment in research and development in the coming years.

Cummins in 2022 also completed several key acquisitions that are expected to enhance the company’s ability to innovate in low- and zero-emission solutions moving forward.

**ADVANCING INTERNAL COMBUSTION ENGINES**

The company in 2022 announced several advances in its internal combustion engines designed to achieve reductions in carbon and other emissions while maintaining the dependability and durability Cummins customers rely on.

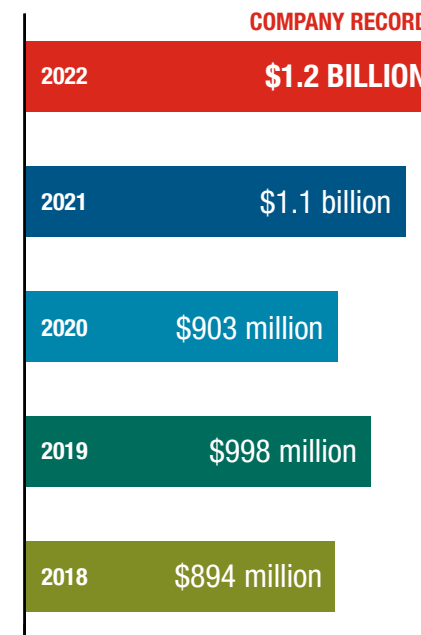
In February 2022, the company announced its industry first Fuel-Agnostic Engine Platform **strategy**. The strategy involves a series of engine versions, derived from a common base engine, that can be optimized with different components to run on a single, different lower-carbon fuel such as hydrogen.

Cummins will pair the next generation of medium- and heavy-duty Fuel Agnostic Engine Platforms with advanced aftertreatment technology to meet lower 2027 EPA and California Air Resource Board (CARB) standards for nitrogen oxides (NOx), an indirect greenhouse gas and a key contributor to smog.

**INVESTING IN R&D**



Cummins invested a record amount in research and development expenses in 2022.





PRODUCT INNOVATION //

The base engine architecture offers customers a high degree of parts commonality as well as a familiar technology to work with to lower carbon and other emissions. Among the fuels the strategy is first being applied to are natural gas and hydrogen.

Cummins has a long history of reducing emissions using natural gas and has been on the leading edge of development around internal combustion engines  **fueled by hydrogen** . These low-carbon engines are nearly identical to traditional spark-ignition engines using gasoline but release only trace amounts of the most prevalent greenhouse gas, carbon dioxide (CO<sub>2</sub>). While they can also release small amounts of NOx, it can be managed through exhaust after treatment.

For certain harder-to-decarbonize applications, such as heavy-duty trucking, where the infrastructure to support zero-emission technologies is just starting to develop, they can offer an important option. This is especially true for heavy-duty trucking because internal combustion engines tend to be most efficient when they work harder, such as trucks hauling heavy loads.

There are many signs of customer interest in the technology. For example, Werner Enterprises, a premier transportation and logistics provider, signed a letter of intent in

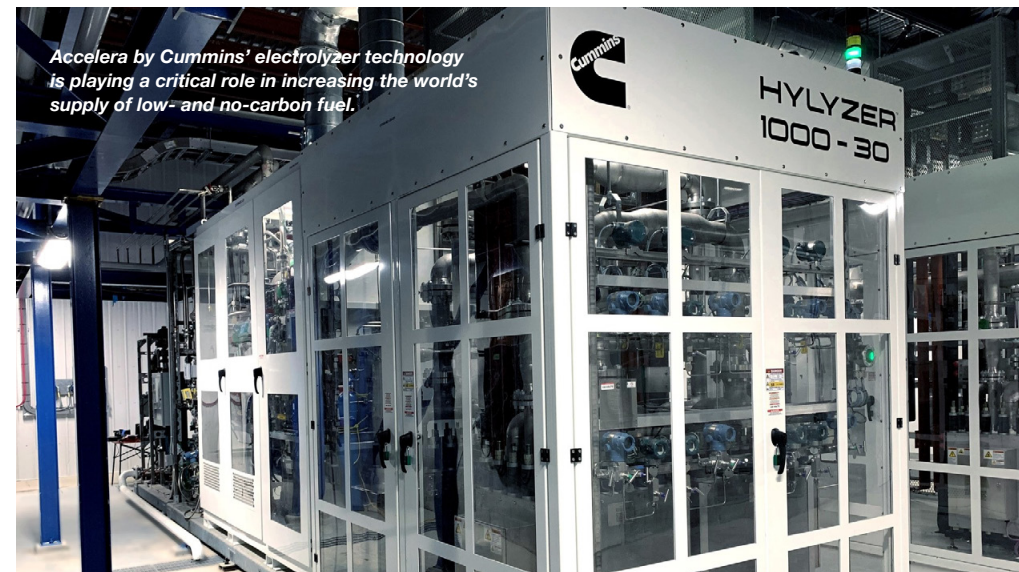
2022 to purchase **500 Cummins' 15-liter hydrogen engines** upon availability.

Natural gas engines can also be an attractive option to reduce emissions as zero-emission technologies gain widespread acceptance. While natural gas is a fossil fuel, engines using it can achieve low emission levels compared with other fuels.

Cummins has developed the company's **X15N natural gas engine**, the first renewable natural gas engine to be specifically designed for heavy-duty truck applications with up to 500 horsepower output. It is the first heavy-duty natural gas engine capable of reaching near zero emissions, achieving NOx levels lower than 2024 EPA and CARB standards.

The X15N is also off to a promising start. PACCAR, a global technology leader in the design and manufacture of high-quality light-, medium- and heavy-duty trucks, announced in 2022 it will work with Cummins to **offer the Cummins X15N** natural gas engine in Kenworth and Peterbilt trucks.

The engine's environmental impact is even less when using renewable natural gas generated as a byproduct from sources such as landfills and waste-water treatment plants, especially if those facilities would otherwise burn it off into the atmosphere with an open flame.



**TOMORROW'S TECHNOLOGY TODAY**

The company, through its Accelera by Cummins (formerly New Power) business segment, also continued to bring to market electrolyzer technology critical to increasing the global supply of low- and no-carbon hydrogen, as well as zero emission hydrogen fuel cells and battery electric systems for commercial power applications.

Accelera was part of several firsts in 2022. Florida Power & Light announced it was using Accelera's electrolyzer technology to power that state's first no-carbon green hydrogen **production plant** and Linde announced it was using the technology for a **similar effort** in Niagara Falls, New York.

Once commissioned, the Niagara Falls plant will be Linde's largest green hydrogen plant in the U.S.. Linde is a global leader in the production, processing, storage and distribution of hydrogen. It has the largest liquid hydrogen capacity and distribution system in the world.

Accelera's fuel cell technology, meanwhile, is powering the world's first zero-emission hydrogen passenger trains, including North America's first hydrogen passenger train, which **entered service in Canada** in June 2023. Accelera technology is at the heart of both the train's fuel cell system and the green-hydrogen producing electrolyzer that fuels it.

PRODUCT INNOVATION //

**KNOWLEDGE IS POWER AT CUMMINS' NEW MICROGRID LAB**

Cummins is always working to stay at the forefront of innovation, which is why the company in February 2022 opened a new microgrid lab called the Power Integration Center (PIC) at the company's Power Systems facility in Fridley, Minnesota.

The center is a state-of-the-art facility that allows for the configuration, integration, and testing of power system technologies including diesel and natural gas generator sets, photovoltaic (PV) solar panels, battery storage systems, fuel cells, transfer switches, and more.

"The PIC is the realization of a significant investment in engineering technology and innovation that will impact how companies use and build power systems to meet sustainability goals for a greener future," said Gary Johansen, Vice President – Power Systems Engineering and Project Sponsor. Johansen spoke at a February 2022 event celebrating the lab's opening.

The Power Integration Center enables Cummins to experiment with multiple potential power system solutions directly, saving time and money while enabling engineers to optimize a unique power system for their project's particular needs.

"With this center, we'll be able to enhance our offerings throughout the product lifecycle," said Satish Jayaram, IDEA Program Office Leader and Project Sponsor. "We'll reduce the cost and time it takes to test and validate solutions and have the capability to showcase these solutions with customers and partners."



Cummins new Power Integration Systems Center will allow for better testing of power systems technologies including diesel and natural gas generator sets as well as solar panels, battery storage systems, fuel cells and more.

All of these firsts and others led Accelera to expand its production capacity in 2022 and the first half of 2023 to meet product demand.

The business segment, for example, broke ground on a new gigawatt electrolyzer **manufacturing plant** in Guadalajara, Castilla-La Mancha, Spain, and announced several expansions of its existing footprint, including its first **U.S.-based electrolyzer** manufacturing facility using existing space within the company's operations in Fridley, Minnesota.

U.S. President Joe Biden was the first of a number of distinguished guests to visit the Fridley facility in 2023 as electrolyzer production started at the plant. Expanding the supply of green hydrogen, which is produced using electricity from no-carbon sources of energy like wind and solar, is considered essential for decarbonization of certain applications such as long haul trucking.

Accelera in 2022 also opened its Hydrogen Fuel Cell Systems Production Center in Herten, Germany, for fuel cell system engineering and assembly, adding to Cummins' existing alternative power sites in Belgium, Germany and the United Kingdom.

Over the course of 2022, Cummins announced more than a half-dozen partnerships, collaborations and joint

ventures exploring the potential for low- and no-carbon power in commercial applications. They include:

- A **collaboration** with Daimler Truck North America, the largest heavy-duty truck manufacturer in the region, to upfit and validate Freightliner Cascadia trucks equipped with Cummins' fourth-generation fuel cell powertrain.
- A **project** in the Netherlands pairing Cummins' proton exchange membrane (PEM) fuel cell systems with Scania's battery electric vehicle platforms to deliver 20 fuel cell electric trucks for HyTrucks. HyTrucks aims to deploy 1,000 hydrogen powered, zero emission trucks and 25 hydrogen refueling stations by 2025.
- An **agreement** with the Love's Family of Companies to work together to help customers use alternative fuels and zero emission technologies. Love's Travel Stops & Country Stores is a leading operator of interstate truck service centers in the U.S and limited fuel availability is a major inhibitor to new technology adoption.

Building an infrastructure for low- and no-carbon technologies is a precursor to widespread adoption of them. While that will take time, Cummins leaders believe momentum for low- and no-carbon power systems is clearly building.



PRODUCT INNOVATION //



Retail giant Walmart partnered with Cummins and Chevron in 2023 to incorporate Cummins' new X15N natural gas engine into the retail giant's fleet, using renewable natural gas to reduce emissions on an inaugural trip from Indiana to California (photo courtesy of Chevron).

KEY ACQUISITIONS FOR THE FUTURE

Cummins also made some 2022 acquisitions that will enhance the company's carbon reduction efforts in the future. The acquisitions include:

- **Siemens' Commercial Vehicles**, a leading global supplier of electric drive systems for commercial vehicles.
- **Jacobs Vehicle Systems**, a supplier of engine braking, cylinder deactivation, as well as start and stop and thermal management technologies.
- And **Meritor Inc.**, the largest acquisition in company history, a leading global supplier of drivetrain, mobility, braking, aftermarket and electric powertrain solutions—known as ePowertrains—for commercial vehicle and industrial markets.

Cummins believes the integration of Meritor's people, products and capabilities in axle and brake technology will position the company as a leading provider of integrated powertrain solutions across internal combustion and electric power applications.

As demand for decarbonized solutions accelerates, ePowertrains are expected to be a critical integration point within hybrid and electric drivetrains, providing advanced clean mobility products.

All three acquisitions will expand what Cummins can offer customers, as it works to help them make the transition to a low-carbon economy.

THE BOTTOM LINE

Cummins highlighted all of its carbon-reduction efforts, as well as its strategies, at the **IAA** Transportation trade show in 2022, the international transportation event in Hanover, Germany, that is a critical platform focusing on the future of the commercial vehicle industry.

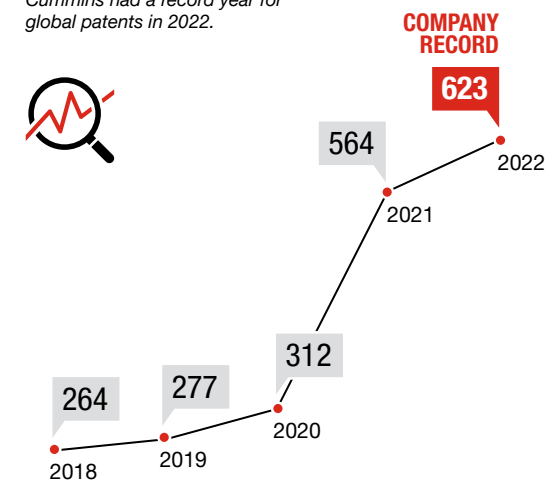
Decarbonization won't be easy, and it can't be done by any single entity acting alone. It will require every company, working together with every major stakeholder—customers, investors, employees, government and others—to accomplish in a way preserving many aspects of our lives that we cherish today.

There will be a great temptation to wait for an easy answer. But that will likely only make the challenge more difficult down the road.

"We have to act now," Cummins Chair and CEO Jennifer Rumsey told reporters and visitors at IAA. "Carbon, once emitted to the atmosphere, can't be taken back, and we can make the greatest impact by focusing on a dual path approach. Our estimated impact of doing just that is an additional 1.4 gigatons of cumulative carbon reduction—the equivalent of removing all trucks from the road for three years." ■

RECORD YEAR FOR PATENTS

Cummins had a record year for global patents in 2022.





PRODUCT INNOVATION //

# COLLABORATING FOR PROGRESS

Cummins works with the federal government, state agencies, universities and other companies to help develop technologies for the future. This chart looks at some of the collaborations the company was part of in 2022 and early 2023.

PROJECT NAME	SPONSOR	PARTNERS	DATE
Connected- and Learning-Based Optimal Freight Management for Efficiency	Department of Energy (DOE)	Michelin, University of California, Berkeley	10/1/2020-12/31/2023
Cummins PEM Fuel Cell System for Heavy Duty Applications	DOE	Dana, W. L. Gore, Argonne National Laboratory, Million Mile Fuel Cell Truck	10/1/2020-7/31/2024
Cummins Reversible-Solid Oxide Fuel Cell System Development Project	DOE		1/1/2021-12/31/2022
Dynamic Skip Fire (DSF®) on a Heavy Duty Natural Gas Engine	DOE	Tula Technology, Inc.	5/1/2021-7/31/2024
Cummins High Power Density Inverter	DOE	Virginia Tech, National Renewable Energy Laboratory, Oak Ridge National Laboratory	10/1/2021-12/31/2024
Cummins High Efficiency, Ultra Low Emissions Heavy-Duty 10L Natural Gas Engine Project	DOE		10/1/2021-4/1/2027
High Power Wireless Extreme Fast Charging Development and Deployment for Electric Drayage Trucks at the Port of Los Angeles	DOE	WAVE (Wireless Advanced Vehicle Electrification)	8/1/2018-8/31/2022

PROJECT NAME	SPONSOR	PARTNERS	DATE
Development of Advanced Combustion Strategies for Direct Injection Heavy Duty LPG Engines to Achieve Near-Diesel Engine Efficiency	DOE	Colorado State University	10/1/2020-12/31/2023
High Efficiency, Ultra-low Emissions Heavy-duty Natural Gas Engine Research and Development	DOE	National Renewable Energy Laboratory, South Coast Air Quality Management District	8/8/2019-10/31/2022
SuperTruck II Research and Development (research project to develop highly efficient tractor-trailer)	DOE	Peterbilt, Eaton	10/1/2016-9/30/2022
Automation of Solid Oxide Electrolyzer Cell and Stack Assembly	DOE		To be determined*
Integrated Fuel Cell Electric Powertrain Demonstration	DOE		9/1/2020-6/1/2025
Sustainable Freight Transportation Projects	California Energy Commission (CEC)	University of California, Riverside (UCR); UCR Center for Environmental Research and Technology	9/1/2018-7/1/2023
Hydrogen Fuel Cell Truck Technology Integration and Demonstration	CEC	REATHE Southern California, Zen Clean Energy, UCR/CE-CERT	TBD
Hydrogen Back-Up Generation Vehicle	CEC		TBD
Fuel Cell Hybrid Electric Delivery Van Deployment	DOE, CEC, California Air Resources Board (CARB), South Coast Air Quality Management District		1/11/2017-12/1/2024
Zero Emission Cargo Transport II (ZECT II) Demonstration	DOE		11/1/2017-12/1/2024
Design and Deployment of PEM Fuel Cell-Battery Powered Hybrid Emergency Relief Truck	Department of Defense	National Renewable Energy Laboratory	9/1/2020-12/1/2022
Corrosion-resistant Coatings for Fuel Cell Bipolar Plates by Atomic Layer Deposition	DOE	Radiation Monitoring Devices	TBD



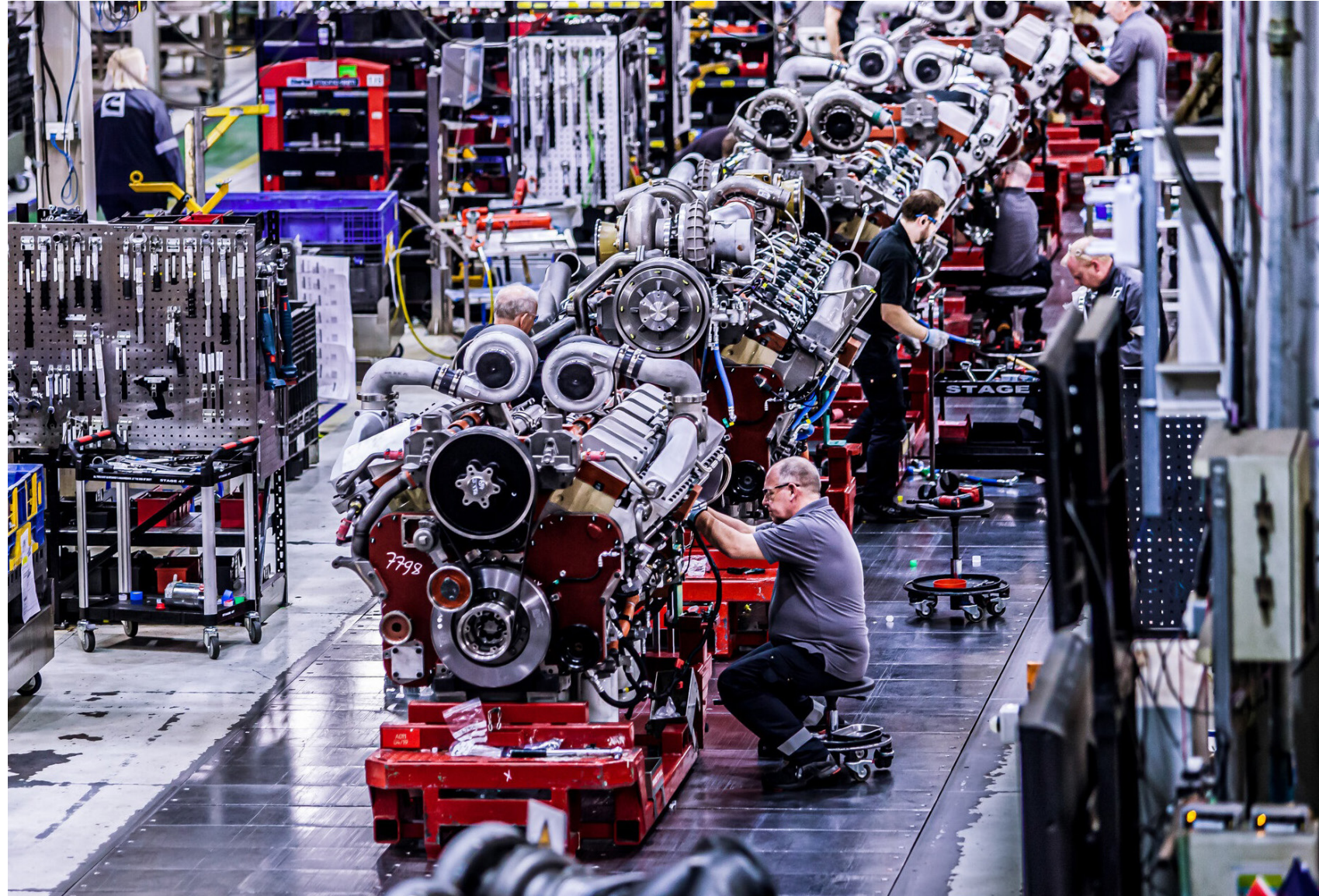
## SUPPLY CHAIN //

# STRENGTHENING THE COMPANY'S SUSTAINABLE SUPPLY CHAIN

At Cummins, environmental, social and governance excellence goes beyond just the operations within Cummins' plants and facilities.

The company believes the sustainable practices throughout Cummins' supply chain are essential to the global power technology leader's long-term success. The company is committed to working with its suppliers to reduce Cummins' environmental impact, use natural resources responsibly and promote ethical and sustainable social practices.

By prioritizing sustainability in Cummins' supply chain, the company believes it can achieve its business goals while also contributing to a better future for Cummins' employees, the communities where the company has a presence, and the planet, as well.



*Cummins' high horsepower plant in Daventry, U.K., produces some of the company's largest engines.*



SUPPLY CHAIN //

**TRACKING PRODUCT CONTENTS**

Cummins believes the materials that go into the company’s products are just as important as the quality, performance and dependability of those products.

Over the last few years, Cummins has invested in software and tools to help the company better track the environmental footprint of the parts supplied to Cummins throughout their journey into the company’s finished products. One specific process involves software using product bills of material, material standards and production methods to estimate the carbon footprint of Cummins’ products down to the component and part level.

This technology will be combined with the company’s circular lifecycle plans for every part (see the **Environment section**) to identify opportunities for the company to increase the recycled content of Cummins’ products or reduce their carbon footprint.

The company pays close attention to what components are (and aren’t) allowed in Cummins products for the markets they serve. The company uses a class-leading data collection system to identify the presence and concentration of materials

in Cummins’ products, allowing the company to better identify risks from hazardous and supply-constrained materials and react appropriately.

**SUPPLIER CODE OF CONDUCT**

Cummins has a long-standing Supplier Code of Conduct (**see Ethics and Compliance section**) with a requirement for suppliers to confirm compliance each year. The policy, reviewed annually, insists that suppliers comply to human rights requirements in the treatment of employees and other stakeholders.

The code also prohibits suppliers that do business with Cummins from using forced or child labor, including slave or involuntary labor of any kind. The same prohibitions are included in the company’s Human Rights Policy (**see page 60**).

Cummins follows the law everywhere, and suppliers to the company are subject to Eyes Open Audits when Cummins employees visit suppliers to review contract performance or other business. They look specifically for problems in worker health, worker safety, protecting Cummins’ information, hazardous or unsafe materials and child labor, as well as issues pertaining to the treatment of others.

**IMPROVING SUPPLIER PERFORMANCE**

The company has a team in the Procurement function dedicated to identifying and mitigating risk in the supply chain. This team manages and mitigates risks, both forward-looking and reactive.

In the last year, Cummins launched a critical project to identify high-risk suppliers, focused on addressing the critical issues to get them back on track. This project launched after the initial impact of the COVID-19 pandemic, which hindered many suppliers from meeting deadlines, performing at the appropriate level and meeting sustainability requirements.

This program provided direct support of critical, high-risk suppliers, often with Cummins personnel working at the supplier facility directly. Through this program, Cummins assessed supplier risk, implemented swift action plans and required suppliers to take direct action for change. Since the program’s inception, over 40 suppliers have transitioned out and are back on track for success. ■

**EYES OPEN AUDITS**

**SUPPLIER REVIEWS REBOUNDED IN 2022**

After travel restrictions related to the pandemic slowed the initiative, Cummins’ Eyes Open Audits rebounded in 2022.

Company personnel reported conducting 154 Eyes Open Audits in 2022. These reviews, typically completed during visits to suppliers on contract performance, look specifically for problems in worker health, worker safety, protecting Cummins’ information, hazardous or unsafe materials and child labor, as well as issues pertaining to the treatment of others.



CUSTOMER SUPPORT //

# DELIVERING THE SUPPORT CUSTOMERS NEED TO ACHIEVE SUSTAINABLE SUCCESS

Cummins believes customer support excellence is critical to the long-term success of the company.



As Cummins works to lead on climate action through its PLANET 2050 environmental sustainability strategy and Destination Zero, the company's strategy to go further, faster to reduce the greenhouse gas and air quality impacts of its products, customer support has never been more important.

The company serves a diverse product portfolio, powering the trucks delivering food, medicine and consumer goods; passenger trains; much of the marine industry; construction and agricultural equipment; and the generators providing backup power to data centers, hospitals and more.

As these varied industries begin the energy transition, dependable customer support will be critical.

## CUMMINS SALES AND SERVICE

Probably the largest single source of customer support is delivered by Cummins Sales & Service of North America (CSSNA).

Serving more than 700,000 customers across Canada and the United States, CSSNA depends on more than 2,800 service technicians and more

*Customer support at Cummins is delivered in the field, on-line and via high technology to keep the company's products operating at their very best.*

than 2,000 service bays to get the job done. The Sales & Service function includes more than 3,000 Cummins Power Generation dealers and more than 4,000 active Cummins engine dealers.

Outside North America, support is delivered by a network of service locations, dealerships, and joint ventures extending from South America to the United Kingdom and Europe, the Middle East, Africa, Asia, and Asia Pacific.

## HOTLINES, WEB-CHATS AND MORE

Customer support excellence is also delivered by Cummins Care, which assists customers by various means including live phone support 24 hours a day, 365 days per year in North America and Europe.

Care's website, care.cummins.com, includes everything from hosted articles in multiple languages to the ability to access help via email within 24-hours, and a live web-chat feature.

Care's Global Contact Center regularly fields more than 2 million calls per year, conducts some 70,000 web chats annually and responds to around 300,000 emails over a 12-month period.

CUSTOMER SUPPORT //

**HIGH TECH TOOLS**

As the world becomes faster and more digital, customers increasingly expect the support they receive to be convenient, and in many instances accessible at their fingertips.

Cummins again delivers, using big data, artificial intelligence, advanced analytics and the growing network of interconnected devices embedded with software and other technologies to provide customers with

recommendations to keep their Cummins' products operating efficiently and effectively. Here are five examples:

- **RemoteConnect:** This special suite of tools allows Cummins technicians in the field to collaborate effectively with experts remotely, resulting in faster issue resolution and lower customer downtime, as well as travel expense and carbon dioxide avoidance.
- **One Dashboard Infinite Knowledge:** A web application developed to enable Cummins' Field Service Engineers to solve technical issues faster by spending less time searching for information and more time solving problems. The app is designed to be a unified interface for many tools that a Field Service Engineer uses, utilizing advanced artificial intelligence to data mine solutions, automating the setup and use of troubleshooting tools and data analysis.
- **PrevenTech Mining®:** A digital solution that turns noise into action by monitoring engine data remotely to provide early detection and diagnosis of equipment issues, improving performance, reliability and uptime.

- **Connected Diagnostics™:** A solution using telematics to wirelessly connect Cummins engines to the company for immediate diagnosis of engine system fault alerts to provide customers valuable information — within seconds.
- **Axion Ray™:** Cummins engineers use this artificial intelligence tool to data mine and extract insights that enable Cummins' customer support teams to detect and prioritize investigation activities. Company customers benefit from this breakthrough tool by Cummins ability to detect and solve emergent issues earlier than relying solely on traditional data mining techniques and flags.

In all these ways and more, Cummins works to partner with its customers in their success, delivering the knowledge and technical know-how to help them get the most out of the company's products.

As customers turn increasingly to advanced technologies to reduce their carbon footprint, Cummins intends to deliver the same level of support to provide the power they need to succeed. ■

**ACCESSING CUSTOMER SUPPORT**

Cummins Care, the company's primary customer support function, can be reached in several ways:

**BY PHONE:**

**1-800-CUMMINS**  
(North America)

**ON THE WEB:**

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

**BY EMAIL:**

Access via website above.  
Responses within 24 hours.

**BY CHAT:**

See website above.

**CUSTOMER SUPPORT BY THE NUMBERS**

**700,000+**

Customers served by Cummins Sales & Service North America (CSSNA).

**2 MILLION+**

Phone calls fielded by Cummins Care's Global Contact Center annually.

**190**

Approximate number of countries with Cummins' customers.

**7,800**

Total number of employees supporting CSSNA.

FINANCIAL //

# CUMMINS SETS REVENUE RECORD DURING BUSY 2022

Cummins reported record revenues of \$28.1 billion in 2022, a 17% increase over 2021 as the company overcame supply chain challenges lingering from the pandemic and completed the largest acquisition in its history.

Excluding the acquisition of Meritor Inc., completed in August of 2022, revenues were \$26.2 billion, 9% higher than 2021.

Sales in North America increased 18% while international revenues decreased 2% compared to 2021. Strong demand across all global markets was partially offset by a market slowdown in China, as well as Russia, where Cummins operations have been suspended indefinitely.

EBITDA in 2022 was \$3.8 billion, or 13.5% of sales. Excluding a net benefit of \$26 million related to the acquisition of Meritor, as well as \$111 million of costs related to the Russia suspension of operations and \$81 million of costs for the separation of the Filtration business, EBITDA was \$4 billion, or 15.1% of sales, compared to \$3.5 billion, or 14.7% of sales in 2021.

Full year consolidated net income was \$2.2 billion, including the impact of the acquisition of Meritor, and costs associated with the separation of the Filtration business and the indefinite suspension of Cummins' operations in Russia. The tax rate in 2022 was 22.6% with a net zero impact from discrete tax items.

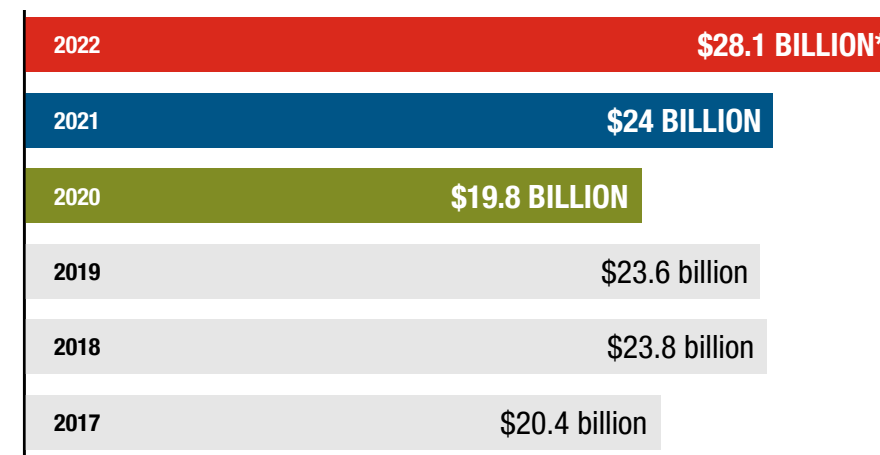
Full year results for the company included five months of operations following the acquisition of Meritor. Meritor results within 2022 include \$1.9 billion in revenue and EBITDA of \$26 million, including a \$32 million negative impact from an inventory adjustment required by purchase accounting and \$83 million of acquisition and integration costs.

EBITDA for Meritor's operations, excluding the purchase accounting and acquisition and integration costs, was \$141 million in the year, or 7.4% of sales.

"In 2022, Cummins continued to advance its Destination Zero growth strategy through the acquisitions of Jacobs Vehicles Systems, Meritor and the Siemens Commercial Vehicles business," said Cummins Chair and CEO Jennifer Rumsey, speaking when the earnings figures were released in February 2023.

"The innovative talent, technology and capabilities these acquisitions bring will position Cummins for success as the industry decarbonizes," she added.

## CUMMINS SALES BY YEAR



\* Revenues excluding Meritor were \$26.2 billion in 2022.



FINANCIAL //

Destination Zero is Cummins' strategy to make meaningful reductions in carbon and other emissions through advanced internal combustion technologies widely accepted by the market today, while continuing to invest in and advance zero emission technologies ahead of widespread market adoption. The 2022 acquisitions are expected to help Cummins' execute that strategy.

**Jacobs Vehicle Systems** is a supplier of engine braking, cylinder deactivation, as well as start-and-stop and thermal-management technologies, which are key components to meeting current and future emissions regulations.

**Meritor** is a leading global supplier of drivetrain, mobility, braking, aftermarket and electric powertrain solutions for commercial vehicle and industrial markets. The acquisition will position Cummins as a leading provider of integrated powertrain solutions across internal combustion and electric power applications.

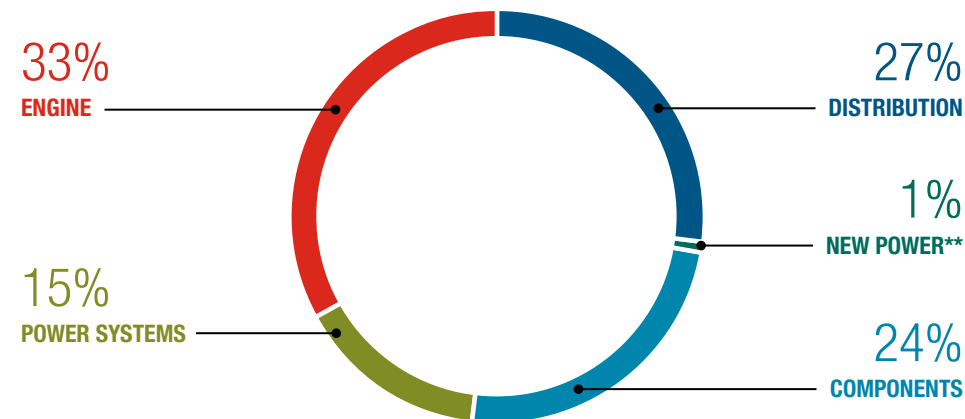
**Siemens Commercial Vehicles** business is a leading global supplier of high-performance electric drive systems for commercial vehicles.

Other 2022 highlights included:

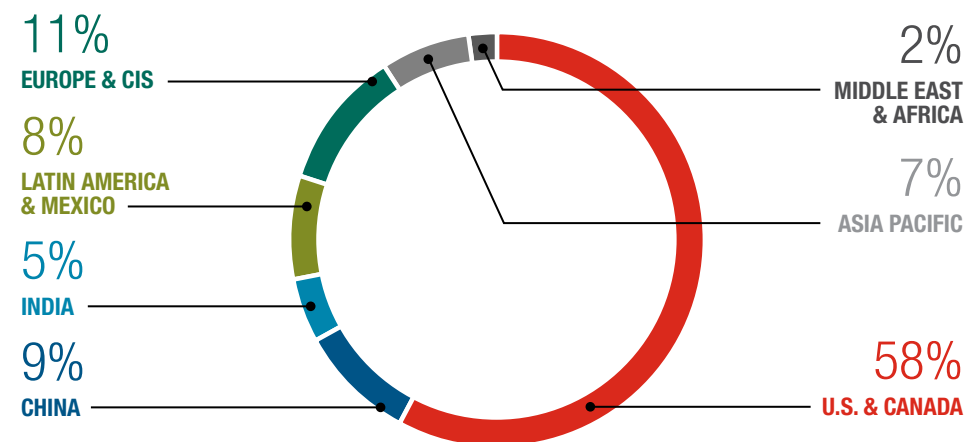
- Consistent with Destination Zero, Cummins also unveiled in 2022 the industry's first unified, fuel-agnostic internal combustion powertrain platforms. This technology approach helps fleets begin reducing carbon emissions by enabling vehicles to run on low to zero carbon fuels. The platform utilizes the internal combustion engine technology that fleets are already familiar with while also applying a high level of parts commonality across fuels including diesel, natural gas, and hydrogen.
- The Accelerera by Cummins business segment (previously New Power) expanded its green hydrogen presence globally. The company announced it will begin producing electrolyzers in Fridley, Minnesota; expand its electrolyzer manufacturing capacity in Oevel, Belgium; and started construction on an electrolyzer plant in Guadalajara, Castilla-La Mancha, Spain.

For a more complete picture, see the [2022 Annual Report on Form 10-K](#). ■

2022 REVENUE BY SEGMENT\*



2022 REVENUE BY MARKETING TERRITORY\*

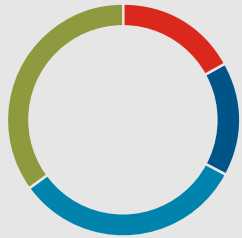


\* Revenue for New Power and Components segments excludes Meritor Inc.  
 \*\* The New Power segment is now Accelerera by Cummins.

## ENGINE BUSINESS

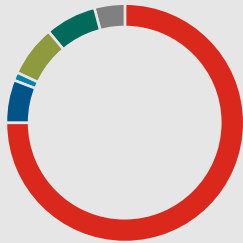
### 2022 REVENUE BY APPLICATION

17% OFF HIGHWAY  
16% LIGHT-DUTY AUTOMOTIVE  
32% MEDIUM-DUTY TRUCK & BUS  
35% HEAVY-DUTY TRUCK

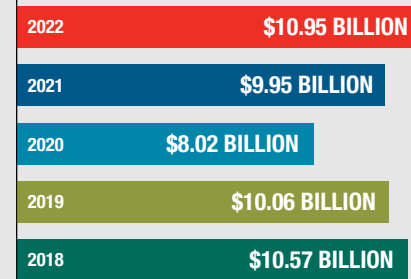


### 2022 REVENUE BY REGION

75% US & CANADA  
6% CHINA  
1% INDIA  
7% LATIN AMERICA & MEXICO  
7% EUROPE/CIS  
4% ASIA PACIFIC



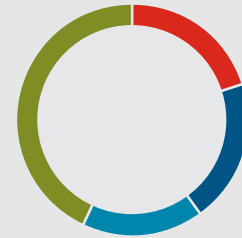
### 2022 SALES



## DISTRIBUTION

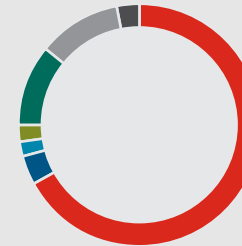
### 2022 REVENUE BY PRODUCT

20% ENGINES  
20% POWER GENERATION  
17% SERVICE  
43% PARTS

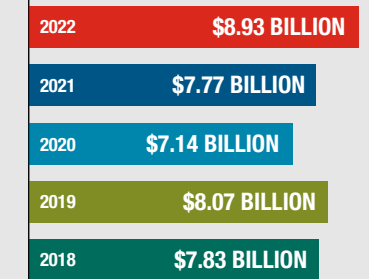


### 2022 REVENUE BY REGION

67% US & CANADA  
4% CHINA  
2% INDIA  
2% LATIN AMERICA & MEXICO  
11% EUROPE/CIS  
11% ASIA PACIFIC  
3% MIDDLE EAST & AFRICA



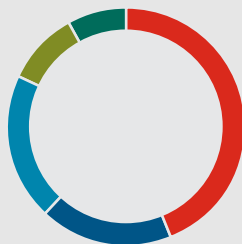
### 2022 SALES



## COMPONENTS

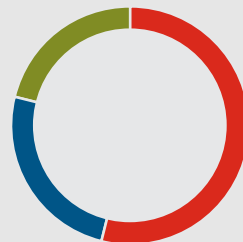
### 2022 REVENUE BY BUSINESS

44% EMISSION SOLUTIONS  
18% TURBO TECHNOLOGIES  
20% FILTRATION  
10% FUEL SYSTEMS & ELECTRONICS  
8% AUTOMATED TRANSMISSIONS

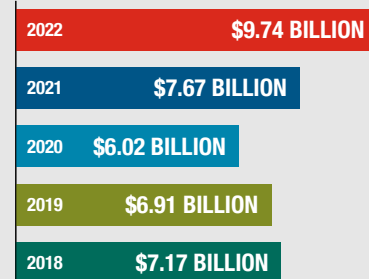


### 2022 REVENUE BY APPLICATION

54% CUMMINS ENGINES  
25% AFTERMARKET  
21% OTHER ENGINE MANUFACTURERS



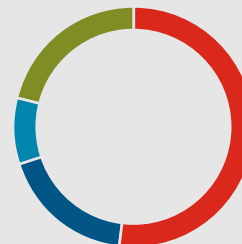
### 2022 SALES



## POWER SYSTEMS

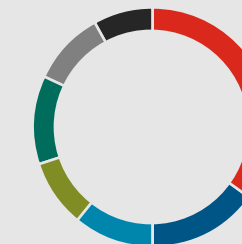
### 2022 REVENUE BY PRODUCT

52% POWER GENERATION  
18% INDUSTRIAL GENERATOR TECHNOLOGIES  
9% PARTS

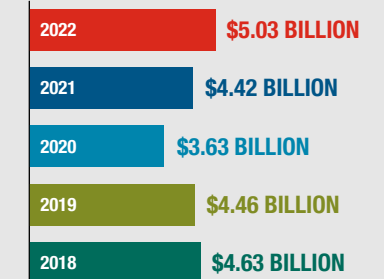


### 2022 REVENUE BY REGION

35% US & CANADA  
15% CHINA  
11% INDIA  
9% LATIN AMERICA & MEXICO  
12% EUROPE/CIS  
10% ASIA PACIFIC  
8% MIDDLE EAST & AFRICA



### 2022 SALES



\* Revenue for New Power and Components segments excludes Meritor Inc.

# 2022–2023 SUSTAINABILITY PROGRESS REPORT

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*This year's report is dedicated to  
James B. Wide, Jr., 1973–2023.*



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*This report was posted in August 2023.*