



2023-2024

Cummins Sustainability Progress Report

Power Onward™



Cummins employees in Asia Pacific helped plant native vegetation and provide shelter and food for the fish in the Brisbane River near Fernvale, Australia.

Committed to creating better outcomes for people and our planet

From the buses that take our kids safely to and from school to the trucks and trains that move goods around the world to the backup power for critical infrastructure like hospitals and the distribution network that keeps them running, Cummins powers the world’s most demanding and economically vital applications.



Cummins Chair and CEO Jennifer Rumsey and Vice President & President of Cummins’ Engine Business, Brett Merritt (both in orange safety vests) visited with employees at the Columbus Engine Plant in March of this year.

To innovate, we harness our deep technical expertise and the diverse perspectives of our employees around the world. The result is more than 100 years of delivering industry-leading, efficient and dependable solutions that delight our customers and reduce our impact on the planet.

OUR BUSINESS AND ENVIRONMENTAL STRATEGIES ARE ALIGNED

Making people’s lives better by powering a more prosperous world requires a healthier planet, vibrant communities and engaged citizens. This work is our mission in action — what we’ve always done and will continue to do.

You will see this clearly demonstrated throughout the pages of this year’s Sustainability Progress Report, and I am eager to share our progress with you.

In the spirit of continuous improvement and ease of reading, we have shortened the content that appears on the homepage. More detailed information can be found in the respective sections on the website.

I want to reinforce some key points that have and will remain consistent throughout our reports — both previous and future.

INNOVATING SMARTER, CLEANER POWER

First, our acknowledgment of the weighty responsibility and opportunity we have to guide our industry into the next era of smarter, cleaner power.

As we navigate a dynamic time in our world and workplace, we draw upon the combination of our market knowledge, core competencies, strong financial position, unique culture and innovative passion to ensure our continued success. In doing so, we have built the broadest combination of low- and zero-emissions technologies dedicated to the commercial vehicle industry and continue to invest in our people and communities. This is our Destination Zero strategy in action and embodies our commitment to sustainability and helping our customers navigate the energy transition while growing our business.

Our customer-driven, multi-solution approach is rooted in the understanding that a variety of technologies are required to achieve industry-wide decarbonization across the diverse applications we power. By advancing our core business as well as developing new, zero-emissions solutions through Accelera™ by Cummins, we meet our customers’ needs today, grow our business and reduce our impact on the environment.

Jennifer Rumsey

CHAIR AND CEO



EDUCATION

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.

CAREER

Various technical roles, Research and Technology and Product Development, Cummins Inc., Columbus, Indiana, 2000–2009.
Quality Director, Cummins Turbo Technologies, Cummins, Columbus, Indiana, 2009–2010.
Executive Director, Heavy Duty Engineering, Cummins, Columbus, Indiana, 2010–2013.
Vice President of HMLD Engineering, Engine Business, Cummins, Columbus, Indiana, 2013–2014.
Vice President of Engineering, Engine Business, Cummins, Columbus, Indiana, 2014–2015.
Vice President and Chief Technical Officer, Cummins, Columbus, Indiana, 2015–2019.
Vice President and President, Components Business, Cummins, Columbus, Indiana, 2019–2021.
President and Chief Operating Officer, Cummins, Columbus, Indiana, 2021–2022.
Board of Directors, Cummins, Columbus, Indiana, 2022 to present.
President and Chief Executive Officer, Cummins, Columbus, Indiana, 2022–2023.
Chair and Chief Executive Officer, Cummins, Columbus, Indiana, 2023 to present.

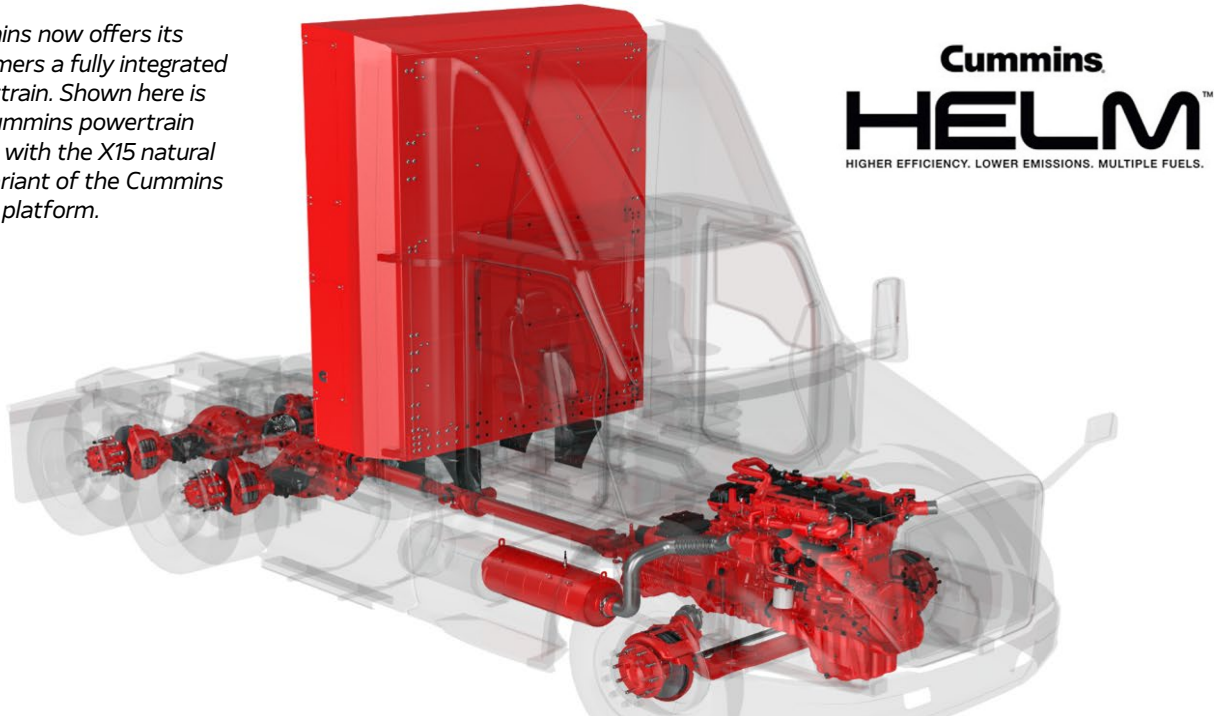
A DEDICATED CAREER AT CUMMINS

OVERVIEW

ADVANCING DESTINATION ZERO

In 2023, we made significant strides in advancing Destination Zero. For example, in our core business, we launched the industry’s first fuel-agnostic platform. [The Cummins HELM™ platforms](#), loosely translating to “higher efficiency, lower emissions and multiple fuels,” give our customers control of how they navigate their own journeys as part of the energy transition and include our B, X10 and X15 engine platforms. They provide customers with the option to choose the fuel type(s) and applications that best suit their business needs while also reducing emissions. In Accelera, we [announced a joint venture with Daimler Trucks & Buses US Holding LLC, PACCAR and EVE Energy to accelerate and localize battery cell production and the battery supply chain in the U.S.](#) — [Amplify Cell Technologies](#) — and reached an impressive milestone in 2023 with an electrolyzer order backlog totaling more than 500MW.

Cummins now offers its customers a fully integrated powertrain. Shown here is the Cummins powertrain paired with the X15 natural gas variant of the Cummins HELM platform.



We are confident that our strategy is the right one, and it is rendering results. In 2023, we achieved record full-year revenues of \$34.1 billion, 21% more than 2022, and a record operating cash flow of \$4.0 billion, a significant increase from \$2.0 billion achieved in 2022.

Because of our successful execution of our business strategies in 2023, Cummins received multiple rewards and recognition, including maintaining our ESG rating at AAA, the highest rating possible, by Morgan Stanley Capital International.

Destination Zero is also an extension of our long and successful history of embracing environmental challenges as an opportunity to innovate and drive growth in our business. During the last few decades, our innovators at Cummins have worked hard to reduce criteria pollutants of NOx and particulate matter from our engines.

A FEW HIGHLIGHTS

Over the past few decades, we have reduced nitrogen oxide and particulate matter emissions from our products by **95% IN THE U.S. AND 90% GLOBALLY**; 60 class 8 semitrucks today emit what one emitted in 1988.

We’ve reduced greenhouse gas (GHG) emissions from our products in the field by **34 MILLION METRIC TONS** since 2014 — compared to our goal of 55 million metric tons by 2030 (which we are on track to achieve). That’s the equivalent of removing 245,000 new class 8 semitrucks off the highway for 12 months.

And since 2010, we’ve **IMPROVED THE MILES PER GALLON** of our on-highway heavy-duty engines by approximately 23% — in terms of CO₂ reduction, that would be the equivalent of taking about 36,000 new class 8 semitrucks off the road per year.

As emissions regulations become increasingly stringent and complex around the world, we will continue to collaborate closely with regulators to meet and exceed emissions requirements. We were transparent about an emissions compliance issue in December 2023 when we announced that we reached an agreement in principle to resolve U.S. regulatory claims regarding our emissions certification and compliance process for certain engines primarily used in our pickup truck applications. After four-and-a-half years of working diligently with regulators — and expanding and strengthening our Product Compliance & Regulatory Affairs organization — reaching an agreement was the best way for us to achieve certainty on this matter, move forward with certifying our new products and advance our Destination Zero strategy.

ADDRESSING CLIMATE CHANGE ACROSS CUMMINS

Second, in addition to our products in use, we are working to address climate change across all aspects of Cummins. Our product decarbonization and growth strategy in Destination Zero works in tandem with our PLANET 2050 environmental sustainability strategy.

PLANET 2050 is an extension of Cummins’ earliest sustainability work and reflects our mission to power a more prosperous world. It is integral to our business growth strategy and focuses on our long-term commitment to protect the planet for future generations.

The strategy includes nine goals timed to 2030 and the aspiration to reach carbon neutrality in our operations and products in use by 2050, focused on three priority areas:

- **Using natural resources in the most sustainable way**
- **Creating better communities because we are there**
- **Doing our part to address air emissions and climate change in line with science**

PLANET 2050 is unique in its approach in that it:

- Sets absolute GHG goals for products and operations in line with climate science
- Reduces natural resource consumption by design — use less, use better, use again
- Acknowledges that broader stakeholder collaboration is required for success
- Connects societal purpose with employees' daily work

We have made tremendous progress toward our ambitious near-term sustainability goals and long-term aspirations through innovation, dedication and continuous demonstration of our Cummins values.

An employee in South Africa participates in a cleanup project as part of Cummins' community engagement work.

BUILDING MORE PROSPEROUS COMMUNITIES

Third, the health of our communities impacts the health of our people and business.

Since Cummins' inception in 1919, we have worked across a wide variety of community initiatives, finding opportunities that leverage the unique skills of our colleagues worldwide through employee-led engagement and our focused efforts on three global strategic priorities of education, equity and the environment.

Our Every Employee Every Community (EEEC) program enables each employee to use at least four work hours to engage in their communities. In 2023, we achieved a global EEEEC participation rate of 79% for the full year, surpassing our target of 75%. This represents nearly 61,000 Cummins employees* across the world who volunteered 343,000 hours, organized 11,000 community events and partnered with 3,300 nonprofits.

The impact of our global strategic initiatives is outstanding, and in early 2024, we added Cummins READY to both further our focus areas and address



the intersectionality of these programs. Cummins READY is our commitment to addressing the global education crisis and powering the pathway and continuum for inclusive, equitable, high-quality STEM education and lifelong learning opportunities.

Through both external initiatives and focused, internal efforts, we are helping to ensure both current and future Cummins employees and communities at large acquire the knowledge and in-demand skills that will prepare them for the jobs of the future. We recognize that good jobs are pathways into the economy — affecting entire families — and appreciate our role in contributing to this change.

KEEPING PEOPLE AT THE CENTER

Finally, our company is at its best when we serve within a world and workplace where everyone is safe, included, involved and connected to our purpose and one another.

I'm proud to say our success is driven by our people and that Cummins has a long history of putting people at the center, leveraging the capability of our leaders and the unique perspectives of our teams to deliver superior solutions to our customers and communities around the world. As our industry evolves, we remain committed to providing our employees with the training and resources needed to evolve their skills, while continuing to rely on their expert knowledge of our applications and customer needs.

A constant amidst this time of change is our commitment to creating an inclusive work environment in which all employees thrive, can reach their full potential and are connected to our purpose as well as one another.

Embedding diversity, equity and inclusion into the fabric of our company continues to be central to this focus. At Cummins, we aim to reflect the communities in which we live and work, and it starts at the top. We have the most diverse leadership team in the company's history. As Cummins' diversity has increased, so too have our innovation, community impact and business results. It is how we win with the power of difference.

In order to truly fulfill our commitment and obligation to our employees, safety remains our number one priority. While Cummins' safety performance remains better than that of similar businesses, each injury represents a member of the Cummins family who is impacted, and we are resolute in our efforts to improve.

CONTINUING OUR PROGRESS IN 2024 AND BEYOND

As we both reflect on the achievements of 2023 and move forward into 2024 and beyond, our purpose is clear, our impact is known, and the people leading and partnering with us on this work remain core to our success. I'm excited to see how our collective expertise will continue to drive innovation and business growth, positively impact our communities and protect our planet for generations to come.

JENNIFER RUMSEY, CHAIR AND CEO

*This number includes joint venture employees and excludes employees related to 2023 company acquisitions due to phased integration.

KEY PERFORMANCE INDICATORS

GOVERNANCE

Cummins has long believed that good corporate governance is critical to ensuring that the company is managed for the long-term benefit of its stakeholders. This includes adhering to ethical practices, advocating for impactful policies, and investing in its business growth strategy and people.

2,570

Ethics investigations
TOTAL CASES CLOSED

138,962

Ethics and Compliance training course completion

\$1.4 billion

Research and development

36.4%

Board diversity
% OF WOMEN

791

Global patents
COMPANY RECORD

\$34.1 billion

Annual revenue
COMPANY RECORD

\$206,477

Government Relations – Lobbying

RECENT ACCOLADES:
GOVERNANCE ASPECT

Last year, Cummins received several notable honors recognizing the company’s governance and business successes. Those include:

Placed in the Top 50, the company’s highest ranking ever (from 63 to 49), in the **Wall Street Journal’s Management Top 250**. 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. [READ MORE](#)

Maintained an ESG rating of AAA, the highest rating possible, by **Morgan Stanley Capital International** because of the company’s successful execution of its business strategies.

Named to the **100 Best Corporate Citizens** list recognizing outstanding environmental, social and governance (ESG) transparency and performance among the 1,000 largest U.S. public companies. The ranking is based on 180 factors around the environment and climate change, employee relations, governance, human rights, stakeholders and society, and overall ESG Performance. [READ MORE](#)

Received the **2023 National Association of Corporate Directors (NACD) Award** recognizing exemplary board practices related to Diversity, Equity & Inclusion (DE&I). [READ MORE](#)

Named the industry leader in the Commercial Vehicle and Machinery category for **America’s Most Just Companies**, recognizing companies that are committed to using their influence to make the world a more just place. [READ MORE](#)

Contents

NAVIGATING THIS REPORT

Welcome to the Cummins 2023-24 Sustainability Progress Report.

Now in its 20th year, we invite you to explore the many ways in which Cummins is truly and comprehensively delivering on our mission of making people’s lives better by powering a more prosperous world.

In the spirit of continuous improvement and ease of reading, we have a few different ways to consume the content.

This document covers the entire report. To navigate to different sections, click on the titles of interest to the right. At any point, to return to table of contents, click “Return to Contents.”

The [Cummins Sustainability](#) site features an overview section, with the ability to directly access topics of interest .

OVERVIEW

Committed to creating better outcomes for people and our planet	2
Key Performance Indicators: Governance	5
Sustainability at Cummins	7
Who we are	8
Cummins’ story	9
Focusing on what matters	10
U.N. Sustainable Development Goals	12
Leading through the energy transition	13
Key Performance Indicators: Environment	14
Cummins’ commitment: Keeping people at the center	15
Key Performance Indicators: Social	16

FINANCIALS

Cummins delivers record operational performance in 2023	17
---	----

INNOVATION

Building on a history of innovation to deliver the solutions customers and the planet need	19
--	----

ENVIRONMENT

Cummins’ business and sustainability strategies are aligned to power a more prosperous world	24
PLANET 2050 goals for 2030	25
2030 goals at a glance	35

COMMUNITY ENGAGEMENT

Cummins is committed to building more prosperous communities	36
--	----

HEALTH, SAFETY AND ENVIRONMENT

Health and safety are the cornerstones of the company	41
---	----

DIVERSITY, EQUITY AND INCLUSION

Winning with the power of difference	44
--------------------------------------	----

BOARD OF DIRECTORS

Cummins Board helps to ensure the interconnectedness of the company’s sustainability and growth strategies	48
--	----

ETHICS AND COMPLIANCE

Ethics and Compliance is critical to Cummins’ success	51
---	----

CYBERSECURITY

Cybersecurity works to protect data and intellectual property	55
---	----

RISK MANAGEMENT

Cummins’ risk management program key to navigating dynamic environment	57
--	----

GLOBAL SECURITY

Cummins’ comprehensive approach to global security: safeguard its most important assets	59
---	----

GOVERNMENT RELATIONS

Actively shaping policies that advance the company’s strategy and mission	61
---	----

SUPPLY CHAIN

Extending environmental initiatives across the company’s supply chain	64
---	----

Sustainability at Cummins

Sustainability is not new to Cummins. For several decades, both sustainability and efforts related to environmental, social and governance (ESG) issues have been critical elements of the company’s long-term business and growth strategies.

Long before ESG entered the general lexicon, Cummins’ values focused on producing engines that reduced environmental impact, supporting healthier communities and embracing diversity and inclusion.

With these principles embedded across the company, the ESG strategy is Cummins’ business strategy. With the support and oversight of the Board of Directors, the company continues to focus on sustainability, including efforts related to ESG. The board has oversight of Cummins’ top ESG risks and opportunities in the following committees, depending on the topic: Talent Management and Compensation Committee; Safety, Environmental and Technology Committee;

Audit Committee; and the Governance and Nominating Committee. Leaders also review the ESG strategy and progress with the full board at least once per year. The company’s Executive Director – Global Risk provides accountability over ESG strategic direction and serves as a primary point of contact for the board and the Cummins executive management team.



Cummins reports

Celebrating 20 years of publication, the Cummins’ Sustainability Progress Report is evolving. In the spirit of continuous improvement and ease of reading, readers will find a condensed

overview with the option to access sections that provide greater detail in areas of interest.

The company strives to be consistent with the reporting structures established by the Global Reporting Initiative (GRI) and other top sustainability platforms. Since 2019, in addition to this report, the company has posted reports to the following sustainability frameworks:

- 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).
- Since 2021, Cummins has issued the [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.
- All of the referenced reports, 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 2023. Cummins works with Apex, a leader in verification and assurance, to review the company’s key ESG data. Apex’s assurance letters are posted in Cummins’ Sustainability Document Archive as soon as it is available. More than 75% of ESG data in this report is reviewed under Apex’s limited data assurance process. Cummins reports environmental data from consolidated operations and joint ventures that are part of its Enterprise Environmental Management System. Reported values reflect significant structural changes, such as acquisitions and divestments, in accordance with the GHG Protocol. The addition of Meritor Inc. in 2022, for instance, prompted the addition of historic data back to the 2018 baseline for locations over which Cummins now possesses operational control. Similarly, data for Atmus, which was divested by Cummins in 2024, was removed from Cummins’ reporting scope. Reports on employee data include Meritor in the 2023–2024 reporting cycle. The employee data for Corporate Responsibility numbers specifically includes Joint Venture employees and excludes employees related to 2023 company acquisitions due to phased integration. Volumetric water benefit data has been reviewed and verified by LimnoTech in accordance with Volumetric Water Benefit Accounting practices. Financial data comes from the company’s Annual Report on Form 10-K, timed to 2023. The 2024 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 a dedicated team to lead its efforts under the direction of Cummins’ Global Risk function.

Who we are

Our history is a timeline of persistence and innovation. An ongoing story of rising to the occasion to find new and better ways to power the world.

We’re always seeking and discovering, imagining and building, learning and improving.

Time and again, we’ve taken on the world’s toughest industrial and commercial challenges. And whenever the challenge required something above and beyond, we broke through with something revolutionary.

More powerful. Efficient. Smarter. Cleaner.

Our pursuit to empower the world to be better than it was yesterday never ends.

Today, the world is on the doorstep of a new era. An era of never-before-seen challenges that will require first-of-its-kind solutions.

We know the going will get tough, but as we’ve always done, we keep going. We keep innovating. We keep thinking ahead, but we take action today.

For the ones we love.
For the communities who need us most.
For the world we share.

Power Onward™

Cummins at a glance

Cummins Inc. is a global power leader made up of complementary business segments that design, manufacture, distribute and service a broad portfolio of power solutions, including diesel, natural gas, electric and hybrid powertrains and powertrain-related components.

ESTABLISHED:	HEADQUARTERS:
1919	Columbus, Indiana (U.S.)

SALES/EARNINGS:

Cummins achieved record 2023 full-year revenues of \$34.1 billion, 21% higher than 2022, and record operating cash flow of \$4.0 billion, a significant increase from \$2.0 billion achieved in 2022. In 2023, Cummins also marked the 14th consecutive year that it increased shareholder dividends, returning \$921 million.

EMPLOYEES:

74,873 as of Dec. 31, 2023, including the addition of more than 10,000 employees through 2022 acquisitions.

OPERATIONS:

Cummins serves customers around the world, with principal manufacturing locations in eight U.S. states and six of the seven continents.

WEBSITE: cummins.com

FORTUNE 500 RANKING	STOCK SYMBOL
(as of 2023):	(New York Stock Exchange):

146

CMI

Cummins by segment



ENGINE SEGMENT

Manufactures and markets engines for trucks, buses, recreational vehicles, construction and farm equipment, mining, marine, rail and more.



POWER SYSTEMS

Manufactures and markets standby and prime power generators and associated equipment, as well as large industrial engines for use in Mining, Rail, Marine and defense applications.



COMPONENTS

Supplies products complementing the Engine and Power Systems segments, including aftertreatment, turbochargers, transmissions and more.



ACCELERA BY CUMMINS

Manufactures and markets battery, fuel cell and electric powertrain technologies, as well as electrolyzers critical to no-carbon hydrogen production.



DISTRIBUTION

Sells, services and supports Cummins products through a worldwide network of wholly owned, joint venture and independent locations.

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

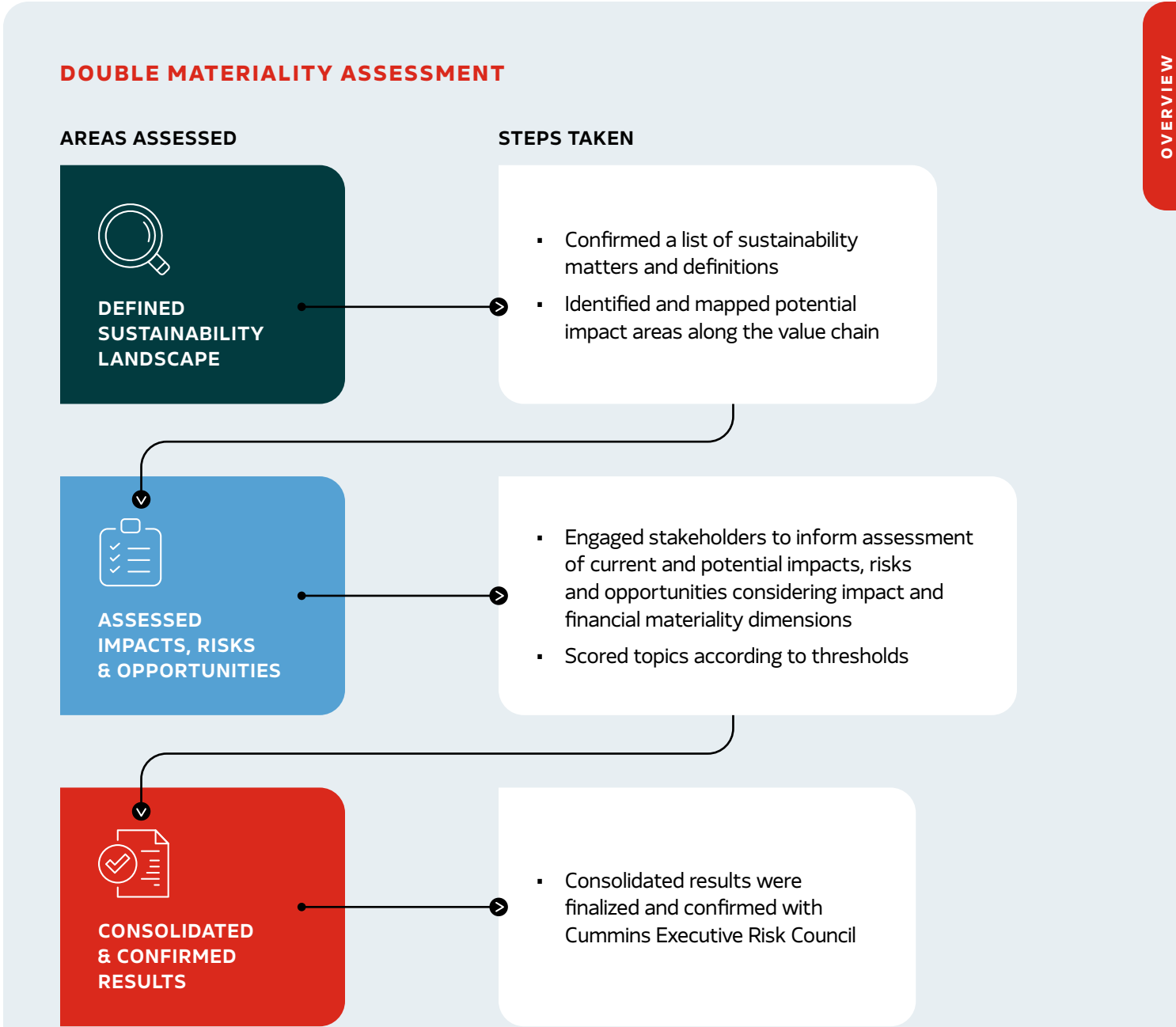
Focusing on what matters

The company’s sustainability report highlights how its business and environmental strategies are aligned to fulfill Cummins’ mission and deliver for all stakeholders.

Cummins uses a materiality assessment to help determine the most important issues facing the company. The reporting team leverages this information to identify topics to include in the annual Sustainability Progress Report, which Cummins has produced for the past two decades

Cummins’ first materiality matrix was completed in 2018–2019. Since then, a cross-functional team has been reviewing the reporting matrix annually to track year-over-year changes and determine if topics should be added or moved. In addition, the team considers updates that align with stakeholder requests for information, the company’s risk evaluation process and other information sources.

Given the evolution of sustainability-focused materiality assessments and the various regulations and standards expected to drive changes in how companies conduct those, in 2023, Cummins completed its first double materiality assessment, considering two dimensions — the company’s impact, positive or negative, on people and the environment, as well as material impacts on the company. Stakeholder engagement included subject matter experts across the company, executive leadership, employees and suppliers, as well as customers and community groups.



MATERIAL TOPICS

The results of the double materiality assessment largely confirmed the previously identified material impact areas.

Climate change was the top impact area, with human capital management and other workforce-related matters identified as additional high-impact areas. Regarding business continuity, stakeholders are eager to learn how the company’s product decarbonization strategy and portfolio mix will ensure Cummins’ continued and future success.

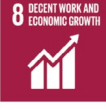
Health and safety and community impact will remain as additional sustainability matters, given their importance to the various stakeholders and the business.

MATERIAL SUSTAINABILITY MATTERS		SECTION	SDG*
CLIMATE CHANGE MITIGATION	Scope 3 emissions	Environment – Goal #3	13
	Facility emissions	Environment – Goal #1	7 13
	Low-emissions products	Innovation	9 13 17
POLLUTION OF AIR		Environment and Innovation	13
WATER CONSUMPTION		Environment – Goal #8	6 14
WATER WITHDRAWAL		Environment – Goal #9	6 1 14 15
RESOURCE USE AND CIRCULAR ECONOMY	Resource inflows including resource use	Environment Goal #5, #6 and #7	12 15
OWN WORKFORCE	Working conditions	General Workforce	8
	Human Capital Management (HCM)	General Workforce, HCM	8
	Equal treatment and opportunities for all	General Workforce, HCM	5 8
	Diversity, equity and inclusion (DE&I)	Diversity, Equity and Inclusion	5
	Training and skills development	General Workforce	
WORKERS IN THE VALUE CHAIN	Working conditions	Supply Chain	8
	Equal treatment and opportunities for all	Supply Chain, Supplier Diversity	5 8
CONSUMERS AND END USERS	Information related impacts for consumers and end users	Cybersecurity	
	Customer privacy	Cybersecurity	
BUSINESS CONDUCT	Corporate culture	Ethics and Compliance	
	Corruption and bribery	Ethics and Compliance	
	Management of relationship with suppliers including payment practices	Supply Chain	
	Political engagement and lobbying activities	Government Relations	
	Protection of whistleblowers	Ethics and Compliance	
ADDITIONAL SUSTAINABILITY MATTERS			
	Community engagement	Community Engagement	1 4 5 6 8
	Health and safety	Health, Safety and Environment	

*U.N. Sustainable Development Goals

U.N. Sustainable Development Goals

As a signer of the U.N. Global Compact in 2017, Cummins supports the U.N.’s Sustainable Development Goals to “end poverty, protect the planet and ensure prosperity for all.” The examples below illustrate how company’s initiatives touch on each of the 17 goals, with a special focus on 13 where it has the biggest impact.

U.N. GOAL	CUMMINS' ROLE	STATUS SUMMARY	REFERENCE
 NO. 1 NO POVERTY	Cummins TEC provides disadvantaged youth a career path.	4000+ number of graduates since program inception in 2012.	See page 37.
 NO. 4 QUALITY EDUCATION	Education is one of three focus areas for the company's community engagement efforts.	17.8% of the company's community giving in 2023 went to education initiatives.	See page 36.
 NO. 5 GENDER EQUALITY	Cummins Powers Women works with non-profits and non-governmental organizations to address equality for women and girls.	1.5 million+ number of women and girls served since program inception in 2018.	See page 38.
 NO. 6 CLEAN WATER AND SANITATION	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.	See page 40.
 NO. 7 AFFORDABLE AND CLEAN ENERGY	Sustainable energy use is a key part of Cummins' PLANET 2050 environmental sustainability strategy.	Cummins is continuing to expand its solar capacity with the installation of 66 onsite solar arrays globally.	See page 25.
 NO. 8 DECENT WORK AND ECONOMIC GROWTH	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.	See page 39. See HCM.
 NO. 9 INDUSTRY INNOVATION AND INFRASTRUCTURE	Cummins is working to reduce carbon produced by internal combustion engines while bringing to market zero emissions platforms.	In 2023 Cummins received a record 791 patents while spending \$1.4 billion in research, development and engineering expenses.	See page 23.

U.N. GOAL	CUMMINS' ROLE	STATUS SUMMARY	REFERENCE
 NO. 11 SUSTAINABLE CITIES AND COMMUNITIES	Cummins believes that companies are only as strong as the communities where it does business and its employees live and work.	The company has multiple efforts in this area, from environmental improvement projects in Asia to CARE program initiatives around affordable housing.	See page 9. See pages 36–40.
 NO. 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Cummins is creating a lifecycle plan for every part to use less, use better and use again.	In 2023, Cummins expanded efforts to reach this goal with the introduction of the digital design standard to guide lifecycle planning.	See page 30.
 NO. 13 CLIMATE ACTION	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.	See page 26. See page 34. See page 57.
 NO. 14 LIFE BELOW THE WATER	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, with three Cummins regions achieving water neutrality.	See page 40.
 NO. 15 LIFE ON LAND	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.	See page 31. See page 40.
 NO. 17 PARTNERSHIPS TO ACHIEVE GOALS	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.	See pages 21–23. See page 28. See pages 37–40.

Leading through the energy transition

At Cummins, our business and environmental strategies are intentionally and intricately aligned.



OUR COMMITMENT TO SUSTAINABILITY

I came to Cummins because of the opportunity to work on innovative products that exceed customers’ expectations and lessen our impact on the environment. Three decades later, we’ve made tremendous strides on both fronts and have an exciting future ahead of us.

As Chief Technical Officer (CTO) at Cummins, I get to live out my purpose and passion every day, seeing how our engineering and environmental expertise seamlessly intersects with our commitment to sustainability. That is because the company’s approach to sustainability is grounded in our mission of “making people’s lives better by powering a more prosperous world.” A more prosperous world goes

beyond a financial component to include a world with clean and sustainable air and water, and strong, vibrant communities.

A LEGACY OF INNOVATION WITH IMPACT

Cummins has a long history of setting ambitious sustainability goals and leading our industry in those efforts. We intend to honor and further that legacy. Our sustainability goals are put into action by PLANET 2050, our environmental sustainability strategy, which seeks to ensure we do our part to address climate change and air emissions, use natural resources in the most sustainable way and make communities better because we are there. PLANET 2050 includes quantifiable goals for 2030 along with visionary, longer-term aspirations for 2050. We annually report progress against these 2030 goals — to reduce absolute greenhouse gas (GHG) emissions from facilities and operations by 50% and reduce scope 3 absolute lifetime GHG emissions from newly sold products by 25% — as well as the other seven goals.

DECARBONIZING FOR THE FUTURE

The biggest impact we can make to meet our bold sustainability goals is by continuing to execute our product decarbonization strategy, called Destination Zero. This strategy is a customer-driven, multi-solution approach that advances engine-based solutions now while innovating for the future by developing new zero-emissions solutions for the diverse applications we serve.

Over the past several years, we have acted to increase the understanding and management of the complicated factors impacting climate-related matters while also showing meaningful outcomes that demonstrate

our commitment to addressing them. Our industry is heavily impacted by external pacing factors, such as customer adoption of new technologies, stronger GHG-reducing regulations, broader availability of lower-carbon fuels and infrastructure buildout. Those factors are progressing slower than anticipated when we established the goals.

Given the impact of those highly influential pacing factors and increased growth in engine volumes, the 2023 emissions increased from the baseline. However, the company has made progress in decreasing GHG per unit from the prior year. Despite the challenges associated with slower adoption rates of lower-carbon technology solutions, we remain resolute that our Destination Zero strategy is the right one. By continuing to advance cleaner engine-based solutions and not waiting until 2035 to go to market with fully zero-emissions solutions, we estimate a cumulative carbon reduction impact of greater than 1.4 gigatons — the equivalent of removing all trucks globally from the road for three years.

I invite you to read about our key product launches and partnerships throughout this year’s report, particularly those in our innovation story. They are evidence of our strategy in action.

TALENT, TECHNOLOGY AND TOOLS

As CTO, my team and I are ultimately responsible for tracking toward and achieving the company’s environmental goals, driven by the work our technical and environmental experts do day in and day out and realized by the collective actions of all employees. Our environmental initiatives are critical to our long-term success and the future of our planet, and it takes the right portfolio of talent, technology and tools to get there.

ASSESSING OUR PROGRESS

In the environmental section, you will see a transparent assessment of the progress we made in 2023. I want to call out a few key highlights:

- The company completed 24 onsite solar projects to increase use of renewable energy. The completed projects reduce over 14,486 metric tons of carbon dioxide equivalent (CO₂e) annually. We now have 66 global sites with solar arrays.
- We [announced a memorandum of understanding with Chevron U.S.A. Inc.](#) to leverage complementary positioning in hydrogen, natural gas and other lower-carbon fuel value chains with plans to improve access to fuel and infrastructure for customers, helping grow the availability of alternative and renewable fuels while reducing emissions.
- Through partnerships with global nonprofits, including The Nature Conservancy, Water.org and WaterAid, [Cummins Water Works](#) ended 2023 having helped more than 1.2 million people and generated approximately 6.9 billion gallons in annual water benefits since its 2021 launch. In 2023, the program’s annual water benefits far surpassed the company’s global water consumption of 972.3 million gallons.

For a deeper understanding of these goals, please review the full [Environment](#) section.

I am incredibly proud of the way we work to lessen our environmental impact while doing so in a socially responsible way. As our business and workforce transition to a more resource-constrained environment, we bring our people and communities along with us. We still have much work to do, and I am highly optimistic about our continued positive impact.

JONATHAN WOOD, CHIEF TECHNICAL OFFICER

KEY PERFORMANCE INDICATORS

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.

295

GHG Emissions Scope 1

THOUSANDS OF METRIC TONS OF CO₂ EQUIVALENT (CO₂e)

31%

2023 Scope 1 and Scope 2 GHG reduction

411

GHG Emissions Scope 2 market-based

THOUSANDS OF METRIC TONS OF CO₂e

91%

Total waste recycled

14.7%

Reduction in absolute water use

IN FACILITIES AND OPERATIONS COMPARED TO BASELINE YEAR OF 2018

293

Total Generated Waste

THOUSAND METRIC TONS

RECENT ACCOLADES:
ENVIRONMENT ASPECT

Last year, Cummins received several notable honors recognizing the company’s environmental sustainability and leadership efforts. Those include:

Featured on the **S&P Dow Jones Sustainability World Index**, a prestigious recognition of global sustainability leaders representing the top 10% of the largest 2,500 companies in the S&P Global Broad Market Index, in addition to the **S&P Dow Jones Sustainability North America Index**. It was the company’s third consecutive year on the world index and the 65th consecutive year on the North American index.

Named as one of the top 150 large public companies for environmental performance in **JUST Capital’s 2024 rankings of American’s Most Just Companies**. Cummins led the Commercial Vehicles and Machinery category and finished No. 123 out of 937 in the overall ranking of just business behavior. [READ MORE](#)

Ranked as one of the **100 Best Corporate Citizens**, which recognizes outstanding environmental, social and governance (ESG) transparency and performance among the 1,000 largest U.S. public companies. The ranking is based on 180 factors around the environment and climate change, employee relations, governance, human rights, stakeholders and society, and overall ESG Performance. [READ MORE](#)

Received a **2023 Energy Management Insight Award** from the Clean Energy Ministerial (CEM), a high-level global forum to promote policies and programs that advance clean energy technology, to share lessons learned and best practices and to encourage the transition to a global clean energy economy. [READ MORE](#)

Cummins’ commitment: Keeping people at the center

By blending unwavering innovation and business success with a people-centered approach, we aspire to make Cummins a unique career destination.



WHY CUMMINS?
At Cummins, we hold a strong reputation as a values-driven organization. Integrity, diversity and inclusion, caring, excellence and teamwork are the guiding principles in everything we do, including how to attract, retain and develop our talent. As I reflect on my 25-plus-year career, Cummins stands

out as an employer of choice due to our focused commitment to offering development opportunities that align with our core values and empower every team member to thrive both personally and professionally. Leading the Human Resources function at Cummins has been a remarkable journey. Each day, I’m continuously amazed by the pride and dedication our employees bring to their work.

INVESTING IN EMPLOYEE WELLNESS AND DEVELOPMENT
We are committed to a holistic approach to employee wellbeing that encompasses financial, physical and mental health, which we refer to as Total Rewards. Since 2020, Cummins has championed “It’s OK,” a multiyear campaign to destigmatize and normalize conversations around mental health. This initiative has resonated with employees around the globe and has now evolved to encompass all aspects of wellness, including physical, emotional, financial and social wellbeing.

Strong teams are the lifeblood of our company, so we invest in cultivating a strong leadership culture centered around “inspiring and encouraging all employees to achieve their full potential.” We articulate clear leadership behaviors and provide numerous development programs for employees to enhance their leadership capacity. Every year, one of our flagship leadership development programs offers more than 1,000 employees an opportunity to refine their senior leadership skills, develop a personal connection to Cummins’ leadership culture

and behaviors and establish a commitment to lifelong learning and continuous improvement.

INCLUSION IN ACTION
Our active network of more than 150 global employee resource groups plays a vital role in fostering a profound sense of belonging at Cummins. We are intentional about attracting top talent with diverse backgrounds, thoughts and ideas, ensuring they feel fully included when they join the company. Employee resource groups are organized around multiple dimensions of diversity and provide safe spaces for mentoring, celebration and development opportunities that help to foster community among our employees.

Furthermore, we remain committed to tracking our aspirational representation goals along various dimensions of diversity. These goals hold us accountable for building a workforce that closely resembles the world around us and serves as a strategic competitive differentiator for us as a company.

IMPACT BEYOND THE BOTTOM LINE
Driven by our community engagement and employee volunteerism, Cummins’ impact extends far beyond the bottom line into the communities where we live, work and play. We embark on ambitious large-scale projects that deliver longstanding value to communities across the globe.

From reducing gender inequality, offering technical education to underserved communities, advocating for racial equity and providing access to clean and safe water, our corporate responsibility initiatives make a tangible impact. Employees have the opportunity to apply for grants from the Cummins Foundation for various community projects and



causes. We strive to develop employees to be leaders not only within our company but also in their communities. Potential candidates who are passionate about making a difference in the world will find the platform and support to do so at Cummins.

THE FUTURE IS BRIGHT
Over the last two decades, Cummins has grown five times in revenue through global expansion, acquisitions and building capabilities. Today, we are in a position of strength to continue making bold choices to create the Cummins of the future.

As our industry, and indeed the world, changes, we have the capabilities and the willingness to evolve with it. We have set an ambitious goal with Destination Zero, and I know we have the best people for the job. The future beckons with shining possibilities, and I am confident that the future will find us prepared to shine right along with it.

**MARVIN BOAKYE, VICE PRESIDENT
AND CHIEF HUMAN RESOURCES OFFICER**

KEY PERFORMANCE INDICATORS

SOCIAL

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

LEARN MORE

To read more about Cummins’ workforce, see the [2024 Human Capital Management Report](#).



27.5%

Women in the workforce

40%

Women Vice Presidents and above

0.37

Severity Case Rate*

HEALTH AND SAFETY

38.9%

People of Color in U.S. workforce**

3.2 million

People impacted by community giving in 2023

0.78

Recordable Incidence Rate*

HEALTH AND SAFETY

79%

Every Employee Every Community

EMPLOYEE PARTICIPATION

* Rate = (number reported/total hours worked company wide in 2023)*200,000 hours

** People of Color includes: Asian; Black; Latino; Other; Two or More Identified; or Not Disclosed

RECENT ACCOLADES:
SOCIAL ASPECT

Given the progress the company has made and the direct correlation between increased business growth and employee diversity, Cummins was recognized with a number of distinctions in 2023, including:

National Association of Corporate Directors (NACD) 2023 Diversity, Equity & Inclusion Award [READ MORE](#)

2023 Best Place to Work for Disability Inclusion (third consecutive year) [READ MORE](#)

Ranked number four in 2023 on Forbes’ annual America’s Best Employer for Women [READ MORE](#)

Top Hispanic Employer by Diversity Magazine [READ MORE](#)

Named a winner of Glassdoor’s Employee’s Choice Awards, honoring the Best Places to Work in 2024. [READ MORE](#)

2023 Bronze-level Military Friendly Employer [READ MORE](#)

Best Company for LGBTQ+ Employees on Corporate Equality Index (second consecutive year) [READ MORE](#)

America’s Top Corporations for Women’s Business Enterprises in 2023 (1 of 66 companies) [READ MORE](#)

World 50 Group’s Shortlist for the 2024 Inclusion & Diversity (I&D) Impact Awards [READ MORE](#)

Gold Employer by the India Workplace Equality Index 2023 [READ MORE](#)

Inclusive Workplace for Women Award by the Confederation of Indian Industry [READ MORE](#)

Cummins delivers record operational performance in 2023

Cummins achieved record 2023 full-year revenues of \$34.1 billion, 21% higher than 2022, and record operating cash flow of \$4.0 billion, a significant increase from \$2.0 billion achieved in 2022. In 2023, Cummins also marked the 14th consecutive year that it increased shareholder dividends, returning \$921 million.

Sales in North America increased 22%, and international revenues increased 20% compared to 2022 due to the addition of Meritor and strong demand across most global markets.

Net income for the full year 2023 was \$735 million, or \$5.15 per diluted share, compared to \$2.2 billion, or \$15.12 per diluted share, in 2022.

2023 results included costs related to the agreement to resolve U.S. regulatory claims of \$2.04 billion, or \$13.78 per diluted share,

costs related to the separation of Atmus of \$100 million, or \$0.54 per diluted share, and costs related to the voluntary retirement and separation programs of \$42 million, or \$0.22 per diluted share.

Full year 2022 results included costs related to the indefinite suspension of operations in Russia of \$111 million, or \$0.72 per diluted share, and costs related to the separation of Atmus of \$81 million, or \$0.45 per diluted share. The tax rate in 2023 was 48.3%, which is higher than our external guidance, primarily due to

the nondeductible costs related to the agreement to resolve U.S. regulatory claims.

Earnings before interest, taxes, depreciation and amortization (EBITDA) in 2023 was \$3.0 billion, or 8.9% of sales, compared to \$3.8 billion, or 13.5% of sales, a year ago. EBITDA for 2023 and 2022 included the costs noted above.

Operating cash flow for 2023 was a record inflow of \$4.0 billion, compared to \$2.0 billion in 2022, as Cummins continues to focus on working capital management within the business.

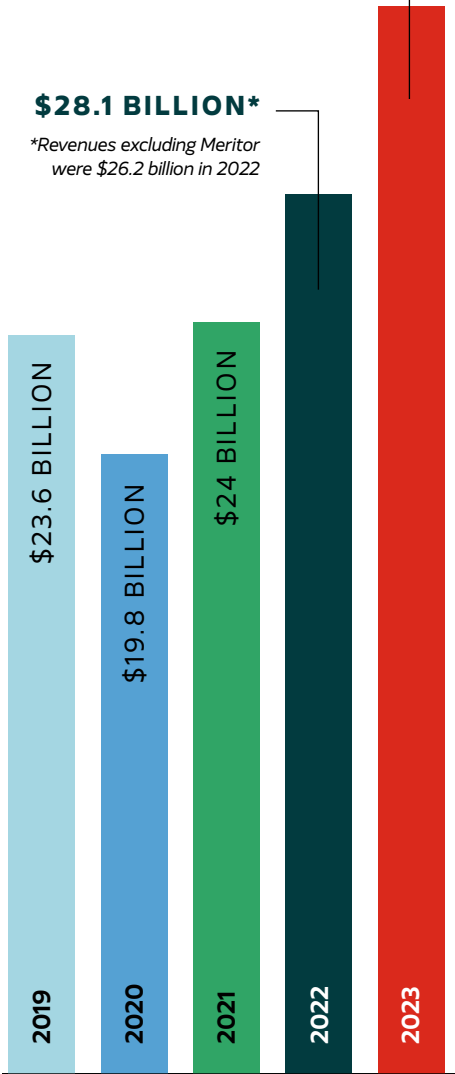
CUMMINS SALES BY YEAR

\$34.1 BILLION

+21% from 2022

\$28.1 BILLION*

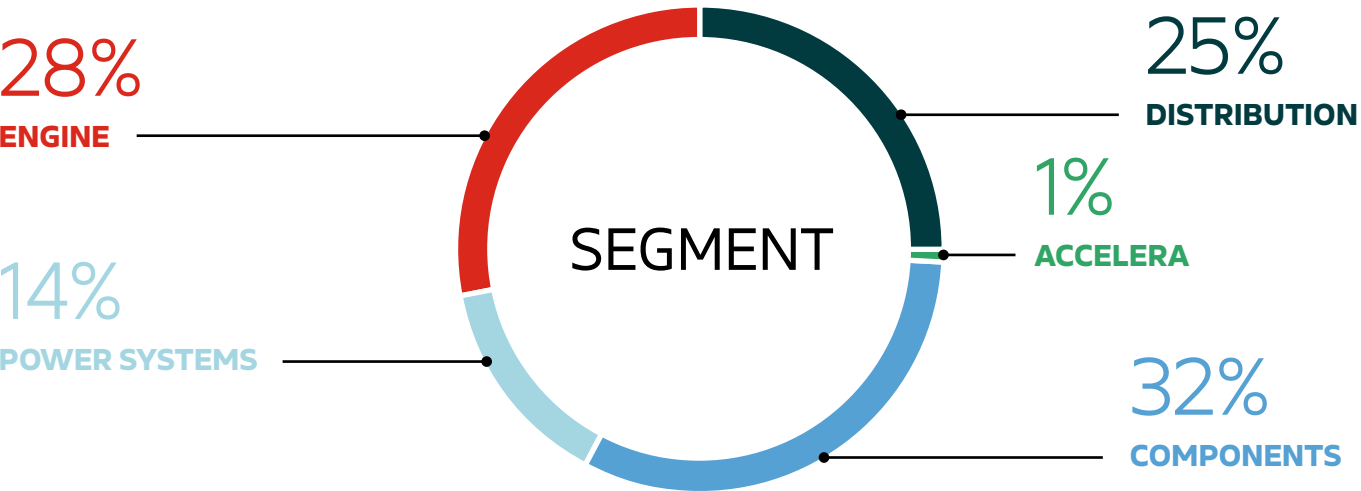
*Revenues excluding Meritor were \$26.2 billion in 2022



“High global demand for Cummins’ diverse set of innovative products drove record full-year revenues and operating cash flow in 2023. Excluding the impacts related to the agreement to resolve U.S. regulatory claims, 2023 was a record year for EBITDA, net income and EPS for Cummins. Also, EBITDA percent improved year over year in the Components, Distribution and Power Systems segments. I want to thank all our employees for delivering high-quality products to our customers and making 2023 a successful year.”

JENNIFER RUMSEY, CHAIR AND CEO

2023 REVENUE BY SEGMENT



2023 REVENUE BY MARKETING TERRITORY



Building on a history of innovation to deliver the solutions customers and the planet need

The history of Cummins is rooted in innovation, driven first by the company’s founders Clessie Cummins and W.G. Irwin. They believed in the power of ideas and had a shared vision of what ingenuity and hard work could achieve. Their vision took diesel technology at the time and transformed it into a reliable and everyday power source.

Clessie’s engineering ingenuity was complemented by the Irwin Family’s belief in the impact of diesel technology and an appreciation for taking the long view – that investing in innovative ideas takes time.

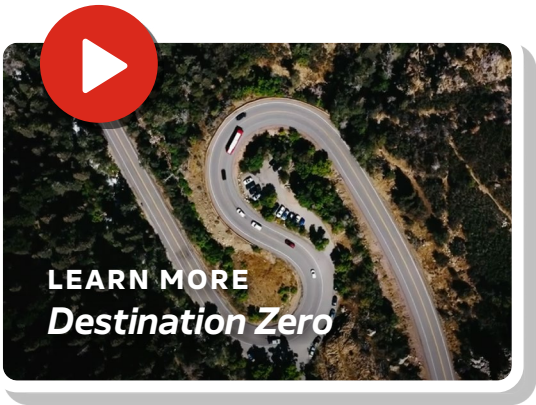
That sentiment guides the company’s strategy today – to lead the industry in providing smarter, cleaner power.

For the last 100 years, Cummins has built on and improved diesel technology while advancing a broader product portfolio to

meet the needs of its diverse customers amidst a critical energy transition in the commercial and industrial vehicle industry.

Driving Cummins’ Destination Zero strategy

Two years ago, Cummins introduced Destination Zero as the company’s winning growth strategy – and it is proving to be the right strategy for customers, the environment and for the continued success of the business. Last year, the company



achieved \$34.1 billion in revenue, 21% higher than 2022. Excluding the impacts related to the agreement to resolve U.S. regulatory claims, 2023 was a record year for earnings before interest, taxes, depreciation and amortization (EBITDA), net income and earnings per share (EPS) for Cummins.

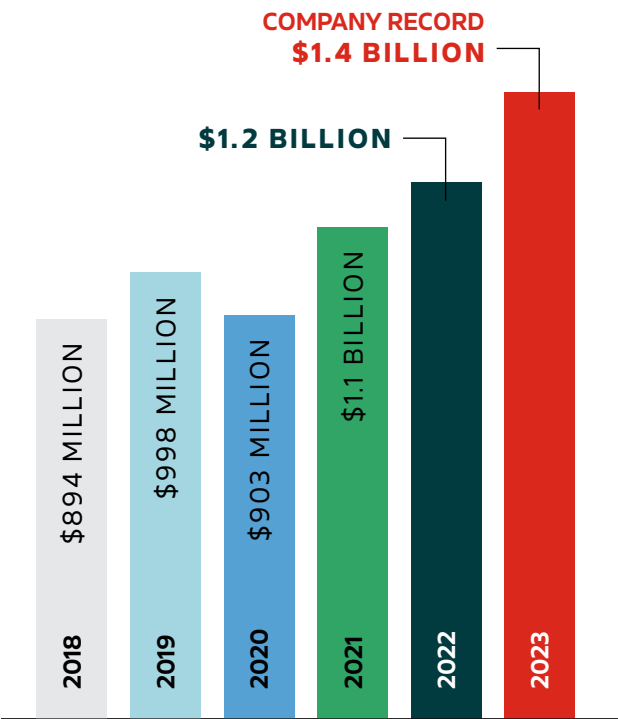
Advancing this strategy requires significant investment across the business, in the company’s people, facilities and suppliers.

In 2023, Cummins continued to make investments to develop new products and improve current technologies to meet future emission standards around the world, allocating a record \$1.4 billion to research and development. Such investments include improvements in fuel economy performance

of diesel and natural gas-powered vehicles and related components, as well as development activities around hydrogen engine solutions, battery electric, fuel cell electric and hydrogen production technologies.

INVESTING IN RESEARCH AND DEVELOPMENT (R&D):

Cummins invested a record amount in R&D in 2023.



Bridging the transition to a sustainable future

Destination Zero is a customer-driven, multi-solution approach that includes advancing the company's core business as well as developing new, zero-emissions solutions through Accelera™ by Cummins. While the diesel engine has been the heart of Cummins, today, the company is thinking beyond the fuel and flywheel. In doing so, Cummins has built the broadest combination of low- and zero-emissions technologies and drivetrain components in the commercial vehicle industry, allowing the development of a fully integrated powertrain system that creates a better experience, lowers emissions and reduces overall costs to customers.

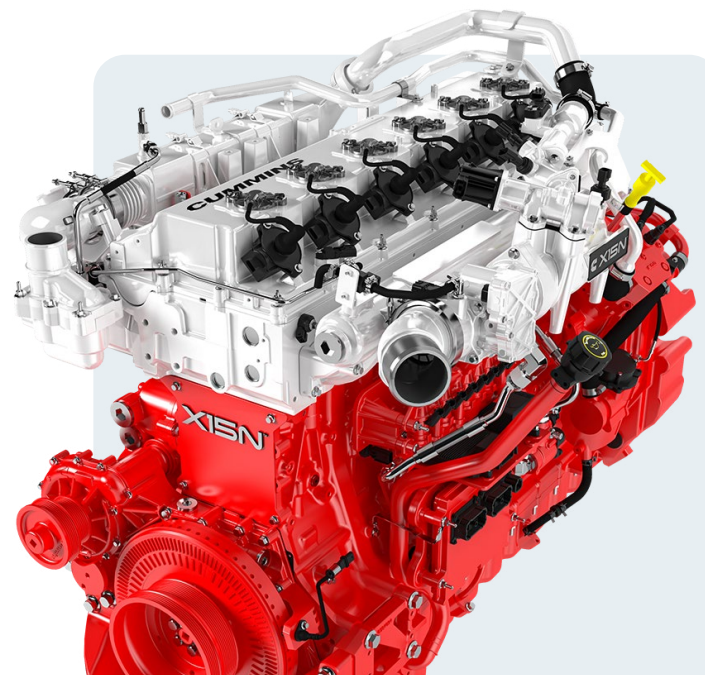
This year, Cummins announced its most efficient heavy-duty diesel engine, the diesel X15, which is compliant with the U.S. EPA and CARB 2027 regulations.

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

[This is the latest addition to Cummins HELM™](#) - a fuel agnostic platform (B, X10 and X15) that translates to "higher efficiency, lower emissions and multiple fuels." The platform is supported by a more than \$1 billion investment across the company's U.S., engine manufacturing network.

"The next generation X15 is the next evolution of technology, truly proving to the world that we never stop innovating."

**JOSÉ SAMPERIO, VICE PRESIDENT,
NORTH AMERICA ON-HIGHWAY AT CUMMINS**



Included in the Cummins HELM™ platform is the X15N natural gas engine that now has more than 35,000 global production engines running outside North America. Last year, Cummins began testing five X15 natural gas engines with Walmart's private fleet, which was fueled by Chevron's compressed natural gas (CNG) linked to renewable natural gas (RNG). Having opportunities to advance and test new technologies allows Cummins to expertly support decarbonization goals for customers around the world.

The integrated powertrain is in part a result of the acquisition of Meritor, which was completed in August 2022. The combined capabilities and technologies of Cummins-Meritor serve global customers across a range of combustion and electric applications. The company has realized that growth this year with more than \$100 million in new business globally: continued growth in North America, South America, India and Europe; aftermarket growth in Australia; and expansion of the off-highway product portfolio in China.

The role of technology becomes increasingly important as the powertrain becomes more sophisticated, complex and digitalized. Flexible electronics, advanced sensor arrays and actuators are designed to meet and exceed the stringent requirements of both current and future emission landscapes. Today, the new X15 is equipped with Acumen, Cummins smart computing hardware, which enables digital direct, immediate access to a range of applications and capabilities that support the life cycle of the engine.

Hydrogen internal combustion engines can meet the demands of the extreme operating and environmental conditions found in several off-highway applications with elevated levels of dust in the air, greater vibrations and extreme ambient temperatures. Last year, Cummins showcased a B6.7H hydrogen engine aimed at agricultural tractors and machinery, with a top rating of 290 hp and a peak torque of 1200 Nm. Additionally, Cummins and Versatile signed a letter of intent to integrate the Cummins 15L hydrogen engines in Versatile's equipment to lead the decarbonization of the agricultural market.

Cummins has also joined forces with the Eclipse Foundation, Microsoft, Bosch and other industry leaders to revolutionize an industry standard for telematics and the next generation of commercial vehicles. Cummins will contribute to the [Open Telematics Framework](#) through a non-commercial license, which will enable a common environment for the industry to develop customer-facing applications more quickly and easily.

The acquisition of Meritor and Siemens Commercial Vehicles also brings crucial technology to Accelerata's eMobility business, which includes batteries, e-axes, traction systems, auxiliary controls and power, and electric powertrain integration.

In the Power Systems segment, the company is [focused on building the energy transition bridge by bringing a range of lower-carbon solutions to customers.](#)

This includes the use of hydrogenated vegetable oil (HVO) with all high-horsepower engines and newer developments in internal

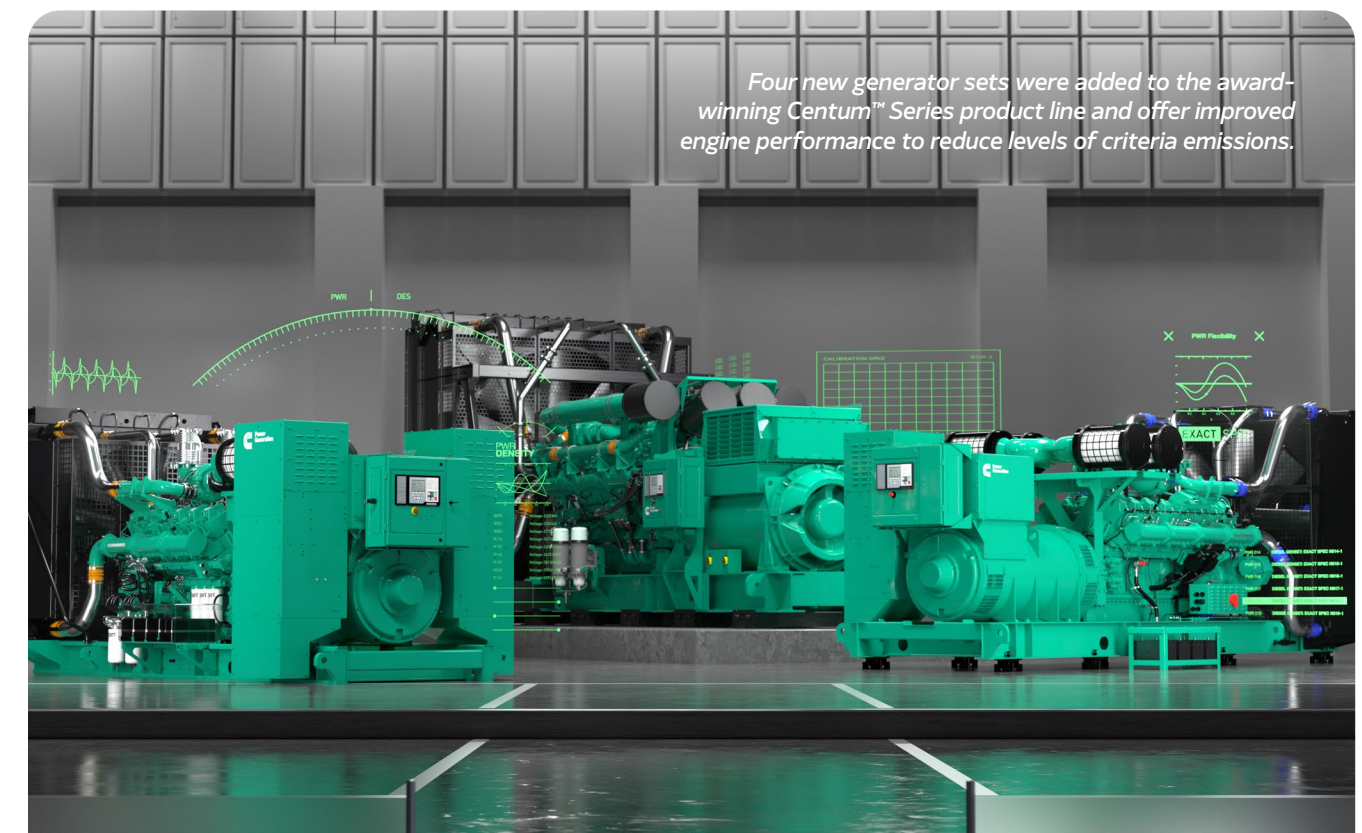
combustion engine (ICE) battery hybrids and dual fuel solutions.

In the mining industry, customers are faced with significant challenges to meet increasingly ambitious goals outlined to cut greenhouse gas emissions. For most customers, diesel will continue to power most mining equipment. Engineers at Cummins are working rapidly to continue building the energy transition bridge by developing ICE battery hybrid solutions alongside alcohol-based dual fuel solutions.

Supporting the mining industry and beyond, microgrids are becoming a growing area necessary for sustainable operations. Customers are currently testing different energy sources along with the standby power element to understand the best combination for their needs. Work to expand the existing product portfolio, including diesel gensets and battery energy storage systems (BESS), is underway to support this new area of demand. Adding more energy sources to power generation supports grid resiliency.

One of the biggest growth and innovation areas for Cummins today is data centers, driven by continued growth of consumer internet demand, cloud adoption, digitalization and the rise of artificial intelligence. With the launch of several new platforms, the company can extend power density in this market, enable rapid customer application and reduce emissions. Most recently, [Cummins Power Generation launched four new generator sets](#) to the award-winning Centum™ Series powered

by the QSK50 and QSK78. The new models are specifically engineered for applications like data centers, health care facilities and wastewater treatment plants. Products like these allow the company to build on decades of experience meeting customers' needs, ensuring reliability, sustainability and lower emissions. At the company's recent [Analyst Day](#), plans were announced to double capacity to meet this growing data center demand.



Accelerating a growth opportunity

A significant piece of the company's integrated strategy is zero-emissions solutions provided by Accelera, [a brand launched last year](#) focused on innovating new technologies to enable customers to reach zero emissions.

Accelera's growing product portfolio includes battery systems, fuel cells, ePowertrain systems and electrolyzers. Electrolyzers are devices that use electricity to split water into its constituent elements of hydrogen and oxygen through electrolysis. Electrolyzers can be used to produce hydrogen gas to power applications

like fuel cells in buses, trucks, trains, and equipment for industrial processes; or they can be used for energy storage by converting excess electricity from renewable energy. Last year, Accelera reached an important milestone with an electrolyzer backlog totaling more than 500 MW. In the first quarter of 2024, Accelera saw sales increase 9% due to increased electrolyzer installations. Production recently began at the company's first U.S. manufacturing location for electrolyzers in its Power Generation facility in Fridley, Minnesota, to both respond to demand while leveraging and enhancing employees' expertise.

"Large scale electrolysis to produce green hydrogen is a key piece in the decarbonization of transportation and industry. The electrolyzer production capacity we are adding in Fridley will help us scale zero-emissions technology in North America and meet customer demand and advance adoption."

AMY DAVIS, PRESIDENT OF ACCELERA

In March, [Accelera announced that Marshall County, Mississippi \(U.S.\), had been selected](#) as the future site of advanced battery cell manufacturing for the joint venture with Daimler Trucks & Buses US Holding LLC and [PACCAR, Amplify Cell Technologies](#). The joint venture will localize battery cell production for commercial electric vehicles and is expected to create more than 2,000 U.S. jobs. Fuel cell technology is also powering the first e-compressor in Wuxi, China, in the Cummins Turbo Technologies business.

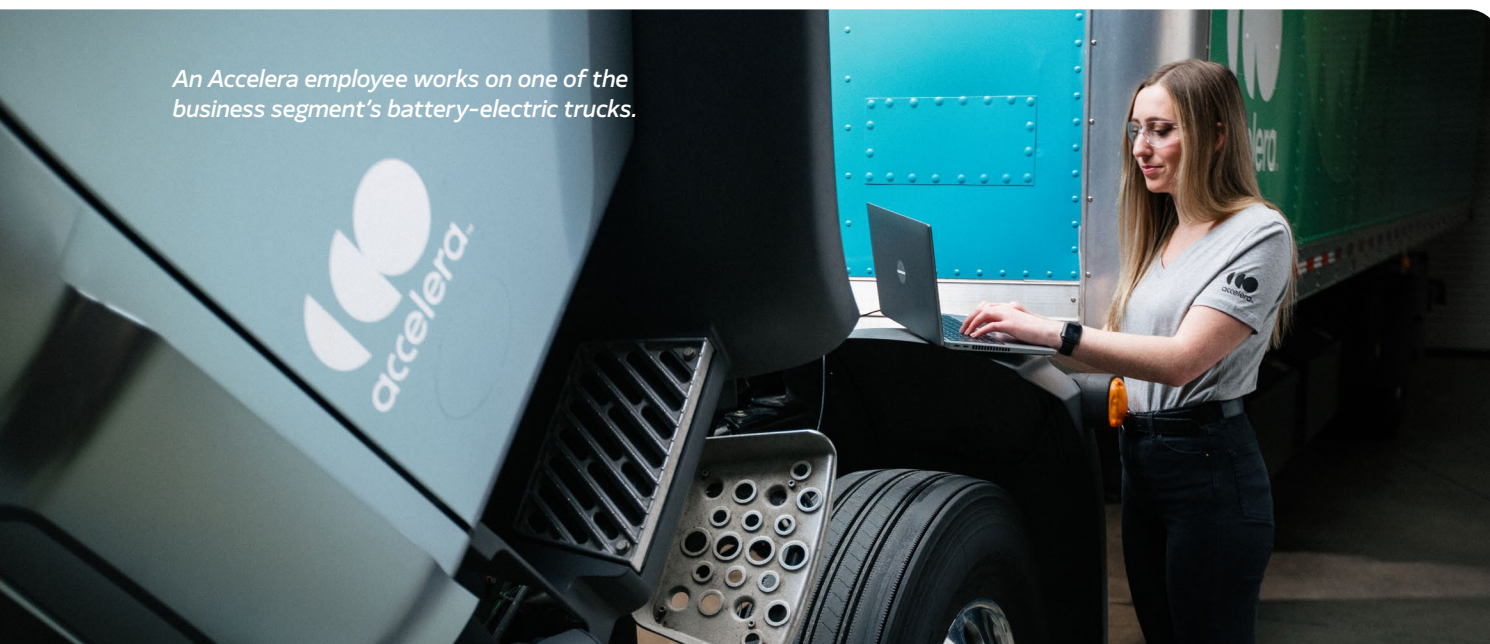
Cummins has used its hundred-plus years of development experience to enhance the impeller efficiency based on the fuel cell requirements to use less energy and improve fuel economy.

Partnering to solve complex power challenges

Cummins has a long history of leveraging existing strong partnerships and power as an incumbent to accelerate future growth through innovation – not only with leading original equipment manufacturers (OEMs) and customers around the globe, but also through strategic partnerships and joint ventures.

Unique relationships with key players like Daimler Trucks & Buses, PACCAR, EVE Energy, Leclanché S.A., Tata Motors, Terex, Knight Transportation, Blue Bird, Chevron, the Eclipse Foundation, and other compelling prospective partners position Cummins to lead in the transition to zero emissions. Partnerships are critical to continue advancing and testing core and new technologies while improving and promoting a more robust infrastructure.

An Accelera employee works on one of the business segment's battery-electric trucks.



Preparing for the future of the industry

One of Cummins’ most unique competitive advantages is the deep technical expertise that will play a critical role in delivering on the PLANET 2050 commitments and advancing the Destination Zero strategy.

Cummins is focused on attracting, developing and retaining the needed talent for the business to be successful today and for years to come. Leaders now need to be empowered with data and tools including artificial intelligence, forecasting skills and capability needs while harnessing the diverse backgrounds and experiences of their global teams to solve complex challenges for customers.

Today, many of the skills of diesel engineers are highly transferable and consistent for other technologies. Much of the technical knowledge within disciplines and throughout a product lifecycle can be applied across the company’s expanding portfolio to evolve their skillsets and meet customers’ needs.



To support the future workforce, the company recently launched [Cummins READY](#) to power the pathway for inclusive, equitable, high-quality learning opportunities for communities around the world. The goal is to help at least one million learners and workers by 2030 prepare for education and career success. Cummins is uniquely positioned to help address the worldwide education crisis by leveraging its global footprint, long-standing commitment to communities, and the unique skills and expertise of the company’s talented workforce, particularly in science, technology, engineering and mathematics (STEM) fields.

An evolving workforce is necessary to align with the advancement of technology and industry, including an enhanced focus on tools, skills and talent for the future. The work of Destination Zero starts now and involves every Cummins employee.

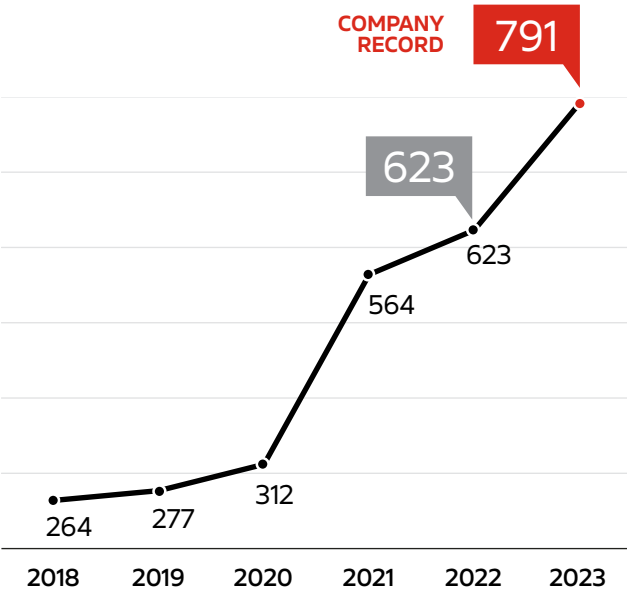
“We’ve rewritten the narrative of this industry before, and now we’ll do it again. In this new chapter of innovating for low-carbon technologies, there is no company better positioned to lead.”

BRETT MERRITT, VICE PRESIDENT AND PRESIDENT, ENGINE BUSINESS

Leaders celebrated the launch of Cummins READY at an event in Columbus, Indiana (U.S.).

RECORD YEAR FOR PATENTS

In 2023, Cummins reached a record 791 patents. Teams of engineers, technologists and intellectual property experts around the world work together every day to innovate and advance the company’s Destination Zero strategy.



Cummins’ business and sustainability strategies are aligned to power a more prosperous world

Cummins has a long history of working to reduce its environmental impact. In the past two decades, the company has accelerated its efforts and set public-facing goals to drive progress. [The company’s PLANET 2050 environmental sustainability strategy](#) includes nine goals timed to 2030 and aspirational targets for 2050.

PLANET 2050 works with Destination Zero, Cummins’ strategy 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.

ABOUT THE NUMBERS

To accurately reflect the company’s impact on the environment, Cummins’ 2023 environmental data includes data reflecting the full impact of its 2023 acquisitions and separations.

Due to corrections of historic data from acquisitions and the exclusion of [Atmus](#) filtration, which [announced its final separation](#) from Cummins in March 2024, the company has recalculated its historical environmental data from the baseline year 2018 through 2022. The recalculation of this data is in line with the [GHG Protocol Corporate Standards](#) which lay out the principles governing baseline adjustments.

PLANET 2050 OVERVIEW

CUMMINS’ 2050 ASPIRATIONAL TARGETS

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

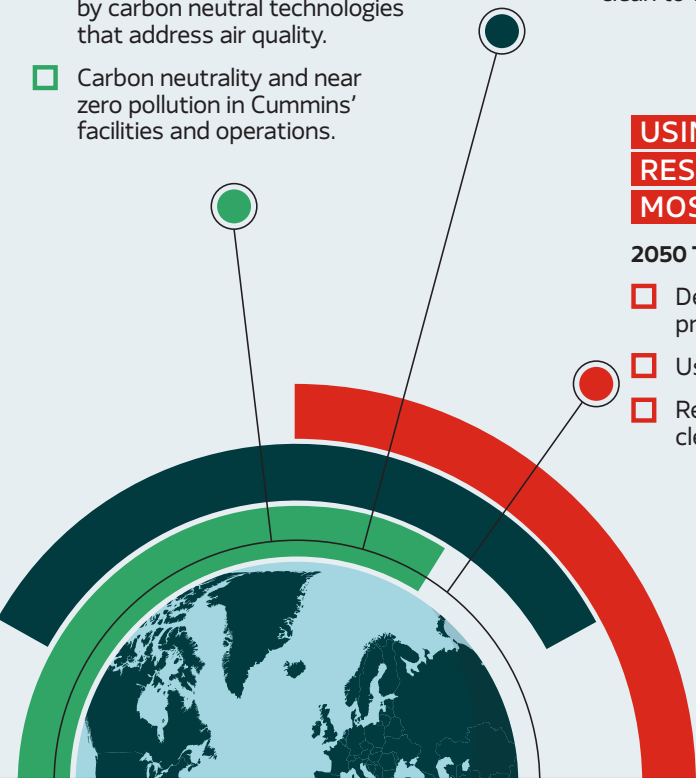
2050 TARGETS:

- 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.



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

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.

PLANET 2050 goals for 2030

GOAL NO. 1

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

In 2023, Cummins furthered its efforts to decrease greenhouse gas (GHG) emissions from its facilities and operations. Using the company’s baseline year of 2018, the company reduced its Scope 1 and 2 GHG emissions by 31%, or about 314,000 metric

tons of carbon dioxide equivalent (CO₂e) in absolute terms.

Cummins’ recent acquisitions and organic business growth have had a slightly negative impact on progress toward the goal. When looking at Cummins’ data excluding acquisitions, GHG reductions reflect an absolute 33.5% GHG reduction. Looking forward, Cummins foresees significant opportunities for energy efficiency improvement at the company’s newest locations.

In 2023, Cummins invested over \$40 million to complete 586 facilities energy, water and waste reduction projects. Of this investment, \$18.8 million was used to complete 267 GHG reduction projects that are estimated to save more than 29,951 metric tons CO₂e annually.

- Key projects completed in 2023 include:
- 89 facility efficiency projects, such as LED lighting and heating, ventilation and air conditioning (HVAC) upgrades and building envelope improvements. These projects will save over 5,433 metric tons of CO₂e annually.
 - 55 manufacturing and compressed air improvement projects, leading to more efficient manufacturing processes and over 6,162 metric tons of CO₂e reductions annually.
 - 24 onsite solar projects to increase the use of renewable energy. The completed projects are estimated to reduce over 14,486 metric tons of CO₂e annually.

Cummins continues to expand its solar capacity, with [onsite solar arrays at 66 locations globally](#). Since 2017, the company has also been supporting the expansion of the Meadow Lake Wind Farm in northwest Indiana under a 15-year Virtual Power Purchase Agreement (VPPA). Between its onsite solar installations and the wind farm, the global impact of renewable energy generation and purchases on Cummins’ emission rate was 133,453 metric tons of CO₂e in 2023.

Achieving Cummins’ 2030 facilities greenhouse gas reduction goal will require actions across the company. The path to a 50% reduction will include approximately:

Offsite renewable energy	23%
Facility energy efficiency	9%
Compressed air reductions	4%
Onsite solar	6%
Testing energy recovery	5%
Manufacturing efficiency	2%
Fleet electrification	1%

GHG REDUCTION PROGRESS

This table looks at the company’s progress toward the 2030 goal of reducing GHGs by 50% at company facilities in metric tons of CO₂e.

YEAR	SCOPE 1 GHG EMISSIONS	SCOPE 2 GHG EMISSIONS	TOTAL GHG EMISSIONS	% REDUCTION FROM BASELINE
2018	351,245	668,819	1,020,063	0.0%
2019	346,123	475,782	821,905	19.4%
2020	295,234	396,538	691,772	32.2%
2021	315,925	417,242	733,168	28.1%
2022	297,271	397,411	694,682	31.9%
2023	294,863	411,275	706,138	30.8%

2030 GOAL: 50%

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



812 kWp Solar PV array at Cummins Turbo Technologies (CTT) Huddersfield delivering clean power to the facility for manufacturing and R&D.

PLANET 2050 GOALS FOR 2030

GOAL NO. 2

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

Climate change is an existential crisis. The biggest impact Cummins can make to meet its sustainability goals is by continuing to execute the company’s product decarbonization strategy, called [Destination Zero](#).

This strategy is a customer-driven, multi-solution approach that advances engine-based solutions now while innovating for the future by developing new zero-emissions solutions for the diverse applications Cummins serves.

Over the past several years, the company has acted to increase the understanding and management of the complicated factors impacting climate-related matters

while also showing meaningful outcomes that demonstrate our commitment to addressing them. When Cummins launched Destination Zero two years ago, there was a clear recognition that the path to zero emissions would not be a linear one and highly influenced by external factors. While the path looks similar to what company leaders shared two years ago, the pacing factors — things like fueling and charging infrastructure, economics, customer acceptance and application feasibility of alternate technologies, and regulations and incentives — are both evolving and also generally slowing the pace of adoption for zero-emissions solutions.

Therefore, meeting the 2030 goal to reduce product Scope 3 absolute lifetime GHG emissions from newly sold products by 25% is a function of technology, market behavior, volume, and product mix. The scope of this science-based target includes CO₂e (carbon dioxide, methane and nitrous oxide) emissions generated during the use phase throughout the product’s estimated lifetime. The goal does not include full lifecycle or well-to-wheel considerations.

Given the impact of those highly influential pacing factors and increased growth in engine volumes, the 2023 emissions increased from the baseline. However, the company has made progress in decreasing GHG per unit from the prior year.

KEY PACING FACTORS

ADVANCEMENTS IN AND MARKET ADOPTION OF NEW TECHNOLOGY

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

STRONG REGULATORY SUPPORT FOR GHG REDUCTIONS

Cummins continues to support tough, clear and enforceable environmental regulations that deliver real-world benefits, including advocating for and collaborating with regulators around the world 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 and going through 2032. The proposal assumes significant and growing adoption of new zero-emissions 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.

BROADER AVAILABILITY OF LOWER-CARBON FUELS

[In 2023, Cummins Inc. and Chevron U.S.A. Inc. announced a memorandum of understanding to leverage complementary positioning in hydrogen, natural gas and other lower-carbon fuel value chains.](#)

By collaborating strategically with Chevron, the company plans to improve access to fuel and infrastructure for its customers, helping grow the availability of alternative and renewable fuels while reducing emissions.

Despite the challenges associated with slower adoption rates of lower-carbon technology solutions, Cummins remains resolute that the Destination Zero strategy is the right one.

Let’s take a deeper dive into those external forces and how Cummins is actively addressing them:

INFRASTRUCTURE BUILDOUT

In its annual deep dive discussion on critical technology issues, the Cummins Board and senior leaders discussed n Energy Infrastructure: Impacts on Customer Technology Transitions. This topic was selected, and a workshop was designed, to improve the company’s understanding of energy infrastructure (barriers and enablers) that impact current and future adoption of battery electric and hydrogen-based technologies for commercial vehicles. The intent was to operationalize energy infrastructure-readiness signposts and inflection points to gauge the buildout pace and inform Cummins’ investment portfolio decisions:

- The evolving energy landscape will be shaped by regulatory forces.
- Cummins should de-risk the energy transition through robust product offerings.
- Charging network expansion is the critical barrier to electrification.
- Experts disagree on the cost-effectiveness and feasibility of an all-electric infrastructure versus a combination of electric and hydrogen.
- Sophisticated signpost monitoring will be required to determine whether fuel cell electric vehicles have a play in future markets.
- Bridge technologies enable decarbonization by circumventing likely infrastructure barriers.

CUSTOMER AND INDUSTRY PARTNERSHIPS TO REDUCE CARBON

[Accelera, Daimler Trucks & Buses US Holding LLC and PACCAR announced](#) in September 2023 their partnership to accelerate and localize battery cell production and the battery supply chain in the United States. The planned joint venture, recently named [Amplify Cell Technologies](#), will manufacture battery cells for electric commercial vehicles and industrial applications, creating highly desirable U.S. manufacturing jobs in the growing clean technology sector.

Also in 2023, [Accelera and Blue Bird Corporation unveiled](#) the next-generation [Vision electric school bus](#), featuring the Accelera PowerDrive 7000 electric powertrain system. The upgraded system provides superior performance and is equipped with a next-generation battery with a capacity of 196kWh — a 25% increase from the previous model. With this updated battery technology, these electric school buses can travel up to 130 miles on a single charge.

CONTINUED MACHINE AND POWERTRAIN EFFICIENCY IMPROVEMENTS

Cummins estimates an impact of 1.4 gigatons greater cumulative carbon reduction by continuing to advance cleaner engine-based solutions. This is the equivalent of removing all trucks from North America from the road for three years.*

In February 2024, Cummins announced it will launch its most efficient heavy-duty diesel engine ever. As the next product in the [Cummins HELM™ 15-liter fuel agnostic platform](#), this next-generation engine is designed to have the capability to meet future emissions regulations beyond 2027 without the need for significant architecture changes. Cummins HELM is the industry first fuel agnostic platforms strategy that is poised to help customers meet their sustainability goals and business needs.

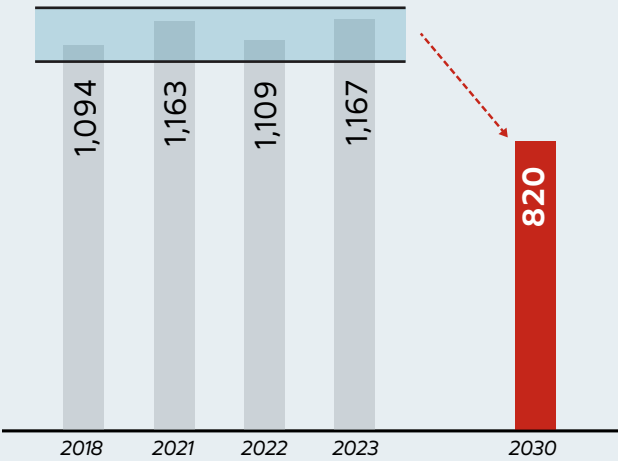
*The estimate is based on a well to wheel analysis of on-highway market in North America. The estimate is cumulative from 2018 to 2050. Some of the decrease in carbon is due to an assumed increase in electrified powertrain usage.

PROGRESS ON GOAL TO REDUCE LIFETIME EMISSIONS

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

LIFETIME EMISSIONS FROM NEWLY SOLD PRODUCTS

(million metric tons of CO₂e)



2030 GOAL: 25% REDUCTION

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.

The uncertainty created by these estimates and assumptions 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.

Included:

- Cummins custodial plant volumes
- Consolidated and non-consolidated joint ventures volumes

Excluded:

- Generators powered by outsourced engines
- Remanufactured products’ emissions

PLANET 2050 GOALS FOR 2030

GOAL NO. 3

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

While Cummins is innovating and advancing low- and zero-emissions technology solutions for customers who are ready now, many still have years of life left in their current fleets. The company has been partnering with its customers to achieve GHG reductions in their fleets since its first environmental sustainability goal for products was established in 2014.

In total, customers have saved over \$13.5 billion from products-in-use fuel economy projects. Projects with customers also saved 3.4 billion gallons of fuel and avoided 34.4 million metric tons of CO₂e.

These reductions are achieved in a variety of ways, including:

- Customized engine parameters
- Optimized calibration settings
- Parts upgrades
- Insights through Cummins’ digital platforms to improve fuel economy

Cummins surpassed its 2020 Scope 3 goal for products in the field in 2018 and is now on track to exceed its 2030 goal. In 2023, 37 customer projects were completed, bringing the cumulative total since 2014 to more than 760.

LEARN MORE

To read more about how the company was recognized for its environmental sustainability and leadership efforts in 2023, [click here](#).

Cummins and its customer partnerships made significant progress during the first years of this goal, successfully identifying and executing projects with substantial carbon reductions and cost savings. With advancements in product efficiency, Cummins is addressing increasingly complex projects to achieve fuel economy savings, including route optimization and the introduction of lower-emissions fuels.

This year, a large fleet operator partnered with Cummins to manage some critical engine parameters, like cruise control and Smart Coast. By making small tweaks to these features, the customer has achieved a 1% fuel economy improvement, resulting in 2 million gallons per year in fuel saved and 20,000 metric tons of CO₂e reductions. This has saved the customer \$8.6 million in fuel costs with no negative operational impacts.

PROGRESS ON 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 ₂)
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
2023	34.4 million

2030 GOAL: 55 MILLION

PLANET 2050 GOALS FOR 2030

GOAL NO. 4

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

Air pollution is a growing global health concern, and emissions regulations and enforcement are increasing. Volatile organic compounds (VOCs) are emitted as gases from a variety of products and processes, including paint and coating operations. These VOCs react in the presence of sunlight to create ground-level ozone, a key contributor to smog.

Cummins’ absolute VOC emissions remained flat from 2022 to 2023, ending the year with a 35% overall reduction compared to the company’s baseline year of 2018. This trend in VOC emissions is primarily attributed to production increases, calculation improvements and the addition of newly acquired sites to the company metrics.

Painting and coating processes at Cummins facilities account for more than 70% of the VOC emissions from those locations, with the rest from the combustion of fossil fuels. While paint has been used historically to provide protection and aesthetic benefits, it also has environmental implications beyond VOC emissions, such as contributing to water and chemical waste, and increased electricity and gas use.

Cummins has a mix of sites using solvent-based and waterborne paints and resins. Some sites have transitioned to waterborne materials or installed air emission abatement systems to comply with stringent local regulations to reduce their VOC footprint. Cummins’ Columbus Mid-Range Engine Plant in Columbus, Indiana (U.S.), implemented a

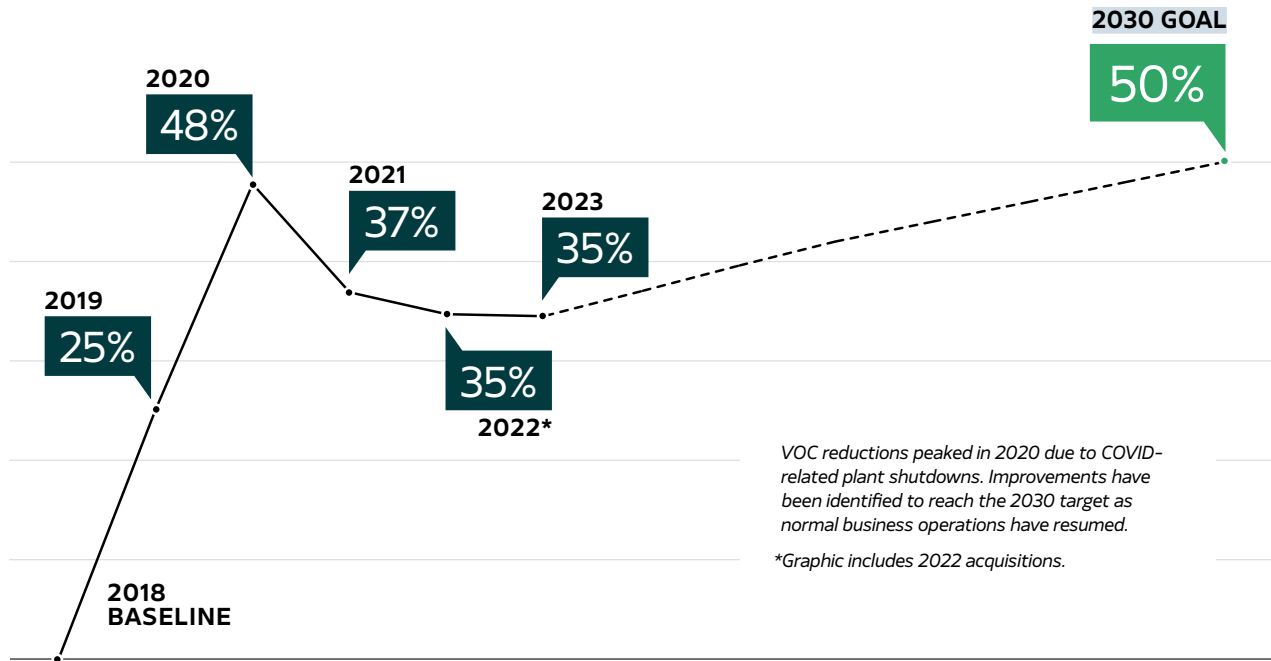
collaborative strategy with the customer to [eliminate painting the 6.7-liter diesel engine](#). These efforts not only eliminated VOCs from operations, but also resulted in reduced GHGs, water use and process waste generation.

In 2023, Cummins’ Daventry Engine Plant in the U.K. began seeing the benefits of transitioning to a low VOC waterborne paint. The waterborne paint meets all required product specifications and offers 80% reduction in service claims based

on the test results against the company’s engineering standards and customer trials. The project resulted in a 69% reduction in VOC emissions year over year, which is equivalent to 15.45 metric tons.

Continuing efforts to reduce VOCs, Cummins’ Darlington Engine Plant has launched a solvent-to-waterborne paint conversion project in 2024. This project is expected to reduce VOC emissions by about 70% from their current levels.

PROGRESS ON REDUCING VOC GOAL



PLANET 2050 GOALS FOR 2030

GOAL NO. 5

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



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

Creating a lifecycle plan for every part begins with establishing the lifecycle management intent of a part at the time that it is first created. This entails determining whether a part is to be reused, remanufactured or can be used for alternative purposes at the end of its life. Identifying the part’s end-of-life intent during the design phase prompts the preparations needed to turn those intentions into reality during the subsequent development and release processes. Learn more about [circular life cycle planning](#) and [remanufacturing](#).

A Cummins employee assesses remanufactured parts to ensure the optimal performance for customers.

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. Projects completed in 2023 in collaboration with the center are expected to avoid close to \$6 million in material cost and save 8394 metric tons of CO₂e over five years.

In 2023, the digital design standard was created to guide lifecycle planning. The design standard automatically informs product designers of the lifecycle management intent for each part, which the designer then confirms or modifies as appropriate. This standard makes lifecycle planning for every part possible, given the many products Cummins designs around the world.

Additional program accomplishments in 2023 include defining the methodology to establish platform-level goals for material circularity to help manage the opportunities and tradeoffs in creating optimal designs. Pilot-scale application of the methodology is planned for later in 2024.

As these lifecycle planning tools and methodologies are deployed across the company in 2024, adoption will be measured to track progress toward the 2030 goal. Future measurement phases will concentrate on assessing the extent to which the end-of-life intentions are effectively realized within Cummins’ remanufacturing business and service channels.

CREATING A LIFECYCLE PLAN FOR EVERY PART

FOUR STEPS TO CREATE A LIFECYCLE PLAN FOR EACH PART

1

Identify parts type and determine use profile

2

Select end-of-life intent

3

Plan for unique parts

4

Alignment and execution

PLANET 2050 GOALS FOR 2030

GOAL NO. 6

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

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 2023, Cummins achieved a 11.2% waste reduction as a percent of revenue from the company’s 2018 baseline.

Cummins’ circular approach to waste is focused on moving waste up the waste management hierarchy to divert waste from landfills, incineration and energy recovery methods and in favor of reuse, recycling and composting management methods.

In 2023, 91% of Cummins’ waste was recycled, composted or recovered.

Cummins invested more than \$11 million in 2023 to complete 154 waste reduction projects, avoiding the generation and disposal of more than 11 million pounds (5 million kg) of waste. This included a significant investment in launching the company’s returnable packaging program in North America, which was deployed to nine Cummins manufacturing facilities. These facilities now have over 80,000 Radio Frequency Identification (RFID) tagged packaging assets.

Since the baseline year of 2018, Cummins has experienced significant organic business growth. Despite this growth, absolute total waste generation has only increased by 0.16%. Additionally, total metal scrap generated has been reduced by 5% since 2018. In contrast, considering the company’s revenue increase, we have decoupled waste generation from business growth.

Key actions to further break the correlation between business growth and waste increase include the expansion of the returnable packaging initiative. This strategy aims to diminish packaging waste by promoting the adoption of reusable packaging solutions within the company’s First Fit and Aftermarket facilities. This program also generates long-term financial savings through more efficient resource and freight optimization, automated systems and digitization practices.

In 2024, Cummins will move forward with deploying the returnable packaging initiative in Europe and extending the North America program to include a total of 60 Cummins suppliers. This approach is designed to be scalable and adaptable to meet the company’s waste reduction targets and contribute to a more sustainable future.

LEARN MORE

To read more about Cummins’ sustainability efforts across the company’s supply chain, [click here](#).

PROGRESS ON GOAL TO REDUCE WASTE

This chart looks at Cummins’ progress on Goal No. 6, excluding Atmus considering its full divestment from Cummins in March of 2024. It includes Jacobs Vehicle Systems and Meritor waste and financial data, and Faurecia waste data but, as of March 27, 2024, no financial data. In keeping with the GHG Protocol’s approach to intensity-based targets, Cummins adjusts for changes in the real value of the normalization metric and structural changes in the business.

YEAR	WASTE REDUCTION (% intensity change)
2018	Baseline
2019	-6.2%
2020	4.0%
2021	6.4%
2022	2.4%
2023	11.2%

2030 GOAL: 25%

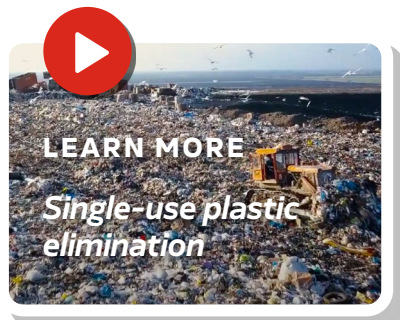


PLANET 2050 GOALS FOR 2030

GOAL NO. 7

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

Cummins is committed to doing its part to tackle plastic pollution. The company has identified two primary focus areas for plastic management — packaging plastics and single-use plastics.



Packaging plastics

Product packaging plastics, including shrink wrap, stretch wrap and Vapor Corrosion Inhibitor (VCI) bags, are used by Cummins to ensure the safe and efficient transportation of products.

Throughout 2023, the Packaging Functional Excellence team devoted their efforts to the development of a packaging data management system. This system, which was successfully launched globally in early 2024, enables the capture of vital packaging information used to report on the company's environmental goals and bolsters the returnable packaging program.

The packaging team continues to develop new processes to increase data input into the packaging data management system to ensure the creation of accurate inbound and outbound packaging specifications. This allows for reporting of materials' sustainability status and identification of nonrecyclable packaging.

Single-use plastics

These are defined as petroleum or nonbiodegradable plastics designed to be used one time before they are thrown away or recycled, excluding materials required to be used for health and safety, regulatory requirements or Cummins rules.

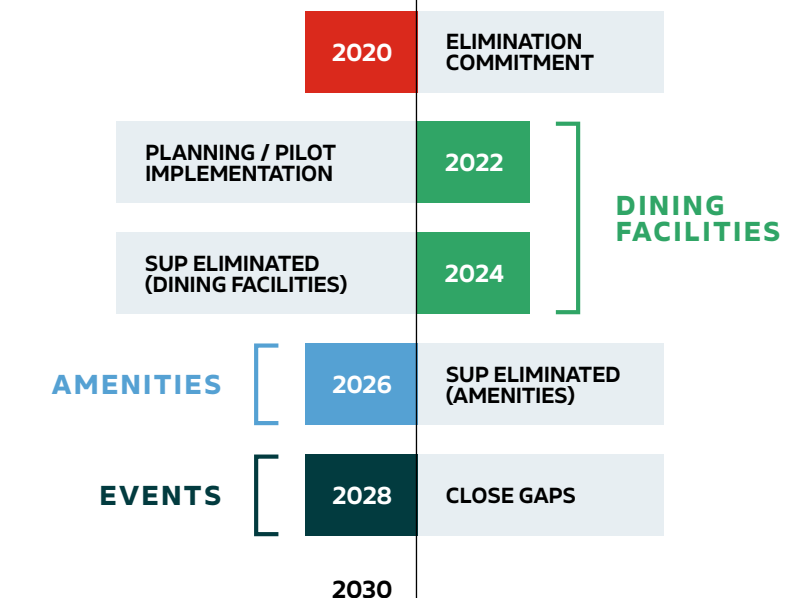
In 2023, the company launched a single-use plastic elimination roadmap for dining facilities at 64 sites globally. This roadmap provides teams with tools and resources to eliminate single-use plastics while encouraging customizable solutions to fit their site's unique needs and challenges. By Q4 of 2023, 21 sites reported to have eliminated single-use plastics in their dining facilities, excluding individually packaged food items.

Efforts are underway to extend the roadmap to 17 additional sites from recent acquisitions that have dining facilities. In line with the single-use plastics action timeline, targeted roadmaps for amenity areas and employee events will be launched in future years.

Cummins cannot achieve single-use plastic elimination without the help of employees. To drive employee engagement in the goal, a single-use plastic employee education program was developed and shared globally to educate employees on the issue of single-use plastic, explain what Cummins is doing to address this issue and demonstrate how individual employees can make an impact.

SINGLE-USE PLASTICS TIMELINE

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



PLANET 2050 GOALS FOR 2030

GOAL NO. 8

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

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

Cummins’ recent acquisitions and organic business growth have had a slightly negative impact on goal progress. In 2023, the company’s water use was approximately 973 million gallons, a 14.7% reduction from the 2030 goal’s baseline year of 2018.

Cummins used 1,140 million gallons of water in 2018, so a 30% reduction means reaching a consumption target of about 798 million gallons annually by 2030. Cummins is working to reach this consumption target through water reduction efforts such as:

- Eliminating water use where possible
- Aggressive preventative maintenance programs to fix leaks and optimize processes
- 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
- Replacing older product engineering test cells with regenerative dynamometers, which use less water and recover energy
- Optimizing test cycle times, which reduces water and energy
- Moving from hot testing, which requires the engine to start up, to cold or offline testing

In addition to reducing water consumption, initiatives aimed at achieving the goal also encompass water reuse projects. The company has established guidelines for using treated wastewater whenever possible for nonpotable purposes and utilizing fresh water for processes only after all other conservation options have been fully explored.

Cummins India has committed to 100% wastewater reuse, beginning with its Maharashtra sites. Other efforts include efficiency upgrades, exploring alternative water sources, water recycling and recirculating including capturing fire protection system and engine cooling testing water.

Since 2018, Cummins has seen over 5 million gallons of water savings from the implementation of cooling water recirculation in fire protection systems. The company’s overall discharge from these systems has been reduced by 32% while the leading region, Europe, has achieved a reduction of 90%.

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.

WATER GOAL PROGRESS

YEAR	WATER WITHDRAWN (in gallons)	WATER REDUCTION (% change)
2018	1,140 million	0%
2019	1,067 million	6.5%
2020	897 million	21.4%
2021	978 million	14.2%
2022	946 million	17.1%
2023	973 million	14.7%

2030 GOAL: 30%

PLANET 2050 GOALS FOR 2030

GOAL NO. 9

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

[Cummins Water Works](#) aims to address the global water crisis by strengthening communities through sustainable water.

This is accomplished through improved water quality, increased water quantity and access to hygiene and sanitation services. Through partnerships with global nonprofits, including The Nature Conservancy, Water.org and WaterAid, Cummins Water Works ended 2023 having helped more than 1.2 million people and having generated approximately 6.9 billion gallons in annual water benefits since its 2021 launch.

The company's 2030 goal calls for Cummins to produce net water benefits exceeding the company's annual water use in all Cummins regions. Cummins Water Works is currently active in 15 different countries, including Mexico, Brazil, India, South Africa, United States, Belgium, Nigeria and China, and is continuing to grow.

In 2023, the annual net water benefit was 1 billion gallons, resulting in over 6.9 billion gallons of water benefits annually in Cummins' communities since the launch of the program in 2021, and far surpassing the company's global water consumption of 972.3 million gallons.

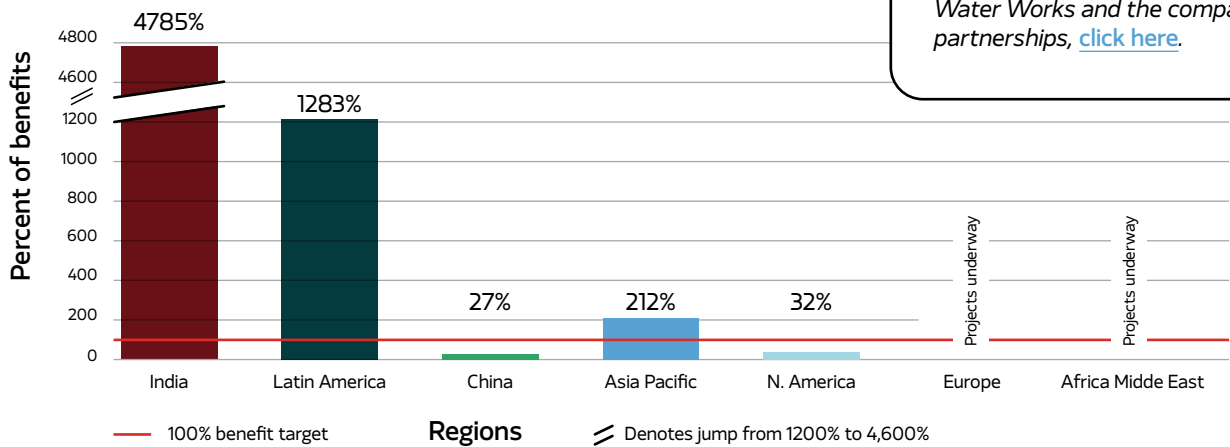
In the United States, the program has [expanded its partnership with the Nature Conservancy](#) to focus on improving water quality in the Mississippi River Basin. The partnership is supporting work from the headwaters of the Mississippi in Minnesota, down to the Gulf of Mexico in Louisiana and Texas. Projects include improving water quality in community creeks, rivers and streams, reducing nitrogen and phosphorous runoff, supporting the adoption of cover crops,

improving soil health, building wetlands and the construction of oyster reefs. Cummins Water Works has partnered with longstanding community partner Natuurpunt, in the Mechels Broek, Barebeekvallei and Den Battelaer nature reserves in Belgium. Efforts are underway to qualitatively improve wetlands, conduct eco-hydrological studies and restore the local water system via the construction of new canals, ponds, pools and dikes. Cummins is also supporting the development of a WaterPOD water environmental education

center for students of all ages to learn more about environmental science, biodiversity and conservation. In China, Cummins Water Works' financial support is benefiting communities in different regions across the country. [A strategic partnership with the China Women's Development Foundation \(CWDF\)](#) is combining women's empowerment with ecological development by improving water quality, providing water infrastructure installations, improving water-use efficiency and raising water conservation awareness in Beijing, Shanghai, Shiyang and Chongqing.

PROGRESS TO NET WATER BENEFITS BY REGION

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



LEARN MORE

To read more about Cummins Water Works and the company's partnerships, [click here](#).

2030 Goals at a glance

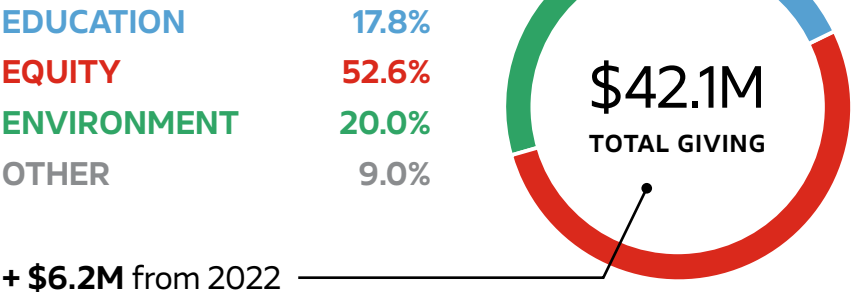
GOAL 1	GOAL 2	GOAL 3	GOAL 4	GOAL 5	GOAL 6	GOAL 7	GOAL 8	GOAL 9
Reduce absolute greenhouse gas (GHG) emissions from facilities and operations by 50%.	Reduce Scope 3 absolute lifetime GHG emissions from newly sold products by 25%.	Partner with customers to reduce Scope 3 GHG emissions from products in 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, at employee events and as amenities.	Reduce absolute water consumption in facilities and operations by 30%.	Produce net water benefits that exceed Cummins’ annual water use in all Cummins regions.
2023 STATUS	2023 STATUS	2023 STATUS	2023 STATUS	2023 STATUS	2023 STATUS	2023 STATUS	2023 STATUS	2023 STATUS
31%	See narrative	34.4 million metric tons	35%	Phase 1	11.2%	Phase 1	14.7%	3 of 7 regions
PROGRESS	PROGRESS	PROGRESS	PROGRESS	PROGRESS	PROGRESS	PROGRESS	PROGRESS	PROGRESS
24 onsite projects to increase the use of renewable energy 89 facility efficiency projects 55 projects in manufacturing and compressed air improvement projects	- Product efficiency and development of new low-carbon products - Anticipated energy infrastructure and policy to drive market change lagging	- Customized engine parameters - Optimized calibration settings - Parts upgrades - Insights through Cummins’ digital platforms to improve fuel economy	- Transition to a low VOC water-borne paint - Continued process controls and optimization	- Introduction of the digital design standard to guide lifecycle planning - Implementation plan to establish lifecycle intent when a new part is created	154 facilities completed waste reduction projects - Expansion of the Returnable Packaging Program	- Single-use plastic elimination roadmap for dining facilities launched - Introduction of new packaging data management system - Increased packaging material data collection efforts	66 facilities implemented water reduction projects - Aggressive preventative maintenance programs - Tap alternative water sources and re-use water - Xeriscape landscape - Fire protection system recirculation	6.9 billion gallons of water in annual water benefits - Active in 15 different countries
See goal #1 for more information.	See goal #2 for more information.	See goal #3 for more information.	See goal #4 for more information.	See goal #5 for more information.	See goal #6 for more information.	See goal #7 for more information.	See goal #8 for more information.	See goal #9 for more information.

Cummins is committed to building more prosperous communities

Cummins’ Corporate Responsibility centers around an impactful community engagement model, identifying opportunities the company has a unique ability to address using both the skills of its employees and corporate giving.

GRANTMAKING IN 2023

Percentage of grants by priority area.



These efforts focus on three global priority areas critical to healthy communities:

EDUCATION: Improving educational systems to ensure that all are ready for the workforce of tomorrow.

EQUITY: Increasing opportunity and equity for those most in need.

ENVIRONMENT: Ensuring that everything Cummins does leads to a cleaner, healthier and safer environment.

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

In 2023, more than 61,000 Cummins employees (79% of total) volunteered*



LEARN MORE

STEM PROJECT UNITES CHILDREN IN THE UK AND UZBEKISTAN

Cummins employees helped a local school in the UK partner with an orphanage in Uzbekistan to build an electric car. The children from the primary school near Cummins’ manufacturing plant in Darlington, England, connected virtually with the children from the orphanage on the project, which comes as a flat-pack kit, including chassis, wheels, steering, disc brakes, a 24V electric motor and two 12V batteries.

343,000 hours, organizing 11,000 community events and partnering with 3,300 nonprofits.

Coupled with this robust grassroots model is a company focus on large-scale strategic community initiatives that align with business goals and link to employees’ skills and passions. The company has launched programs in each of its priority areas to increase its overall impact and drive material change.

ENGAGEMENT IN 2023

79%

EEEC PARTICIPATION

61,000+

EMPLOYEES VOLUNTEERED*

343,000

HOURS VOLUNTEERED

CUMMINS’ IMPACT

3.2M

PEOPLE SERVED IN 2023

616

GRANTS IN 2023

* Includes joint venture employees and excludes employees related to 2023 company acquisitions due to phased integration.

Cummins TEC: Technical Education for Communities

[Cummins TEC](#) seeks to transform lives through technical vocational education by training youth in employable skills to gain good jobs. The program focuses on reducing the gap between the skills employers need and those that job seekers possess, recognizing that good jobs are pathways into the economy, affecting entire families.

Partnering with local schools, Cummins TEC improves curriculum, provides training equipment, trains teachers and students in technical and soft skills, and finds local employers to provide internships and jobs to students. Regional business leaders help identify new school locations based on local employment conditions, then local Cummins product trainers and service technicians volunteer in the Cummins TEC schools.

QUICK FACTS

Number of locations	28 programs in 14 countries
Total graduates	More than 4,000 graduates ●
Percentage of students who are female	11%



Cummins READY

Building upon the success of Cummins TEC, the company launched [Cummins READY](#) in April 2024. This strategic approach to education is Cummins’ commitment to ensure equitable, high-quality STEM education and lifelong learning opportunities for communities around the world.

Through Cummins READY, the company has a goal of helping at least one million learners and workers get on a pathway to education and career success by 2030.

63% of graduates secure good jobs
with compensation that far exceeds the
average local living wage with an additional
9.4% choosing to continue their education.



OVERVIEW

2012

PROGRAM LAUNCHED

\$14M

TOTAL DOLLAR COMMITMENT



Adriana Esparza Carranco, Cummins TEC Project Leader in Mexico, shown at the launch of a new Cummins TEC site in Mexico introducing industry partners and school leaders in front of a Cummins-donated Engine Module Trainer.

DID YOU KNOW?

In 2023, new Cummins TEC sites were opened in Indianapolis, Indiana, U.S., and in Cuautitlán, Mexico, and additional sites have been approved in Ghana and the Philippines.

Cummins Powers Women

[Cummins Powers Women](#) unites the company’s leaders and employees around the world in finding solutions to gender inequality in communities, reinforcing Cummins’ commitment to the advancement of women everywhere.

The global community program creates large-scale change in the lives of women and girls by partnering with expert nonprofits focusing on four areas: educational attainment, legal rights, economic empowerment and personal safety.

QUICK FACTS

Number of women and girls directly served in 2023	625,122 women and girls
Number of women attaining education since launch	88,019 women
Number of Cummins ambassadors and regional leaders	1,300+ ambassadors, 30 regional leaders

OVERVIEW

2018

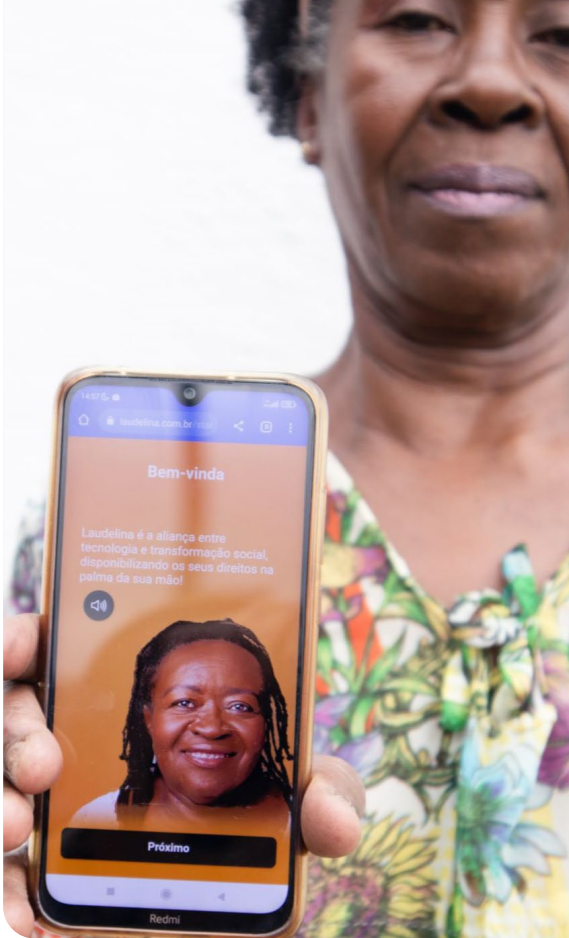
PROGRAM LAUNCHED

\$24M

TOTAL DOLLAR COMMITMENT

Global impact

Cummins Powers Women has more than 10 partners globally, each with existing, outcome-based programs focused on areas where significant barriers exist to advancing girls and women. Since 2018, the program has served more than 1.5 million women and girls and invested in 321 advocacy initiatives, resulting in 56 laws and policies to advance equity for women and girls.



In Brazil, the Laudelina app and marketing campaign were developed to promote and disseminate the labor rights of domestic workers.



HOW THE STRATEGIC INITIATIVES INTERSECT



Cummins’ three priority areas of education, equity and the environment intersect, amplifying their respective impact. Krishna’s story is a clear example of that. Through Cummins Water Works’ partnership with Water.org, the program has been able to help people like Krishna, who lives in the village of Methan Sarai in Uttar Pradesh, India. Her family relies on agricultural activities for their livelihood and earns an average monthly income of 12,000 INR (140 USD). When she and her husband were first married, there was no toilet in the house, common for her village. In 2015, they received a government subsidy to build a toilet in their home. However, the single pit toilet was built with low quality materials, a makeshift door and a roof made from scraps of wood, which offered no privacy.

In September 2022, thanks to Water.org, Krishna accessed a loan to replace the bathroom door, roof, toilet and toilet platform, as well as install a shower. She feels proud to have a safe toilet at home and is glad that her daughters (ages 13 and 16) have a private toilet. She knows that safe hygiene and sanitation practices will help to ensure that her daughters have a healthy and bright future.

CARE: Cummins Advocating for Racial Equity

Launched in the months following the murder of George Floyd, [CARE is a U.S. strategic commitment](#) focused on creating more equitable and inclusive communities while reducing systemic racism.

The program concentrates on three specific areas: criminal justice, social justice and economic empowerment. Cummins CARE focuses on 13 communities in the U.S. where Cummins has a large presence with manufacturing and/or sales and service locations.

Based on these successes, Cummins CARE expanded in 2023 with the launch of Cummins CARE Latino, which will focus initially on predominantly Latino communities where the company operates – Dallas and El Paso, Texas; Nashville, Tennessee; and central Indiana, in the areas of business growth and sustainability, workforce development, education and youth intervention.



OVERVIEW

2020

PROGRAM LAUNCHED

\$41M

TOTAL DOLLAR COMMITMENT

QUICK FACTS

Total number of financial or technical services provided to Black-owned enterprises 864 services

Total number of law and policy changes achieved 28 changes

Total number of advocacy efforts 63 efforts



- BLACK EQUITY
- LATINO EQUITY
- BLACK AND LATINO EQUITY



Cummins Water Works

A critical element of Cummins’ commitment to addressing climate change, large-scale community impact and powering a more prosperous world, [Cummins Water Works](#) (CWW) extends that commitment by partnering with leading water experts to invest and engage in sustainable, high-impact water projects around the world.

The program seeks to advance water security for 20 million people by 2025, as well as:

- **Produce net water benefits** that exceed Cummins’ water use in all **CUMMINS REGIONS** by 2030.
- **Produce net water benefits** that exceed Cummins’ water use in all **CUMMINS COMMUNITIES** by 2050.

Cummins Water Works was initially launched in Brazil, India and Mexico through partnerships with two global nonprofits, The Nature Conservancy and Water.org. Since that time, the program has added ten new partnerships, achieved its net water positive goal in India, Latin America and Asia Pacific, and launched projects in 12 additional countries.



Cummins employees in Asia Pacific helped plant native vegetation and provide shelter and food for the fish in the Brisbane River near Fernvale, Australia.

QUICK FACTS

Number of people impacted since 2021

1.2 million people

Number of strategic partners

12 partners

Number of countries with CWW projects

15 countries

Belgium ▪ Brazil ▪ Canada ▪ Chile
China ▪ Ghana ▪ India ▪ Mexico
Nigeria ▪ Peru ▪ Philippines ▪ South Africa
Spain ▪ United Kingdom ▪ United States

Number of regions that are water neutral

3

India ▪ Latin America ▪ Asia Pacific

OVERVIEW

2021

PROGRAM LAUNCHED

\$16.5M

TOTAL DOLLAR COMMITMENT

In 2023, the additional water benefits were 1 billion gallons, resulting in over 6.9 billion gallons of water benefits annually in Cummins’ communities since the launch of the program.

LEARN MORE

Cummins Water Works: Watershed Warriors

Health and safety are the cornerstones of the company

Cummins prioritizes safety through the elimination of risk, empowering a culture of health and safety excellence and ensuring health and safety are part of every business decision.

For the company, providing a safe workplace for employees, contractors and visitors is a commitment shared across all levels of the organization.

While Cummins’ safety performance remains better than that of similar businesses, any increases against key performance indicators are a sobering reminder of the real-life impact to employees and their families. There is not a rate of injuries that is acceptable; each injury represents a member of the Cummins family who is impacted.

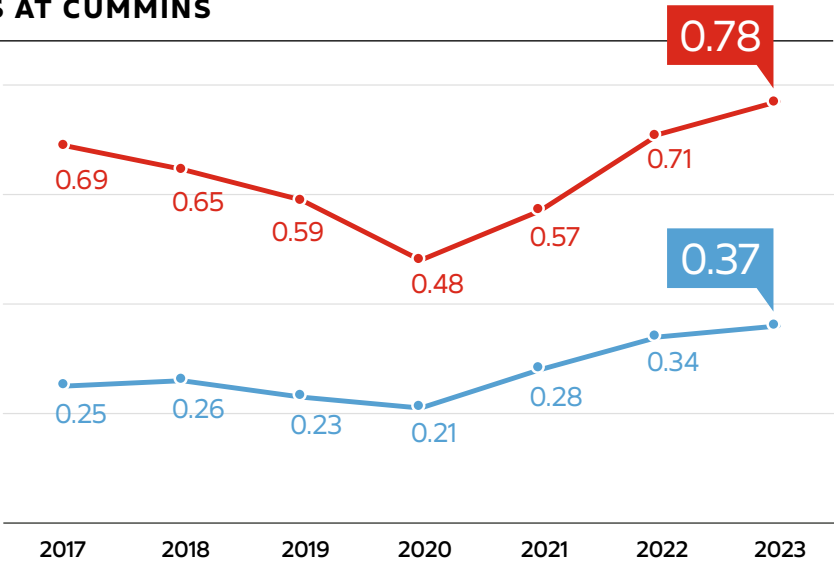
Shifts are reflected in the following key performance metrics:

- Cummins’ **Incidence Rate**, the rate of recordable injuries, which increased from 0.71 in 2022 to 0.78 in 2023.
- The company’s **Severity Case Rate**, the rate of lost workdays, which increased from 0.34 in 2022 to 0.37 in 2023.
- Cummins’ **Ergonomic Incidence Rate**, the rate of ergonomic injuries, remained flat from the prior year at 0.22.
- The company’s **PSIF Rate**, the rate of potentially serious injuries and fatalities, which increased from 0.52 in 2022 to 0.76 in 2023.

SAFETY PERFORMANCE TRENDS AT CUMMINS

The company has a comprehensive plan – with high leadership engagement and support – to address the increase in both rates that is already rendering positive results.

■ INCIDENCE RATE
■ SEVERITY CASE RATE

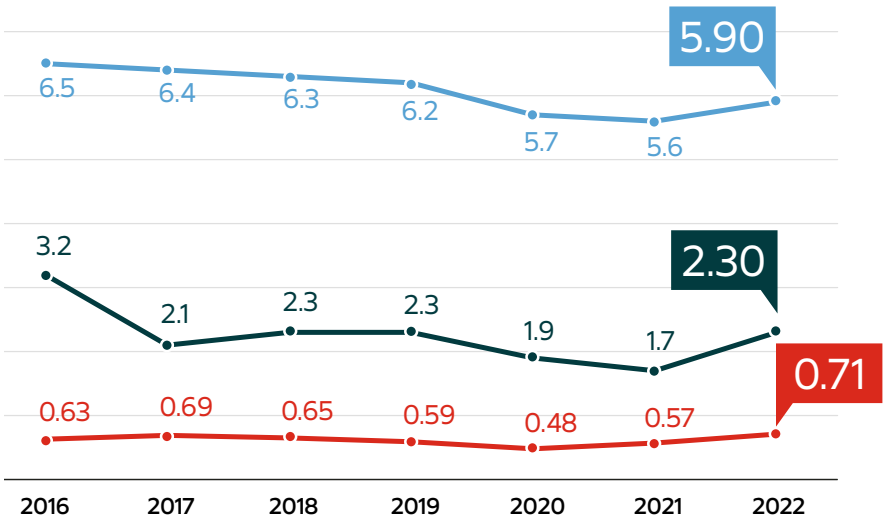


HOW CUMMINS COMPARED TO INDUSTRY PEERS

In 2022, the [most recent nationwide data](#) available, the average Incidence Rate for manufacturers of motors and generators was 2.3; for the motor vehicle industry, 5.9; and for Cummins, 0.71.

The data may signal a broader issue that many companies are experiencing, but for Cummins, the only acceptable response is a strengthening of the company’s commitment to develop a safer work environment.

■ US MOTOR AND GENERATOR MFG
■ US MOTOR VEHICLE MFG
■ CUMMINS



Performance reflection

Cummins, with oversight from the Cummins Leadership Team (CLT) and the Board of Directors, has redoubled its efforts to analyze the company’s performance to identify root causes driving the increase in safety incidents. Senior leadership, the company’s Health, Safety and Environment (HSE) teams, plant leaders and front-line employees continue working together to examine processes across the business and look for opportunities to mitigate potential risks.

2023 was a year of transition and growth for the business — characterized by continued high demand for Cummins’ products and reduced supply chain constraints. Employees worked diligently to meet the surge in demand, which, at times, included working additional hours and taking on new responsibilities. Like industry peers, Cummins experienced attrition, which resulted in some loss of institutional knowledge as the company hired and trained new employees to meet demand.

Cummins also grew its operations through acquisitions. The company integrated new business operations, set safety standards and developed new processes for these new risk profiles. Cummins implemented robust change management plans to support the new businesses in driving safety excellence.

Looking forward

Cummins is engaged at all levels of the organization, through a structured and disciplined approach, to enhance safety performance with an emphasis on safety culture, leadership accountability and reducing risk by creating processes that promote sustainable safety results.



Cummins believes in the value of every voice within the company and that everyone — at all levels within the organization — has a role to play in creating an interdependent safety culture.

In particular, leadership is committing the company’s resources — financial, people and technological — to drive safety improvement. This “all-hands” approach to safety is designed to create strong safety partnerships and to prioritize actions that mitigate core risks.

Leaders are visible champions of safety initiatives as they visit sites, meet with plant and HSE leaders, communicate targets and deliver a call to action to emphasize that safety is the number one priority. They do so by being engaged, sponsoring action plans, removing roadblocks to mitigate risk, sharing best practices and offering resources and support to help local sites elevate safety performance.

Cummins leaders visit sites and speak with employees about the importance of safety.

QUICK RECAP OF 2023 NUMBERS

As a reminder, there is not a rate of injuries that is acceptable; each injury represents a member of the Cummins family who is impacted.

0.78

INCIDENCE RATE
the rate of recordable injuries

0.37

SEVERITY CASE RATE
the rate of lost workdays

0.22

ERGONOMIC
INCIDENCE RATE
the rate of ergonomic injuries



Employees at a Cummins plant demonstrate the company's safety behaviors.

The company is enhancing structured risk reduction through a focus on key sites and regions that account for a higher percentage of incidents and known high risk or frequency. This includes increased awareness and action around machine safety, powered industrial vehicles, hand safety and ergonomics, and providing tools and resources to help prevent injuries.

Clear accountability for safety performance is being reinforced through a regular cadence of communications, progress to plans and common metrics.

Driving continuous improvement

While metrics are beginning to signal that mitigation efforts are working, Cummins has developed a strategy in partnership with the CLT, Board, Supply Chain leaders and HSE professionals to drive continuous improvement.

The three strategic pillars that serve as the basis of the strategy are:

- Empower a culture of HSE excellence
- Reduce risk relentlessly
- Design for a successful future

The company is restructuring to align responsibility with accountability, placing the bulk of the health and safety resources within the business segments while maintaining functional excellence centrally.

This structure supports the long-term strategy that serves as a framework to improve performance.

These pillars were defined following extensive interviews with all levels of leadership and employee groups, a robust review of historical and current performance results, and benchmarking with external organizations.

Designing a successful future is achieved through the management system and processes Cummins uses to plan, design and sustain continuous improvement in HSE operations and facilities. It ensures effective management of change as the company adapts to changing conditions, adopts new technology and responds to the needs of changing workforce demographics. Reliance on a strong strategy, coupled with engagement at all levels of the company, will drive the change needed to protect employees and the environment.

Winning with the power of difference

Diversity, equity and inclusion (DE&I) power innovation and success among Cummins’ employees, help gain competitive advantage and guide the company’s actions and contributions to communities around the world.

As Cummins’ diversity has increased, so, too, have the company’s innovation, community impact and business results. Inclusive environments enable Cummins to leverage the power of difference to solve challenges; the company is unwavering in its commitment to create a culture where everyone belongs.

Cummins’ continued success hinges upon its ability to attract and retain diverse talent. The company has no plans to change course, sit idly by or be quiet about the business and moral case for diversity, equity and inclusion.

Meeting the evolving needs of Cummins’ workforce, the company continuously improves talent practices to drive systemic change in the culture and ensure fair and equitable outcomes for all employees.

DE&I is integral to how Cummins conducts itself as a corporate citizen, and the company embraces its long legacy and moral responsibility to be a values-driven, positive force in society. For decades, Cummins has advocated for removing barriers for those who have historically been denied access to opportunity, including women, racial



Cummins employees participate in Pride events around the world, including in Indianapolis, Indiana (U.S.).

and ethnic groups, people with disabilities, veterans and the LGBTQ+ community. By fostering inclusive environments in and outside of the company, Cummins employees can thrive, reach their full potential and feel connected to the company’s purpose and one another.

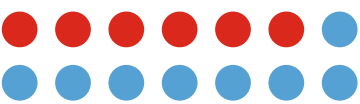
CUMMINS CEO JENNIFER RUMSEY WAS APPOINTED AS THE COMPANY’S BOARD CHAIR IN JULY 2023, THE FIRST WOMAN TO SERVE IN EITHER ROLE.



“It takes courage to be who you are, especially at work, and we are fiercely committed to creating caring, inclusive environments where everyone can be their authentic selves.”

JENNIFER RUMSEY, CHAIR AND CEO

GENDER



42.8%

WOMEN ON THE 14-MEMBER CUMMINS LEADERSHIP TEAM

As of Dec. 31, 2023.

WOMEN IN CUMMINS WORKFORCE

	2022	2023
OVERALL*	27.5%	27.5%
Hourly (including students)	27.4%	26.3%
Salaried / exempt	29.3%	29.4%
Directors and Executive Directors	27.2%	27.7%
Vice President and above (officers)	40.7%	40.0%

* Overall includes Exempt, Hourly and Students. Contingent workers not included.
NOTE: Based on workforce as of Dec. 31 in both years.

RACE AND ETHNICITY IN THE U.S.

	ASIAN	BLACK	LATINO	WHITE	OTHER	TWO OR MORE	NOT DISCLOSED
ALL EMPLOYEES	11.0%	13.9%	8.7%	61.1%	0.9%	1.6%	2.9%
Hourly (including students)	2.8%	19.1%	8.7%	62.2%	1.3%	1.8%	4.2%
Salaried / exempt	21.5%	7.2%	8.6%	59.7%	0.4%	1.3%	1.2%
Directors and Executive Directors	15.4%	7.3%	7.4%	68.1%	0.4%	0.8%	0.5%
Vice President and above (officers)	4.7%	20.9%	9.3%	65.1%	0.0%	0.0%	0.0%

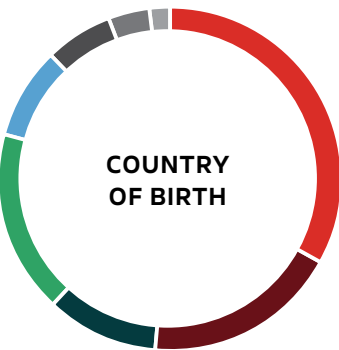
* Includes Meritor employees.
NOTE: Based on self-identification as of Dec. 31, 2023.

4/5

CUMMINS' BUSINESS SEGMENTS LED BY WOMEN – ACCELERA, COMPONENTS, POWER SYSTEMS AND DISTRIBUTION

COUNTRY OF BIRTH

About two-thirds of Cummins' employees in 2023 were born outside the United States.



UNITED STATES	33.2%
REST OF WORLD	18.3%
MEXICO	10.7%
INDIA	17.3%
CHINA	8.5%
UNITED KINGDOM	6.5%
BRAZIL	3.8%
AUSTRALIA	1.8%

ASSIGNMENT COUNTRIES

Nearly 60% of Cummins employees work outside the U.S.

41.9%

EMPLOYEES WORKING IN THE U.S.

58.1%

EMPLOYEES WORKING OUTSIDE THE U.S.

REPRESENTATION

About a third of Cummins employees were represented by a union as of Dec. 31, 2023.

29.6%

UNION MEMBERS

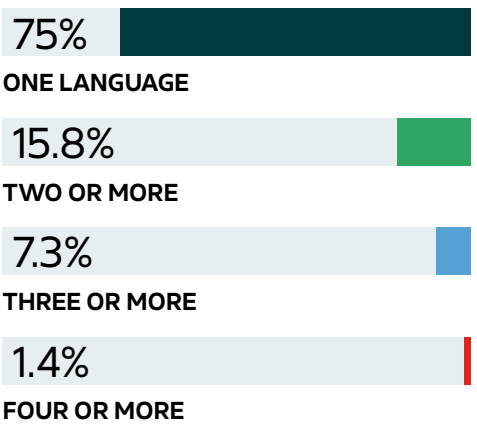
70.4%

NONUNION

NOTE: Based on estimates, including employees through acquisitions. Nonunion is different from salaried/exempt %.

LANGUAGES SPOKEN

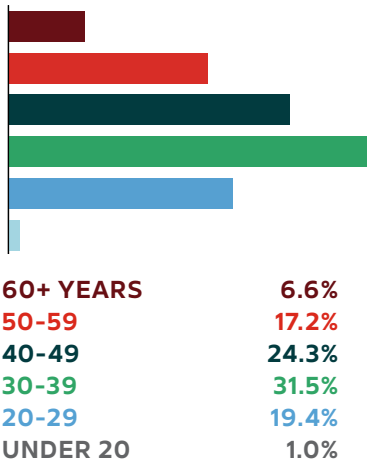
Nearly a quarter of Cummins employees self-identify as speaking more than one language.



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, 2023.



DIVING DEEPER ON THE COMPANY’S DIVERSITY EFFORTS

In 2023, Cummins advanced its DE&I framework by prioritizing the establishment of equitable experiences throughout the employee life cycle of under-represented groups and the enablement of DE&I skills and competence in the company’s leaders and employees. Specifically, the company identified a number of primary global initiatives on which to focus:

ASPIRATIONAL REPRESENTATION GOALS

Cummins’ worldwide gender aspirational goal is 50% women in the workforce. Additionally, in the U.S., a goal has been set for Black and Latino representation of 12% and 18%, respectively. The company also proudly announced its [new worldwide aspirational goal of 7% for people with disabilities](#) and [a regional-specific aspirational goal of 5% for veterans](#). This commitment to increase global diversity includes multiple initiatives focused on the attraction, retention, development and advancement of underrepresented groups like: Cummins RePower program for female engineers and technical professionals, robust training for people managers and more than 150 employee resource groups (ERGs).

DISABILITY INCLUSION



Committed to promoting a more inclusive environment at Cummins and around the world, the company continues to enhance the accessibility-related features integrated into global building standards and expand its portfolio of accessible technology solutions for employees with disabilities. Cummins’ building standards improvements include 14 completed and 11 ongoing facility improvements, as well as 26 locations equipped with assisted



listening systems. Cummins’ newly announced aspirational employment representation goals for people with disabilities, along with advancing neurodivergent hiring pilot programs, will help realize the company’s objective of a workforce that is representative of communities in which employees live and work.

VETERAN INCLUSION

Cummins is accelerating its strategy and engagement for the veteran initiative to improve workforce inclusion and support veterans and their families. Along with the new aspirational goals for veteran employment representation at all levels of the organization that mirror or exceed that of our communities, other examples of progress include signing the United Kingdom Armed Forces Covenant, increasing veteran hires through the Skillbridge program, participating in the U.S. Chamber of Commerce’s Hiring our Heroes Fellowship Program and the company’s veteran mentoring program.

LEARN MORE

To read more about how the company was recognized for fulfilling and furthering its commitment to keeping people at the center of all it does in 2023, [click here](#).

LEARNING AND DEVELOPMENT

In 2024, Cummins announced the global rollout of the Values Difference proficiency for employees at all levels to recognize the value that different perspectives and cultures bring to the company while ensuring an inclusive environment where all employees can reach their full potential. Cummins also offers several trainings and resources to encourage employees to be conscious of their visible and invisible identities, privilege, biases and cultural preferences.

EMPLOYEE RESOURCE GROUPS

Cummins promotes DE&I through more than 150 ERGs organized around multiple dimensions of diversity at company locations around the world. These groups are designed to be safe spaces and foster a sense of belonging for employees. ERGs offer mentoring, training and leadership development opportunities, as well as networking events for employees globally.

ADVANCEMENTS IN GENDER EQUITY

Cummins is committed to reach 50% global gender diversity, and our current representation stands at 27.5% women, which includes 40% of Vice Presidents and above. The company established the first Cummins College of Engineering for Women in Pune, India, which has graduated more than 10,000 women since 1991. Cummins’ dedication to gender pay equity prioritizes closing identified pay gaps. In the U.K., Cummins’ efforts resulted in a pay gap that is 9.2% lower than the national average — a median pay gap of 5.7%.



POWERING A MORE PROSPEROUS WORLD

Cummins’ DE&I work contributes to thriving economies and stronger communities. Company leaders and employees enable positive change in communities by breaking down barriers and creating equity of opportunity. Cummins chooses globally diverse suppliers, elevating the communities where they live and operate, and anticipates the ever-evolving demographic shifts of the company’s customer base and the people who operate equipment. Some examples:



Cummins’ DE&I leaders gather with representatives from Juntos in San Luis Potosí, Mexico.

ENGAGEMENT WITH DISABILITY AND VETERANS COMMUNITY PARTNERS

In 2023, more than 1,900 Cummins employees volunteered over 7,200 hours of their time to projects with 170 different disability and veterans community partners and, through the Cummins Foundation, provided 35 grants totaling \$1.1 million.

CUMMINS SUPPLIER DIVERSITY PROGRAM

Cummins directed a record \$3.6 billion toward diverse suppliers, which includes \$160 million Black and Latino, \$558 million women, \$45 million veteran and \$6 million LGBTQ+-owned businesses. By supporting diverse suppliers, Cummins enhances economic growth in larger communities.

ADVANCING DE&I EFFORTS WITH CUSTOMERS

The American Trucking Associations (ATA) Diversity Equity and Inclusion (DEI) Change Leader Award encourages ATA members to implement a DEI program or continue to improve an established company DEI program. “ATA is leading the charge to make the trucking industry more diverse, and part of that is recognizing carriers and companies that are doing their part to create welcoming, equitable workplaces for their employees,” said ATA President and CEO Chris Spear. “The Change Leader Award identifies industry leaders that are taking the important steps to provide equal opportunities from behind the wheel to the boardroom.” Cummins representatives serve on the Change Leader Award committee, and our company was one of 9 recognized with the inaugural award in 2022.

SELECT PARTNERS

Juntos Social and Job Inclusion for People with Disabilities in Mexico - Together AC
juntos.org.mx

Rise - Nonprofit 501(c)(3) Offering Human Services Programs
rise.org

The Gregory S. Fehribach Center
Eskenazi Health

Soldiers’ Angels
soldiersangels.org

Wreaths Across America
wreathscrossamerica.org

Operation Gratitude
operationgratitude.com

LEADING BY EXAMPLE



“Lead by example.” It’s the motto Daniel adopted from his father, a lifelong engineer. Born in Venezuela, Daniel moved often due to his father’s work. Adapting to new cultures became a part of his childhood. He was often the only child at school from

Venezuela but vowed to make his family and his homeland proud.

Daniel followed in his father’s footsteps and earned a mechanical engineering degree. He is now a Technical Specialist, Field Test Engineer at Cummins. Daniel works with his team to develop innovative solutions for building engines and installing test units. He believes his team’s diversity is crucial to their success.

“When I interviewed with Cummins on campus, I could see that the other people interviewing at the booth represented different backgrounds,” Daniel says.

“It’s not just that the workforce is diverse,” he says, “it’s that we’re all one. No matter your background or position, your opinion matters. To be Hispanic and have a voice in the automotive industry in the U.S. — that makes me proud.”

Daniel is now using his voice to contribute to the development of a natural gas engine that reduces emissions.

[Learn more about Daniel’s story.](#)

Cummins Board helps to ensure the interconnectedness of the company’s sustainability and growth strategies

Comprised of individuals with a broad and diverse set of backgrounds, varied tenure on the board and skills in areas such as engineering, financial, automotive and transportation, cybersecurity, government, and sales and marketing, Cummins’ Board of Directors provides independent oversight on a host of issues critical to the company’s long-term success.



Working with company leadership, the board engages on a wide range of sustainability matters, including employee health and wellbeing, Cummins’ PLANET 2050 (sustainability) and Destination Zero (product decarbonization) strategies, enterprise risk management, advancing aspirational representation goals and more.

Key reflections of their strategic involvement can be seen in:

- Significantly progressing the company’s Destination Zero strategy — Cummins’ commitment to sustainability and helping customers navigate the energy transition while growing the business — through capital and people investments, mergers and acquisitions and increased R&D funding
- Expanding key elements of Cummins’ talent management programs to hourly employees to help them advance in their skills and careers

The Cummins Board of Directors in early 2024. At the company’s Annual Meeting of Shareholders in May 2024, Stephen B. Dobbs (third from right) and Georgia R. Nelson (sixth from left) retired and did not stand for reelection.



Chief Administrative Officer Sharon Barner, Chair and CEO Jennifer Rumsey and Board Director Karen Quintos held an event for employees on International Women’s Day in March 2023.

- Tracking PLANET 2050 goals and ensuring the company is doing its part to address climate change and air emissions, using natural resources in the most sustainable way, and improving the communities in which employees live and work
- Continuing to support a company-wide mental health awareness campaign to destigmatize conditions like depression and encourage affected employees to access the resources offered through the company



A group of Cummins leaders and Board Directors, including current Director Kim Nelson and former Lead Director Alexis Herman, accept the 2023 NACD Award.

In addition, the board upholds the belief that Cummins wins with the power of difference, recognizing the moral and business case for diversity. By creating a workplace where all individuals feel valued and heard, employees come together to drive innovation and develop solutions to customers’ biggest challenges. In recognition of their efforts, the board [received a 2023 NACD Award](#) honoring their board practices related to

diversity, equity and inclusion (DE&I). This annual awards program highlights the cutting-edge DE&I practices of companies and shines a spotlight on their forward-thinking boards.

Board independence

Following the retirement of two directors — Stephen B. Dobbs and Georgia R. Nelson — at the company’s Annual Meeting of Shareholders in 2024, the board now consists of 11 members. Ten 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 former Chairman of the Board Tom Linebarger, the only member of the board employed with Cummins is his successor, Chair and CEO Jennifer Rumsey.

All Cummins directors are elected annually. In addition, the board annually elects an independent Lead Director whenever the Chair and CEO roles are combined or when

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.

the Chair is not an independent board member. The lead director, currently Thomas J. Lynch, has a strong role and significant governance duties, including chairing the 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 [2024 Proxy](#) and the [Board of Directors website](#).

Composition of the board

Board members’ diverse backgrounds, both race and gender as well as areas of expertise, have served Cummins well. They have brought 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.

CUMMINS BOARD OF DIRECTORS



JENNIFER W. RUMSEY
Chair and Chief Executive Officer, Cummins Inc. She joined the board in 2022.



GARY L. BELSKE
Retired Deputy Managing Partner and Chief Operating Officer of Ernst & Young. He joined the board in 2022.



ROBERT J. BERNHARD
Retired Vice President for Research and professor of Engineering at the University of Notre Dame. He joined the board in 2008.



BRUNO V. DI LEO
Managing Director, Bearing-North LLC, an independent advisory focused on business expansion and senior executive counseling in strategy and operations. He joined the board in 2015.



DANIEL W. FISHER
Chairman and Chief Executive Officer of Ball Corporation, a leading supplier of innovative, sustainable aluminum packaging solutions. He joined the board in 2023.



CARLA A. HARRIS
Vice Chairman of Wealth Management and Senior Client Advisor at Morgan Stanley. She joined the board in 2021.



THOMAS J. LYNCH
Chairman, TE Connectivity, Ltd., a global provider of connectivity and sensor solutions. He joined the board in 2015.



WILLIAM I. MILLER
President of New York-based 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. He joined the board in 1989.



KIMBERLY A. NELSON
Retired Senior Vice President, External Relations of General Mills, Inc., a multinational and marketer of brand consumer foods sold through retail stores. She joined the board in 2020.



KAREN H. QUINTOS
Retired Chief Customer Officer of Dell Technologies Inc., a global supplier of personal computers and other computer hardware items. She joined the board in 2017.



JOHN H. STONE
President and Chief Executive Officer of Allegion, a global company that specializes in security and access around doors and adjacent areas. He joined the board in 2024.

Pictured is the board as of May 14, 2024.

DID YOU KNOW?

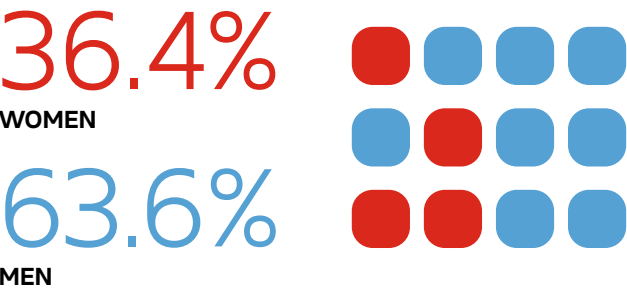
Two Cummins Directors, Carla Harris and Kimberly Nelson, were named to the Top 25 Black Board Members in the U.S. BoardProspects list in 2023.

BOARD DIVERSITY

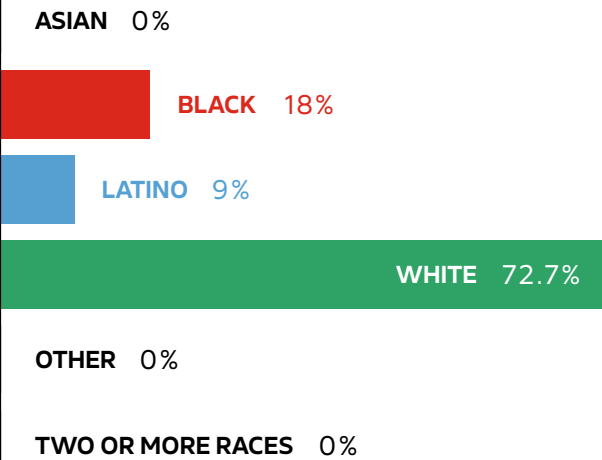
Diversity, equity and inclusion are important to the Cummins Board of Directors.

Here's a look at representation* on the 11-member board as of May 14, 2024.

BY GENDER



BY RACE, ETHNICITY



Ethics and Compliance is critical to Cummins’ success

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

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 every aspect of Cummins.

That expectation is set from the very top, as data is regularly shared with the Board of Directors, and in particular, the Audit Committee. In addition, Cummins’ Chair and CEO consistently reinforces the importance of acting in accordance with Cummins’ policies;

“As a global company striving to make people’s lives better by powering a more prosperous world, our success will depend to a large extent on how well we adhere to the Code of Business Conduct. The Code protects, preserves and promotes what makes Cummins a truly special place to work.”

Cummins’ [Supplier Code of Business Conduct](#) aligns closely with the company’s Code of Business Conduct for employees. Suppliers must state they are compliant with the supplier code as a condition of doing business.

CUMMINS’ 10 ETHICAL PRINCIPLES

Cummins ethics and compliance initiatives are reflective of the 10 Ethical Principles in the Code of Business Conduct and are widely published in physical offices and plants, as well as on internal websites. These principles are regularly reviewed as part of formal training and informal conversations across the enterprise:

1	We will follow the law everywhere.
2	We will embrace diverse perspectives and backgrounds and treat all people with dignity and respect.
3	We will compete fairly and honestly.
4	We will avoid conflicts of interest.
5	We will demand that everything we do leads to a cleaner, healthier, and safer environment.
6	We will protect our technology, our information, and our intellectual property.
7	We will demand that our financial records are accurate and that our reporting processes are clear and understandable.
8	We will strive to improve our communities.
9	We will communicate honestly and with integrity.
10	We will create a culture where employees take responsibility for ethical behavior.

CORE POLICIES

Cummins employees across the globe have easy access to core policies that are translated into seventeen languages. These policies set forth the company’s ethical and compliance expectations and are available on an 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 helps Cummins create an ethical work environment where employees know what is expected of them to support the company’s corporate value of integrity.



Treatment of Each Other at Work poster, in Spanish.

Maintaining an ethical culture

The company’s Ethics and Compliance program is comprised of initiatives designed to uphold and enhance Cummins’ ethical workplace culture and steward compliance efforts around the world. The function oversees training courses on topics ranging from anti-bribery and conflicts of interest to preventing money laundering, data privacy and preventing sexual harassment.

The function communicates frequently with employees about how they play a critical role in maintaining the Code of Business Conduct by reporting suspected misconduct or unethical behavior. The company routinely promotes the importance of employees speaking up when they have concerns. Cummins has a global investigations team designed to respond to concerns or suspected violations of the Code of Business Conduct and its underlying policies or laws.

Employees can report concerns 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. Non-employees, dealers, distributors and suppliers are also able to report ethics concerns via ethics.cummins.com.

Cummins has a strict no-retaliation policy protecting employees who make reports in good faith. Employees can remain anonymous where allowed by law. The Ethics and Compliance function reinforces the importance of a strong Speak Up culture and the company’s no-retaliation policy on multiple internal and external platforms. Senior leaders reinforce this by regularly engaging in Ethics and Compliance communications efforts.

LEARN MORE

To read more about how the company was recognized for its corporate governance practices and structure in 2023, [click here](#).

The Ethics and Compliance function emphasizes the company’s zero tolerance for discrimination. To underscore this position, the team launched a global Preventing Sexual Harassment Policy that highlights the company’s commitment to providing safe work environments free of sexual harassment.

The Ethics and Compliance program includes an annual Ethical Champion Award that globally recognizes efforts by business segments, functions or regional teams that are actively enhancing their programming and finding innovative ways to improve the ethical workplace culture.

As the company grows through acquisitions and organically, the Ethics and Compliance function plays a critical role in ensuring new leaders and the company’s growing employee base are aware of Cummins’ expectations for ethical conduct, and the key role they play in upholding and advancing the company’s ethical workplace culture.



Employees discuss the importance of completing Cummins’ annual ethics certification survey.

ETHICS CERTIFICATION SURVEY

Each year, Cummins requires the exempt employee population to certify that they have followed company compliance policies during the 12 months prior and to disclose any witnessed behavior that violates the Code of Business Conduct, the Supplier Code of Conduct, or any underlying policies.

The annual process refreshes and reinforces every employee’s commitment to upholding the Cummins’ values and the company’s ethical culture and compliance expectations. The survey also helps the Ethics and Compliance team identify where there might be red flags or ethical behavior challenges that may not have been previously reported.

ETHICS AND COMPLIANCE TRAINING FOR 2023

Ethics and Compliance training had more than 138,000 course completions in 2023. Courses were offered virtually and in person. Special emphasis was placed on training courses that focused on the Code of Business Conduct, Conflicts of Interest and the Treatment of Each Other at Work. Regional Ethics and Compliance leaders also launched general Cummins’ ethics and compliance expectations. Courses are created in collaboration with an external service provider who helps customize courses to address potential risks and concerns for the company. Course completions may change annually based on focal areas, new acquisition requirements, regional needs, and other year-over-year business factors.

ETHICS AND COMPLIANCE TRAINING COURSES	COMPLETED IN 2023
Anti-Bribery and Prohibited Payments Training	3,492
Carefully Communicating with Technology and Social Media	2,291
Code of Business Conduct Training	31,598
Conflicts of Interest	31,813
Data Privacy Training	5,830
Doing Business Ethically	5,797
Export Controls	6,108
Fair Competition	6,015
Protecting Human Rights in the Supply Chain	14,740
Treatment of Each Other at Work	31,278
Total	138,962

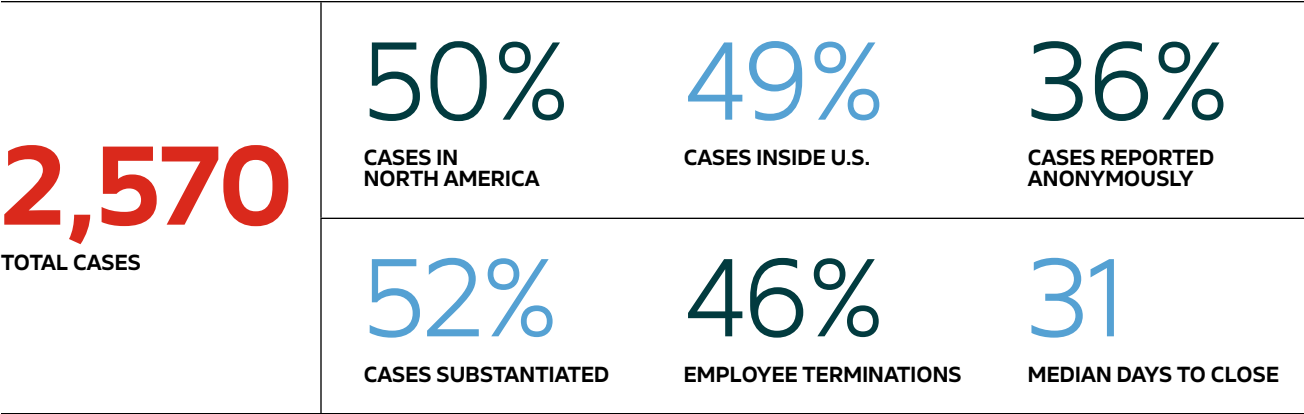
*Anti-money laundering training was being refreshed in 2023.

ETHICS INVESTIGATIONS

Investigations ensure adherence to the Code of Business Conduct and its underlying policies. The investigations process at Cummins has been in place since 1996 and has evolved over the years to reflect the company’s commitment to continuous improvement. A team is in place to help Cummins meet its pledge to respond swiftly and appropriately to potential violations of company codes and core policies.

The company places special emphasis on conducting ethics investigations to ensure that serious issues are properly addressed. In 2023, the team investigated and closed 2,570 cases worldwide, with almost half of the cases originating from North America (US and Canada), and the remaining half from the rest of the world. The company’s investigative approach rests on the following foundations: prioritization, quality, follow-up and caring — all of which are equally important.

EthicsPoint, Cummins’ central repository, is the system where all investigation-related information and documents are confidentially stored with appropriate access controls. This allows for the maintenance, audit and review of the case records that help steward proactive issue identification and risk mitigation.



Supplier Code of Conduct

The Supplier Code of Conduct states that suppliers for Cummins must treat all people with dignity and respect and provide a healthy and safe work environment for their employees.

Both the Supplier Code of Conduct and Cummins’ Code of Business Conduct, along with underlying core policies, recognize the right to join a union. Each Code also prohibits forced or child labor of any kind and any engagement in human trafficking.

The company trains employees who frequently visit suppliers in what Cummins refers to as 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 possible violations of Cummins’ Human Rights Policy, which prohibits human trafficking, any form of compulsory labor and the use of underage workers.

Cummins requires suppliers to provide a confirmation that they are following the Supplier Code of Conduct before they can be included in the company’s supplier database. Cummins may visit facilities and conduct audits to ensure compliance.

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 that help Cummins ensure it is doing business with other companies around the world that share its values:

1	Obey the law everywhere.
2	Treat people with dignity and respect.
3	Avoid conflicts of interest.
4	Provide a safe and healthy workspace.
5	Protect Cummins technology, information, and intellectual property.
6	Protect the environment and conserve natural resources.
7	Assist Cummins in enforcing the code.

LEARN MORE

See the [Supply Chain](#) section for more information on the Supplier Code of Conduct.

Human rights

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

For many years, Cummins’ Code of Business Conduct has stated that 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 stand-alone [Human Rights Policy](#) to reinforce where the company stands on this important matter. The policy prohibits all forms of compulsory labor and human trafficking, and applies to the company, its joint ventures, affiliated companies and Cummins’ suppliers.

The company first implemented training on human rights in 2019 for employees working with Cummins’ supply chain. Provisions of the policy were directly integrated into the Eyes Open Audits to strengthen them. These audits are instrumental in helping Cummins better understand and assess a supplier’s demonstrated commitment

to health and safety, the environment and other matters linked to advancing ethics and compliance across Cummins.

In establishing the policy, Cummins assessed the company’s potential risk for violations and determined that the greatest vulnerabilities exist deep in the company’s supply chain. Suppliers providing indirect services such as catering or cleaning were identified as potential areas of risk.

Cummins is committed to supply chain transparency and ensuring its suppliers adopt measures to mitigate human rights risks. Efforts include utilizing multiple commercial supply chain transparency services and proactively addressing potential risks.

Suppliers are required to sign acknowledgment response forms agreeing to comply with the Cummins Supplier Code of Conduct. In the event of non-compliance with the Supplier Code, Cummins is committed to collaborating with suppliers to either develop a plan for compliance or a strategy for end their relationship with the company.

Cybersecurity works to protect data and intellectual property

Cybersecurity governance

Cummins is committed to protecting its Information Technology (IT) assets and the data stored within these assets. This commitment includes the protection of IT assets relevant to operations, stakeholder data (including employee, customer and supplier data), intellectual property and products.



The Cummins Enterprise Cybersecurity function, which is responsible for the administration of the company's enterprise cybersecurity program, is led by the Chief Information Security Officer, who reports to the Chief Information Officer. These leaders provide regular updates to the Board of Directors' Audit Committee on cybersecurity risks. Through these updates, the Audit Committee receives a cybersecurity dashboard illustrating the status of key cybersecurity activities such as email phishing, event logging and data encryption. Information regarding relevant cybersecurity training is provided as well.

The Product Cybersecurity function, which is responsible for the administration of Cummins' product cybersecurity program, is led by the Executive Director - Corporate Product Cybersecurity and Functional Safety, who reports to the Chief Technical

Officer. These leaders provide regular updates to the Safety, Environment and Technology (SET) Committee of the board on product-related cybersecurity risks. Through these updates, the SET Committee receives a report discussing product-level vulnerability management, product-level incident management and the status of relevant product cybersecurity activities.

The board and its committees are engaged in the oversight of Cummins' most significant enterprise risks, including cybersecurity. A member of the executive management team is assigned to report material information to the board regarding these risks. The Audit Committee, working with the Chief Information Officer, provides oversight of the enterprise cybersecurity program. The SET Committee, working with the Chief Technical Officer, provides oversight of the product cybersecurity program.

Employees are asked to be knowledgeable and vigilant about ensuring all Cummins' devices are protected against cyber threats and security breaches.

The board, Audit and SET committees receive reports and information from senior leaders who have functional responsibility for the mitigation of enterprise cybersecurity and product cybersecurity risks. These leaders meet with the committees on a regular basis, at least four times per year, and provide dashboards or reports which summarize cybersecurity risks and action plans.

Cybersecurity risk management and strategy

Cummins has an Enterprise Cybersecurity Management Review Group (Enterprise Cybersecurity MRG), which functions as a steering committee to provide oversight and strategic direction for the enterprise cybersecurity program. The Enterprise Cybersecurity MRG is comprised of senior leaders with cross-functional experience and responsibilities. This MRG meets regularly, at least four times per year, with the Chief Information Security Officer to review the cybersecurity

program and related risks. The MRG receives updates on the status of key cybersecurity initiatives and is responsible for the company’s response to material cybersecurity incidents.

In addition, the company has a Product Cybersecurity Management Review Group (Product Cybersecurity MRG), which functions as a steering committee to provide oversight and strategic direction for the product cybersecurity program. The Product Cybersecurity MRG is comprised of senior leaders with cross-functional experience and responsibilities. The Product Cybersecurity MRG meets regularly with the Executive Director – Corporate Product Cybersecurity and Functional Safety to review the cybersecurity program, including risks and the status of key initiatives.

Both the Enterprise and Product Cybersecurity functions administer policies related to cybersecurity in consultation with other stakeholders at the company. Cummins has a third-

party risk management process, which is designed to assess and manage cybersecurity risks posed by third parties. This process is administered by the Enterprise Cybersecurity function.

Employee engagement

The best defense against cybersecurity attacks is having informed and engaged employees. Education and training start from the moment an employee joins the company, 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. Anyone with a company account, including contract and joint venture workers, can flag suspicious emails at the touch of a button. Cybersecurity deploys educational phishing emails and tracks employees on their ability to recognize them.

Employees participate in the company’s Cybersecurity Road show to educate their colleagues about the importance of being cyber smart.



Cummins’ risk management program key to navigating dynamic environment

Managing business risks enables Cummins to meet its business and sustainability goals, execute its strategy and foster better decision making throughout the enterprise.

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

Leader-driven oversight

Risk management at Cummins starts with the company’s board, which oversees the biggest risks facing the company. Managing risk effectively is on the agenda at every regular board meeting, and the board reviews the entire Enterprise Risk Management program and the results of Cummins’ latest enterprise risk assessment each year.

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 20 Tier I and Tier II risks, ranging from talent and supply chain management to climate change.

The council assigns every critical risk to a member of the Cummins Leadership Team 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’ regional organizations, which oversee the company’s operations in its largest international areas, have also embraced risk management as part of their own oversight efforts in their leadership teams and, increasingly, different functions around the company are doing the same.

Risk council plays critical role

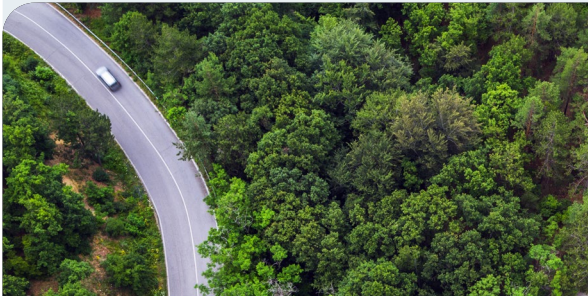
Membership on the Executive Risk Council reflects the importance Cummins places on the process. The council includes the company’s Senior Vice President, the Vice President – Chief Financial Officer, the Vice President – Chief Administrative Officer, the Vice President – Corporate Strategy and the Vice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

The Vice President – Corporate Controller and the Vice President – Internal Audit also attend council meetings as advisors to the council. The Executive Director – Global Risk is also present along with the Enterprise Risk Management Director.

CLIMATE CHANGE & RESILIENCY PROJECT

Cummins launched a Climate Change & Resiliency working group to understand how climate change might impact the risks within its operations. Weather events have increased in frequency and severity, which pose potentially different threats. Utilizing climate analytics, the company will identify and integrate climate risks into its business resiliency plans and sustainability goals. The project looks at various aspects of risk, including wind, flood, drought, wildfire, etc. Cummins is focused on a variety of aspects, including business continuity, reporting, financial resilience and sustainability reporting.

As a starting point, the team is piloting the work with key sites and developing documentation to be used across Cummins’ global footprint in the next two to three years. Additionally, there are plans to identify and understand the opportunity to use climate analytics in other areas and processes across Cummins. The project will impact how the company manages business risk and grows as a company, continuing to develop insights and mitigation plans across the company into 2027.





Leaders often gather at the company's headquarters in Columbus, Indiana (U.S.) to evaluate and analyze risks.

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 constantly evaluates the risks deemed most important to the company, as well as emerging risks. The potential impacts of climate change, for example, started as an emerging risk before joining the ranks of those being 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 Internal Audit, Risk Insurance and Global Integrated Services - Security to manage 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 regional leaders to track and mitigate key risks around the world.

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.

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.

Cummins’ comprehensive approach to global security: safeguard its most important assets

In an increasingly interconnected and volatile world, the importance of a comprehensive and integrated approach to global security and resilience has never been more necessary. As threats to organizations continue to evolve, the need for proactive measures to safeguard employees and protect valuable resources has become paramount.



A regional response team gathers to formulate a plan of action.

At Cummins, commitment to ensuring the safety and security of employees and global assets is unwavering. Through the seamless coordination of global security and resilience programs, a robust framework addresses immediate security concerns and fosters resilience in the face of unforeseen challenges. The components of the integrated approach enable Cummins to effectively mitigate risks, enhance preparedness and safeguard the organization’s most valuable assets.

Holistic Emergency Management

Holistic Emergency Management (HEM) is one component of Cummins’ comprehensive approach. HEM is responsible for the prevention, preparedness, response, mitigation and recovery principles with the goal of ensuring organizational resilience to any emergency or crisis Cummins may experience.

HEM includes the Cummins Response Center (CRC), Business Continuity Management (BCM) and the Crisis Action Management Program (CAMP). Here is a look at these key initiatives:

CUMMINS RESPONSE CENTER (CRC)

The CRC is available around the clock for security support, travel assistance or emergency team activation. They provide cross-functional communication that enables the company to respond to incidents as they occur, supporting Cummins’ operations by connecting employees with designated security experts in their region.

BUSINESS CONTINUITY MANAGEMENT (BCM)

The BCM function oversees all continuity and resiliency planning initiatives, more than 800 sites globally, ensuring all operations maintain a business continuity plan with identified risks specific to their site. These plans contain strategies to respond to disruptions that may impact employees, the business, or both.

To ensure continuity practices are sustainable, the BCM Team implemented several activities that drive resilience. These efforts include periodically assessing operational resilience, providing global risk trends specific to each region and driving Crisis Simulation Exercises at several sites each year. Each of these processes creates a foundation for improving the organization’s resilience capabilities.

CRISIS ACTION MANAGEMENT PROGRAM (CAMP)

CAMP allows Global Integrated Services – Security to gain a comprehensive understanding of global risks, while implementing strategic programs and

protocols to respond to threats as they occur and to mitigate loss.

CAMP coordinates and maintains local, regional and corporate response teams; these teams ensure the continuity of operations during and after an event, creating a unified response to disruption.

The other components of the comprehensive and integrated approach to addressing the complex and evolving security challenges

are Global Security Training, Regional Security and Physical Security Operations, and Travel Security programs:

Global Security training

To bolster preparedness efforts, Global Integrated Services - Security developed a variety of training resources. From the development of web-based learnings to personalized exercise templates,

these training resources allow for the continual development and improvement of security programs at each site.

Regional Security Operations

Through a global network of employees and partnerships, Global Integrated Services - Security leverages regional security experts familiar with Cummins’ operations and their communities to implement risk reduction strategies. This program also includes the utilization of security professionals, security training and interpreting intelligence used to prevent, prepare for, mitigate and respond to security threats.

Physical Security Operations

The Physical Security Operations program focuses on establishing security design standards using approved technologies and criteria. This group focuses on ways to leverage technology, trained security personnel, access control measures and advanced CCTV surveillance systems to

deter threats, detect vulnerabilities and respond swiftly to incidents. This program supports regional team members by delivering design procedures for existing and new buildings based on global standards.

Travel Security

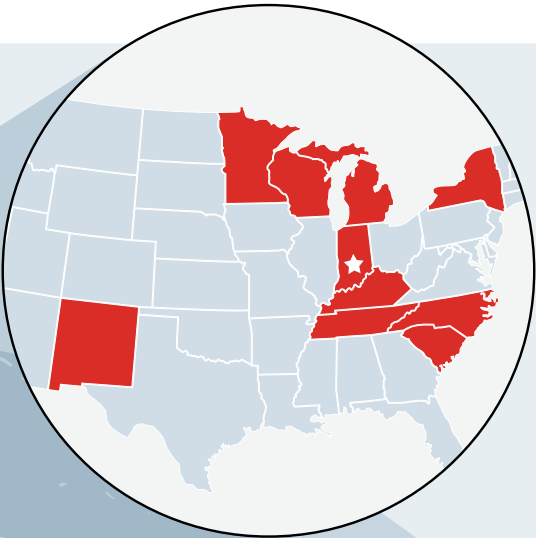
The Travel Security program provides employees with the tools needed for safe and secure travel. The program offers regional security assessments, housing and transportation assessments, emergency medical and security support, and pre-travel briefs for employees traveling to high-risk locations.

Looking ahead

Facing the complexities of the continually evolving economic, environmental and social climate, Global Integrated Services - Security continues to maintain cross-functional partnerships that ensure Cummins’ resiliency.

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

Actively shaping policies that advance the company’s strategy and mission

Cummins, through its Government Relations function, worked on a wide variety of local, state, federal and international policy issues in 2023. From setting and pursuing the company’s Destination Zero goals to promoting racial equity, Cummins strives to use its voice to shape policies that benefit all stakeholders.

Energy transition

Regulations and public-private partnerships are key pacing factors as the commercial and industrial vehicle industry moves to a zero-emissions future. Regulations will drive progress across low- and zero-emissions solutions, both with mandated stricter emissions regulations and also by potentially narrowing the economic gap between legacy solutions and low-carbon solutions with a carbon tax or other subsidies. As such, Cummins continued to advocate for policies around the world that are technology-neutral, market-driven and lower emissions.

After successfully advocating for key provisions in the Inflation Reduction Act passed in the U.S. in 2022, Cummins has been working to ensure effective implementation in order to accelerate adoption of technologies like hydrogen electrolyzers for zero-emissions hydrogen production. The group worked with the U.S. Departments of Treasury and Energy to advise and submit comments to shape the Clean Hydrogen Production Tax Credit, ensuring clean hydrogen projects get off the ground and help decarbonize hard-to-abate sectors like power generation and sustainable aviation.

Cummins also facilitated participation with two White House heavy-duty electrification roundtables focused on discussing how government and industry can come together to promote truck electrification. As part of this, Cummins worked closely with the White House and the U.S. Department of Energy on their roadmap of heavy-duty freight corridors for electric charging and hydrogen fueling, and promoted the Department of Energy’s Clean Fuels & Products Shot™ for those hard-to-abate sectors that might not electrify as quickly, like offroad equipment.

POLITICAL CONTRIBUTIONS

In the U.S., 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](#).

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 U.S. 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 2023.



In the state of Indiana (U.S.), where the company is headquartered, [Cummins is partnering with the Indiana Department of Transportation and Purdue University](#) to install and test what has been billed as the first stretch of highway in the U.S. that can wirelessly charge electric vehicles as they drive down the road.

Globally, Cummins successfully advocated for the adoption of tough, clear, and enforceable EURO 7 regulations, which apply stricter exhaust emissions limits for passenger cars, buses and heavy-duty vehicles in the European Union. Cummins dedicated significant time and energy into educating and collaborating with key stakeholders to get the regulations formally adopted in April of 2024.

Cummins Vice President of Research and Technology, Tim Frazier, speaks at the groundbreaking ceremony. Behind him is the Cummins truck that will drive over the test bed in a pilot expected to begin in 2025.

In India, the government announced the National Green Hydrogen Mission in early January 2023, which aims to make India a leading producer, supplier and consumer of green hydrogen. Cummins is working closely with other industry stakeholders and the Indian Ministry of Heavy Industries to understand and obtain incentives for aftertreatment technologies and for Cummins' Accelera products. Through this work, Cummins is working to ensure that the company is a key player in moving India toward energy independence.

Social justice

In 2023, Cummins continued its legacy of advocating on issues that impact employees, families and communities. As part of the Cummins Advocating for Racial Equity (CARE) advocacy work, Cummins leaders in Detroit met with Michigan state legislators to educate them on the important work the CARE team is doing. The legislators were impressed with CARE's efforts and investments

in advocating for affordable housing, accessibility to digital, food and water resources, workforce development and education, and wanted to understand how they could further engage. The group continues to seek new opportunities across the U.S. to connect with community stakeholders focused on the shared goal of improving the health of communities.

Cummins also helps organize events to get young people involved in politics and leadership. One such event is the annual Girls Inc. Advocacy Day. In 2023, Cummins partnered with Girls Inc. of Indiana to host 30 girls from around the state to learn about the processes of government, make leadership accessible and relatable and empower the girls to become civically involved. Participants in the Advocacy Day had the opportunity to hear from senior leaders from across the company, including Cummins Chair and CEO Jennifer Rumsey. Cummins leaders shared advice and perspectives on a series of topics, including leading with authenticity,

becoming a person of influence and highlighting ways to create meaningful personal and professional networks. The students then participated in a small group exercise on advocacy and lobbying before traveling to the Indiana Statehouse where they had the opportunity to meet with legislators. Cummins believes that creating diverse and inclusive work environments is essential to the company’s success and will continue to advocate for all people to feel safe, welcomed and able to prosper.



Participants in the Girls Inc. Advocacy Day, including Cummins leaders and employees and Girls Inc. members, spent the day at the Indiana Statehouse relaying their concerns to legislators on key issues.

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 2023. Listed with each group is an estimate of the portion of dues used for lobbying or other political expenditures.

TRADE ORGANIZATION	ESTIMATE (USD)	KEY CUMMINS ISSUES
National Association of Manufacturers	\$54,609	Immigration, trade, manufacturing
Business Roundtable	\$84,000	Trade, environment, taxes
Engine Manufacturers Association	\$30,042	Truck and engine manufacturing
U.S. Chamber of Commerce	\$17,500	Immigration, taxes
American Trucking Associations	\$20,326	Trade, environment

Extending environmental initiatives across the company's supply chain

Cummins and its supply partners have shared sustainability goals to reduce environmental impact, use natural resources responsibly and promote ethical and sustainable social practices. The focus on supply base partnerships can help the company achieve business goals while also contributing to a better future for employees and the health of communities and the planet.

Tracking the environmental footprint of product contents

Cummins considers material selection as a key aspect of product quality, performance and dependability. Materials also have direct impact on environmental sustainability, making it important to optimize the selection to meet product requirements with the least environmental impact. Cummins invests in lifecycle assessment tools and

processes to help the company better estimate the environmental impacts of the parts supplied to Cummins throughout their journey into the company's finished products.

One specific process involves software using products' bill of materials, material standards and production methods to estimate the carbon footprint of Cummins' products down to the assembly and part level. This technology will be combined with



An employee on the floor of the Chongqing Cummins Engine Company plant in China.

the company’s circular lifecycle plan for every part (see the [Environment](#) section) to identify opportunities for the company to improve the end of “first” life management of Cummins’ products to reduce their carbon footprint. The company uses a class-leading data collection system to identify the presence and concentration of materials in Cummins’ products, allowing the company

**“EYES OPEN” AUDITS:
ENHANCING SUPPLY
CHAIN TRANSPARENCY**

“Eyes Open” audits augment traditional audit processes with a proactive, vigilance-driven approach. Employees are encouraged to identify and promptly address any unethical conduct or compliance issues within the supply chain. This approach promotes a culture of transparency and continuous improvement.

Company personnel reported conducting 206 Eyes Open Audits in 2023, which represented a 34% increase from 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 or forced labor, as well as issues pertaining to the treatment of others or sexual discrimination.

to better identify risks from hazardous and supply-constrained materials and implement appropriate controls.

Strengthening supply chain integrity

Cummins mandates adherence to the highest standards of human rights, ethics and legal compliance from the company’s suppliers, as outlined in its Supplier Code of Conduct (see [Ethics and Compliance](#) section).

COMMITMENT TO HUMAN RIGHTS

Cummins promotes supply chain transparency to increase the amount of information available to stakeholders throughout the company’s value chain, specifically regarding efforts to address slavery and human trafficking.

Guided by Cummins’ Code of Business Conduct, the company builds upon its strong ethical reputation by doing what is right and keeping commitments. Integrity, a core Cummins value, is codified within

the company’s Code of Business Conduct and reflects a century of commitment to ethical business behavior.

PROHIBITION OF FORCED OR CHILD LABOR

Within the Code of Business Conduct, Cummins has provisions prohibiting forced or child labor. All employees must comply with and receive training on the company’s Code of Business Conduct. Cummins supports human rights around the world and complies with all applicable laws regarding the treatment of employees and other stakeholders. This commitment to fair treatment extends to joint ventures, supplier and other partners.

Cummins, through the Supplier Code of Conduct and the company’s Human Rights Policy, aims to ensure suppliers and partners understand the company’s values and expectations and treat their stakeholders in a manner consistent with those values.

The Supplier Code of Conduct contains clear and specific language regarding forced and

child labor. Cummins suppliers must not use slavery or involuntary labor of any kind, including debt bondage, or forced labor by governments and suppliers must not be involved in human trafficking. Suppliers must not use corporal punishment, physical or psychological abuse, threats or violence, or other forms of physical or mental coercion and may not place unreasonable restrictions on the ability of employees to enter or exit the workplace.

**THE IMPORTANCE OF
INCORPORATING TRAINING**

To further reinforce the Supplier Code of Conduct, Cummins has implemented comprehensive training programs for employees and suppliers. These training initiatives are designed to ensure all parties fully understand the principles of the Supplier Code of Conduct, the importance of compliance and how to maintain ethical practices within the supply chain. Training sessions cover a wide range of topics, from environmental responsibility

to human rights, and are tailored to address the specific needs and challenges faced by suppliers in different regions. By equipping suppliers with the knowledge and tools needed to adhere to the Supplier Code of Conduct, Cummins strengthens the integrity of its supply chain.

IMPACT AND ADVANTAGES

The Supplier Code of Conduct, supported by “Eyes Open” audits and extensive training programs, mitigates noncompliance risks, aligning the supply chain with sustainability goals.

OVERCOMING CHALLENGES

Implementing the Supplier Code of Conduct across diverse legal and cultural environments poses significant challenges. The “Eyes Open” audits, coupled with targeted training, provide a robust framework for maintaining oversight and ethical standards worldwide.

A leader in 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.

Cummins takes a global approach to supplier diversity, with initiatives in countries around the world.

In 2023, Cummins directed a record \$3.6 billion toward diverse suppliers, which includes \$160 million Black and Latino, \$558 million women, \$45 million veteran and \$6 million LGBTQ+-owned businesses. By supporting diverse suppliers, Cummins enhances economic growth in larger communities. Almost 16% of the company’s spending globally was with companies whose owners identified themselves as diverse or small businesses.

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 (BDR). Created in 2001 to recognize corporations achieving at least \$1 billion in spending with diverse-owned suppliers year-over-year, the BDR is a leading advocate for supplier diversity initiatives globally.

Cummins is one of 40 members of the BDR. The company drives strategy in the industry alongside customers and stakeholders through investments in Black and Latino, women, veteran and LGBTQ+-owned businesses.

MAKE YOUR MARK INITIATIVE PROVIDES CAPITAL AND EXPERTISE FOR DIVERSE SMALL BUSINESSES

The Make Your Mark initiative, launched in 2020, promotes the growth and success of diverse small businesses by supporting collegiate women of color. Participants are women entrepreneurs with degrees in STEM-related fields from historically Black colleges and universities in the U.S. Through the company’s support of diverse small businesses, including grants and access to business mentorship, Cummins seeks to make a difference in the growth and the long-term viability of these enterprises. Make Your Mark entrepreneurs represent a broad range of business segments while sharing a common goal — developing and growing business models that promote sustainable business solutions.

Black women represent one of the fastest growing segments of new business owners yet often experience challenges securing capital and receiving the funding needed to grow their businesses. In response, Cummins is working to provide this critical access to capital and connect these entrepreneurs with Cummins executives and other corporations to showcase their businesses and assist in creating advisory boards. In the fall of 2024, Cummins will open the application process for the company’s next group of future diverse business leaders in the Make Your Mark program.

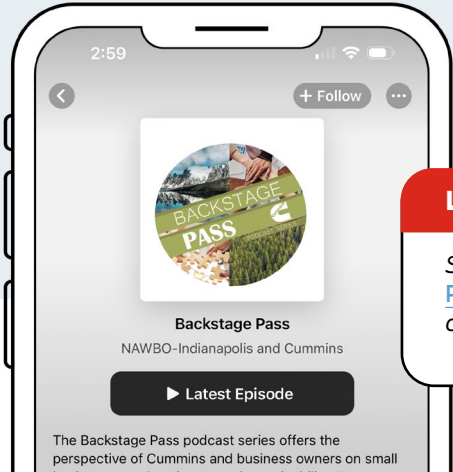
Listed at right, from top to bottom:
Catherean Mitchell - Mitchells Transport
Matu Saye - EM2 Tech Global
Theresa Kumazah - BeOne Fitness, LLC
Dominique Taylor - JMT Financial & Tax Services, Inc.



**BEST PRACTICE SHARING:
CUMMINS BACKSTAGE PASS
PODCAST SERIES**

The Cummins Backstage Pass Podcast Series began during the height of the pandemic in 2020 to educate and engage the company’s suppliers at a time when it was not feasible to meet with partners in person. Four years later, the Backstage Pass Podcast has expanded to include a global audience of employees, customers, suppliers and individuals with thousands of subscribers and downloads across major podcast providers in 23 countries around the world. The mission remains unchanged — drive supplier awareness of Cummins best practices, provide access to valuable resources and maintain robust lines of communication across the Cummins Supply Chain.

Through the podcast, Cummins and the company’s partners share their perspectives on supplier diversity and environmental sustainability. Each podcast session includes stories and ideas designed to help listeners advance these efforts around the world. Recent podcasts have featured Cummins’ approach to using natural resources to make its products and run its global operations, explored the issue of food waste within corporate environments and featured leaders in the logistics and trucking sector sharing their industry insights.



LEARN MORE

Subscribe to [Cummins Backstage Pass Podcast](#) to receive updates on the latest episodes.

Improving supplier performance

The company has a team in the Procurement function dedicated to identifying and mitigating risk in the supply chain, 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 began 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. Cummins provided direct support to critical, high-risk suppliers, often with Cummins personnel working directly at the supplier facility. 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, more than 40 suppliers have transitioned out and are back on track for success.

**Convening the Environment
Sustainability Consortium**

Cummins has a unique opportunity and responsibility to help solve the world’s climate challenges. Recently, the company launched the Environmental Sustainability Consortium, a member organization of Cummins’ largest suppliers (7-9% of the company’s purchasing spend), to advance its environmental goals. Consortium members include companies in the industrial, transportation, energy, technology, chemical products and automotive industries that are aligned in addressing common environmental challenges, such as reducing carbon emissions. Each Consortium member has demonstrated a strong commitment to reducing the impact of their greenhouse gas emissions while managing water usage and driving waste reduction. Through collective action, Cummins seeks to influence each member’s value chain to drive change.

SETTING SHARED GOALS

The Consortium is guided by three core pillars: climate and due diligence data integrity; stakeholder engagement; and governance. These pillars are the foundation for the Consortium’s collective strategy and work plans. Cummins convenes Consortium members on a quarterly, virtual basis to learn from industry experts (e.g., guest speakers), report on work plans, discuss long-term goals and consider the impact of the group’s collective efforts for the company’s customers.

Cummins customers hold the company to high standards for its products and services, and Cummins is committed to manufacturing, distributing and servicing its goods sustainably. The company’s supply partners are essential in efforts to achieve its carbon emissions goals. Consortium members align with the Cummins PLANET 2050 strategy and current 2030 goals and work to identify future opportunities. Members are working to set goals that will help all parties reduce emissions and operate more sustainably through data transparency, uniform reporting and the education of each member’s supply base.

Managing risk

With geopolitical, pandemic and weather events continuing to challenge global supply chains, Cummins has developed a digital model called Revenue at Risk to quickly anticipate, identify and adapt to potential disruptions. The Revenue at Risk model connects Cummins’ direct material component spend to end customer sales through the company’s complex and vertically integrated value streams, providing visibility to downstream revenue associated with any component part, supplier, supplier country or spend category. The tool spans the company’s business units and geographies, integrating data from multiple source systems, and enables a strategic shift to using potential customer impacts as the main driver for supply risk monitoring and exposure analysis. In addition to risk mitigation, the value stream model assists the sustainability team in Life Cycle Assessments and greenhouse gas emission tracking. Supplier reporting metrics can also be integrated to aid in sustainable supply chain design and strategy.

Unleashing a gateway of innovation

The Cummins Innovation Gateway began in the United Kingdom (U.K.) in 2017 with a simple idea — asking entrepreneurs to pitch their best ideas for reducing the company’s carbon footprint.

The concept was loosely inspired by reality TV shows where entrepreneurs and inventors share their ideas with potential investors. The program, which has since been expanded and launched in the United States, has generated more than 800 innovative ideas. Cummins has implemented several initiatives based on ideas shared at the event to help the company reach its sustainability goals.

Cummins also shared the Innovation Gateway concept with Minority Supplier Development in the U.K. (MSDUK). MSDUK unites innovative and fast-growing ethnic minority businesses with global corporations dedicated to creating a diverse and inclusive supply chain. Cummins provided guidance and sponsorship to develop the MSDUK Innovation Challenge and continues to sponsor and participate in judging presentations at the annual event.

Through the Innovation Gateway program, Cummins aims to uncover new ideas to address materials management, capture/recovery, controls, manufacturing process efficiency, packaging and other innovations. Businesses, big and small, submit their concepts to the Cummins Innovation



Gateway panel for consideration, and a set of finalists is selected. At the Innovation Gateway finals competition, finalists have 10 minutes to present their idea to a panel of Cummins procurement leaders, sustainability experts in academia, government officials and industry representatives. Finalists may end up working with Cummins to test, develop and market their ideas further.

The Innovation Gateway competition succeeds in bringing ideas to life and creating a forum to connect diverse companies into the company’s supply chain. Many of the entrepreneurs participating in the program are smaller, early-stage companies that connect with the resources, expertise and scale Cummins can offer to tackle critical problems.

Entrepreneurs gain exposure working with Cummins as they share their ideas on a large stage and partner with Cummins business leaders to evaluate, develop and scale innovative concepts. Cummins employee panelists carefully evaluate submissions, scrutinize business models and share valuable expertise with entrepreneurs to accelerate promising solutions.

The development of the Innovation Gateway forum has nurtured innovation into the Cummins value chain, helped the company meet water, waste and energy targets, enabled the ideas of fledgling entrepreneurs to take flight and led to the creation of a more inclusive and sustainable supply chain.

2023–2024

Cummins Sustainability Progress Report



CONTRIBUTORS TO THIS REPORT

Meredith Sanders (designer), Gracie Hatton (environment section), Heather Abshire, Mary Clerkin Allard, Jordan Anderson, Janna Beecham, Jake Brown, Carolyn Butler-Lee, Leigh Ann Clifford, Chris Clulow, Jason Cromes, Nathaniel Cullen, Lauren Daniel, Maria Dickman, Patrick Dolan, Lisa Eubank, Cheri Fitzpatrick, Jasmin French, Dennis Heathfield, Ben Hill, Kaitlin Hiquet, Jenna Hladik, Amber Hughes, Helena Hutton, Josh Inman, Brian Jaskot, Schuyla Jeanniton, Laura Jones, Traci Kraus, Brijesh Krishnan, Amy Lian, Anna Linteur, Terry Magid, Meredith McCoy, Brian Mormino, Natalie Moya, Yannick Ondji, Neha Purandare, Michelle Reuter, Ian Russell, Scott Saum, Dyllin Shane, Lauren O’Dell Sidler, Kelli Smith, Shaura Smith, Kelli Steill, Sandy Sterling, Lyndsey Teeters, Tara Travis, Immanuel Umoren, Stacy Webb-Cooper, Karen Weber, Matt Weilhamer, Blair West, Tania Works, Phil Zielinski

™ Products mentioned in this report are subject to copyright and trademark protections.

This report was posted in July 2024.

CONTACTS

KATIE MOREAU
Enterprise Communications Director
301 E. Market St.
Indianapolis, IN 46204
katie.moreau@cummins.com

ZSOFIA NAGY
ESG Program Director
301 E. Market St.
Indianapolis, IN 46204
zsofia.nagy@cummins.com

CELEBRATING 20 YEARS

This year’s report is dedicated to former Cummins employees and sustainability leaders Blair Claflin and Laurie Counsel, who significantly shaped the company’s long history of sustainability reporting.



Cummins Inc.
Box 3005
Columbus, IN 47202-3005
U.S.A.

cummins.com

Produced in U.S.A. 7/24
©2024 Cummins Inc.