ABOUT THIS REPORT

Welcome to Cummins’ 2019 GRI Content Index and Data Book. The goal of this report is to essentially convert the Cummins 2019 Sustainability Progress Report into the Global Reporting Initiative (GRI) framework.

In many instances, this report includes links to a host of other Cummins reports and web pages such as the company’s 2019 Annual Report on Form 10-K, the 2020 Proxy Statement, the company’s Governance web page, Cummins’ Ethics & Compliance web page and more. The company has reported to the GRI’s Core platform since 2014.

The GRI Content Index and Data Book includes Cummins’ data assurance letters prepared by Apex for the company’s environmental, governance and social reporting. Cummins’ financial data is audited by PricewaterhouseCoopers LLP.

A number of additional environmental charts are included in this report that were not included in the 2019 Sustainability Progress Report. These charts go into greater depth on product emissions as well as plant operations.

The GRI questions can be quite complex. This report summarizes them as much as possible. If you want to see the complete GRI questions, go to the GRI website. The framework was created in 1997 by a coalition of groups including The United Nations Environment Programme to provide corporations with a uniform way to report sustainability data.

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Cummins Inc.
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MATERIALITY

It’s hard to imagine a more eventful first six months of 2020.

As a result, discussions have begun at Cummins on ways the company’s materiality matrix should be updated to reflect the global COVID-19 pandemic and the need to address racial inequities raised by protests for social justice.

The company will build on its matrix developed in late 2018, working with Deloitte to identify issues where Cummins has the biggest environmental, social and governance / economic impact and reporting gaps.

Cummins and Deloitte interviewed key voices in and outside the company, including non-governmental organization leaders, public officials, customers, agencies that rate and rank companies on sustainability, as well as company leaders and board members. More than 1,000 Cummins employees were also polled on their sustainability priorities.

The resulting matrix identified areas such as supply chain, customer training and satisfaction, and technology and innovation as potential opportunities for expanded action and reporting attention.

However, events in the first half of 2020 put health and safety and diversity and inclusion in a new light. That will undoubtedly be reflected in the company’s revised matrix and its sustainability reporting next year.

The X axis includes impacts that are important to Cummins. The Y axis includes impacts that are important to stakeholders outside the company.
Cummins has principal manufacturing locations in eight states and six of the seven continents.

The company’s international plants primarily serve regional markets Cummins has developed doing business outside the U.S. for more than 60 years.
# Key Performance Indicators

Cummins takes a broad view of sustainability, including the environment, corporate responsibility, health and safety, diversity and inclusion, employee development and governance. The company tracks many key performance indicators. Here are just a few:

<table>
<thead>
<tr>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ECONOMIC</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>$20.4 billion</td>
<td>$23.8 billion</td>
</tr>
<tr>
<td>Net Income</td>
<td>$999 million*</td>
<td>$2.1 billion</td>
</tr>
</tbody>
</table>

* Excluding charges totaling $777 million in connection with tax reform in the United States, full year net income attributable to Cummins was $1.8 billion ($10.62 per diluted share), with a full year tax rate of 24.5%.

<table>
<thead>
<tr>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ENVIRONMENTAL</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GHG emissions (thousands of metric tons CO2e)</td>
<td>778</td>
<td>808</td>
</tr>
<tr>
<td>Energy consumption1 (thousands of MMBtu)</td>
<td>13,656</td>
<td>14,374</td>
</tr>
<tr>
<td>Water use (millions of gallons)</td>
<td>964</td>
<td>949</td>
</tr>
<tr>
<td>Water intensity reduction2 (2010 baseline)</td>
<td>44%</td>
<td>50%</td>
</tr>
<tr>
<td>Energy intensity reduction2,3 (2010 baseline)</td>
<td>25%</td>
<td>29%</td>
</tr>
<tr>
<td>GHG intensity reduction2,3 (2010 baseline)</td>
<td>33%</td>
<td>37%</td>
</tr>
<tr>
<td>Recycling rate</td>
<td>90%</td>
<td>90%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SOCIAL</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H&amp;S Severity Case Rate</td>
<td>0.251</td>
<td>0.264</td>
</tr>
<tr>
<td>H&amp;S Incidence Rate</td>
<td>0.691</td>
<td>0.646</td>
</tr>
<tr>
<td>Code of Conduct cases</td>
<td>1,904</td>
<td>2,215</td>
</tr>
<tr>
<td>Women leaders in the workforce</td>
<td>21.80%</td>
<td>23.22%</td>
</tr>
<tr>
<td>Every Employee Every Community (EEEC) participation rate</td>
<td>82%</td>
<td>83%</td>
</tr>
<tr>
<td>People impacted by EEEC projects</td>
<td>3.3 million**</td>
<td>4.3 million</td>
</tr>
</tbody>
</table>

**First year for calculation

---

1. Primary energy excludes sold electricity and associated fuel usage.
2. Intensity defined as adjusted for sales (energy / GHG) or hours worked (water).
3. Reduction includes consolidated entities only.

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

### 102-1 Name of the organization

Extensive information about Cummins Inc. including its name, address, stock symbol and more is available in the Introduction to the company’s *2019 Sustainability Progress Report* starting on page 6.

### 102-2 Activities, brands, products and services

Cummins is organized into five business areas – the Engine segment, the Power Systems segment, the Components segment, the Distribution segment and the New Power segment. All operate under the Cummins’ brand. Cummins is a “business to business” company. Many of its products are sold to original equipment manufacturers who use them in their products. More about the company’s products and services is available on page 14 of the Progress Report.

### 102-3 Location of headquarters

Cummins’ corporate headquarters is located at 500 Jackson St., Columbus, Indiana (U.S.) 47201.

### 102-4 Location of operations

Cummins’ customers are located in approximately 190 countries and territories that the company reaches through a network of more than 600 company-owned and independent distributor locations and approximately 7,600 dealer locations around the world. The company’s major manufacturing facilities are located in Indiana, Minnesota, North Carolina, South Carolina, Tennessee and Wisconsin in the United States; And Australia, Brazil, China, France, Germany, India, Mexico, Nigeria, Romania, South Africa, South Korea, Turkey and the United Kingdom outside the U.S.
ORGANIZATIONAL PROFILE (continued)

102-5 Nature of ownership and legal form

Cummins is a publicly traded, Fortune 150 company, ranking 132 in 2020. Cummins’ stock symbol on the New York Stock Exchange is CMI.

102-6 Markets served

Cummins is a global power leader made up of complementary business segments that design, manufacture, distribute and service engines and related technologies including fuel systems, controls, air handling, filtration, emission solutions and electrical power generation systems. Approximately 62% of the company’s net sales (see page 64 of the 2019 Sustainability Progress Report) in 2019 were attributable to customers in the U.S. and Canada while 38% came from outside those locations. Customers include original equipment manufacturers (OEMs), who in some cases make their own engines. Developing innovative, clean, dependable engines those OEMs, and by extension their customers, want is critical to the company’s sustainability. Cummins engines are used in long haul trucks, regional trucks and pickup trucks as well as in off-highway equipment such as tractors, trains, ships, excavators, generators and more. As the only company that produces all the critical subsystems required to build an engine or generator in house, Cummins believes it has a competitive advantage. The company in 2019 renamed its Electrified Power segment New Power to reflect its broader mission, which includes fuel cells and hydrogen generation, in addition to electrification.

102-7 Scale of the organization

Cummins has more than 61,000 employees with slightly more than half located outside the United States. The company has plants and technical centers around the world. Just over a third of the company's employees are represented by a union. About a third of Cummins’ professional staff has a background in science, technology, engineering or math (STEM). The company had $23.6 billion in sales in 2019. The company sells more than a million engines annually as well as various related components.
**ORGANIZATIONAL PROFILE (continued)**

**102-8 Information on employees**

Cummins has more than 61,000 employees world-wide. About a third are represented by a union. Slightly more live outside the United States than inside the United States. Almost 27% of the workforce is made up of women and women make up about 26% of the company’s leadership. Just over half of the leaders of the company were born in the United States, down from 62% in 2010. More than half of the company’s employees were born outside the U.S. For more on the workforce, see page 44 of the *2019 Sustainability Progress Report*.

**102-9 Describe your supply chain**

Cummins began to transform its supply chain in 2010, focusing on ways to increase efficiency, lower costs and reduce its environmental footprint. By working to better coordinate the production, shipment and delivery of goods, Cummins better serves its customers. The company puts a special focus on the synchronized warehousing of raw materials to provide scale and improve efficiency. The formation of the Power Systems segment, completed in 2016, combined the Power Generation and High Horsepower functions, which were already strongly interdependent. It allowed the company to streamline business and technical processes to accelerate innovation, grow market share and more efficiently manage its supply chain and manufacturing operations. In 2018, Cummins created a fifth business segment, the Electrified Power segment. It was renamed New Power in 2019 to reflect the company’s growing efforts in electrification and hydrogen fuel cells as well as hydrogen production. To learn more about the supply chain at Cummins, see page 58 of the *2019 Sustainability Progress Report*.

**102-10 Significant changes to the organization**

In 2019, the company renamed its Electrified Power segment. It is now called New Power to reflect a broader mission. The company acquired Hydrogenics, a fuel cell and hydrogen production technologies company. With roots spanning 70 years, Hydrogenics is the worldwide leader in designing, manufacturing, building and installing industrial and commercial hydrogen generation, hydrogen fuel cells and large-scale energy storage solutions. It was the latest in a series of acquisitions by Cummins. In 2018, the company acquired Silicon Valley-based Efficient Drivetrains, Inc. of Milpitas, California. It designs and produces hybrid and fully-electric power solutions. The company in 2017 acquired Brammo Inc. based in Talent, Oregon. It designs and develops battery packs for mobile and stationary applications.
ORGANIZATIONAL PROFILE (continued)

102-11 Precautionary approach

While the company has not formally adopted this terminology, a key commitment has long been that “everything we do leads to a cleaner, healthier, and safer environment.” When it comes to the company’s operations, Cummins is not satisfied merely to meet local regulations. The company is striving to reduce its carbon footprint by recycling and using less water and energy everywhere. The company in 2019 unveiled PLANET 2050, a strategy to address climate change and other environmental challenges. has set specific goals in these areas that apply to all Cummins’ facilities, regardless of their location. To learn more, go to page 20 of the 2019 Sustainability Progress Report.

102-12 External approaches

In 2017, Cummins signed the U.N.’s Global Compact encouraging businesses around the world to adopt socially responsible and sustainable practices, and report on their implementation. The company also began using the U.N.’s Sustainability Development Goals as a basis for goal setting, especially in its Corporate Responsibility function. Both followed Cummins joining thousands of global companies signing the U.N. Women’s Empowerment Principles in 2016. The seven principles emphasize the business case for promoting gender equality and empowering women. The company embraces “science based” targets in its efforts to reduce its carbon footprint, aligning itself with climate science. It supports the U.S. Department of Energy's Better Buildings, Better Plants initiative to conserve energy and reduce emissions. Cummins regularly works with the Environmental Defense Fund, the Health Effects Institute, BSR, Renewable Energy Buyer’s Association and the International Council on Clean Transportation.

102-13 Membership of associations

Cummins belongs to a number of organizations and associations, including: The Diesel Technology Forum, the Health Effects Institute, BSR (Business for Social Responsibility) and the Renewable Energy Buyer’s Association. The company participates in the U.S. Department of Energy’s Better Buildings, Better Plants initiative and the CEO Water Mandate. The company’s CEO, Tom Linebarger, sits on the board of the Hydrogen Council. Cummins also works frequently with the Environmental Defense Fund. To see other partnerships, go to page 31 of the 2019 Sustainability Progress Report.
STRATEGY

102-14 Statement from senior decision maker

Cummins Chairman and CEO Tom Linebarger writes about the relationship between sustainability and the company’s strategy in his letter on the first page of Cummins’ 2019 Sustainability Progress Report.

ETHICS AND INTEGRITY

102-15 Key impacts, risks

Extensive information on the impacts, risks and opportunities facing the company can be found starting on page 17 of the 2019 Cummins Annual Report on Form 10-K.

102-16 Values, principles, standards:

Cummins in 2017 updated the company’s mission, vision and values (MVV). The board was consulted, and its input is reflected in the final version. Senior executives met extensively on this topic over 12 to 16 months. It was the first update since the MVV was established in 2000. After leadership reached a tentative approval on the MVV, it was reviewed by various employees through focus groups and other means. It then went back to leadership for more review and changes before a final version was released in late July. You can see the new version of the company’s mission, vision and values on page 15 of the 2019 Sustainability Progress Report.
ETHICS AND INTEGRITY (continued)

102-17 Mechanisms for advice and concern about ethics:

Cummins employees have a variety of ways to seek advice or report their concerns about unethical and unlawful behavior. In addition to talking to their supervisor or human resources representative, they can also get help or report a concern online at ethics.cummins.com or by calling 1-800-671-9600 if they are in the United States. Phone numbers for other countries can also be found at ethics.cummins.com. Wherever legally possible, employees may remain anonymous if they wish. An employee may also send an email to the Ethics and Compliance function or to the Legal function (law.department@cummins.com) and the appropriate person will contact them. Per company policy, an employee cannot be retaliated against for seeking advice or raising a concern. All of this information is posted on the company’s internal website. To learn more, see page 49 of the 2019 Sustainability Progress Report.

102-18 Governance structure:

The Board of Directors (see page 47 of the 2019 Sustainability Progress Report) oversee the company. The duties of the Chairman and the Lead Director as well as the six standing board committees (Governance and Nominating, Audit, Compensation, Executive, Finance, and Safety, Environment and Technology) are laid out in the documents in the Governance section on cummins.com and in the 2020 Proxy Statement. The Board of Directors and its committees are involved on an ongoing basis with the oversight of the company’s material enterprise related risks (page 52 of the 2019 Sustainability Progress Report). Senior leaders, led by the Chief Operating Officer, undertake a process that identifies, categorizes and analyzes the relative severity and likelihood of different types of risk. The board committees receive frequent updates from senior leaders who have functional responsibility for managing those risks.
102-19 Delegating authority:

See answer to 102-18

102-20 Executive level responsibility for economic, environmental and social topics:

Cummins has a Vice President – Chief Technical Officer who reports to the President and COO on several issues, including the company’s effort to reduce its environmental impact. The company’s Vice President – Corporate Responsibility reports to company leaders on Cummins’ community engagement and social efforts. Cummins Vice President – Ethics and Compliance, reports to company leaders on ethics related issues. The company’s Vice President – Chief Financial Officer reports to the CEO on financial related matters. The CEO considers himself to be Cummins’ top sustainability leader and he meets directly once a year with leaders responsible for the company’s environmental sustainability plan.

102-21 Consulting stakeholders on economic, environmental and social topics:

There is not one single person or group at Cummins charged with communicating to external stakeholders. Investor Relations, for example, talks to and meets with investors frequently. The Government Relations function is in frequent communications with lawmakers and regulators. Because leaders play a key role in the company’s Corporate Responsibility efforts (see page 33 in the 2019 Sustainability Progress Report), they speak to a wide variety of people including non-governmental groups, not-for-profits and others in addition to government leaders and investors. Leaders are encouraged to be active in their communities in keeping with the stakeholder model Cummins operates under (page 2 of the 2019 Sustainability Progress Report). They try to weigh the interests of all stakeholders in their decisions including communities, employees, not for profits and others in addition to shareholders.

102-22 Composition of the highest governance body and its committees:

The company’s 2020 Proxy Statement includes extensive information about members of the Board of Directors, their duties, and the strengths they present to the board.
Chair of the highest governance body:

Tom Linebarger is Chairman of the Board of Directors and Chief Executive Officer at Cummins. He is the only Cummins employee on the 11-member Board of Directors. This model has worked well for the company, producing strong results. The board is sufficiently empowered to provide effective oversight. Cummins is fortunate to have an outstanding Lead Director, former U.S. Secretary of Labor Alexis Herman. She joined the board in 2001. To learn more, see the 2020 Proxy Statement.

Nominating and selecting the highest governance body:

The board composition is discussed starting on page 3 of the 2020 Proxy Statement. A statement on diversity is included on page 8 of the proxy. Independence is also addressed on page 3. Bios of each board member start on page 17 of the proxy.

Conflicts of interest:

Every board candidate should be free of any conflict of interest that would violate any applicable law or regulation or interfere with the proper performance of his or her responsibilities including being able to represent the best longterm interests of all Cummins’ shareholders. For more see the company’s Corporate Governance Principles.

Role of highest governance body in setting purpose, values, and strategy:

See 102-16. The Board of Directors reviewed Cummins’ updated mission, vision and values in 2017.
GOVERNANCE (continued)

102-27 **Collective knowledge of the highest governance body:**

The Board of Directors is briefed and provided with substantive information prior to each board meeting. New board members are provided with a timely and thorough introduction to Cummins, including information on the company’s mission, vision and values as well as an introduction to the company’s business segments and their respective management teams. They are also briefed about the company’s risk management processes and the regulatory environment and visit company facilities. Directors with more tenure are expected to continue educating themselves with respect to the company’s industries and markets as well as corporate governance and director responsibility developments. Cummins provides periodic updates or training to board members to ensure they have the knowledge and skills necessary for their service and may also apprise board members of appropriate director educational programs and encourage them to attend at the company’s expense. See Section 2.6 of the *Corporate Governance Principles.*

102-28 **Evaluating the highest governance body’s performance:**

The Governance and Nominating Committee is responsible for conducting an annual assessment of the Board of Directors. This assessment explores whether the board and its committees function effectively and identifies areas in which it believes improvements can be made (See Section 5.4 of the *Corporate Governance Principles*).

102-29 **Identifying and managing economic, environmental, and social impacts:**

The board is kept informed on the company’s economic, environmental and social impacts as part of its oversight responsibilities. To see more, go to the company’s *Corporate Governance Principles.*

102-30 **Effectiveness of risk management processes:**

Monitoring the effectiveness of internal controls and risk management practices is one of the important oversight responsibilities of the Board of Directors at Cummins. The board receives a risk report at every regularly scheduled meeting. The report updates the board on the significant risks facing the company. The board is regularly briefed on matters of concern for customers, employees, unions and investors. It has a keen awareness of what all stakeholders are thinking, enabling it to stay informed of key economic, environmental and social developments. To learn more, go to the *Audit Committee Charter.*
**GOVERNANCE** (continued)

102-31 **Review of economic, environmental and social topics:**

The board regularly reviews economic, environmental and social developments relative to Cummins as part of its general oversight responsibilities. To see more, go to the company’s Corporate Governance Principles.

102-32 **Highest governance body’s role in sustainability reporting:**

A committee of six people oversees Cummins’ sustainability reporting: the Vice President – Corporate Responsibility, the Vice President – Corporate Communications, the Head of Government Relations and the Executive Director of Worldwide Environmental Strategy and Compliance, the Vice President of Ethics & Compliance and the Executive Director of Investor Relations. Sustainability reporting is compiled and edited by the Director of Sustainability Communications. The board does not play a direct role but reviews the final report.

102-33 **Communicating critical concerns:**

Shareholders and other interested parties may communicate with the board, including its Lead Director and other non-management directors, by sending written communication to the directors, c/o the Board Secretary, 301 East Market St., Indianapolis, Indiana 46204. All such communications will be reviewed by the secretary or his designee to determine which communications are appropriate to be forwarded to the directors. All communications will be forwarded except those that are related to Cummins products and services, are solicitations or otherwise relate to improper or irrelevant topics. For more see page 15 of the company’s Proxy Statement for the 2020 Annual Meeting.

102-34 **Nature and total number of critical concerns:**

**Remuneration**

**102-35 Remuneration policies:**

Compensation is discussed on page 5 of the *2020 Proxy* while the "Compensation Discussion and Analysis" section starts on page 25, providing detailed information about Cummins' executive compensation program. See also a discussion of Board of Directors' compensation starting on page 73.

**102-36 Process for determining remuneration:**

The board’s Compensation Committee engaged Farient Advisors LLC as its independent compensation consultant to provide input and advice to the committee. See page 29 of the *2020 Annual Proxy Statement*. Farient’s work did not present any conflict of interest.

**102-37 Stakeholders’ involvement in remuneration:**

A vote was taken on the compensation plan as part of the company’s Annual Meeting of Shareholders held May 12, 2020. Shareholders voted in support of the company’s executive compensation. There is a public comment period at the meeting. No one raised compensation as an issue.

**102-38 Annual total compensation ratio:**

See page 68 of the *2020 Annual Proxy Statement* for a complete discussion of this U.S. financial requirement.

**102-39 Percentage increase in annual total compensation ratio:**

See page 69 of the *2020 Annual Proxy Statement*. 
STAKEHOLDER ENGAGEMENT

102-40 List of stakeholder groups:
In no particular order, Cummins works with customers, including fleets and OEMs; shareholders; employees and contract workers; suppliers of all sorts; state and national regulators; colleges, universities and other centers of learning; environmental and other interest groups; local and national NGOS; local communities and civil society as a whole.

102-41 Collective bargaining agreements:
About a third of the Cummins workforce belongs to unions under collective bargaining agreements expiring between 2020 and 2024. To see more, go to the chart on page 45 of the 2019 Sustainability Progress Report.

102-42 Identifying and selecting stakeholders:
Stakeholders are identified in several ways, via the company’s leadership on their everyday duties, through the company’s updated vision, mission and values, and through the materiality process conducted by the sustainability team in 2018-2019, working with Deloitte. See page 9 of the 2019 Sustainability Progress Report.
### Approach to stakeholder engagement:

Most engagement is through everyday contact with the groups, companies, suppliers, employees and others Cummins works with in its pursuit of fulfilling the company’s vision, mission and values. Cummins has some special arrangements with NGOs such as Girls Inc. in its pursuit of initiatives like Cummins Powers Women. Leaders are encouraged to become active in their local communities to help them make better decisions. Cummins has long operated under the stakeholder model of leadership, which encourages leaders to take things like community health into their decision making.

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Engagement Methods</th>
<th>Key Topics Raised</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers, including fleets and OEMs</td>
<td>Face-to-face meetings, individual engagements</td>
<td>Product reliability and performance</td>
</tr>
<tr>
<td>Shareholders</td>
<td>Quarterly conference calls, face-to-face meetings, individual engagements, conferences</td>
<td>Any topics that impact earnings</td>
</tr>
<tr>
<td>Employees and Contract Workers</td>
<td>Surveys, town halls, online poll questions</td>
<td>Talent management, diversity and inclusion</td>
</tr>
<tr>
<td>Suppliers</td>
<td>Conferences, face-to-face meetings, individual engagements</td>
<td>Product reliability and performance, price, availability, cost, working conditions</td>
</tr>
<tr>
<td>State and National Regulators</td>
<td>Conferences, face-to-face meetings, individual engagements</td>
<td>Pace and implementation of regulations</td>
</tr>
<tr>
<td>Colleges, Universities and other centers of learning</td>
<td>Partnerships, liaison with individual departments</td>
<td>Technology development</td>
</tr>
<tr>
<td>Environmental and Other Interest Groups</td>
<td>Conferences, face-to-face meetings, individual engagements</td>
<td>Climate change, resiliency, circular economy</td>
</tr>
<tr>
<td>Local and National NGOs</td>
<td>Conferences, face-to-face meetings, individual engagements</td>
<td>Environment, education, equality of opportunity</td>
</tr>
<tr>
<td>Local Communities</td>
<td>Community meetings, face-to-face meetings, focus groups</td>
<td>Environment, education, equality of opportunity</td>
</tr>
<tr>
<td>Civil Society</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
STAKEHOLDER ENGAGEMENT

Key topics and concerns raised:

Cummins’ engagement with customers is obvious through products such as the X15 and X12 engine platforms, which made tremendous strides in areas such as uptime and fuel economy – two major customer concerns. The company introduced an all-electric powertrain in mid-2019 as a growing number of customers look for powertrains that will reduce their carbon footprint. Cummins’ history is filled with examples of the company responding to stakeholder concerns. Most recently on COVID-19 we took our cues from health officials across the world. On social justice, we learned from leaders of the movement inside and outside our company, so, it can come from a variety of places.

REPORTING PRACTICE

Entities included in consolidated financial statements:

See the company’s 2019 Annual Report on Form 10-K starting on page 3.
In late 2018 and early 2019, Cummins conducted a thorough materiality assessment working with an outside expert, Deloitte. This assessment followed the internal analysis Cummins performed on its own in 2015, followed by a refresh in 2017. In conducting this materiality analysis, Cummins sought clarity on what topics were of importance to stakeholders to ensure we were working and reporting on the topics that drive and create value for the business.

Cummins found numerous benefits in using outside expertise, including:

01 Identification of emerging trends and issues;
02 Framing of stakeholder questions for fair prioritization;
03 Increased depth, accuracy, thoroughness of analysis;
04 Increased efficiency; and
05 Leveraging of expert’s resources.
The materiality assessment started with a team from Cummins and Deloitte identifying relevant candidate topics through a detailed desktop review of readily available documentation and materials. This included published materials on Cummins’ website and industry emerging topics through social media scans, peer materials, such as sustainability reports and Management Analysis & Disclosure documents in Annual Reports on Form 10-K, and websites. The team leveraged specific automotive industry research, insights, and experts available to Deloitte.

The team conducted 20 stakeholder interviews with select internal and external stakeholders to understand their sustainability topics of importance related to Cummins and obtain more information on their perceptions of our Sustainability Progress Report.

Additionally, an employee survey consisting of 11 questions was sent to 25,000 employees or roughly 40% of the workforce. More than 1,000 employees responded. Both the interviews and the survey asked questions in these broad categories regarding the impact of:

» Cummins’ operations on the environment.
» Company products on the environment, customers and society.
» Cummins’ supply chain on the environment, labor, and society.
» The company on its employees.
» Cummins’ core business and governance.

Deloitte organized and evaluated the data collected through stakeholder engagement and its own research and applied proprietary methodology based on decision science in order to arrive at a common denominator.
MATERIALITY

102-48 Restatements of information
None.

102-50 Reporting period
This report covers the 2019 calendar year.

102-51 Date of most recent report:
This report was posted July 29, 2020.

102-52 Reporting cycle:
Annual

102-53 Contact point for questions regarding the report:
Blair Claflin, Director – Sustainability Communications, Cummins Inc., 301 E. Market Street, Indianapolis, Indiana 46201
Email: blair.claflin@cummins.com.

102-54 Claims of reporting in accordance with the GRI Standards:
Core

102-56 External assurance:
Cummins’ financial data is audited by PricewaterhouseCoopers LLP. The environmental, corporate responsibility, diversity, safety and governance data has been assured by Bureau Veritas. Bureau Veritas’ assurance letters are included on page 56.
201-1  Direct economic value generated and distributed:

In 2019, Cummins earned a net income of $2.3 billion on revenues of $23.6 billion. For a full discussion on the company’s finances, please see the company’s 2019 Annual Report on Form 10-K.

201-2  Financial implications and other risks and opportunities due to climate change:

Climate change presents both risk and opportunity for Cummins. For example, more than a third of the company’s water use is in water stressed areas, potentially impacting the company’s supply chain. It’s an opportunity, however, in that companies wanting to do business in countries that want to reduce their production of greenhouse gases (GHG) may choose to use clean, efficient Cummins products, including our newest Electrified Power powertrains. Cummins is engaged in the Science Based Targets initiative, which uses environmental science to support companies with GHG reduction target setting, consistent with limiting global warming to 2 degrees Celsius or lower. The company’s PLANET 2050 strategy includes science-based goals. To learn more, see page 20 of the company’s 2019 Sustainability Progress Report.

201-3  Defined benefit plan obligations and other retirement plans:

Cummins believes strongly that sustainability begins with a solid financial performance. Without that, a company doesn’t have the resources to tackle other sustainability initiatives. Cummins’ sustainability initiatives are built on a foundation of solid financial performance. That includes the company’s pension obligations. To learn more, the company’s pension obligations are outlined on page 50 and referred to throughout the company’s 2019 Annual Report on Form 10-K.

201-4  Financial assistance received from government:

Cummins does not do this calculation, but the company does work in public-private partnerships to encourage innovation. To see more on Cummins’ partnerships with the Department of Energy and others, go to page 57 of the 2019 Sustainability Progress Report. A government body, on occasion, can be a customer such as the LA Metro transit system’s purchase of Cummins Westport natural gas engines for its bus fleet. Cummins is also working with Achates Power on a contract with the National Advanced Mobility Consortium to develop and demonstrate a technologically advanced engine for the next generation of U.S. combat vehicles.
**MARKET PRESENCE**

202-1 **Ratios of standard entry level wage by gender compared to local minimum wage:**

Cummins does business in 190 countries around the world, making this kind of calculation extremely difficult. The company’s Code of Conduct states that they follow the law everywhere. Cummins recognizes that market-based pay rates, at times, do not deliver wages necessary for a sustainable lifestyle. To that end, the company collects “Living Wage” data to ensure Cummins’ wages provide a sustainable living condition for its employees. Living Wage data is sourced from BSR (Business for Social Responsibility), an independent organization committed to building a just and sustainable world.

202-2 **Proportion of senior management hired from the local community:**

As a global company, Cummins tracks leadership by country of birth. The company wants to make sure its management reflects the markets where Cummins does business and isn’t concentrated in one or two countries. The number of leaders from outside the U.S. has been growing steadily since 2000 and in 2019 was 45%.

**PROCUREMENT PRACTICES**

204-1 **Proportion of spending on local suppliers:**

As a global company, defining “local” is difficult. In August 2016, Cummins was inducted into the Billion Dollar Roundtable, a prestigious advocate for best practices in corporate supplier diversity. Members must have exceeded $1 billion in annual spending with diverse suppliers. In 2019, global spending with suppliers who self-identify as diverse in their region of the world was $1.83 billion.
ANTI-CORRUPTION

205-1  Operations assessed for risks related to corruption:

Cummins assesses ethics related risk as much by position as by facility. The company offers more than a dozen ethics and compliance training courses, which can be mandatory for people working in certain occupations. Anti-corruption training has been rolled out to the vast majority of employees and contractors and Cummins is working on expanding training in the company's joint ventures. To learn more about the company's efforts, go to the Ethics & Compliance section on page 49 of the company's 2019 Sustainability Progress Report.

205-2  Communication and training about anticorruption policies and procedures:

Cummins conducts an annual Ethics Certification campaign, asking employees, including members of the company's Board of Directors, to state they are following all key compliance policies. As of March 2020, 33,186 employees had completed the 2019 certification process. The Ethics and Compliance team reviews any exceptions and works with Cummins' Human Resources function to document and investigate those exceptions. The company also includes several anticorruption mandatory trainings, including anti-bribery, conflicts of interest, doing business ethically and preventing money laundering. To learn more, see page 49 of the 2019 Sustainability Progress Report.
ANTI-CORRUPTION

Confirmed incidents of corruption and actions taken:

Cummins compiles and reports on any violation of its Code of Conduct. It does not distinguish by the type of violation. The company has a team of master investigators who investigate complaints in countries around the world. In 2019, 2,436 cases were investigated, 47% of those cases were substantiated and 41% of the substantiated cases led to terminations. The full chart is on page 51 of the 2019 Sustainability Progress Report. The company did not report any court cases material to Cummins’ financial success in the Annual Report on Form 10-K.

ANTI-COMPETITIVE BEHAVIOR

Legal actions for anti-competitive behavior, anti-trust, and monopoly practices:

Cummins reported no such cases material to the company’s financial performance in the 2019 Annual Report on Form 10-K.
Energy use within Cummins and energy use by our products has a large economic and environmental impact. Accordingly, Cummins manages its Energy use within its overall Health Safety and Environmental Management System (HSEMS). The 2018 Cummins Health, Safety and Environmental (HSE) Policy applies to the Cummins Inc. organizations worldwide, including Cummins Inc. subsidiaries and joint ventures in which Cummins Inc. has a controlling interest or the management responsibility.

The Energy Management System (EnMS) is the part of the overall HSEMS that includes ISO 50001 organizational structure, planning activities, responsibilities, practices, procedures, processes and resources for developing, implementing, achieving, reviewing and maintaining the energy portion of the Corporate HSE policy. In the Cummins Enterprise System, the EnMS is entirely integrated within the Environmental Management System (EMS). References to EMS include the EnMS.

Cummins’ HSE policy demands that everything we do leads to a cleaner, healthier and safer environment. To fulfill this mission, we must achieve performance greater than what the applicable compliance requirements and standards demand of our operations for health, safety and environment.

Cummins’ leadership will facilitate this mission by providing the necessary resources and information to meet aggressive improvement targets in the areas of:

» illness and injury prevention;
» health and wellbeing promotion;
» pollution prevention; and
» natural resources conservation.
Management approach (continued)

Cummins has implemented the Enterprise Health, Safety and Environmental Management System (HSEMS), consisting of procedures, processes and tools, to deliver on the commitments of this policy. The key elements of the HSEMS are defined in Cummins’ HSEMS Manual, CORP-08-01-00-00, and can be found in the company document control database. Every Cummins employee and person working for or on behalf of Cummins is expected to comply with this policy. Cummins must do the following things to meet the objectives of this policy:

» Cummins will set substantial and measurable objectives in managing health, safety and the environment and commit to continual improvement in these areas.

» We will identify and pursue opportunities to use our talents and capabilities to improve the environment and quality of life in the communities where we operate.

» We will continue to implement management programs developed to ensure that our products, services and activities always comply with applicable laws and other requirements established to protect health, safety and the environment.

» We will continually work to reduce our emissions and discharges to air, land and water; the amount of waste we generate; and the amount of natural resources that we use, including water, energy and raw materials.

» We will systemically assess operations that have the potential to harm people or impact the environment and aggressively work towards risk elimination.

» We will evaluate the machinery, equipment, products and services we use, preferring those with the best possible health, safety and environmental performance.

» We will be transparent in our efforts to improve health, safety, and environment by reporting details of our performance to the public; and

» We will periodically review and communicate our progress toward our objectives. Finally, our efforts to pursue excellence in health, safety and environment require the attention and care of every employee, especially leadership, throughout Cummins. This policy will be reviewed and communicated to all persons working for or on behalf of our company at least annually.
Management approach (continued)

Climate change presents both risk and opportunity for Cummins. It's an opportunity, however, in that companies wanting to do business in countries that want to reduce their production of greenhouse gases may choose to use clean, efficient Cummins products, including our newest Electrified Power powertrains.

In 2017, Cummins signed on to the Science Based Targets Initiative (SBTi) which uses environmental science to support companies with GHG reduction target setting, consistent with limiting global warming to 2 degrees Celsius or lower. To learn more, go to page 22 of the company's 2018 Sustainability Progress Report. Cummins carefully considered the recommendations of the October 2018 International Panel on Climate Change’s report in calculating its proposed targets. The company’s commitment will apply to its next product in use and facility energy/ GHG reduction targets to be announced in 2019.

Cummins’ three energy/ GHG reduction goals (including the current one with a goal completion year of 2020) have used the principles and data of science-based target setting while not officially part of the initiative.

*Note: Refer to Question C2.3a for risks and C2.4a (pages 14-16) opportunities from 2018 CDP Climate Change Report.*
### Management approach (continued)

<table>
<thead>
<tr>
<th>FUEL TYPE</th>
<th>TOTAL MWH CONSUMED</th>
<th>EMISSION FACTOR SOURCE</th>
<th>COMMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stationary Gasoline</td>
<td>782</td>
<td></td>
<td>This is used for calculating Scope 1 mobile source emissions.</td>
</tr>
<tr>
<td>Motor Gasoline</td>
<td>64197</td>
<td>Federal Register (2009) EPA; 40 CFR Parts 86, 87, 89 at al; Mandatory Reporting of Greenhouse Gases; Final Rule, 30Oct09, 261 pp. Tables C-1 and C-2. Climate Leaders Greenhouse Gas Inventory Protocol Core Module Guidance - Direct Emissions from Mobile Combustion Sources, Table B-5. The CH₄ and N₂O are calculated using Climate Leaders Mobile Sources Guidance, Table 3; Global warming potential Source: Intergovernmental Panel on Climate Change (IPCC), Fourth Assessment Report (AR4), 2007.</td>
<td>This is used for calculating Scope 1 mobile source emissions.</td>
</tr>
<tr>
<td>Jet Kerosene</td>
<td>10053</td>
<td>Federal Register (2009) EPA; 40 CFR Parts 86, 87, 89 at al; Mandatory Reporting of Greenhouse Gases; Final Rule, 30Oct09, 261 pp. Tables C-1 and C-2. Climate Leaders Greenhouse Gas Inventory Protocol Core Module Guidance - Direct Emissions from Mobile Combustion Sources, Table B-5. The CH₄ and N₂O are calculated using Climate Leaders Mobile Sources Guidance, Table 3; Global warming potential Source: Intergovernmental Panel on Climate Change (IPCC), Fourth Assessment Report (AR4), 2007.</td>
<td>This is used for calculating Scope 1 mobile source emissions.</td>
</tr>
</tbody>
</table>
302-1  **Energy consumption within the organization**

The data presented C8.2a and C8.2c of Cummins’ 2019 CDP Climate Change Report are tabulated below:

<table>
<thead>
<tr>
<th>Consumption of fuel (excluding feedstock)</th>
<th>MWH FROM RENEWABLE</th>
<th>MWH FROM NON-RENEWABLE</th>
<th>TOTAL MWH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of purchased or acquired electricity</td>
<td>0</td>
<td>1311470</td>
<td>1311470</td>
</tr>
<tr>
<td>Consumption of purchased or acquired heat</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Consumption of purchased or acquired steam</td>
<td>0</td>
<td>14533</td>
<td>14533</td>
</tr>
<tr>
<td>Consumption of purchased or acquired cooling</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Consumption of self-generated non-fuel renewable energy</td>
<td>1924</td>
<td>Not applicable</td>
<td>1924</td>
</tr>
<tr>
<td>Total energy consumption</td>
<td>7127</td>
<td>2370644</td>
<td>2377771</td>
</tr>
</tbody>
</table>

302-2  **Energy consumption outside the organization**

See Tables for 302.1
Reduction of energy consumption

Note: Refer to:

» CDP Section C4.3a: Emission reduction initiatives identifies total number of projects at each stage of development. Implemented projects are expressed in total estimated annual CO₂e savings.
» CDP Section 4.3b: provides details on the initiatives implemented in the reporting year in CO₂e.
» CDP Section C4: Targets and Performance requires information of emission intensity targets and progress made against those targets; the metric is in CO₂e.

Reductions in energy requirements of products and services.

See page 17 of the Cummins 2018 Sustainability Progress Report. The figures tabulated below represent the outcomes of R&D projects with customers to optimize the fuel economy of products sold.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>RUN RATE IN METRIC TONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>0.7 million</td>
</tr>
<tr>
<td>2015</td>
<td>1.6 million</td>
</tr>
<tr>
<td>2016</td>
<td>2.9 million</td>
</tr>
<tr>
<td>2017</td>
<td>3.4 million</td>
</tr>
<tr>
<td>2018</td>
<td>4.3 million</td>
</tr>
<tr>
<td>2019</td>
<td>4.3 million</td>
</tr>
<tr>
<td>2020 GOAL YEAR</td>
<td>ACHIEVED</td>
</tr>
</tbody>
</table>

RESEARCH AND DEVELOPMENT
Cummins spent a record amount on research and development in 2019

<table>
<thead>
<tr>
<th>YEAR</th>
<th>RESEARCH AND DEVELOPMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$754 MILLION</td>
</tr>
<tr>
<td>2015</td>
<td>$735 MILLION</td>
</tr>
<tr>
<td>2016</td>
<td>$637 MILLION</td>
</tr>
<tr>
<td>2017</td>
<td>$754 MILLION</td>
</tr>
<tr>
<td>2018</td>
<td>$902 MILLION</td>
</tr>
<tr>
<td>2019</td>
<td>$1.001 BILLION</td>
</tr>
</tbody>
</table>
REMANUFACTURING ALSO SAVES ENERGY

Since 95% of Cummins products are made of metal, many of its components are inherently recyclable.

Cummins’ remanufacturing business is the company’s first and oldest “green business” and the ultimate form of the “three Rs” – reduce, reuse and recycle. Remanufacturing returns Cummins’ engines and parts to productive use, keeping them out of landfills longer. In addition, the practice saves energy that would otherwise be used to manufacture new products. Specifically, within the remanufacturing business, 90% of products sold are returned to be remanufactured. The company estimates that approximately 5% of Cummins total products sold (not all are candidates for remanufacture) are returned to be remanufactured. Some countries do not permit the sale of remanufactured items. Others will only allow remanufactured items to be sold in the country of their original manufacture. In still other cases, Cummins engines and components are remanufactured by other third parties. See more on the company’s commitment to product stewardship.
103-1,2,3 Management approach


305-1 Direct (Scope 1) GHG emissions

Direct (and indirect) emissions in CO₂ metric tons equivalent are provided on page 70. Please also see our 2019 CDP Climate Change disclosure. Our 2018 Scope 1 emissions, tabulated below, include: (1) Stationary combustion, (2) Generation of sold electricity, (3) Fugitive SF6, CO₂, (4) Mobile sources and (5) Refrigerant emissions. 2010 is used as our base year, with Scope 1 emissions equaling 249097 mt CO₂e.

<table>
<thead>
<tr>
<th>GREENHOUSE GAS</th>
<th>SCOPE 1 (METRIC TONS OF CO₂E)</th>
<th>GWP REFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO₂</td>
<td>290318</td>
<td>IPCC Fourth Assessment Report</td>
</tr>
<tr>
<td>CH₄</td>
<td>205</td>
<td>IPCC Fourth Assessment Report</td>
</tr>
<tr>
<td>N₂O</td>
<td>505</td>
<td>IPCC Fourth Assessment Report</td>
</tr>
<tr>
<td>HFCs</td>
<td>14919</td>
<td>Methodology based on Facility Sqft.</td>
</tr>
<tr>
<td>Other (Fugitive SF6, CO₂)</td>
<td>23</td>
<td>IPCC Fourth Assessment Report</td>
</tr>
<tr>
<td>Biologically sequestered carbon</td>
<td>23.09</td>
<td>IPCC Fourth Assessment Report</td>
</tr>
<tr>
<td>Gross global Scope 1</td>
<td>305970</td>
<td></td>
</tr>
</tbody>
</table>
Indirect (Scope 2) GHG emissions

Cummins reports both Scope 2 location-based and market-based figures. Indirect emissions in CO₂ metric tons equivalent are provided on page 33 of the 2018 Data Book. Please also see our 2019 CDP Climate Change disclosure.

In 2018 our Scope 2 location-based emissions equaling 566875 Mt CO₂e and market-based emissions equaling 572872 Mt CO₂e. Our 2018 Scope 2 emissions include: (1) Electricity, (2) Hot Water, (3) Steam. 2010 is used as our base year, with Scope 2 location-based emissions equaling 547158 Mt CO₂e and market-based emissions equaling 547158 Mt CO₂e.

Cummins’ 2018 Scope 3 GHG emissions are detailed below, broken down by emission categories. Please also see our 2019 CDP Climate Change disclosure.

Purchased goods and services resulted in 4269000 Mt CO₂e. Cummins total spend data for direct purchasing (including raw materials - metals and commodities usage) as well as total 2018 indirect purchase expenses (including IT, supply chain services, real estate, engineering, corporate services, etc.) were used to estimate the associated Scope 3 emissions. For purchased raw materials, cradle to gate approach was used to estimate the scope 3 emissions using the 2011 purchase data and was calculated for 2018 based on revenue change factor. For indirect purchasing goods and services, UK DEFRA’s SIC Codes closest to the spend category and 2009 emission factors were utilized to estimate the scope 3 emissions (Reference/Source of Emission factors: Environmental Reporting Guidelines: Including mandatory greenhouse gas emissions reporting guidance; June 2013; pb13944-env-reporting-guidance.pdf; defra.uk). We assume that 20% of the commodities used are MRO/Chemicals that is part of the indirect purchasing. Also we assume 50 percent of the IT and engineering purchases come under this category and rest in the capital goods category. We assume that the CMI spend on Corporate services is comprised of the following SIC categories: Insurance and pension funds - 10 percent; Auxiliary financial services - 10 percent; and Legal, consultancy, other business activities - 80 percent. The purchase expenses not tracked through the centralized database is assumed to be of the same proportion for purchase goods and services as that from the centralized tracking database. We used 2018 indirect purchase data and also emissions estimated during Cummins environmental hot spot analysis study conducted in 2012 based on 2011 data adjusted to 2018 revenue. The hot spot analysis also includes the direct purchases of metals and other raw materials that go into the manufacturing of engines.

Capital goods resulted in 450000 Mt CO₂e. Cummins’ total 2018 spend data for capital goods purchases in facilities & construction, IT, engineering and machinery was used to estimate the scope 3 emissions. UK DEFRA’s SIC Codes closest to the spend category and 2009 emission factors were utilized to estimate the scope 3 emissions (Reference/Source of Emission factors: Environmental Reporting Guidelines: Including mandatory greenhouse gas emissions reporting guidance; June 2013; pb13944-env-reporting-guidance.pdf; defra.uk). We assume that 100 percent of the indirect purchasing on facilities and construction is towards capital goods purchases.
Fuel-and-energy-related activities (not included in Scope 1 or 2) resulted in 176000 Mt CO₂e. The activity data used to quantify these activities emissions are the quantity of energy consumed for each energy type, such as electricity or natural gas. Consumption by fuel type is then multiplied by emission factors for each of the activities included in this category. Emission factors for upstream emissions of purchased fuels are based on life-cycle analysis software. Emission factors for upstream emissions of purchased electricity are based on life-cycle analysis software for the US, and on UK Defra 2012 Guidelines for other countries. Emission factors for T&D losses are based on EPA’s eGRID database for the US, and on UK Defra 2012 Guidelines for other countries. GWPs are IPCC Second Assessment Report (SAR - 100 year). This calculation includes scope 3 emissions from fuel and energy related activities from owned and operated facilities, 50:50 joint ventures subscribed to Cummins Enterprise Environmental Management System and 50:50 manufacturing joint venture where Cummins has significant influence on operations.

Upstream transportation and distribution resulted in 765000 Mt CO₂e. The 2018 spend data for transportation and distribution was assumed to be equal to 80 percent of the expenses on supply chain services. It was also assumed that 70 percent of the logistics was through road, 10 percent through rail, 10 percent through water and 10 percent through air. UK DEFRA’s SIC Codes for Rail, Road, Water and Air categories and 2009 emission factors were utilized to estimate the scope 3 emissions (Reference/Source of Emission factors: Environmental Reporting Guidelines: Including mandatory greenhouse gas emissions reporting guidance; June 2013; pb13944-env-reporting-guidance.pdf; defra.uk).

Waste generated in operations resulted in 8000 Mt CO₂e. The Waste Reduction Model (WARM) created by the U.S. Environmental Protection Agency (EPA) was used to quantify the scope 3 emissions for the landfilled waste, combusted waste and composted waste from Cummins global facilities for the year 2018. As there were no separate categories available for incinerated waste and waste that was burned for energy recovery, both were included in the combusted waste category and default factors in the tool were used to calculate the GHG emissions. Due to non-availability of exact categories, the general refuse / garbage generated was categorized as Mixed Organics as it includes primarily food waste from canteen, grass clippings from lawn etc. and the process derived industrial waste was categorized as Mixed MSW. Composted waste data from global facilities and the same was included in the emissions analysis (Reference/Source: EPA WARM Model).

In 2019, Cummins recycled about 91 percent of the global waste generated. This includes metals, electronic items, paper, plastics and corrugated boxes. As the model shows a GHG reduction for recycled product categories, the same was not included in the WARM model.
Business Travel resulted in 40800 Mt CO$_2$e. All air travel data are tracked through a service provided to Cummins by AmEx. Emissions are calculated using US EPA EF Hub November 2015 v2 Table 8, as per short, medium, and long-haul air travel categories and the associated emission factors. Car rental mileage is provided by rental car companies (Hertz and Enterprise). The total emissions are calculated using US EPA EF Hub Passenger Car factors. Used 2018 FY mileage data from Enterprise. For Hertz used the 2016 FY data and adjusted based on the 2016-17 and 2017-2018 YoY increase in air travel. Data was provided to Cummins by American Express, the air travel services provider, and the car rental providers Enterprise and Hertz. This data is emissions from air travel for more than 12,500 flights and 17,500,000 miles in rented cars worldwide.

Employee Commuting resulted in 124000 Mt CO$_2$e. Calculations derived from general country (outside of US) direct data and assumptions plus per state employee headcount data. Some direct and some derived assumptions of commuter mileage and mode of transportation. (Source of Emission factors: US EPA (2008); Greenhouse Gas Inventory Protocol Core Module Guidance - Direct Emissions from Mobile Combustion Sources, EPA Climate Leaders, Tables A-6 and A-7). Cummins employees outside of the US tend to use transportation modes other than single-passenger personal vehicles more than their US counterparts. While it results in fewer GHG emissions, it is harder to track. This data represents the estimates conducted in 2012 by the regional environmental leaders and adjusted for 2018 employee headcount.

Upstream Lease Assets resulted in 27300 Mt CO$_2$e. Cummins leased facilities exempt from environmental reporting that are shared facilities with no operational control, separate meter and utility bills is considered under this category. Based on the Area Business Organization (ABO), Business Unit (BU) and facility type (e.g. office, warehouse, etc.), scope 1 and scope 2 emissions intensity were estimated and applied based on the occupied square footage. The total square footage is assumed to be the same as 2012. The Scope 1 and Scope 2 intensity is based on the average country specific Scope 1 and Scope 2 emission intensities at CMI owned/managed facilities. The list of facilities that are included in this category is maintained by the facilities real estate and the utility charges are included in the lease amount. We applied the country specific intensity factor for scope 1 and scope 2 and multiplied by the area of the leased facility in each country to get the totals.

Downstream Transportation and distribution resulted in 765000 Mt CO$_2$e. Most Cummins customers pay for the transportation of products sold to them, either directly or via part of an overall invoice. Since separate data was not available, it was assumed that downstream transportation and distribution emissions associated with the shipping and distribution of final products to customers were same as those from upstream transportation and distribution of parts and input materials. Most Cummins customers pay for the transportation of products sold to them, either directly or via part of an overall invoice. There's no separate dollar spend available. Hence an assumption was made that downstream transportation and distribution emissions of shipping and distribution of final products to customers were the same as upstream transportation and distribution of parts and input materials.
Processing of sold products resulted in 3000 Mt CO₂e. Engine weights used in the general categories of mid-range, heavy-duty and high-horsepower were derived by updating the 2012 calculation of weighted-average by volume of the various engine families within those three categories. Custodial engine volumes were taken from annual report Form 10-K and JV engine volumes were estimated using year over year JV revenue growth. Assumptions were made on the power of the power tools / hoist used and the time taken to install each unit. Calculations are based on engines shipped as detailed in Cummins 2018 Annual Report on Form 10-K and JV volumes were estimated applying revenue growth factor.

Use of sold products resulted in 809000000 Mt CO₂e. Cummins use of sold product emissions were calculated using overall volumes by segment and engine model, which were then multiplied by the attrition rates to determine the volumes in operation each year moving forward. 2018 emissions were calculated by adjusting overall 2018 engine volumes against 2015 volumes. We used the long-standing Cummins New and Recon parts proprietary parts consumption model as well as customer engineering analysis to determine the attrition rate. We then multiplied each of these yearly figures by an age factor (i.e., a 10 year old truck will not operate the same number of hours or miles as a brand new truck) and then converted miles per gallon or gallons per hour to million metrics tons of CO₂. The CO₂e conversion factor for Diesel was applied based on the EPA's EF Hub and AR 4. The lifetime CO₂ emissions of more than 1 million engines produced by Cummins and its joint ventures in 2018. Overall volume of engines for custodial plants was down in 2018, the associated GHG emissions went down due to product mix: • Sharp drop in engines for off-highway (construction & agriculture), HHP (mining, O&G, rail, military, etc.) & PowerGen more than off-set the increase in on-highway • MMT of CO₂ was up 32 for on-hwy, down 32 for off-hwy, down 36 for HHP and down 70 for PowerGen.
**End of life treatments of sold products resulted in 64500 Mt CO$_2$e.** Cummins conducted a hot spot analysis to evaluate the impact of the end of life treatment of sold products. The waste related to sold product is primarily iron and steel (more than 90%). The estimates are based on landflling, processing, and recycling of the generated wastes associated with those products. The assumption is 5% of the products are scrapped – 90% is melted / processed. The emissions were adjusted based on the change in the number of engine units shipped between 2011 and 2018. The emissions reported here are the estimated emissions from the scrap of all products in use in the year 2011. This is different from the forward-looking end of life emissions from all products sold in the year 2018. Heavy-duty truck engine sales decreased $673 million primarily due to lower demand in the North American heavy-duty truck market with decreased engine shipments of 38 percent. Medium-duty truck and bus sales decreased $235 million primarily due to lower demand in most global medium-duty truck markets with decreased engine shipments of 17 percent – primarily in North America, Brazil and Mexico. Off-highway sales decreased $64 million primarily due to decreased engine shipments in several North American industrial markets, partially offset by increased unit shipments of 25 percent in international construction markets.

**Downstream leased assets resulted in 64500 Mt CO$_2$e.** This category represents our rental generator fleet. We have made assumptions on generator use - as some generators are used as backup power and others operate full time. The total number of rental fleet generators at North American distributor locations were collected for 2012. Total fuel usage was estimated based on the number of generators from each kW category, efficiency and monthly average run time. The emissions were adjusted to change in the power solutions business. This calculation is from 1,340 units rented through our North American distributors during 2012 and doesn’t include similar fleets outside North America. The total emissions were adjusted proportionate to the drop-in power solutions business in 2015 compared to 2012. In 2018, since no separate power solutions sales were available (similarly to the prior year), change in the power systems business was used as a proxy. Power systems business saw a 14 percent increase in business in 2018 as compared to 2017 and it was assumed that this was reflected in power solutions as well.

**Franchises did not result in CO$_2$e emissions.**
**ENVIRONMENTAL TOPIC SPECIFIC STANDARDS**

**Investments resulted in 54300 Mt CO\textsubscript{2}e.** Emissions from 50:50 joint venture investments in China and India are included in Scope 1 and Scope 2 based on operational control scope. The rest of the minority and unconsolidated joint venture operations where Cummins doesn’t have operational or administrative control are included in this category. Cummins holds minority stakes (<20% and 20-50% equity investee) in several distributor businesses and manufacturing operations especially in North America and Rest of the World (excluding India and China). Emissions are calculated using unconsolidated revenue data and proportionate emissions from the consolidated and 50:50 JV revenues.

**Other – Cummins has not evaluated the emissions resulting from other upstream or downstream operations.**

**305-4 GHG emissions intensity.**

Please see C6.10 the 2019 CDP Climate Change disclosure. Gross global combined Scope 1 and 2 emissions are tabulated below:

<table>
<thead>
<tr>
<th>INTENSITY FIGURE</th>
<th>METRIC NUMERATOR (GROSS GLOBAL COMBINED SCOPE 1 + 2 EMISSIONS)</th>
<th>METRIC DENOMINATOR</th>
<th>METRIC DENOMINATOR: UNIT TOTAL</th>
<th>SCOPE 2 FIGURE USED</th>
<th>% CHANGE FROM PREVIOUS YEAR</th>
<th>DIRECTION OF CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00003787</td>
<td>878842</td>
<td>Unit total revenue</td>
<td>23208600000</td>
<td>Market-based</td>
<td>9.1%</td>
<td>decreased</td>
</tr>
</tbody>
</table>

The decrease in Cummins’ 2018 gross global combined Scope 1 and 2 emissions intensity is due to an increase in revenue (inflation adjusted to 2010$) by 14.7% in 2018 while emissions only increased by 3.9%. This resulted in a net decrease in the revenue based gross global combined Scope 1 and 2 emissions. Cummins continues to use a facility investment plan approach to reduce emissions, with a focus on test cell energy recovery and investments in on-site renewable projects to offset electricity purchased from the grid. Ongoing site projects include “smart” lighting and improvements to building exteriors, and heating and cooling systems. Cummins invested $15 million in 140 energy efficiency and onsite solar photovoltaic capital projects during 2018, towards achieving its energy and greenhouse gas goals with projected cost savings of $5.2 million per year. Global campaigns were launched for LED lighting and compressed air efficiency. Note that emission intensity was calculated in prior years as metric tons CO\textsubscript{2}e per million dollars of revenue. This has been corrected to metric tons of CO\textsubscript{2}e per dollar of revenue (i.e. “per unit of currency” rather than “per million units of currency”). This is the reason for the significant change in the reported intensity.
### 305-5 Reduction of GHG emissions.

As compared to 2017, the change in emissions (metric tons CO₂e), emission value (percentage), direction of change, and reasons for change are reported in C7.9a of our **2019 CDP Climate Report** and are tabulated below.

<table>
<thead>
<tr>
<th>CHANGE IN EMISSIONS (METRIC TONS CO₂E)</th>
<th>DIRECTION OF CHANGE</th>
<th>EMISSIONS VALUE (PERCENTAGE)</th>
<th>PLEASE EXPLAIN CALCULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in renewable energy consumption</td>
<td>297</td>
<td>Decreased 0.04</td>
<td>On-site electricity generation from renewable sources (e.g., on-site solar panels) where Cummins retained the renewable energy certificates (RECs) increased from 407 MWh in 2017 to 950 MWh in 2018. The difference between the existing amount of on-site electricity generation from renewable sources at the beginning of 2018 (407 MWh) and the amount at the end of the year (950 MWh) was determined to be the amount by which energy generation within this category increased in 2018 (543 MWh). The metric tons of CO₂e that this increase represented was determined by multiplying 543 MWh by the ratio of Scope 2 location-based emissions in 2018 to MWh of electricity used (i.e., metric tons CO₂e per MWh), yielding 297 metric tons CO₂e. The change in emissions attributed to these activities was then calculated by dividing 297 MT CO₂e by the combined Scope 1 and Scope 2 location-based emissions in the prior year (2017) and multiplying by 100. The percent by which increased on-site electricity generation from renewable sources (for which Cummins retained RECs) reduced CO₂e was calculated to be 0.04%.</td>
</tr>
<tr>
<td>Other emissions reduction activities</td>
<td>33920</td>
<td>Decreased 4.01</td>
<td>Cummins implemented 203 emission reduction initiatives in 2018, resulting in an estimated CO₂e savings of 35,900 metric tons. This was a reduction of 4.01% as compared to the total Scope 1 and Scope 2 location-based emissions in 2017 (845,472 MT CO₂e). The change in emissions attributed to these activities was calculated by dividing the sum of the emission reductions achieved through the projects implemented in 2018 (35,900 MT) by the total emissions in 2017 (845,472 MT). This value was then multiplied by 100 to yield the percent by which initiatives in 2018 reduced CO₂e.</td>
</tr>
<tr>
<td>Divestment</td>
<td>0</td>
<td>No change 0</td>
<td>No divestment that significantly impacted emissions.</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>0</td>
<td>No change 0</td>
<td>No acquisitions that significantly contributed to the emissions.</td>
</tr>
<tr>
<td>Mergers</td>
<td>0</td>
<td>No change 0</td>
<td>No mergers that significantly contributed to the emissions.</td>
</tr>
<tr>
<td>Change in output</td>
<td>61590</td>
<td>Increased 7.28</td>
<td>Increased production and business activities in 2018 resulted in a change in CO₂e output of 61,590 metric tons. This value was calculated such that the emission reduction activities implemented in 2018 were excluded, thereby showing how the output of emissions would have changed without the introduction of those measures. This was an increase of 7.28% as compared to the total Scope 1 and Scope 2 location-based emissions in 2017 (845,472 MT CO₂e). The percent increase was calculated by dividing the change in CO₂e output in 2018 (61,590 MT) by the total emissions in 2017 (845,472 MT). This value was then multiplied by 100 to yield the percent by which CO₂e output would have increased without emission reduction measures.</td>
</tr>
<tr>
<td>Change in methodology</td>
<td>0</td>
<td>No change 0</td>
<td>No change in methodology.</td>
</tr>
<tr>
<td>Change in boundary</td>
<td>0</td>
<td>No change 0</td>
<td>No change in boundary.</td>
</tr>
<tr>
<td>Change in physical operating conditions</td>
<td>0</td>
<td>No change 0</td>
<td>No change in physical operating conditions.</td>
</tr>
<tr>
<td>Unidentified</td>
<td>0</td>
<td>No change 0</td>
<td>No unidentified changes.</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>No change 0</td>
<td>No changes other than what is listed above.</td>
</tr>
</tbody>
</table>
305-6 Emissions of ozone-depleting substances (ODS).

Cummins is working on a policy to phase out ODS from Cummins operations in the future. Therefore, the company is not collecting ODS emission data from the corporate level at this time.

The current ODS management procedure (CORP-08-04-02-00) is to define the management process to minimize Cummins’ environmental impact from ozone depleting substance (ODS) and ensure compliance with the requirements applicable to Cummins facilities as the end user of ODS containing equipment. The procedure defines the requirements on record keeping, labeling, leak prevention, ODS recycling/disposal, substitutes consideration and technician certification.

305-7 NOx, SOx and other significant air emissions.

Cummins uses AP 42 factors for the respective fuel usage (diesel, natural gas, propane and gasoline) to calculate the NOx, CO and PM. For volatile organic compounds (VOC), sites report directly. Cummins does not calculate SOx. POP and HAP are not significant air emissions from Cummins’ operations.

<table>
<thead>
<tr>
<th>Direct Air Emissions</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOx (Metric Tons)</td>
<td>3,851</td>
<td>3,674</td>
<td>3,767</td>
<td>3,831</td>
<td>3,684</td>
</tr>
<tr>
<td>CO (Metric Tons)</td>
<td>846</td>
<td>811</td>
<td>828</td>
<td>844</td>
<td>813</td>
</tr>
<tr>
<td>PM 10 (Metric Tons)</td>
<td>262</td>
<td>251</td>
<td>253</td>
<td>259</td>
<td>249</td>
</tr>
<tr>
<td>VOC (Metric Tons)</td>
<td>695</td>
<td>716</td>
<td>813</td>
<td>810</td>
<td>684</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Direct (gigajoules)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diesel</td>
</tr>
<tr>
<td>Natural gas</td>
</tr>
<tr>
<td>Propane</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Indirect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity (gigajoules)</td>
</tr>
<tr>
<td>Electricity (Kwh)</td>
</tr>
</tbody>
</table>

ENERGY USE AND ASSOCIATED AIR EMISSIONS

NOTE: Energy and emissions data includes all consolidated operations and joint ventures subscribing to the Enterprise Environmental Management System.

NOTE: Energy and emissions data includes all consolidated operations and joint ventures subscribing to the Enterprise Environmental Management System.
Environmental compliance has a significant environmental and economic impact and is of great significance to our stakeholders; therefore, Cummins manages its Environmental Compliance within its overall Health Safety and Environmental Management System (HSEMS). The 2018 Cummins Health, Safety and Environmental (HSE) Policy applies to the Cummins Inc. organizations worldwide, including Cummins Inc. subsidiaries and joint ventures in which Cummins Inc. has a controlling interest or the management responsibility.

Cummins’ Environmental Management System (EMS) is the part of the overall HSEMS that includes ISO 14001 organizational structure, planning activities, responsibilities, practices, procedures, processes and resources for developing, implementing, achieving, reviewing and maintaining the environmental portion of the Corporate HSE policy. See the Management Approach found in 302 – Energy for a full description of the HSEMS.
Non-compliance with environmental laws and regulations.

CUMMINS GENERATOR TECHNOLOGIES – ROMANIA

This site was fined $62,550 in 2017 because it could not demonstrate compliance in regards to its waste recycling tax. As a result, this site has implemented a strong process to ensure records are appropriately kept moving forward.

CUMMINS GENERATOR TECHNOLOGIES – WUXI, CHINA

Cummins Generator Technologies was issued a fine of $52,500 after a site inspection in June 2018 for failure to get its Environmental Impact Assessment approved in a timely manner, for a missing carbon filter on their impregnation air emission treatment system and for non-compliant hazardous waste management (location and segregation of waste). Corrective actions were immediately defined and are all closed.

<table>
<thead>
<tr>
<th>Number of violations of legal obligations / regulations</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of fines/penalties related to above</td>
<td>$0</td>
<td>$62,550</td>
<td>$52,550</td>
<td>$0</td>
</tr>
<tr>
<td>Environmental liability accrued at year end</td>
<td>$0</td>
<td>$62,550</td>
<td>$52,550</td>
<td>$0</td>
</tr>
</tbody>
</table>

RETURN ON ENVIRONMENTAL INVESTMENT

<table>
<thead>
<tr>
<th>CURRENCY (US DOLLAR)</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital investments</td>
<td>8,500,000</td>
<td>12,055,000</td>
<td>14,096,000</td>
<td>33,648,000</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>127,500</td>
<td>180,825</td>
<td>211,400</td>
<td>504,720</td>
</tr>
<tr>
<td>Total expenses</td>
<td>8,627,500</td>
<td>12,235,825</td>
<td>14,307,400</td>
<td>34,152,720</td>
</tr>
<tr>
<td>Savings, cost avoidance, income, tax incentives, etc.</td>
<td>2,373,000</td>
<td>3,469,000</td>
<td>5,165,000</td>
<td>7,752,000</td>
</tr>
<tr>
<td>% of operations covered (basis for coverage is revenue)</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>
Cummins uses environmental data for indirect supplier selection. In its requests for proposal, the company asks specifically if they measure and trend GHG and about climate change strategy. All global indirect suppliers are asked these questions. Cummins uses the answers to these questions as a measure of supplier maturity in this area.

Cummins spends approximately $1 billion per month in goods and services with its supplier partners. This translates into thousands of tons of material, which must be mined, milled, packaged and shipped to the company’s facilities. Therefore being good stewards of Cummins’ spend means taking responsibility for the environmental footprint of the company’s supply chain.

With that in mind, Cummins has introduced five initiatives as expectations of its supply base. Cummins currently maintains policies and procedures to support these initiatives and has also established goals that suppliers are expected to join the company in achieving.

The company is introducing its goals to the top suppliers by spend. They are the approximately top 250 suppliers, which represent about 50% of Cummins’ direct material spend. The company is setting the expectation that these suppliers comply with the company’s transportation management programs, its disposable packaging waste requirements, Cummins’ responsible mineral sourcing requirements, prohibited materials disclosures, and participate in energy/water management programs to reduce their consumption and costs. The company gives them the tools to meet its requirements and provides an email address (supplier.compliance@cummins.com) so that they may ask questions as necessary.
Workers representation in formal joint management-worker health and safety committees:

Cummins employees are encouraged to play an active role in health and safety as part of the company’s efforts to make safety personal to its employees. Cummins believes establishing a culture of interdependency where everyone looks out for one another is key to a safe work environment. For more on the company’s safety performance, see the Health and Safety section on page 39 of the 2019 Sustainability Progress Report.

Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities:

A complete breakdown of the company’s health and safety KPIs can be found on page 39 of the 2019 Sustainability Progress Report. Most metrics improved, including the Lost-Time Injury Frequency Rate for employees (per 1 million hours worked), from 1.287 to 1.113 and the Occupational Illness Frequency Rate for employees (per one million hours worked) from 0.136 to 0.102.

Workers with high incidence or high risk of diseases related to their occupation:

Cummins does have employees who occasionally work in hazardous situations, such as jobs involving moving / rotating machinery or handling hazardous chemicals / substances. The company makes every effort to protect these employees from exposure to risks associated with these activities. Cummins safety leaders know of no situation where employees have a high incidence or high risk of specific diseases related to their work.
**TRAINING AND EDUCATION**

**404-1 Average hours of training per year per employee:**

This varies widely by job and the nature of the training, making it difficult to come up with a meaningful number for all of Cummins. For example, office and professional employees have easy access to the company's vast array of online training opportunities. The Cummins Learning Center offers online training in areas such as engineering, finance, information technology and more. The center also has mandatory trainings in ethics and compliance on topics such as conflicts of interest, import/export laws, the company's Business Code of Conduct and the Supplier Code of Conduct. Professional employees can also get in-person training in Six Sigma, the business problem solving tool used extensively at Cummins. There are also training opportunities for people interested in leadership positions at Cummins. While shop employees don't have the same, easy access to online training, they get many hours of training on their job as well as safety training. More than a million hours are regularly dedicated to safety training. Cummins' plants frequently send employees to community colleges and elsewhere for training on specific pieces of equipment and tasks. See the most popular voluntary courses at the Cummins Learning Center, see the chart on page 45 of the [2019 Sustainability Progress Report](#).

**404-2 Programs to upgrade skills:**

See answer to 404-1.

**404-3 Percentage of employees receiving regular performance and career development reviews:**

All office and professional employees should get regular performance reviews regardless of location or any demographic trait. Employees receive training during onboarding on the company's OnTrack system. The web-based system is designed to ensure employees know what is expected of them. The system also guides the most important work conversation of all – the conversation between a manager and his or her employee.
TRAINING AND EDUCATION

405-1 Diversity of governance bodies and employees:

The 11-member Cummins Board of Directors, the company's top governance level, has three women, an African American, and two Latino men, within its ranks. Board members have a variety of backgrounds, ranging from a rocket scientist/astronaut to a former U.S. Secretary of Labor, to the president of a not-for-profit promoting the arts and learning for disadvantaged children. The board members range in age from 56 to 72. For more on their backgrounds, see page 17 of the 2020 Annual Proxy Statement. The definition of minority groups varies widely around the world. Cummins believes strongly in having a workforce that reflects the locations where it does business. The company pays particular attention to female representation. See pages 42 and 43 of the 2019 Sustainability Progress Report.

NON-DISCRIMINATION

406-1 Incidents of discrimination and corrective actions taken:

Cummins does not disclose a breakdown of its Code of Conduct violations but does report overall numbers. See Disclosure 205-3.
SOCIAL STANDARDS

FREEDOM OF ASSOCIATION / COLLECTIVE BARGAINING

407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk:

Both Cummins’ Business Code of Conduct and its Supplier Code of Conduct call for respecting the right of employees to bargain collectively. “We support human rights around the world and will comply with all applicable laws regarding the treatment of our employees and other stakeholders,” the Business Code of Conduct states. “We will not tolerate child or forced labor anywhere and we will not do business with any company that does. We respect employees’ freedom of association, right to bargain collectively and all other workplace rights.” Suppliers must be in agreement with the code. “Suppliers must respect employees’ freedom of association, right to bargain collectively and all other workplace rights,” the Supplier Code of Conduct states. “Employees should be able to choose whether or not to join a union and should not be subject to discrimination based on that choice.”

CHILD LABOR

408-1 Operations and suppliers at significant risk for incidents of child labor:

Cummins’ Human Rights Policy strictly prohibits the use of child labor in any form, stating: “Cummins prohibits the use of all forms of child labor and forced labor, including threat of force or penalty, prison labor, indentured labor, bonded labor, military labor, slave labor and any form of human trafficking.” It goes on to state that “Cummins will also take appropriate steps to ensure our suppliers and partners that are located in high-risk locations and/or that may be more exposed to human trafficking risk due to the nature of the industry in which they operate adopt relevant measures to mitigate such risk.” The company also states in the Supplier Code of Conduct that “Suppliers must comply with all applicable child labor laws, including those related to hiring, wages, hours worked, overtime and working conditions. Vocational or developmental programs for young people may require an exception to the age requirements.” To see more, look on page 50 of the 2019 Sustainability Progress Report.
**FORCED LABOR**

**409-1** Operations and suppliers at significant risk for incidents of forced or compulsory labor:

See answer to Disclosure 408-1.

**SECURITY PRACTICES**

**410-1** Security personnel trained in human rights policies or procedures:

Security personnel go through a host of training initiatives including diversity training, the company’s Treatment of Others training, Code of Conduct training and more. They also go through numerous trainings on safety and security issues and the legal aspects of their jobs.

**INDIGENOUS PEOPLE**

**411-1** Incidents of violations involving rights of indigenous peoples:

Cummins knows of no such incidents.

**HUMAN RIGHTS**

**412-1** Operations that have been subject to human rights reviews or impact assessments:

COMMUNITY ENGAGEMENT

413-1 Operations with local community engagement, impact assessments, and development programs:

A complete review of the company’s community engagement efforts in 2019 can be found on page 33 of the 2019 Sustainability Progress Report.

413-2 Operations with significant actual and potential negative impacts on local communities:

Cummins believes its sites are important sources of economic growth for the communities where they are located. The company is working diligently to reduce the environmental impact of its facilities (see the environment section of this report starting on page XX) to improve environmental conditions. Cummins also believes its community engagement initiatives help build stronger communities by using employee skills to help address community challenges (see pages 34-38 of the 2019 Sustainability Progress Report). And in some areas these efforts overlap such as the company’s goal to develop 15 water neutral sites in water challenged areas (see page 26).
### SUPPLIER ASSESSMENT

#### 414-1 New suppliers screened using social criteria:

All suppliers must comply with the company’s Supplier Code of Conduct and its requirement that suppliers must respect the right to collectively bargain and prohibit practices such as child labor, forced labor and other human rights related violations. Screening is part of the hiring process, especially for strategic Tier I suppliers.

#### 414-2 Negative social impacts in the supply chain and actions taken:

Cummins’ supply chain is working to reduce the company’s carbon footprint. Principles and expectations are laid out in the company’s Supplier Portal as are prohibited substances and a materials disclosure guide. An update on the company’s supply chain and its environmental efforts can be found on page 58 of the [2019 Sustainability Progress Report](#).

### PUBLIC POLICY

#### 415-1 Political contributions:

A complete description of Cummins’ policy on political contributions is available starting on page 54 of the [2019 Sustainability Progress Report](#).
416-1 Assessment of the health and safety impacts of product and service categories

Product safety is a top priority at Cummins. The company’s Product Safety Policy states, in part, that Cummins employees must:

» Design, manufacture, sell, distribute and service all products so that they are safe to use for the described and intended purpose;

» Provide our customers, our partners, ourselves and society with products that are safe to operate, maintain, adjust and repair when used as intended;

» Regard product safety as a top priority; and

» Be responsible for applying this policy in their individual and collective work activity.

In compliance with the company’s Product Safety Policy in 2019, Cummins voluntarily initiated nine product safety campaigns, impacting approximately 49,000 Cummins generators, engines and/or Cummins components.

These campaigns were reported to the relevant public agencies as required by applicable laws and improvements were made on each of the Cummins products at issue.

To further enforce its product safety policy, Cummins has a set of standardized corporate and local policies and procedures in order to meet the company’s Corporate Product Safety Policy.

Each Cummins business segment has a Product Safety Committee that is accountable for applying the policies and procedures in its area.

These Product Safety Committees integrate into the Corporate Product Safety Council, which is managed by the corporate Director of Product Safety. This network allows for collaboration and rapid communication on safety-related matters.
### SOCIAL STANDARDS

<table>
<thead>
<tr>
<th><strong>416-2</strong></th>
<th>Assessment of the health and safety impacts of product and service categories:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>See Disclosure 416-1.</td>
</tr>
</tbody>
</table>

#### MARKETING COMMUNICATIONS

<table>
<thead>
<tr>
<th><strong>417-3</strong></th>
<th>Incidents of non-compliance concerning marketing communications:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cummins knows of no such incidents.</td>
</tr>
</tbody>
</table>

#### DATA PRIVACY

<table>
<thead>
<tr>
<th><strong>418-1</strong></th>
<th>Substantiated complaints concerning breaches of customer privacy and losses of customer data:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cummins knows of no such incidents.</td>
</tr>
</tbody>
</table>

#### SOCIOECONOMIC COMPLIANCE

<table>
<thead>
<tr>
<th><strong>419-1</strong></th>
<th>Non-compliance with laws and regulations in the social and economic area: Cummins knows of no such cases</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cummins knows of no such incidents.</td>
</tr>
</tbody>
</table>
APEX SOCIAL STATEMENT

INDEPENDENT ASSURANCE STATEMENT

To: The Stakeholders of Cummins, Inc.

Apex Companies, LLC (Apex) was engaged by Cummins, Inc. (Cummins) to conduct an independent assurance of select 2019 social data metrics for inclusion in Cummins’ Sustainability Report (Report) and associated to the Dow Jones Sustainability Index (DJSI) assessment. This assurance statement applies to the relevant information included within the scope of work described below. The overall aim of this process is to provide assurance to Cummins and its stakeholders on the accuracy, reliability and objectivity of the information included in the Report and the DJSI assessment.

The information that was assured and its presentation in the Report and DJSI assessment is the sole responsibility of the management of Cummins. Apex was not involved in the drafting of the Report or DJSI assessment. Our sole responsibility was to provide independent assurance on the selected social data metrics.

Scope of work

Cummins requested Apex to include in its independent assurance of the following select social data metrics for calendar year 2019:

- Health and Safety Metrics
  - Lost Time Injury Frequency Rate
  - Severity Case Rate
  - Major Injury Case Rate
  - Ergonomics Incidence Rate

- Diversity Metrics (percent)
  - Percentage of minority employees
  - Percentage of women employees
  - Percentage of women leaders
  - Age of workforce

- Community Engagement Metrics
  - Number of community grants
  - Estimated kiloliters of water conserved
  - Number of jobs secured
  - "Every Employee Every Community" participation rate

- Responsibilities

- To: The Stakeholders of Cummins, Inc.

- From: Apex Companies, LLC

- July 1, 2020

- To provide information that is a fair representation of the health and safety information, systems and processes, and has over 20 years combined experience in this field and an excellent understanding of Apex standard methodology for the Assurance of Sustainability Data and Reports.

- John R blond, Project Leader
  - Apex Companies, LLC
  - Santa Ana, California
  - July 1, 2020

- Attestation: Apex is an independent professional services company that specializes in Health, Safety, Social and Environmental management services including social data assurance with over 45 years history in providing these services.

- No member of the assurance team has a business relationship with Cummins. Our Directors and Managers beyond that required of this assignment the conducted this verification independently and to our knowledge there has been no conflict of interest. Apex has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

- The assurance team has extensive experience in conducting assurance over environment, social, ethical and health and safety information, systems and processes, and has over 20 years combined experience in this field and an excellent understanding of Apex standard methodology for the Assurance of Sustainability Data and Reports.

- David Bell, Lead Valstar
  - Principal Consultant
  - Apex Companies, LLC
  - Santa Ana, California
  - July 1, 2020

- Published by AccountAbility. The Institute of Social and Ethical Accountability

- AA1000AS (2008)1, Type 2 engagement, to a moderate assurance level.

- Materiality

- Based on discussions with Cummins, their processes appear to be inclusive of stakeholders. For example, Cummins is active in community engagement and communication of community sustainability campaigns. They provide information on their sustainability in DJSI, the DJSI report to stakeholders, their activities in the sustainability sector and more. The Board of Directors also communicates with shareholders such as investors regarding sustainability issues.

- Intendability

- Based on discussions with Cummins, their processes appear to be inclusive of stakeholders. For example, Cummins is active in community engagement and communication of community sustainability campaigns. They provide information on their sustainability in DJSI, the DJSI report to stakeholders, their activities in the sustainability sector and more. The Board of Directors also communicates with shareholders such as investors regarding sustainability issues.

- Responsiveness

- Communication

- Response: Apex conforms to stakeholders using several platforms. They are active in community engagement and communication of community sustainability campaigns. They provide information on their sustainability in DJSI, the DJSI report to stakeholders, their activities in the sustainability sector and more. The Board of Directors also communicates with shareholders such as investors regarding sustainability issues.

- Authority

- Apex is an independent professional services company that specializes in Health, Safety, Social and Environmental management services including social data assurance with over 45 years history in providing these services.

- No member of the assurance team has a business relationship with Cummins. Our Directors and Managers beyond that required of this assignment the conducted this verification independently and to our knowledge there has been no conflict of interest. Apex has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

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  - Principal Consultant
  - Apex Companies, LLC
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- Published by AccountAbility. The Institute of Social and Ethical Accountability

- AA1000AS (2008)1, Type 2 engagement, to a moderate assurance level.

- Materiality

- Based on discussions with Cummins, their processes appear to be inclusive of stakeholders. For example, Cummins is active in community engagement and communication of community sustainability campaigns. They provide information on their sustainability in DJSI, the DJSI report to stakeholders, their activities in the sustainability sector and more. The Board of Directors also communicates with shareholders such as investors regarding sustainability issues.

- Intendability

- Based on discussions with Cummins, their processes appear to be inclusive of stakeholders. For example, Cummins is active in community engagement and communication of community sustainability campaigns. They provide information on their sustainability in DJSI, the DJSI report to stakeholders, their activities in the sustainability sector and more. The Board of Directors also communicates with shareholders such as investors regarding sustainability issues.

- Responsiveness

- Communication

- Response: Apex conforms to stakeholders using several platforms. They are active in community engagement and communication of community sustainability campaigns. They provide information on their sustainability in DJSI, the DJSI report to stakeholders, their activities in the sustainability sector and more. The Board of Directors also communicates with shareholders such as investors regarding sustainability issues.

- Authority

- Apex is an independent professional services company that specializes in Health, Safety, Social and Environmental management services including social data assurance with over 45 years history in providing these services.

- No member of the assurance team has a business relationship with Cummins. Our Directors and Managers beyond that required of this assignment the conducted this verification independently and to our knowledge there has been no conflict of interest. Apex has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

- The assurance team has extensive experience in conducting assurance over environment, social, ethical and health and safety information, systems and processes, and has over 20 years combined experience in this field and an excellent understanding of Apex standard methodology for the Assurance of Sustainability Data and Reports.

- John R blond, Project Leader
  - Apex Companies, LLC
  - Santa Ana, California
  - July 1, 2020

- Attestation: Apex is an independent professional services company that specializes in Health, Safety, Social and Environmental management services including social data assurance with over 45 years history in providing these services.

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- David Bell, Lead Valstar
  - Principal Consultant
  - Apex Companies, LLC
  - Santa Ana, California
  - July 1, 2020

- Published by AccountAbility. The Institute of Social and Ethical Accountability

- AA1000AS (2008)1, Type 2 engagement, to a moderate assurance level.

- Materiality

- Based on discussions with Cummins, their processes appear to be inclusive of stakeholders. For example, Cummins is active in community engagement and communication of community sustainability campaigns. They provide information on their sustainability in DJSI, the DJSI report to stakeholders, their activities in the sustainability sector and more. The Board of Directors also communicates with shareholders such as investors regarding sustainability issues.

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APEX GHG STATEMENT

VERIFICATION OPINION DECLARATION
GREENHOUSE GAS EMISSIONS

To: Cummins, Inc.

Apex Companies, LLC (Apex) was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by Cummins, Inc. (Cummins) for the calendar year 2019. This verification opinion declaration applies to the material information included within the scope of verification.

The determination of the GHG emissions is the sole responsibility of Cummins. Cummins is responsible for the preparation and fair presentation of the GHG emissions statement in accordance with the criteria. Apex’s sole responsibility was to provide independent verification of the accuracy of the GHG emissions reported and on the basis of this verification, express an opinion on the GHG emissions statement based on the verification. Verification activities applied in a limited level of assurance verification are less extensive in nature, timing and extent than in a reasonable level of assurance verification.

Boundaries of the reporting company GHG emissions covered by the verification:

- Operational Control
- Worldwide
- Exclusions: None

Types of GHGs: CO₂, NO₂, CH₄, HFCs

GHG Emissions Statement:

- Scope 1 (Emission-Based): 385,653 metric tons of CO₂ equivalent
- Scope 2: 504,351 metric tons of CO₂ equivalent
- Scope 3:
  - Investments: 414,000 metric tons of CO₂ equivalent
  - Fuel- and Energy-Related Activities: 173,000 metric tons of CO₂ equivalent
  - Upstream Transportation and Distribution: 798,000 metric tons of CO₂ equivalent
  - Employee Commuting: 122,000 metric tons of CO₂ equivalent
  - Fuel and Energy-related Activities: 110,000 metric tons of CO₂ equivalent
  - End-of-Life Treatment of Sold Products: 59,000 metric tons of CO₂ equivalent
  - Waste Generated in Operations: 6,900 metric tons of CO₂ equivalent
  - Processing of Sold Products: 2,800 metric tons of CO₂ equivalent
  - Capital Goods: 414,000 metric tons of CO₂ equivalent
  - Business Travel (air travel and rental cars): 35,500 metric tons of CO₂ equivalent
  - Energy-related Activities: 173,000 metric tons of CO₂ equivalent
  - Upstream Leased Assets: 17,000 metric tons of CO₂ equivalent
  - Investments: 414,000 metric tons of CO₂ equivalent
  - Use of Sold Products: 925,000 metric tons of CO₂ equivalent
  - Processing of Sold Products: 2,800 metric tons of CO₂ equivalent
  - Use of Sold Products: 925,000 metric tons of CO₂ equivalent
  - Upstream Leased Assets: 17,000 metric tons of CO₂ equivalent

GHG Verification Methodology:

- Evidence gathering procedures included but were not limited to:
  - Interviews with relevant personnel of Cummins and their consultant.
  - Review of documentary evidence produced by Cummins.
  - Review of Cummins data and information systems and methodology for collection, aggregation, analysis and review of information used to determine GHG emissions.
  - Audit of samples of data used by Cummins to determine GHG emissions.

Evidence gathering procedures included but were not limited to:

- Qualifications:
  - Scope 3 emissions from downstream transportation and distribution were estimated by World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3).

Criteria against which verification was conducted:

- World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol Corporate Value Chain Accounting and Reporting Standard; Revised Edition (Scope 1 and 2), and the GHG Protocol Scope 2 Guidance, as referenced in the GHG Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3).

Reference Standard:


Level of Assurance and Qualifications:

- Limited

This verification used a materiality threshold of 5% for aggregate errors in sampled data for each of the above emission scopes.

Verifications:

- A verification of samples of data used by Cummins to determine GHG emissions.

Reported by:

David Roed, Lead Verifier
Principal Consultant
Apex Companies, LLC
Santa Ana, California
June 29, 2020

This verification statement, including the person-named herein, is provided to Cummins and is solely for the benefit of Cummins in accordance with the requirements of the GHG Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3). The person-named herein assumes no liability or responsibility to any other party who may have access to this statement.
APEX WASTE STATEMENT

VERIFICATION OPINION DECLARATION

WASTE DATA

To: Cummins, Inc.

Apex Companies, LLC (Apex) was engaged to conduct an independent verification of the waste data reported by Cummins, Inc. (Cummins) for the calendar year 2019. This verification opinion declaration applies to the related Apex Companies, LLC (Apex) was engaged to conduct an independent verification of the waste data reported by

To: Cummins, Inc.

Apex's sole responsibility was to provide independent verification on the accuracy of the waste quantities reported, and on the underlying systems and procedures used to collect, analyze and review the information. Apex is responsible for expressing an opinion on the waste quantities. Apex's sole responsibility was to provide independent verification on the accuracy of the waste quantities reported, and on the underlying systems and procedures used to collect, analyze and review the information. Apex is responsible for expressing an opinion on the waste quantities.

Boundaries of the reporting company waste activities covered by the verification:

• Operational Control
• Worldwide

Waste Data Reported

2019 Reported Waste Data

| Metric Tons | Tons
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Waste Generated</td>
<td>241,264</td>
</tr>
<tr>
<td>Total Waste Disposed - includes total landfilled waste and incinerated waste without energy recovery</td>
<td>19,943</td>
</tr>
<tr>
<td>Total Waste Recycled</td>
<td>2,717</td>
</tr>
<tr>
<td>Total Waste Disposed (including US Process Hazardous Waste (included in above totals))</td>
<td>218,493</td>
</tr>
<tr>
<td>Total Waste Disposed (including US Process Hazardous Waste) (includes in above totals)</td>
<td>206,201</td>
</tr>
<tr>
<td>Total Waste Recycled (Recycled)</td>
<td>2,636</td>
</tr>
<tr>
<td>Total Waste Recycled (Recycled) (includes in above totals)</td>
<td>717</td>
</tr>
<tr>
<td>Total Waste Recycled (Recycled) (includes in above totals)</td>
<td>5,465</td>
</tr>
<tr>
<td>Recycled Waste Categories</td>
<td>1,218</td>
</tr>
<tr>
<td>Hazardous Waste</td>
<td>21,312</td>
</tr>
<tr>
<td>Composted Waste</td>
<td>1,191</td>
</tr>
<tr>
<td>Copper &amp; Brass</td>
<td>826</td>
</tr>
<tr>
<td>Steel</td>
<td>1,468</td>
</tr>
<tr>
<td>Iron &amp; Steel</td>
<td>127,214</td>
</tr>
<tr>
<td>Paper</td>
<td>2,604</td>
</tr>
<tr>
<td>Plastics</td>
<td>2,779</td>
</tr>
<tr>
<td>Wood</td>
<td>21,265</td>
</tr>
</tbody>
</table>

Data and information supporting the reported waste data were in some cases estimated rather than historical in nature. Based on the process and procedures conducted, there is no evidence that the waste and recycling quantities reported on the verification are not a fair representation of the waste and recycling data and information.

Verification Opinion:

January 1, 2019 to December 31, 2019

Reporting Criteria

Internal Cummins reporting methodology.

Reference Standard:


Level of Assurance and Qualifications

Limited

This verification used a materiality threshold of 5% for aggregate errors in sampled data for the above primary indications.

Qualifications: Due to incomplete or unclear documentary evidence and source data for some sites, there is uncertainty associated with the reported waste and recycling data that may be in excess of materiality thresholds.

Verification Methodology:

Evidence gathering procedures included but were not limited to:

• Interviews with relevant personnel of Cummins;
• Review of process and procedures conducted, there is no evidence that the waste and recycling quantities reported are not a fair representation of the waste and recycling data and information.

Verification Opinion:

Based on the process and procedures conducted, there is no evidence that the waste and recycling quantities reported are not a fair representation of the waste and recycling data and information.

It is our opinion that Cummins has established appropriate systems for the collection, aggregation and analysis of primary indicators.

- The verification team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, for over 20 years combined experience in this field and an excellent understanding of Apex's standard methodology for the verification of greenhouse gas emissions data.

- Attestation:

David Reilly, Lead Verifier
Principal Consultant
Apex Companies, LLC
Santa Ana, California

Trinidad Gesh有哪些, Technical Reviewer
Principle Consultant
Apex Companies, LLC
Research Hill, California

June 22, 2020

This verification statement, including the opinion expressed herein, is provided to Cummins and is solely for the benefit of Cummins and is not a fair representation of the waste and recycling data and information. It is our opinion that Cummins has established appropriate systems for the collection, aggregation and analysis of primary indicators.

- Apex has implemented a Code of Ethics across the business to maintain high ethical standards amongst staff in their day-to-day business activities.

- The verification statement is an independent verification over environmental, social, ethical and health and safety information, systems and processes, for over 20 years combined experience in this field and an excellent understanding of Apex's standard methodology for the verification of greenhouse gas emissions data.
VERIFICATION OPINION DECLARATION
WATER WITHDRAWAL

To: Cummins, Inc.

Apex Companies, LLC (Apex) was engaged to conduct an independent verification of the water withdrawal data reported by Cummins, Inc. (Cummins) for the calendar year 2019. This verification opinion declaration applies to the related information included within the scope of work described above.

The determination of the water withdrawal quantities is the sole responsibility of Cummins. Cummins is responsible for the preparation and fair presentation of the water withdrawal quantities. Apex’s sole responsibility was to provide independent verification on the accuracy of the water withdrawal quantities reported, and on the underlying systems and processes used to collect, analyze, and review the information used to determine water withdrawal.

Apex’s sole responsibility was to provide independent verification on the accuracy of the water withdrawal quantities reported based on the verification. Verification activities applied a limited level of assurance. Verification activities were less extensive in nature, timing and extent than in a reasonable level of assurance verification.

Boundaries of the reporting company water withdrawal activities covered by the verification:

- Operational Control
- Worldwide

Water Withdrawal Data Reported:

<table>
<thead>
<tr>
<th>Component</th>
<th>Gallons</th>
<th>Megaliters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Groundwater</td>
<td>44,294,296</td>
<td>168</td>
</tr>
<tr>
<td>Rainwater</td>
<td>704,294</td>
<td>2,719</td>
</tr>
<tr>
<td>Municipal Water</td>
<td>850,386,284</td>
<td>3,219</td>
</tr>
<tr>
<td>Total Water Withdrawal</td>
<td>895,396,874</td>
<td>3,380</td>
</tr>
</tbody>
</table>

Data and information supporting the reported water withdrawal were in most cases historical in nature, but in some cases estimated.

Period covered by Water Withdrawal verification:
- January 1, 2019 to December 31, 2019

Criteria against which the verification was conducted:
- CDP Water Disclosure Reporting Guidelines

Reference Standard:
- International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after Dec. 15, 2015), issued by the International Auditing and Assurance Standards Board.

Level of Assurance:
- Limited

This verification used a materiality threshold of 5% for aggregate errors in sampled data for each of the above indicators.

Verification Methodology:
Evidence gathering procedures included but were not limited to:
- Interviews with relevant personnel of Cummins.
- Review of documentary evidence produced by Cummins.
- Review of Cummins data and information systems and methodology for collection, aggregation, analysis and review of information used to determine water withdrawal.

Verification Opinion:
Based on the process and procedures conducted, there is no evidence that the water withdrawal reported above:
- Is not materially correct and is not a fair representation of the water withdrawal data and information.

It is our opinion that Cummins has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of its water withdrawal for the stated period and boundaries.

Verification Team:
David Reilly, Lead Verifier
Trevor Donaghu, Technical Reviewer
Apex Companies, LLC
Santa Ana, California

Attestation:
This verification statement, including the opinion expressed herein, is provided to Cummins and is solely for the benefit of Cummins and is provided in accordance with the terms of our agreement. We consent to the release of this statement by you to public or private entities in order to satisfy the terms of disclosure requirements but without accepting or assuming any responsibility or liability on our part to any other party who may have access to this statement.
### Corporate Responsibility Metric RY-2019

**Breakdown of Cummins Employees by Assignment Countries (%)**

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>2.9%</td>
</tr>
<tr>
<td>Brazil</td>
<td>2.5%</td>
</tr>
<tr>
<td>China</td>
<td>8.5%</td>
</tr>
<tr>
<td>India</td>
<td>14.1%</td>
</tr>
<tr>
<td>Mexico</td>
<td>9.3%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>7.4%</td>
</tr>
<tr>
<td>United States</td>
<td>46.5%</td>
</tr>
<tr>
<td>Rest of World</td>
<td>8.8%</td>
</tr>
</tbody>
</table>

**Number of jobs secured through the company’s education and equality of opportunity outreach efforts**

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of jobs secured</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>3,428</td>
</tr>
</tbody>
</table>

**Number of people served by community engagement efforts**

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of people served</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>6.6 million</td>
</tr>
</tbody>
</table>

**Estimated kiloliters of water conserved by Cummins employees engaged in community projects**

<table>
<thead>
<tr>
<th>Country</th>
<th>Kiloliters of water conserved</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>7.2 million</td>
</tr>
</tbody>
</table>

**Community Grants USD $**

<table>
<thead>
<tr>
<th>Country</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mexico</td>
<td>20.5 million</td>
</tr>
</tbody>
</table>

**Percentage of employees that have completed training as of year end 2019**

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>55.1%</td>
</tr>
</tbody>
</table>

**Health and Safety Unit of Measure RY-2019**

<table>
<thead>
<tr>
<th>Country</th>
<th>Cases Rate* Lost work day cases per 100 employees</th>
<th>Cases Rate* Lost work days per 100 employees</th>
<th>Incidence Rate* Ergonomic incidents per 100 employees</th>
<th>Illness Frequency Rate per 1,000,000 hours worked</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>1.7%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>1.8%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>6.4%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>10.8%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mexico</td>
<td>3.1%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rest of World</td>
<td>9.1%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td>12.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Assurance**

*Data Collection methodology used to record water conserved was reviewed, but reported numbers were not assured.*

*Apex examined the process for calculating ethics and compliance training statistics from select training courses and found no reason to believe that the reported training statistics are not correct.

**Business Ethics & Compliance Training Metric**

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>55.1%</td>
</tr>
</tbody>
</table>

**Summary of Assured Information**

*Rate = (number of illnesses or lost time injuries*1,000,000)/(Hours worked) for 2019*
**APPENDIX**

**CUMMINS HEALTH, SAFETY AND ENVIRONMENTAL POLICY**

Cummins demands that everything we do leads to a cleaner, healthier and safer environment. We must achieve performance greater than what the applicable compliance requirements and standards demand of our operations for health, safety and environment.

Cummins’ leadership will facilitate this effort by providing the necessary resources and information to meet aggressive improvement targets in the areas of:

» illness and injury prevention;
» health and wellbeing promotion;
» pollution prevention; and
» natural resources conservation.

Cummins has implemented the Enterprise Health, Safety and Environmental Management System (HSEMS), consisting of procedures, processes and tools, to deliver on the commitments of this policy. The key elements of the HSEMS are defined in Cummins’ HSEMS Manual, CORP-08-01-00-00, and can be found in the company document control database. Every Cummins employee and person working for or on behalf of Cummins is expected to comply with this policy.

Cummins must do the following things to meet the objectives of this policy:

» Cummins will set substantial and measurable objectives in managing health, safety and the environment and commit to continual improvement in these areas.

» We will identify and pursue opportunities to use our talents and capabilities to improve the environment and quality of life in the communities where we operate.

» We will continue to implement management programs developed to ensure that our products, services and activities always comply with applicable laws and other requirements established to protect health, safety and the environment.

» We will continually work to reduce our emissions and discharges to air, land and water; the amount of waste we generate; and the amount of natural resources that we use, including water, energy and raw materials.

» We will systemically assess operations that have the potential to harm people or impact the environment and aggressively work towards risk elimination.

» We will evaluate the machinery, equipment, products and services we use, preferring those with the best possible health, safety and environmental performance.

» We will be transparent in our efforts to improve health, safety, and environment by reporting details of our performance to the public; and

» We will periodically review and communicate our progress toward our objectives.

Finally, our efforts to pursue excellence in health, safety and environment require the attention and care of every employee, especially leadership, throughout Cummins.

This policy will be reviewed and communicated to all persons working for or on behalf of our company at least annually.

N. Thomas Linebarger
Chairman & CEO
May 7, 2015
**CUMMINS COBALT POLICY**

**COBALT POLICY FAQs**

**Summary**

Cobalt is a chemical element and a critical industrial commodity that is used in a variety of industries, including electronics, batteries, and oil and gas exploration. It is also used in the automotive industry for batteries, where it can be found in lithium-ion batteries used in electric vehicles. Cobalt is an important component of rechargeable batteries and is used in various applications, including super alloys, magnets, and electronic devices. Cobalt's primary use is in batteries, with 44% of the total usage. Cobalt is also used in oil and gas exploration, where it is used in drilling muds to help maintain the pressure in the borehole. Cobalt is produced as a byproduct of copper mining, and its production is concentrated in a few countries, including the Democratic Republic of Congo, which accounts for the majority of the world's cobalt production.

**What is the purpose of the Cummins Cobalt Responsible Sourcing Policy?**

The purpose of the Cummins Cobalt Responsible Sourcing Policy is to provide a framework for responsible sourcing of cobalt and to address the potential risks associated with the use of conflict minerals. The policy aims to ensure that Cummins and its suppliers are transparent in their sourcing practices and are committed to ethical and responsible sourcing of cobalt.

**What are the key tenets of the policy?**

The policy focuses on the following key tenets:

- **Transparency:** Cummins and its suppliers must be transparent about their cobalt sourcing practices.
- **Stakeholder Engagement:** Cummins and its suppliers must engage with relevant stakeholders, including customers, investors, and civil society organizations, to ensure that responsible sourcing practices are implemented.
- **Compliance with Laws:** Cummins and its suppliers must comply with all relevant laws and regulations, including conflict minerals laws.
- **Corporate Social Responsibility:** Cummins and its suppliers must be accountable for their actions and be committed to corporate social responsibility practices.

**Who in Cummins manages the responsible sourcing process?**

The responsible sourcing process is managed by Disclosure and Exchange Compliance (DEC), a discipline of Environmental Strategy and Compliance. DEC seeks advice from stakeholders such as the Organization of Economic Co-operative Development (OECD), the Conflict-Free Sourcing Initiative (CFSI), and the Conflict-Free smelter program, which are responsible for providing guidance on responsible sourcing practices.

**How is cobalt used in the automotive industry?**

Cobalt is used in the automotive industry for batteries, where it is used in lithium-ion batteries used in electric vehicles. Cobalt is an important component of rechargeable batteries and is used in various applications, including super alloys, magnets, and electronic devices. Cobalt's primary use is in batteries, with 44% of the total usage. Cobalt is also used in oil and gas exploration, where it is used in drilling muds to help maintain the pressure in the borehole. Cobalt is produced as a byproduct of copper mining, and its production is concentrated in a few countries, including the Democratic Republic of Congo, which accounts for the majority of the world's cobalt production.

**What happens if Cummins does not voluntarily disclose its cobalt sourcing information?**

If Cummins does not voluntarily disclose its cobalt sourcing information, the European Commission will issue an order requiring the company to disclose its cobalt sourcing information. The European Commission will then monitor the company's compliance with the order and may impose penalties if the company fails to comply.

**Who is responsible for the Cobalt Responsible Sourcing Policy?**

The Responsible Sourcing Officer at Cummins is responsible for the Cobalt Responsible Sourcing Policy. The officer is responsible for ensuring that the policy is implemented and that the company and its suppliers are transparent in their cobalt sourcing practices.

**How can I report the use of conflict minerals?**

The reporting process for conflict minerals involves several steps. First, the company must collect information about its cobalt sourcing practices, including the origin of the cobalt used in its products. The company must then disclose this information to the U.S. Securities and Exchange Commission (SEC) and submit a Form SD, which is a disclosure statement required by the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Form SD must include information about the company's sales of conflict minerals, the company's use of conflict minerals, and the company's efforts to identify and mitigate the use of conflict minerals.

**What is the reporting process for cobalt?**

The reporting process for cobalt involves several steps. First, the company must collect information about its cobalt sourcing practices, including the origin of the cobalt used in its products. The company must then disclose this information to the U.S. Securities and Exchange Commission (SEC) and submit a Form SD, which is a disclosure statement required by the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Form SD must include information about the company's sales of conflict minerals, the company's use of conflict minerals, and the company's efforts to identify and mitigate the use of conflict minerals.

**What are conflict minerals?**

Conflict minerals are minerals that are mined and traded to finance armed conflict, terrorism, or other serious human rights abuses. The minerals include tin, tantalum, tungsten, and gold, and are used in electronics, jewelry, and other products. The U.S. government has implemented a law requiring companies to disclose their use of conflict minerals, which are minerals that are mined and traded to finance armed conflict, terrorism, or other serious human rights abuses.

**What is the Cobalt Responsible Sourcing Policy?**

The Cobalt Responsible Sourcing Policy is a comprehensive framework that sets out the principles and guidelines for responsible sourcing of cobalt. The policy covers the sourcing of cobalt in the automotive industry and provides a framework for responsible sourcing that is aligned with international standards and best practices. The policy is designed to ensure that Cummins and its suppliers are transparent in their cobalt sourcing practices and are committed to ethical and responsible sourcing of cobalt.

**CUMMINS COBALT POLICY**

**1.0 Purpose**

Cummins Inc. is a global company headquartered in the United States that must comply with laws and regulations in all the countries in which it operates. In order to better align its business practices with an industry standard and best practices, the policy relates to the responsible sourcing of cobalt.

This policy applies to Cummins Inc. and its wholly-owned subsidiaries, including Cummins subsidiaries, joint ventures, affiliates, and dealers, and those entities in which Cummins has a controlling ownership interest or management responsibility.

Following are the primary tenets of our policy:

- **Transparency:** Cummins Inc. is a global company headquartered in the United States that must comply with laws and regulations in all the countries in which it operates. In order to better align its business practices with an industry standard and best practices, the policy relates to the responsible sourcing of cobalt.

**2.0 Scope**

The policy applies to Cummins Inc., its wholly-owned subsidiaries, including Cummins subsidiaries, joint ventures, affiliates, and dealers, and those entities in which Cummins has a controlling ownership interest or management responsibility.

**3.0 References**

Cummins Code of Conduct

Cummins Codes of Conduct Development and Engagement (CCDE) Guidelines

Conflict Minerals Reporting Act of 2012

Cummins Human Rights Policy (CUM-1-11-01)

Cummins Cobalt Communication Plan

**4.0 Policy**

Policies are the primary sources of our policy:

- **Cummins Inc. Code of Conduct:** The Code of Conduct provides a framework for responsible sourcing of cobalt, and it covers all aspects of the company's business activities.

**4.1** Cummins will maintain reasonable efforts to:

- a) know and to require that each Cummins supplier disclose to Cummins, the sources of conflict minerals used in its products.

b) to eliminate procurement, as soon as commercially practicable, of products containing conflict minerals.

- b) to eliminate procurement, as soon as commercially practicable, of products containing conflict minerals.

**4.2** Cummins will maintain legal requirements for responsible sourcing of Cobalt, and will comply with all applicable laws and regulations. Cummins will also ensure that this policy and its implementation are supported by the company's stakeholders in compliance with the requirements for any relevant laws and regulations globally.

**COBALT POLICY FAQs**

**Summary**

Cobalt is a chemical element and a critical industrial commodity that is used in a variety of industries, including electronics, batteries, and oil and gas exploration. It is also used in the automotive industry for batteries, where it can be found in lithium-ion batteries used in electric vehicles. Cobalt is an important component of rechargeable batteries and is used in various applications, including super alloys, magnets, and electronic devices. Cobalt's primary use is in batteries, with 44% of the total usage. Cobalt is also used in oil and gas exploration, where it is used in drilling muds to help maintain the pressure in the borehole. Cobalt is produced as a byproduct of copper mining, and its production is concentrated in a few countries, including the Democratic Republic of Congo, which accounts for the majority of the world's cobalt production.

**What are conflict minerals?**

Conflict minerals are minerals that are mined and traded to finance armed conflict, terrorism, or other serious human rights abuses. The minerals include tin, tantalum, tungsten, and gold, and are used in electronics, jewelry, and other products. The U.S. government has implemented a law requiring companies to disclose their use of conflict minerals, which are minerals that are mined and traded to finance armed conflict, terrorism, or other serious human rights abuses.

**What is the Cobalt Responsible Sourcing Policy?**

The Cobalt Responsible Sourcing Policy is a comprehensive framework that sets out the principles and guidelines for responsible sourcing of cobalt. The policy covers the sourcing of cobalt in the automotive industry and provides a framework for responsible sourcing that is aligned with international standards and best practices. The policy is designed to ensure that Cummins and its suppliers are transparent in their cobalt sourcing practices and are committed to ethical and responsible sourcing of cobalt.

**How is cobalt used in the automotive industry?**

Cobalt is used in the automotive industry for batteries, where it can be found in lithium-ion batteries used in electric vehicles. Cobalt is an important component of rechargeable batteries and is used in various applications, including super alloys, magnets, and electronic devices. Cobalt's primary use is in batteries, with 44% of the total usage. Cobalt is also used in oil and gas exploration, where it is used in drilling muds to help maintain the pressure in the borehole. Cobalt is produced as a byproduct of copper mining, and its production is concentrated in a few countries, including the Democratic Republic of Congo, which accounts for the majority of the world's cobalt production.

**What happens if Cummins does not voluntarily disclose its cobalt sourcing information?**

If Cummins does not voluntarily disclose its cobalt sourcing information, the European Commission will issue an order requiring the company to disclose its cobalt sourcing information. The European Commission will then monitor the company's compliance with the order and may impose penalties if the company fails to comply.

**Who is responsible for the Cobalt Responsible Sourcing Policy?**

The Responsible Sourcing Officer at Cummins is responsible for the Cobalt Responsible Sourcing Policy. The officer is responsible for ensuring that the policy is implemented and that the company and its suppliers are transparent in their cobalt sourcing practices.
CONFLICT MINERALS POLICY

Cummins takes materials compliance in general, and conflict minerals in particular, very seriously.

The company developed a cross-functional team with representatives from Purchasing, Quality, Legal and Ethics and Compliance to develop and implement a conflict minerals program.

The company's policy is to eliminate procurement, as soon as commercially practicable, of products containing conflict minerals obtained from sources that fund or support inhumane treatment in covered countries.

To learn more, see Cummins’ policy summary on conflict minerals and the company’s most recent report to the SEC in the United States. There are more on materials compliance on page 11 of the Product Stewardship Report.

A STATEMENT ON COBALT

Cobalt is used in products such as lithium-ion batteries. With the increase in demand for electric powertrains, Cummins anticipates an increasing need for batteries containing cobalt in its global supply chain.

Consistent with Cummins’ value of integrity and the company’s 2017 Human Rights policy, we are seeking to better understand the impacts of the use of cobalt, including social issues in the Democratic Republic of Congo and the surrounding region. We pledge to uphold our commitment to supply chain transparency, and we are evaluating how best to provide this transparency with respect to cobalt.
**ENERGY USE BY FACILITY TYPE**

*in millions of British thermal units*

<table>
<thead>
<tr>
<th>Facility Type</th>
<th>Purchased Electricity*</th>
<th>Diesel</th>
<th>Natural Gas</th>
<th>Other fuels</th>
<th>On-site Renewable Electricity*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing – Light</td>
<td>2,492,310</td>
<td>86,710</td>
<td>352,844</td>
<td>31,702</td>
<td>1,490</td>
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<td>Test / R&amp;D</td>
<td>874,516</td>
<td>594,595</td>
<td>211,377</td>
<td>2,001</td>
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<tr>
<td>Distribution / Services</td>
<td>1,033,600</td>
<td>74,936</td>
<td>415,111</td>
<td>14,020</td>
<td>2,795</td>
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<tr>
<td>Offices</td>
<td>253,431</td>
<td>3,486</td>
<td>24,985</td>
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<tr>
<td>Warehouses</td>
<td>235,343</td>
<td>3,321</td>
<td>69,119</td>
<td>6,984</td>
<td>11</td>
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<tr>
<td>Data Centers</td>
<td>92,306</td>
<td>110</td>
<td>1,023</td>
<td>–</td>
<td>–</td>
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</tbody>
</table>

*Includes 3x factor for purchased electricity to account for T&D losses and 1x for on-site renewable electricity.
## ENERGY USE BY FUEL TYPE

*in millions of British thermal units*

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

### UNITED STATES

<table>
<thead>
<tr>
<th>Fuel Type</th>
<th>2014*</th>
<th>2015*</th>
<th>2016*</th>
<th>2017*</th>
<th>2018*</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diesel</td>
<td>954,603</td>
<td>1,002,861</td>
<td>1,038,832</td>
<td>1,023,244</td>
<td>998,245</td>
<td>881,651</td>
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<tr>
<td>Natural gas</td>
<td>1,209,263</td>
<td>1,137,624</td>
<td>1,133,717</td>
<td>1,160,199</td>
<td>1,290,392</td>
<td>1,401,038</td>
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<tr>
<td>Other fuels</td>
<td>49,426</td>
<td>36,980</td>
<td>20,599</td>
<td>21,289</td>
<td>26,169</td>
<td>30,832</td>
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<tr>
<td>Purchased electricity*</td>
<td>5,227,521</td>
<td>5,354,055</td>
<td>5,320,361</td>
<td>5,509,620</td>
<td>5,787,632</td>
<td>5,416,815</td>
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<tr>
<td>On-site renewable electricity*</td>
<td>184</td>
<td>4,759</td>
<td>7,497</td>
<td>7,125</td>
<td>6,726</td>
<td>52</td>
</tr>
<tr>
<td>U.S. Total Energy</td>
<td>7,440,593</td>
<td>7,536,280</td>
<td>7,521,007</td>
<td>7,721,477</td>
<td>8,109,164</td>
<td>7,730,388</td>
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</table>

### Non-U.S.

<table>
<thead>
<tr>
<th>Fuel Type</th>
<th>2014*</th>
<th>2015*</th>
<th>2016*</th>
<th>2017*</th>
<th>2018*</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diesel</td>
<td>778,660</td>
<td>812,268</td>
<td>697,841</td>
<td>748,794</td>
<td>792,956</td>
<td>831,163</td>
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<tr>
<td>Natural gas</td>
<td>431,321</td>
<td>448,916</td>
<td>432,198</td>
<td>460,947</td>
<td>535,207</td>
<td>506,843</td>
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<tr>
<td>Other fuels</td>
<td>74,000</td>
<td>47,494</td>
<td>62,282</td>
<td>67,968</td>
<td>84,510</td>
<td>96,467</td>
</tr>
<tr>
<td>Purchased electricity*</td>
<td>4,013,328</td>
<td>4,066,871</td>
<td>4,169,428</td>
<td>4,620,942</td>
<td>4,859,400</td>
<td>4,850,911</td>
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<tr>
<td>On-site renewable electricity*</td>
<td>565</td>
<td>576</td>
<td>6,689</td>
<td>12,191</td>
<td>17,591</td>
<td>20,722</td>
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<tr>
<td>Non-U.S. Total Energy</td>
<td>5,297,874</td>
<td>5,376,125</td>
<td>5,368,439</td>
<td>5,910,841</td>
<td>6,289,663</td>
<td>6,306,106</td>
</tr>
</tbody>
</table>

### Total primary energy use

<table>
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<tr>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>12,738,467</td>
<td>12,912,404</td>
<td>12,889,446</td>
<td>13,632,317</td>
<td>14,398,827</td>
<td>14,036,495</td>
</tr>
</tbody>
</table>

*Includes 3x factor for purchased electricity to account for T&D losses and 1x for on-site renewable electricity.
WATER RISKS

These are the five most water-stressed river basins in the regions where Cummins has operations. Each falls within the company’s priority regions for achieving water neutrality (see page 18 of the 2018 Sustainability Progress Report). Overall, 46% of Cummins’ water use is in water-stressed areas.

The size of the dot represents the size of the water basin in a particular region. The percentages refer to the amount of water removed relative to Cummins’ total water use.
WATER INDICATOR DATA

<table>
<thead>
<tr>
<th>Category</th>
<th>Gallons</th>
<th>Mega Liters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water recycled and reused</td>
<td>7,728,298</td>
<td>29.3</td>
</tr>
<tr>
<td>Fresh surface water</td>
<td>16,908,970</td>
<td>64.0</td>
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<tr>
<td>Municipal Treatment Plant</td>
<td>496,161,004</td>
<td>1,878.2</td>
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<tr>
<td>Wastewater for another organization</td>
<td>3,673,269</td>
<td>13.9</td>
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<tr>
<td>Aquifer Recharge</td>
<td>123,882,130</td>
<td>468.9</td>
</tr>
<tr>
<td>Groundwater (renewable)</td>
<td>44,294,296</td>
<td>167.7</td>
</tr>
<tr>
<td>Municipal supply</td>
<td>850,398,284</td>
<td>3,219.1</td>
</tr>
<tr>
<td>Rain Water</td>
<td>704,294</td>
<td>2.7</td>
</tr>
<tr>
<td>Consumption</td>
<td>221,223,798</td>
<td>837.4</td>
</tr>
</tbody>
</table>

Water use and intensity change from baseline in billion gallons

- 2010: 1.13 B
- 2011: 1.08 B
- 2012: 1.07 B
- 2013: .96 B
- 2014: .97 B
- 2015: .98 B
- 2016: .96 B
- 2017: .95 B
- 2018: .95 B
- 2019: .90 B
## BIO DIVERSITY HOTSPOTS

<table>
<thead>
<tr>
<th>SITE NAME</th>
<th>COUNTRY</th>
<th>WRI BASELINE WATER STRESS</th>
<th>CONSERVATION INTERNATIONAL BIODIVERSITY HOTSPOT</th>
<th>IUCN THREATENED AMPHIBIANS</th>
<th>ALLIANCE FOR ZERO EXTINCTION</th>
<th>WWF 2020 PRIORITY PLACES</th>
<th>RAMSAR WETLANDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPG India - Pirangut</td>
<td>India</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Singapore Data Center</td>
<td>Singapore</td>
<td></td>
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</tr>
<tr>
<td>Parts Distribution Center Singapore</td>
<td>Singapore</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cummins Global Logistics Xi’an</td>
<td>China</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Xi’an Cummins Engine Co., China</td>
<td>China</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Cummins Filtration - Kilsyth</td>
<td>Australia</td>
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<tr>
<td>Cummins Filtration - San Luis Potosí</td>
<td>Mexico</td>
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<tr>
<td>New Recon &amp; Parts SLP, Mexico</td>
<td>Mexico</td>
<td></td>
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<td>CFBU Turkey</td>
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<tr>
<td>CPG China</td>
<td>China</td>
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<tr>
<td>Bogota Regional Distribution Center</td>
<td>Colombia</td>
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</tr>
<tr>
<td>Cummins Global Logistic SLP</td>
<td>Mexico</td>
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</tr>
<tr>
<td>Cummins India Office Campus</td>
<td>India</td>
<td></td>
<td></td>
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<tr>
<td>Cummins India Limited, India</td>
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</tr>
<tr>
<td>Cummins Fuel System Juarez (JFS)</td>
<td>Mexico</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
GHG EMISSIONS BY BUSINESS UNIT AND REGION

$CO_2e$

GHG EMISSIONS BY BUSINESS UNIT

- 18% PS & CGT
- 1% P & GPL
- 3% P & CS&

GHG EMISSIONS BY REGION

- 15% ASIA PACIFIC
- 22% CHINA
- 7% EUROPE, MIDDLE EAST, AFRICA & RUSSIA
- 52% NORTH AMERICA

GHG EMISSIONS BY TYPE

$CO_2e$

GHG EMISSIONS BY TYPE

- 62% ELECTRICITY, OTHER
- 29% STATIONARY COMBUSTION
- 2% PROCESS / FUGITIVE
- 7% MOBILE SOURCES
## DIRECT AND INDIRECT EMISSIONS

*Facilities + power solutions business + mobile sources*

Metric tons CO₂e

### U.S. EMISSIONS

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DIRECT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stationary combustion</td>
<td>137,096</td>
<td>138,597</td>
<td>138,888</td>
<td>144,246</td>
<td>141,764</td>
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<td>Mobile sources</td>
<td>21,274</td>
<td>36,138</td>
<td>32,611</td>
<td>33,197</td>
<td>34,620</td>
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<tr>
<td>Process / fugitive</td>
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<td>4,827</td>
<td>5,260</td>
<td>4,874</td>
<td>4,856</td>
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<td>Generation of sold electricity</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td><strong>Total Direct Emissions</strong></td>
<td>162,520</td>
<td>179,454</td>
<td>176,758</td>
<td>182,317</td>
<td>181,240</td>
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<td><strong>INDIRECT EMISSIONS</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Electricity</td>
<td>286,923</td>
<td>282,434</td>
<td>261,122</td>
<td>272,115</td>
<td>238,458</td>
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<tr>
<td>Hot water</td>
<td>14</td>
<td>1</td>
<td>0</td>
<td>0</td>
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</tr>
<tr>
<td><strong>Total Indirect Emissions</strong></td>
<td>286,938</td>
<td>282,435</td>
<td>261,122</td>
<td>272,115</td>
<td>238,458</td>
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<tr>
<td><strong>DIRECT + INDIRECT</strong></td>
<td></td>
<td></td>
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<tr>
<td><strong>Total U.S. Emissions</strong></td>
<td>449,457</td>
<td>461,889</td>
<td>437,880</td>
<td>454,432</td>
<td>419,698</td>
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### NON-U.S. EMISSIONS

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DIRECT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stationary combustion</td>
<td>85,271</td>
<td>75,590</td>
<td>81,340</td>
<td>88,644</td>
<td>89,801</td>
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<tr>
<td>Mobile sources</td>
<td>17,199</td>
<td>21,284</td>
<td>18,883</td>
<td>12</td>
<td>19,350</td>
</tr>
<tr>
<td>Process / fugitive</td>
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<td>10,567</td>
<td>10,464</td>
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<td>17,049</td>
<td>17,360</td>
<td>17,360</td>
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<td><strong>Total Direct Emissions</strong></td>
<td>129,493</td>
<td>124,490</td>
<td>128,048</td>
<td>116,006</td>
<td>121,867</td>
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<tr>
<td><strong>INDIRECT EMISSIONS</strong></td>
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<tr>
<td>Electricity</td>
<td>247,930</td>
<td>246,214</td>
<td>274,954</td>
<td>282,498</td>
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<tr>
<td>Hot water</td>
<td>183</td>
<td>113</td>
<td>0</td>
<td>0</td>
<td>150</td>
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<td>Steam</td>
<td>2,627</td>
<td>4,401</td>
<td>4,590</td>
<td>6,069</td>
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<tr>
<td><strong>Total Indirect Emissions</strong></td>
<td>250,740</td>
<td>250,727</td>
<td>279,544</td>
<td>288,567</td>
<td>265,892</td>
</tr>
<tr>
<td><strong>DIRECT + INDIRECT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Non-U.S. Emissions</strong></td>
<td>380,233</td>
<td>375,218</td>
<td>407,592</td>
<td>404,573</td>
<td>387,559</td>
</tr>
</tbody>
</table>

### TOTAL U.S. EMISSIONS AND NON-U.S. EMISSIONS

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DIRECT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stationary combustion</td>
<td>222,367</td>
<td>214,187</td>
<td>220,228</td>
<td>232,890</td>
<td>231,565</td>
</tr>
<tr>
<td>Mobile sources</td>
<td>38,473</td>
<td>57,423</td>
<td>51,494</td>
<td>33,208</td>
<td>53,971</td>
</tr>
<tr>
<td>Process / fugitive</td>
<td>13,973</td>
<td>15,285</td>
<td>15,724</td>
<td>14,864</td>
<td>15,076</td>
</tr>
<tr>
<td>Generation of sold electricity</td>
<td>17,199</td>
<td>17,049</td>
<td>17,360</td>
<td>17,360</td>
<td>2,296</td>
</tr>
<tr>
<td><strong>Total Direct Emissions</strong></td>
<td>292,012</td>
<td>303,944</td>
<td>304,806</td>
<td>298,323</td>
<td>302,907</td>
</tr>
<tr>
<td><strong>INDIRECT EMISSIONS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity</td>
<td>534,853</td>
<td>528,648</td>
<td>536,076</td>
<td>554,613</td>
<td>496,649</td>
</tr>
<tr>
<td>Hot water</td>
<td>198</td>
<td>114</td>
<td>0</td>
<td>0</td>
<td>150</td>
</tr>
<tr>
<td>Steam</td>
<td>2,627</td>
<td>4,401</td>
<td>4,590</td>
<td>6,069</td>
<td>7,352</td>
</tr>
<tr>
<td><strong>Total Indirect Emissions</strong></td>
<td>537,677</td>
<td>533,162</td>
<td>540,666</td>
<td>560,682</td>
<td>504,351</td>
</tr>
<tr>
<td><strong>DIRECT + INDIRECT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Emissions</strong></td>
<td>829,690</td>
<td>837,107</td>
<td>845,472</td>
<td>859,005</td>
<td>807,258</td>
</tr>
</tbody>
</table>
CUMMINS WASTE FOOTPRINT

Iron and steel make up the largest component of Cummins’ waste footprint. (Metric tons)

WASTE FOOTPRINT

- Iron & Steel: 47.7%
- North America: 13.9%
- Latin America: 12%
- Asia Pacific: 11%
- Europe, Middle East, Africa & Russia: 11%
- Others: 22%
- CSS: 39%
- CBU: 19%

WASTE BY REGION

- WASTE GENERATED BY REGION
  - North America: 54%
  - Latin America: 18%
  - Asia Pacific: 9%
  - China: 13%
  - Europe, Middle East, Africa & Russia: 5%

- WASTE DISPOSED BY REGION
  - Landfilled or incinerated waste without energy recovery: 8.9%
  - Recycled: 1.4%
  - GARBAGE, PROCESS DERIVED & HAZARDOUS WASTE: 9%
  - CARDBOARD: 4.1%
  - OTHER PROCESS DERIVED WASTE: 1.2%
  - PLASTIC: 7.5%
  - LIQUID WASTE: 1.2%
  - GARBAGE, PROCESS DERIVED & HAZARDOUS WASTE (burned for energy recovery): 5.7%
  - WOOD: 13.9%

WASTE BY BUSINESS UNIT

- WASTE GENERATED BY BU
  - PS & CGT: 12%
  - P & GPL: 14%
  - EB: 11%
  - DB: 2%
  - CSS: 15%
  - CBU: 11%

- WASTE DISPOSED BY BU
  - Landfilled or incinerated waste without energy recovery: 9%
  - Recycled: 1.4%
  - GARBAGE, PROCESS DERIVED & HAZARDOUS WASTE: 9%
  - CARDBOARD: 4.1%
  - OTHER PROCESS DERIVED WASTE: 1.2%
  - PLASTIC: 7.5%
  - LIQUID WASTE: 1.2%
  - GARBAGE, PROCESS DERIVED & HAZARDOUS WASTE (burned for energy recovery): 5.7%
  - WOOD: 13.9%
  - CBU: 19%
## Recycled Materials

**in metric tons**

### Recycled Metals

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iron and steel</td>
<td>94,482</td>
<td>96,030</td>
<td>107,940</td>
<td>113,404</td>
<td>107,016</td>
</tr>
<tr>
<td>Aluminum</td>
<td>850</td>
<td>804</td>
<td>787</td>
<td>1,067</td>
<td>1,218</td>
</tr>
<tr>
<td>Copper and brass</td>
<td>649</td>
<td>667</td>
<td>915</td>
<td>585</td>
<td>609</td>
</tr>
<tr>
<td>E-waste</td>
<td>103</td>
<td>102</td>
<td>95</td>
<td>192</td>
<td>1,048</td>
</tr>
</tbody>
</table>

### Recycled Non-Metals

<table>
<thead>
<tr>
<th>Material</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wood</td>
<td>28,488</td>
<td>24,930</td>
<td>26,630</td>
<td>31,529</td>
<td>31,265</td>
</tr>
<tr>
<td>Cardboard</td>
<td>18,563</td>
<td>17,732</td>
<td>19,596</td>
<td>22,332</td>
<td>21,315</td>
</tr>
<tr>
<td>Liquid Waste</td>
<td>11,554</td>
<td>10,667</td>
<td>13,065</td>
<td>13,261</td>
<td>16,753</td>
</tr>
<tr>
<td>Burned for energy recovery</td>
<td>7,232</td>
<td>8,283</td>
<td>9,787</td>
<td>10,397</td>
<td>12,833</td>
</tr>
<tr>
<td>Composted</td>
<td>1,722</td>
<td>1,422</td>
<td>997</td>
<td>996</td>
<td>1,191</td>
</tr>
<tr>
<td>Plastic</td>
<td>2,011</td>
<td>2,302</td>
<td>2,741</td>
<td>3,551</td>
<td>2,778</td>
</tr>
<tr>
<td>Office paper</td>
<td>953</td>
<td>995</td>
<td>1,375</td>
<td>1,969</td>
<td>2,604</td>
</tr>
<tr>
<td>Hazardous waste</td>
<td>1*</td>
<td>651</td>
<td>434</td>
<td>1,681</td>
<td>2,636</td>
</tr>
<tr>
<td>Other process derived industrial waste</td>
<td>999</td>
<td>902</td>
<td>1,792</td>
<td>2,456</td>
<td>3,036</td>
</tr>
</tbody>
</table>

**Total Recycled Waste** | **167,608** | **165,486** | **186,151** | **203,419** | **204,301**

*Includes only US EPA RCRA Hazardous waste*

## Total Waste Disposed and Intensity Change from Baseline

**in million pounds**

<table>
<thead>
<tr>
<th>Year</th>
<th>Disposal (lb)</th>
<th>% Change in waste disposal intensity from baseline</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>49,171,352</td>
<td>-10</td>
</tr>
<tr>
<td>2011</td>
<td>54,283,409</td>
<td>-5</td>
</tr>
<tr>
<td>2012</td>
<td>46,085,854</td>
<td>-11</td>
</tr>
<tr>
<td>2013</td>
<td>43,277,309</td>
<td>-5</td>
</tr>
<tr>
<td>2014</td>
<td>38,540,353</td>
<td>-12</td>
</tr>
<tr>
<td>2015</td>
<td>40,489,552</td>
<td>-5</td>
</tr>
</tbody>
</table>

2019 GRI Content Index and Data Book
18+ ZERO DISPOSAL SITES
- Darlington Engine Plant (and operations), U.K
- Cummins Power Systems, Daventry (and operations), U.K
- Cummins Turbo Technologies, Huddersfield, U.K
- Cummins Filtration, Quimper, France
- Cummins Global Logistics, Rumst, Belgium
- Cummins Global Logistics, Singapore
- Columbus Engine Plant, Columbus, Indiana, U.S.
- Distribution, Wellingborough, U.K.
- Cummins Turbo Technologies, Wuxi, China
- Cummins Generator Technologies Fountain Park, Peterborough, U.K.
- Cummins Emission Solutions, Markthaidenheim, Germany
- Olympia Building, Columbus, Indiana, U.S.
- Jamestown Engine Plant, New York, U.S.
- Power Systems HQ, Fridley, U.S.
- Generator Technologies Xinrong Plant, Wuxi, China
- Generator Technologies Xiangjiang Plant, Wuxi, China
- Parts Distribution Center, Phaltan, India
- ReCon Phaltan, India
+8 sites pending final review

15 WATER NEUTRAL SITES
- Cummins Filtration, Shanghai, China
- Generator Technologies Ahmednagar, India
- Generator Technologies Ranjangaon, India

PHALTAN, INDIA “MEGASITE”:
- Common Facilities-Megasite
- Cummins Technologies India Limited (CTIL)
- Distribution High Horse Power Rebuild
- Parts Distribution Center
- Phaltan Components Plant 1 (Fuel Systems Plant)
- Power Systems SEZ
- ReCon Phaltan
- Tata Cummins Private Limited – IMEP
- Tata Cummins Private Limited Phaltan

PUNE, INDIA:
- Kothrud Engine Plant
- Cummins India Technical Center
- India Office Campus
+8 sites pending final review

EXPLAINING WATER NEUTRAL AND ZERO DISPOSAL GOALS

01 Consistent with the waste and water management hierarchies (reduce first)
02 Protects the environment and the communities where the company operates
03 Completes annual validation reviews (new and renewal sites)

WATER NEUTRAL

Successfully offsets 100% of its water consumption within the community.
Must be in a water scarce region (Mexico, China, India, Africa, Brazil) to be counted in the goal of 15 sites.

ZERO DISPOSAL

Successfully recycles 100% of its waste.
Waste burned for energy recovery must produce a net energy gain to be considered in recycling.
Must have a headcount of 100 or more to be counted in the goal of 30 sites.