Diversity initiative goes outside U.S.

Cummins’ Global Diversity Department has been taking its Inclusive Development Project to the next level by helping employees develop the tools they need to engage in communities around the world. The project was created to give employees opportunities to become involved in diverse communities, to continue to redefine the way business is conducted, and to instill respect and understanding in new ways. Since its official launch in 2010, Cummins has significantly increased its diversity efforts internationally.

Safety gains traction in 2010-2011

Health and safety leaders at Cummins continued to drive down injuries, illnesses and incidents across the Company over the past year.

An industry-leading driver safety program for employees was implemented in 2010 and a major initiative to improve contractor safety was launched in 2011.

Other 2010-11 highlights:

• Cummins had 10 facilities with Severely Lost Work Days – sales in 2010—up from 6 in 2009.
• Severely-facilities in the Cummins network recorded Safety Incidence rates of zero in 2012.
• The Company released a major Health & Safety Toolkit on Slip, Trip, and Fall Prevention.
• The Company received national attention for its safety efforts in 2010. Cummins was one of 10 companies named the 2011 World’s Safest Companies.

FY2011 versus FY2010:

• Cummins’ growth for exceeded expectations in 2010, primarily on the strength of the Company’s performance in large emerging markets such as Brazil, China and India.
• Despite a sluggish North American truck market, sales were $11.2 billion, up 22 percent from 2009 and second only to 2006 revenues. For the first time in the Company’s history, earnings surpassed $1 billion.
• The Company expects 2011 to be a record year in terms of both sales and profits. Cummins started the year with two strong financial quarters, marking the opening of Cummins’ new Woodmead, South Africa. Cummins’ joint ventures will invest 75 percent to as much as $650 million in the United States and Canada from 2010-2011.
• Despite cuts in the United States and was implemented in China and India in 2010, it is scheduled to be rolled out in Australia and Brazil.
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GROWTH SINCE 2000

Consolidated Sales in billions of dollars

2000 2005 2010 2011

$11.2 $13.2 $17.0 $19.9

2006 2007 2008 2009

$8.7 $11.2 $13.1 $11.2

President and CEO Tim Solso has announced his retirement after 12 years as Cummins’ chairman and CEO. Tim Solso announced in July his retirement from Cummins effective Dec. 31, 2011.

During Solso’s tenure, sales grew from $6.6 billion in 2002 to $13.3 billion in 2010. International business grew from 40 percent of sales to more than 60 percent over that same time period. And the Company won numerous awards for diversity, corporate responsibility and environmental achievements.

Solso has led a “transformational” impact on the Company, according to Cummins’ President and CEO Tim Solso, who will become Cummins’ leader on Jan. 1, 2012. “Tim’s leadership has been all about creating a sustainable company.”

Solso says United is a “remarkable individual who lives by the values that have guided Cummins for more than 90 years.”

Solso says he has never been so optimistic about the Company’s future in its 94 years with Cummins.

EXECUTIVE SUMMARY

Building Cleaner, Healthier Communities Around the World

Sustainability Report 2010–2011

Cummins enjoys outstanding 2010

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Cummins is a global power leader, consisting of complementary business units that design, manufacture, distribute and service diesel and natural gas engines, as well as related technologies including power generation systems.

Part of our mission is demanding that “everything we do leads to a cleaner, healthier (and) safer environment.”

Welcome to the Executive Summary of Cummins’ 2010–2011 Sustainability Report. Cummins is the world’s largest independent designer, manufacturer, and distributor of advanced power solutions. Our products range from diesel engines, natural gas engines and hybrid power systems to related components and complete power systems. With approximately 55,000 employees, we serve customers in more than 190 countries and territories around the world including Brazil, China, India and Mexico to continue our community involvement activities.

The Company believes passionately that Cummins is only as strong as the communities where we do business and share our employees’ lives and work. “We will all be better as a company if our communities are healthier, if society is more just, and if we have better educated workers,” said John B. Wall, Vice President and Chief Technical Officer. “It is good business, for our business and it is the right thing to do.”

Corporate Responsibility
Cummins further integrated community involvement into the way the Company does business in 2010–11. Slower full-time Corporate Responsibility leaders were embedded in business units in North America and in countries around the world including Brazil, China, India and Mexico to continue our community involvement activities.

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About the Megazone
Cummins’ new remanufacturing facility in India is at the Megazone, a 650-acre campus that will eventually contain 10 Cummins facilities by 2014.

The site, which was inaugurated in January 2011, is currently home to three Cummins facilities with a fourth coming on line in 2011. The campus, which is located in a remote area some 150 kilometers from the Company’s operations in Pune, includes a number of “green” features. For example, the site collects “graywater” – water used and then returned – as well as rainwater that falls on the property through a system of small pots or cisterns interconnected by small cases. The water is used on landscaping. There’s something fishy here: Lake Taihu
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Cummins employees, bicycling and angling for bluegill fish, have noticed a change in the lake. Lake Taihu is renowned for its scenic beauty and the source of drinking water for about 30 million people. But the lake has been suffering toxic blue-gill algae.

Employee and Commissioner Generation Technologies in Wuxi, China, decided to focus their community involvement efforts on Lake Taihu in 2010, launching a multi-step effort to improve Taihu’s water quality. “We wanted to make a significant difference in our community and helping to reverse the decline of Taihu seemed like a good place to channel our efforts,” said Kioh Meng, Cummins’ Corporate Responsibility leader for China.

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