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

WORLD HEADQUARTERS
500 Jackson St.
Columbus, IN 47201

www.cummins.com

WHO WE ARE

1919 EST.

CMI

STOCK SYMBOL
(New York Stock Exchange)

55,200 EMPLOYEES WORLDWIDE

More than 50 percent of the company’s employees are located outside the United States.
(approximate employee total, as of Dec. 31, 2015)

CUSTOMERS

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 7,200 dealer locations.

SALES / EARNINGS

In 2015, Cummins earned $1.4 billion on revenues of $19.1 billion

FORTUNE 500 RANKING (2015)

154
ABOUT THIS REPORT

Welcome to the Executive Summary of Cummins’ 2015-2016 Sustainability Progress Report. This condensed version includes highlights from the company’s full report. If you want more detail or don’t find the coverage you are interested in, please see our full report at www.cummins.com/sustainability. This summary was posted in May 2016.

CUMMINS DATA BOOK

Cummins will again produce a 2015-2016 Sustainability Data Book in June 2016. This report will include all of the data in our Sustainability Progress Report plus additional disclosures, especially as they pertain to Cummins’ environmental performance. The Data Book will be posted at www.cummins.com/sustainability.

TABLE OF CONTENTS

INTRODUCTION
KEY PERFORMANCE INDICATORS ............................................5

ENVIRONMENT
CUMMINS ACHIEVES TWO KEY GOALS ................................6

CORPORATE RESPONSIBILITY
SETTING A COURSE FOR IMPACTFUL ENGAGEMENT ..........8
CHALLENGE RESULTS IN RECORD GHG REMOVAL ..........9

INNOVATION
LOOKING TO THE NEXT PHASE OF INNOVATION ...........10

HEALTH & SAFETY
TAKING HEALTH AND SAFETY TO THE NEXT LEVEL ........11

DIVERSITY
LIVING CUMMINS’ DIVERSITY VALUE ..............................12

FINANCIAL
PREPARING FOR BETTER MARKETS AHEAD ........................13
Cummins received a number of awards in 2015-2016 that involved the sustainability of the company.

<table>
<thead>
<tr>
<th>CORPORATE RESPONSIBILITY / ETHICS</th>
<th>ENVIRONMENT</th>
<th>DIVERSITY / WORKPLACE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>WORLD’S MOST ETHICAL COMPANIES</strong></td>
<td><strong>MEMBER OF Dow Jones Sustainability Indices</strong>&lt;br&gt;In Collaboration with RobecoSAM</td>
<td>Cummins received a perfect score for an 11th consecutive year in the 2016 Corporate Equality Index from HRC, the largest U.S. civil rights organization for LGBT employees.</td>
</tr>
</tbody>
</table>
| Cummins was named to Ethisphere’s 2016 list of World’s Most Ethical Companies for a ninth consecutive year. | Cummins was named to the 2015 Dow Jones Sustainability Index for North America. It has been on the index since 2006. | **TOP 25 EMPLOYERS IN AMERICA**
Forbes named Cummins one of its Top 25 Employers in America in 2016. |
| **FTSE4Good** | **CDP CLIMATE DISCLOSURE LEADER 2015** | Cummins was named one of the Top 50 Companies for Diversity by DiversityInc for a 10th consecutive year in 2016. |
| Cummins in 2015 was named to the FTSE4GOOD Index for demonstrating strong social, governance and environmental practices. | Cummins was named to CDP’s Climate Disclosure Leadership Index in 2015. | **HAAGEN-SMIT CLEAN AIR AWARD** |
| **TOP COMPANIES FOR CORPORATE RESPONSIBILITY** | **OUR RECOGNITION** | **MILITARY FRIENDLY EMPLOYER**
Cummins was named a 2016 Military Friendly Employer by the publisher of G.I. Jobs and Military Spouse. |
| Cummins India was named one of India’s Top Companies for Corporate Responsibility in 2015 by The Economic Times, a leading Indian financial newspaper. | **HAAGEN-SMIT CLEAN AIR AWARD**<br>Shortly before his retirement, Cummins’ Dr. John Wall was honored in 2015 for outstanding lifetime achievement in air quality research, science and technology by the California Air Resources Board. | Cummins was named one of the Top 50 Companies for Diversity by DiversityInc for a 10th consecutive year in 2016. |
| **DIVERSITY / WORKPLACE** | **DIVERSITY / WORKPLACE** | **MILITARY FRIENDLY EMPLOYER** |
| **HAAGEN-SMIT CLEAN AIR AWARD**<br>Shortly before his retirement, Cummins’ Dr. John Wall was honored in 2015 for outstanding lifetime achievement in air quality research, science and technology by the California Air Resources Board. | **DIVERSITY / WORKPLACE** | Cummins was named to CDP’s Climate Disclosure Leadership Index in 2015. |
| **DIVERSITY / WORKPLACE** | **MILITARY FRIENDLY EMPLOYER**<br>Cummins was named one of the Top 50 Companies for Diversity by DiversityInc for a 10th consecutive year in 2016. | **MILITARY FRIENDLY EMPLOYER**
Cummins was named a 2016 Military Friendly Employer by the publisher of G.I. Jobs and Military Spouse. |
| **WORLD’S MOST ETHICAL COMPANIES** | **MILITARY FRIENDLY EMPLOYER** | **MILITARY FRIENDLY EMPLOYER**
Cummins was named a 2016 Military Friendly Employer by the publisher of G.I. Jobs and Military Spouse. |
# KEY PERFORMANCE INDICATORS

Cummins takes a broad view of sustainability, including the environment, corporate responsibility, safety, diversity, employee development and governance. The company uses a number of key performance indicators (KPIs) to evaluate how it’s doing. You will find them listed throughout this report.

---

### ECONOMIC

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$17.3 billion</td>
<td>$19.2 billion</td>
<td>$19.1 billion</td>
</tr>
<tr>
<td>Net income</td>
<td>$1.48 billion</td>
<td>$1.65 billion</td>
<td>$1.40 billion</td>
</tr>
</tbody>
</table>

### ENVIRONMENTAL

<table>
<thead>
<tr>
<th>Environmental Indicator</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>GHG emissions (thousands of metric tons CO₂e)</td>
<td>750</td>
<td>788</td>
<td>774</td>
</tr>
<tr>
<td>Energy consumption¹ (thousands of MMBtu)</td>
<td>12,079</td>
<td>12,739</td>
<td>12,903</td>
</tr>
<tr>
<td>Water use (millions of gallons)</td>
<td>958</td>
<td>972</td>
<td>953</td>
</tr>
<tr>
<td>Water intensity reduction² (since 2010)</td>
<td>30%</td>
<td>36%</td>
<td>41%</td>
</tr>
<tr>
<td>Energy intensity reduction²,³ (since 2005)</td>
<td>30%</td>
<td>34%</td>
<td>33%</td>
</tr>
<tr>
<td>GHG intensity reduction²,³ (since 2005)</td>
<td>33%</td>
<td>35%</td>
<td>36%</td>
</tr>
<tr>
<td>Recycling rate</td>
<td>89%</td>
<td>90%</td>
<td>90%</td>
</tr>
</tbody>
</table>

### SOCIAL

<table>
<thead>
<tr>
<th>Social Indicator</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major injury rate</td>
<td>0.04</td>
<td>0.043</td>
<td>0.039</td>
</tr>
<tr>
<td>Incidence rate</td>
<td>0.65</td>
<td>0.61</td>
<td>0.57</td>
</tr>
<tr>
<td>Women leaders in the workforce</td>
<td>20%</td>
<td>20%</td>
<td>21%</td>
</tr>
<tr>
<td>Every Employee Every Community (EEEC) participation rate</td>
<td>68%</td>
<td>73%</td>
<td>80%</td>
</tr>
<tr>
<td>Number of Environmental Challenge participants</td>
<td>11,500</td>
<td>13,600</td>
<td>21,600</td>
</tr>
<tr>
<td>Greenhouse gas reduction as part of the Environmental Challenge (thousands of metric tons)</td>
<td>19</td>
<td>22.4</td>
<td>36.8</td>
</tr>
</tbody>
</table>

---

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.
CUMMINS ACHIEVES TWO KEY GOALS

Cummins achieved its water and energy goals in 2015, but still has a considerable way to go to meet its 2020 recycling goals.

“The environmental teams around the globe truly had an outstanding year,” said Mark Dhennin, Director of Energy Efficiency and Environment at Cummins. “There was a lot of effort that went into delivering on our commitments, which our environmental professionals met with great skill and enthusiasm.”

Cummins exceeded its energy / greenhouse gas (GHG) reduction goals for 2015, achieving a 36 percent reduction in GHG intensity and a 33 percent reduction in energy intensity (both adjusted for sales) compared to a 2005 baseline year. Cummins’ goal was to reduce energy intensity by 25 percent by 2015.

Cummins has approved a new energy goal, pledging to achieve a 32 percent energy intensity reduction (compared to a 2010 baseline year) at the company’s facilities by 2020 while increasing the amount of electricity it uses from renewable sources.

Meanwhile, Cummins reduced direct water use intensity (adjusted for hours worked) in 2015 by 41 percent compared to a baseline year of 2010, up from 36 percent achieved in 2014. The company’s goal was a 33 percent reduction by 2020. Cummins expects to set a new water goal soon.

On other goals:

» The company’s recycling rate remained at 90 percent, the same as in 2014. Five sites achieved “Zero Disposal” status. Cummins’ goal is to reach a 95 percent recycling rate with 30 sites designated “Zero Disposal” by 2020.

» On its logistics goal, Cummins reduced the carbon dioxide (CO₂) per kilogram of goods shipped by 2.8 percent. The company’s goal is a 10 percent reduction by 2020.

» On its products in-use goal, the company achieved a 1.6 million metric ton reduction of CO₂. Its goal is an annual reduction of 3.5 million metric tons by 2020.

The lab operations team at the Cummins plant in Seymour, Indiana (U.S.A.) is using regenerative dynamometers to capture the energy from high horsepower engines being tested to help power the plant.
Here’s a look at Cummins’ progress toward its environmental goals.

### ENVIRONMENTAL PERFORMANCE
Includes all consolidated operations and joint ventures subscribing to Cummins’ Enterprise Environmental Management System.

### KEY INDICATORS

#### WATER NEUTRALITY
2020 GOAL 15 SITES
- **Actual**: 5
- **Pending**: 4

#### ZERO DISPOSAL
2020 GOAL 30 SITES
- **Actual**: 5
- **Pending**: 2

#### REDUCE DIRECT WATER USE INTENSITY
2020 GOAL 3.5 MMT
- **2015 Progress**: 41 PERCENT

#### INCREASE RECYCLING RATE
2020 GOAL 95 PERCENT
- **2015 Progress**: 90 PERCENT

#### REDUCE ENERGY USE INTENSITY
- **2015 Goal**: 33 PERCENT
- **2015 Progress**: 36 PERCENT

#### REDUCE FACILITY GHG EMISSIONS
- **2015 Goal**: 27 PERCENT
- **2015 Progress**: 36 PERCENT

#### REDUCE CO₂ FROM PRODUCTS IN USE ANNually
- **2020 Goal**: 3.5 MMT
- **2015 Progress**: 1.6 MMT

#### REDUCE CO₂ PER KG OF GOODS SHIPPED
- **2020 Goal**: 10 PERCENT
- **2015 Progress**: 2.8 PERCENT

---

1. Primary energy excludes sold electricity and associated fuel usage
2. Intensity defined as adjusted for sales (energy / GHG) or hours worked (water)
3. Energy and GHG intensity reduction includes consolidated entities only
SETTING A COURSE FOR IMPACTFUL ENGAGEMENT

In 2015, Cummins’ global regions developed long-term strategies on community engagement while employees set a new participation record for community service.

“Cummins employees have specialized skills to help people in our communities,” said Mary Titsworth Chandler, Executive Director of Corporate Responsibility at Cummins. “When we add strategic principles to organize those unique talents, the impact is powerful.”

In China, a focus of its strategy is to increase independence among people with disabilities. Cummins India leaders built their strategy around replicating the successes employees have had developing villages’ water supplies, farms and schools. In Africa, every Cummins site is partnering with a school that has a high population of students at risk of failing to raise their academic performance.

Among Cummins’ North American sites, employees are mentoring low-income students to help them pursue college or careers. Other regions’ strategies similarly focus on under-served members or needs in communities.

Cummins’ commitment to Corporate Responsibility has been a core value at the company since its founding in 1919. In 2015, 53,749 employees, joint venture employees and contractors honored that tradition by engaging in a community project – a record 80 percent of eligible employees.

Cummins allows its employees to work on Corporate Responsibility projects for at least four hours on company time to create meaningful impact in their communities.
Almost 22,000 employees from 30 countries took Cummins’ 2015 Environmental Challenge, reducing a record amount of greenhouse gas (GHG) in the seventh annual event.

“It is our duty to preserve natural resources so that needs can be met not only in the present but also for future generations,” said Moysés Silva, a Plant Engineering Supervisor in Brazil. He led an Environmental Challenge project to distribute cisterns for people to harvest rainwater safely without allowing disease-carrying insects to breed.

The 88 projects submitted in 2015 reduced the equivalent of 36,810 metric tons of GHG, a new record for Cummins. Eighteen projects from seven countries – Brazil, China, India, Mexico, South Africa, the United Kingdom and the United States – were named Environmental Challenge winners.

In Fridley, Minnesota (U.S.A.), employees developed an innovative, fuel-saving micro grid, providing 33,667 kilowatts of uninterrupted, clean energy for a wilderness center by linking solar panels, batteries and a diesel generator.

“I hope it becomes a showcase for new energy technologies, and that the Steger Wilderness Center uses it to educate residents and high school students on different ways to reduce their carbon footprint,” said Wissam Balshe, a Power Systems Territory Manager who worked on the project.

In 2016, the center will have the opportunity to do more of those activities through Cummins Foundation support Balshe’s team is directing to Steger. Every Environmental Challenge winner is awarded a $10,000 grant for a local community organization.

Cummins employees in Brazil participate in an Environmental Challenge project designed to promote the safe harvesting of rainwater in Guarulhos, just outside São Paulo.

**IMPACT BY THE NUMBERS**

Here’s a look at the environmental impact of Cummins’ 2015 Environmental Challenge:

- **15,354** metric tons of waste diverted from landfills
- **12,550** megaliters of water saved
- **77,820** trees planted
- **350,000** people educated
LOOKING TO THE NEXT PHASE OF INNOVATION

While meeting emission regulations on oxides of nitrogen (NOx) and particulate matter (PM) will still be important, Cummins’ new Chief Technical Officer Jennifer Rumsey says innovation will increasingly depend on a deep knowledge of the company’s customers and how Cummins can enable their success.

That includes a growing focus on fuel efficiency to reduce the environmental impact of Cummins’ products while delivering value to customers, said Rumsey, who succeeded Dr. John Wall in 2015. Wall retired after an illustrious, 30-year career with the company.

With NOx and PM emission regulations reaching near zero levels in mature markets, company leaders are looking for what will drive innovation over the next 20 years.

“We have the brightest minds in the world working in our global technical organization, and we have the skills and abilities to achieve outstanding results,” Rumsey said. “Despite some challenging market conditions, this is a remarkably exciting time.”

Cummins is positioning itself for the future through a continued investment in research and development. The company devoted more than $700 million to that area for a fourth consecutive year, investing $735 million in 2015.

The company also celebrated the completion of the new Seymour, Indiana (U.S.A.) Technical Center, devoted to high horsepower engines used to power off-highway trucks, trains, ships, excavators and more. And Cummins Technical Center India in Pune is nearing completion, ultimately providing space designed to encourage collaboration among more than 2,500 engineers.

These facilities will be critical to the next phase of innovation, which is expected to include continued advancements in engine and component technologies, as well as advances related to alternative fuels and energy sources. New features leveraging telematics and data analytics are also expected to play an important role.

Cummins’ new Seymour, Indiana (U.S.A.) Technical Center is expected to further innovation in high horsepower engines.
TAKING HEALTH AND SAFETY TO THE NEXT LEVEL

Cummins saw improvements in several key health and safety metrics in 2015, including a 15 percent improvement in the Ergonomics Incidence Rate.

The company, however, missed several aggressive goals that Cummins leaders want to improve on in 2016.

“There was a lot of good news in 2015, but we set very aggressive targets because the stakes are so high – our employee’s health and well-being,” said Michelle Garner-Janna, Executive Director – Corporate Health & Safety.

Highlights for 2015 included:

- The 15 percent improvement in the Ergonomics Incidence Rate, the rate of ergonomics-related injuries per 100 employees, compared to 2014.
- An 8 percent improvement in the Incidence Rate, the relative number of recordable injuries and illnesses per 100 employees, compared to the previous year.
- A 7 percent improvement in the Major Injury Rate, the rate of major injuries per 100 employees, compared to 2014.

There are areas of concern, however. For example, while the Major Injury Rate improved, it was 86 percent over the company’s goal.

In 2016, Corporate Health & Safety plans to implement a safety pledge card campaign to build on previous efforts to make safety personal such as the “Live It. Lead It.” training. That training started to encourage leaders to take a personal interest in safety, but proved so popular it is now offered to all employees.

The company’s fourth annual Ergo Cup Competition was also a 2015 success. A project in India on safely rotating heavy crankshafts for remanufacturing topped a record-setting 96 entries from around the company.
DIVERSITY

SPENDING ON DIVERSE SUPPLIERS

The Cummins Diversity Procurement team also had an outstanding year in 2015, topping $1 billion in spending with diverse suppliers in eight categories in the U.S.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>SPENDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$1.3 billion</td>
</tr>
<tr>
<td>2014</td>
<td>$1.2 billion</td>
</tr>
<tr>
<td>2013</td>
<td>$990 million</td>
</tr>
<tr>
<td>2012</td>
<td>$890 million</td>
</tr>
<tr>
<td>2011</td>
<td>$810 million</td>
</tr>
</tbody>
</table>

LIVING CUMMINS’ DIVERSITY VALUE

Cummins took a number of steps to protect and enhance its Diversity value in the past year, from holding the company’s first conference for women to reaching out to the company’s Muslim employees amid heated political debate around the world.

Mary Barra, Chairman and CEO of General Motors, headlined the first Cummins Women’s Conference on March 11, 2016, in Columbus, Indiana (U.S.A.). She shared her journey at the automotive giant with the more than 250 women attending the day-long event designed to guide and inspire them.

“We have to be each other’s best advocates,” said Vice President and Chief Administrative Officer Marya Rose, ending the day with a call to action. “We will not succeed if we do not help each other.”

Meanwhile, when anti-Muslim rhetoric in world media increased dramatically in 2015, Cummins used the controversy to reinforce its commitment to diversity and inclusion.

In June of 2015, Chairman and CEO Tom Linebarger hosted a series of focus groups with Muslim employees to better understand the issues they faced and learn what Cummins could do to create a more welcoming atmosphere both at work and in their communities.

“Discrimination and intolerance have no place in our company, in our communities or in our country,” Linebarger later wrote in an opinion piece appearing in several U.S. newspapers in January 2016. “Today, divisive rhetoric that isolates minority groups is undermining our ability to see the commonalities we share and inhibiting our efforts to improve our communities.”
PREPARING FOR BETTER MARKETS AHEAD

Cummins operates in cyclical markets around the world and inevitably the business faces periods of weak demand and reduced short-term earnings when global economic growth slows.

Due to the company’s financial strength, Cummins has been able to continue investing for future growth through tough economic times, emerging from the past two downturns in a stronger competitive position.

Despite a challenging global economy, Cummins invested more than $1.6 billion in capital, acquisitions, joint ventures and research and development in 2015 to position the company for future profitable growth.

“We made significant progress in a number of our key initiatives in 2015, including gaining market share with our new products in China, (and) successfully acquiring and integrating our North American distributors,” said Chairman and CEO Tom Linebarger.

“...However, a combination of weaker end markets and a stronger U.S. dollar presented significant challenges to our performance,” Linebarger said. “As demand slowed in the third quarter (of 2015), we moved quickly to lower costs.”

Cummins reduced its workforce by about 2,000 positions and launched a number of initiatives within its manufacturing operations to reduce costs.

Revenue for all of 2015 was $19.1 billion, 1 percent lower than in 2014. Sales increased 7 percent in North America, but international revenue declined 11 percent.

Net income attributable to Cummins for the full year in 2015 was $1.40 billion ($7.84 per diluted share), or $1.59 billion ($8.93 per diluted share) excluding asset impairment charges and restructuring actions.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NET INCOME attributable to Cummins</th>
<th>SALES</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$1.40 billion</td>
<td>$19.1 billion</td>
</tr>
<tr>
<td>2014</td>
<td>$1.65 billion</td>
<td>$19.2 billion</td>
</tr>
<tr>
<td>2013</td>
<td>$1.48 billion</td>
<td>$17.3 billion</td>
</tr>
<tr>
<td>2012</td>
<td>$1.65 billion</td>
<td>$17.3 billion</td>
</tr>
<tr>
<td>2011</td>
<td>$1.85 billion</td>
<td>$18.1 billion</td>
</tr>
</tbody>
</table>
ABOUT THE COVER

Cummins spent much of 2015-2016 looking for new ways to power advances both in its industry and the world at large, hence the report’s title, “POWERING WHAT’S NEXT.” The three pictures on the cover reflect the company’s focus on innovation to solve challenges:

ADDRESSING AIR POLLUTION  Chairman and CEO Tom Linebarger spoke at the 2015 BSR Conference in San Francisco where he told attendees that Cummins can play an important role in addressing the air pollution plaguing many cities in developing countries. (Photo courtesy of BSR)

DRIVEN TO REDUCE CO₂  Cummins in 2015 used a tour of North America to talk about its 2017 products, putting a special focus on the ways they can help customers improve fuel efficiency, which translates into a corresponding reduction in greenhouse gases.

IN PURSUIT OF IMPACT  Cummins took a new approach to its community service efforts in 2015 in San Luis Potosí, Mexico, focusing on a relatively small geographic area in need of help to maximize the impact of its efforts.

You can find stories on all of these topics in the full report posted at www.cummins.com/sustainability

CONTACTS

MARYA ROSE
Vice President – Chief Administrative Officer
One American Square – Suite 1800
Indianapolis, IN 46282

MARY CHANDLER
Executive Director – Corporate Responsibility
Chief Executive Officer – The Cummins Foundation
One American Square – Suite 1800
Indianapolis, IN 46282

BLAIR CLAFLIN (Editor)
Director – Sustainability Communications
One American Square – Suite 1800
Indianapolis, IN 46282
(317) 610-2542

RESOURCES

COVER & INTERIOR  Printed on FSC®-certified paper manufactured with electricity that is made with 100 percent Certified Renewable Energy, from non-polluting wind power projects. The 100 percent post-consumer waste fiber used to make this paper is process-chlorine free and is Green-Seal certified.

Products mentioned in this report are covered by copyright and trademark protections.