



2018

***CUMMINS
DATA BOOK***

ABOUT THIS REPORT

Welcome to Cummins' 2018 GRI Data Book. The goal of this report is to essentially convert the Cummins 2018 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 websites such as the company's 2018 Annual Report on Form 10-K, the 2019 Proxy Statement, the company's Governance website, Cummins' Ethics & Compliance website and Cummins' CDP (formerly the Carbon Disclosure Project) climate and water reports to provide readers with more information on a particular topic.

It also includes data and information that wasn't in the Progress Report but might be of interest to readers who want more depth, especially on the environment. This report tries to answer as many GRI questions as possible, as directly as possible, in a straight forward manner.

The GRI questions can be quite complex, so the report summarizes them as much as possible. If you want to see the complete GRI questions, please go to the GRI website. 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 at the end of this report ([page 48](#)). In 2018, Cummins worked with Deloitte to perform a materiality study ([see page 6](#)) for the company. Cummins received the study findings in early 2019 but has already made changes to its reporting. The company added a new section in the Cummins [2018 Sustainability Progress Report](#) on its Supply Chain.

Thank you for your interest in Cummins.

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THE U.N.'S SUSTAINABLE DEVELOPMENT GOALS

Cummins supports the **U.N.'s Sustainable Development Goals** to “end poverty, protect the planet and ensure prosperity for all.” As a signer of the U.N.'s Global Compact, the company wants to do its part to make the world a better place to live.

The company believes its initiatives touch 17 goals with a special focus on 10 goals:



CUMMINS ALIGNMENT

Here are examples of Cummins' support for the Sustainability Development Goals where the company has the greatest impact. All page numbers refer to the **2018 Sustainability Progress Report**.

NO POVERTY

- » Introduction, A Note from the Chairman, page 8
- » Community Engagement, Impact by the Numbers, page 29
- » Community Engagement, Providing the Skills for Success, page 30

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- » Environment, Waste Goals, page 21
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- » Environment, Greenhouse Gas Goals, page 19

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- » Environment, Logistics Goal, page 22
- » Innovation, Key Innovation Metrics, page 43

QUALITY EDUCATION

- » Community Engagement, Measuring Engagement, page 29
- » Community Engagement, Providing the Skills for Success, page 30

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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 a number of key performance indicators. Here are just a few:

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

	2016	2017	2018
ECONOMIC			
Revenue	\$17.5 billion	\$20.4 billion	\$23.8 billion
Net Income	\$1.39 billion	\$999 million*	\$2.1 billion
* 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%.			
	2016	2017	2018
ENVIRONMENTAL			
GHG emissions (thousands of metric tons CO ₂ e)	762	778	808
Energy consumption ¹ (thousands of MMBtu)	12,889	13,656	14,374
Water use (millions of gallons)	930	964	949
Water intensity reduction ² (2010 baseline)	43%	44%	50%
Energy intensity reduction ^{2,3} (2010 baseline)	24%	25%	29%
GHG intensity reduction ^{2,3} (2010 baseline)	30%	33%	37%
Recycling rate	89%	90%	90%
	2016	2017	2018
SOCIAL			
H&S Major Injury Rate	0.042	0.047	0.043
H&S Incidence Rate	0.631	0.692	0.646
Code of Conduct cases	1,772	1,904	2,215
Women leaders in the workforce	21.80%	23.22%	24.36%
Every Employee Every Community (EEEC) participation rate	81%	82%	83%
People impacted by EEE projects	n/a	3.3 million**	4.3 million

**First year for calculation

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

OUR KEY TOOLS

SIX SIGMA AND CONTINUOUS IMPROVEMENT



Cummins is a big proponent of Six Sigma, using the business improvement tool to save the company and its customers billions of dollars.

Six Sigma uses data-based analysis to identify defects and variation in a wide range of manufacturing and business situations. Cummins employees also use Six Sigma when working with community partners on Corporate Responsibility projects. Here are some key metrics:

- » **15,110 current employees have been trained on Six Sigma common tools, including 14,554 exempt (not represented by a union) employees who are trained to lead Six Sigma projects with common continuous improvement methodologies.**
- » **3,495 current employees took Six Sigma training in 2018.**
- » **Six Sigma projects have identified an estimated \$7.11 billion in Profit Before Interest and Taxes (PBIT) savings since the tool was first implemented in 2000, including \$265.1 million in 2018.**
- » **Cummins customers have saved an estimated \$1.55 billion through Six Sigma since the tool was first offered to them in 2005, including \$104 million in 2018.**

The tool's impact, however, goes beyond cost savings and community engagement. It provides Cummins with a common language and collective mindset across the globe that can be used to address a problem or challenge almost anywhere in the world.

The most impactful projects are honored as part of the company's Impact Awards. As a continuous improvement company, Cummins is committed to providing great employees with the tools they need to solve the most important challenges in the business, and to recognize the outstanding work they do. Six Sigma has been widely credited with helping turn Cummins into the vibrant and innovative company it is today.

After 18 years as a key part of Cummins, Six Sigma has established itself as the principal problem-solving tool used at the company.

CUMMINS OPERATING SYSTEM

The purpose of the Cummins Operating System is to continuously improve the company's products and services by eliminating waste and reducing variation in processes. The 10 practices are:

-  **PUT THE CUSTOMER FIRST AND PROVIDE REAL VALUE.**
-  **SYNCHRONIZE FLOWS** (MATERIAL, PHYSICAL AND INFORMATION).
-  **DESIGN QUALITY** IN EVERY STEP OF THE PROCESS.
-  **INVOLVE PEOPLE AND PROMOTE TEAMWORK.**
-  **ENSURE EQUIPMENT AND TOOLS** ARE AVAILABLE AND CAPABLE.
-  **CREATE FUNCTIONAL EXCELLENCE.**
-  **ESTABLISH THE RIGHT ENVIRONMENT.**
-  **TREAT PREFERRED SUPPLIERS AS PARTNERS.**
-  **FOLLOW COMMON PROBLEM SOLVING** TECHNIQUES.
-  **USE SIX SIGMA AS THE PRIMARY PROCESS IMPROVEMENT METHOD.**

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MATERIALITY MATRIX

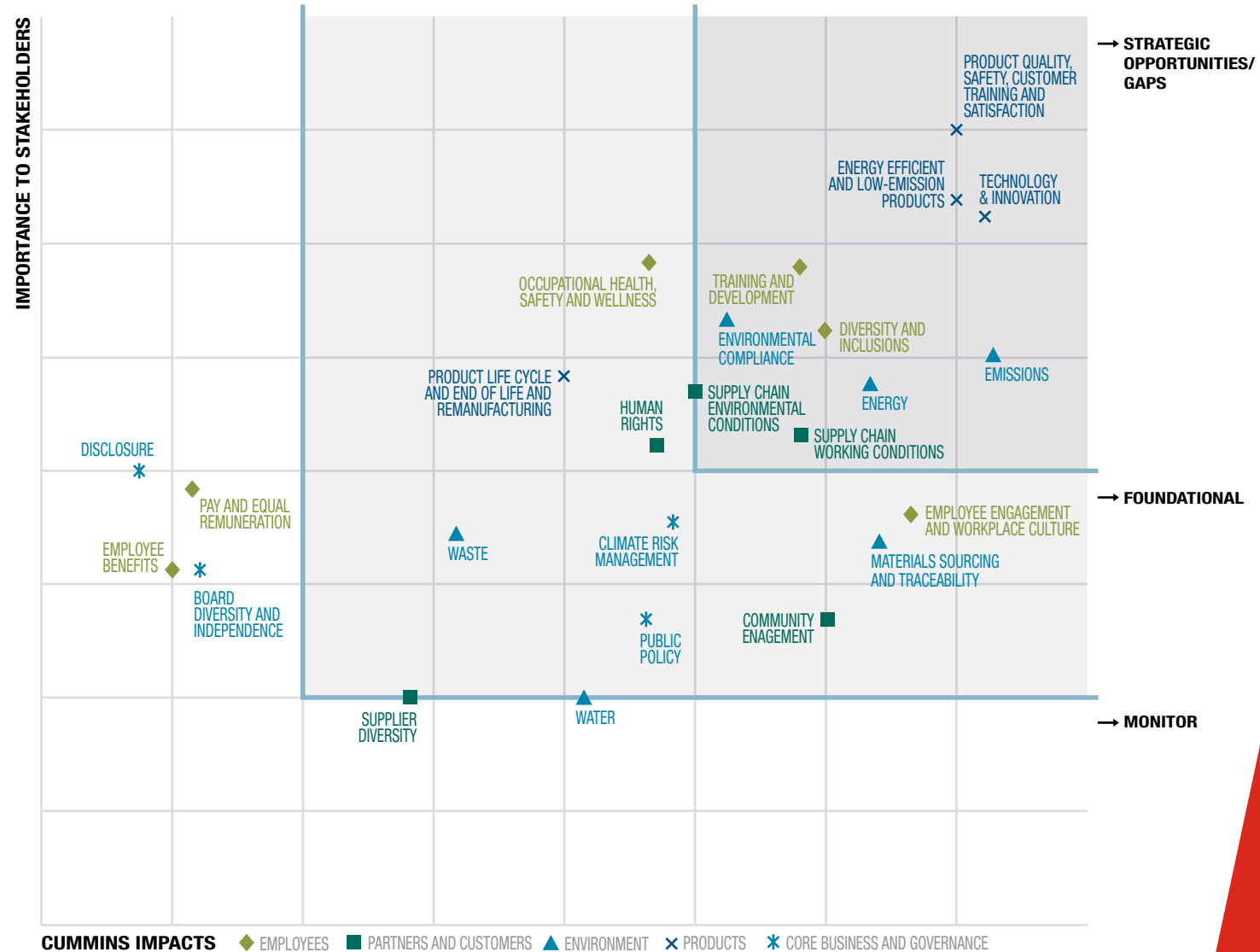
Cummins in 2018 worked with sustainability experts at Deloitte to help us ensure the company was prioritizing its reporting on the issues where the company has the biggest impact on the economy, society and the environment.

Working together Cummins and Deloitte identified more than 20 key voices in and outside the company including non-governmental organizations impacted by Cummins, public officials, company leaders, board members, customers and agencies that rate and rank companies on sustainability. In addition, the partners polled more than 1,000 employees for their opinions.

Deloitte compiled the feedback and included its own research on key issues facing the company as well as opinions about Cummins from social media and other sources.

The X axis includes impacts that are important to Cummins. The Y axis includes impacts that are important to stakeholders outside the company.

While the results were only available early in 2019, the company is moving quickly to address them, establishing a new section in the Sustainability Progress Report on the company's supply chain. More changes are expected in future editions of the report. More on the methodology regarding the materiality matrix is available on [page 19](#).



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ORGANIZATIONAL PROFILE

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Name of the organization:

Extensive information about Cummins Inc. including its name, address, stock symbol and more is available on [page 9](#) of this report.

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 Electrified 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 11](#) of this report.

102-3

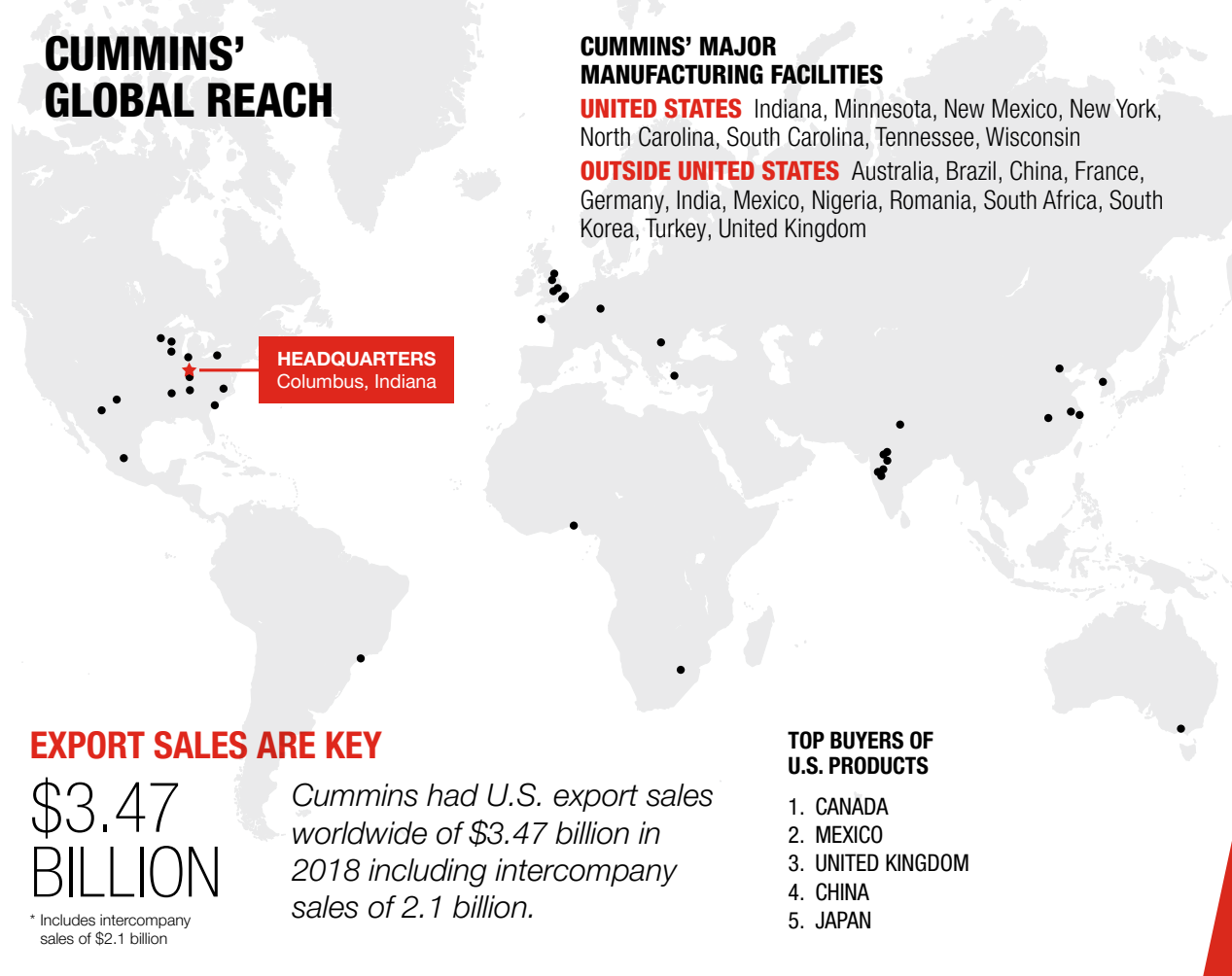
Location of headquarters:

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



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WHO WE ARE

Cummins Inc., a global technology leader, is a corporation of complementary business segments designing, manufacturing, distributing and servicing a broad portfolio of power solutions. The company's products range from diesel and natural gas engines to hybrid and electric platforms, as well as related technologies, including transmissions, battery systems, fuel systems, controls, air handling, filtration, emission solutions, and power generation systems.

WORLD HEADQUARTERS

500 Jackson St.
Columbus, IN 47201

EST. 1919



www.cummins.com

CMI

STOCK SYMBOL

(New York Stock Exchange)

62,600 EMPLOYEES WORLDWIDE

More than 50% of the company's employees are located outside the United States.

*Approximate number of employees as of February 2019

FORTUNE 500 RANKING (2018)

149

CUSTOMERS

Cummins serves customers in approximately **190 countries and territories** through a network of approximately **600 company-owned and independent distributor locations**, and over **7,600 dealer locations**.

SALES / EARNINGS

In 2018, Cummins earned 2.1 billion on revenues of

\$23.8 billion

102-5

Nature of ownership and legal form:

Cummins is a publicly traded, Fortune 200 company, ranking 149th in 2018. 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 59% of the company's net sales (see page 41 of the [2018 Sustainability Progress Report](#)) in 2018 were attributable to customers in the U.S. and Canada while 41% 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,

desire 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.

102-7

Scale of the organization:

Cummins has more than 62,000 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 \$23.8 billion in sales in 2018. The company sells more than a million engines annually as well as various related components.

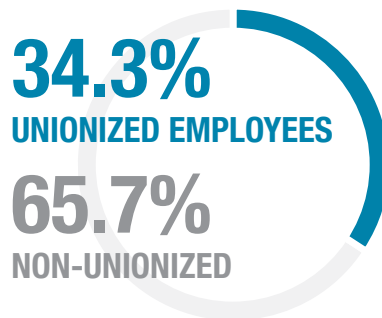
102-8

Information on employees:

Cummins has more than 62,000 employees world-wide. Just over 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 24% of the company's leadership. About 56% of the leaders of the company were born in the United States, down from 62% in 2010. More than 60% of the company's employees born outside the U.S.

EMPLOYEE REPRESENTATION

Just over a third of the Cummins workforce is represented by unions under collective bargaining agreements expiring between 2019 and 2023.



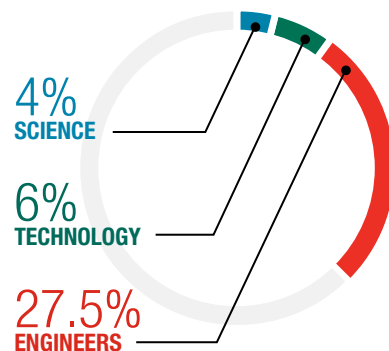
102-9

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, initiated in 2015 and completed in 2016, combined the Power Generation and High Horsepower functions, which were already strongly interdependent. It will allow 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 leads the company's quickly growing electrification efforts. To learn more about the supply chain at Cummins, see page 11 of the [2018 Annual Report on Form 10-K](#).

STEM INFLUENCE

About a third of Cummins' exempt (non-unionized) employees have a background in science, technology, engineering or math (STEM).



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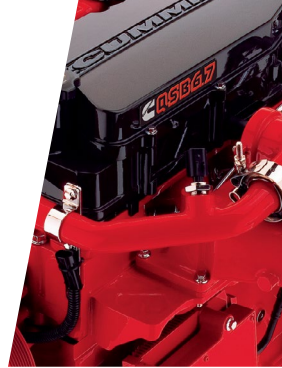
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HOW WE DO IT

For almost 20 years Cummins was organized into four business segments. Then, in 2018, the company established the Electrified Power segment to develop electric powertrains and related components. Here's a look at the company today.



ENGINE SEGMENT

The Engine segment manufactures and markets diesel and natural gas engines for on- and off-highway use around the world. Markets include heavy and medium-duty trucks, buses, light-duty trucks and areas such as agriculture, construction and military equipment.

POWER SYSTEMS

In 2016, Cummins reorganized its business, combining the company's Power Generation segment and its high-horsepower engine business to create a new Power Systems segment. The segment is a global provider of power generation systems, components, and services in standby power, distributed power generation, as well as auxiliary power in mobile applications. The segment also designs, manufactures, sells and supports diesel and natural gas high horsepower engines for a wide variety of uses.



COMPONENTS

The Components segment is organized around the following businesses:

- » **CUMMINS EMISSION SOLUTIONS** designs and builds exhaust aftertreatment solutions to reduce engine emissions.
- » **CUMMINS FILTRATION** designs and builds heavy-duty air, fuel, hydraulic and lube filtration, and chemical and exhaust system technology products.
- » **CUMMINS FUEL SYSTEMS** designs and manufactures fuel systems that maximize power and fuel economy while helping to reduce emissions.
- » **CUMMINS TURBO TECHNOLOGIES** designs and builds turbochargers to maximize engine performance and reduce emissions and fuel consumption.

DISTRIBUTION

The Distribution segment sells and services the full range of Cummins products for over 20 applications in more than 190 countries and territories around the world.

ELECTRIFIED POWER

Cummins established its Electrified Power segment in early 2018. The segment will provide the full range of electrified power solutions as well as some of the most critical components that have the largest impact on performance, quality and power. The segment posted its results as part of Cummins' first quarter earnings in 2018.

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

In the first quarter of 2018, Cummins expanded its segment reporting and added a fifth segment called Electrified Power to oversee its burgeoning electrified power business. This new segment included Brammo Inc., a battery designer the company acquired in 2017. In the first quarter of 2018, Cummins announced the **acquisition** of Johnson Matthey's U.K. automotive battery system, a subsidiary that specializes in high-voltage automotive grade battery systems for electric and hybrid vehicles. In the third quarter of the year, Cummins announced it was **acquiring** Silicon Valley-based Efficient Drivetrains, Inc., which designs and produces hybrid and fully-electric power solutions for commercial markets. Upon the addition of its fully-electric and unique four-mode hybrid powertrains, EDI will broaden Cummins' electrification expertise and products.

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 has set specific goals in these areas that apply to all Cummins' facilities, regardless of their location. To learn more about the company's goals, see page 16 of the **2018 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, The Rocky Mountain Institute's Business Renewables Center 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 Rocky Mountain Institute's Business Renewables Center. The company participates in the U.S. Department of Energy's Better Buildings, Better Plants initiative. The company's CEO, Tom Linebarger, is chairman of the Business Roundtable's International Engagement Committee. Cummins also works frequently with the Environmental Defense Fund.

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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 page 8 of the introduction to Cummins' [2018 Sustainability Progress Report](#).

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 [2018 Cummins Annual Report on Form 10-K](#). They are also addressed in the Chairman's Annual Letter to Shareholders available there and in the Chairman's Note on page 8 of the [2018 Sustainability Progress Report](#). Cummins also has information on risk management on page 57 of the same report.

ETHICS & INTEGRITY

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 14](#) of this report.

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 52](#) of the [2018 Sustainability Progress Report](#).

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CUMMINS' STORY

Cummins updated its mission, vision and values in 2017.

WHY WE EXIST

MISSION

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

WHAT WE WANT TO ACCOMPLISH

VISION

Innovating for our customers to power their success

HOW WE WILL DO IT

VALUES

INTEGRITY

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

DIVERSITY & INCLUSION

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

CARING

Demonstrating awareness and consideration for the wellbeing of others

EXCELLENCE

Always delivering superior results

TEAMWORK

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

LEADERSHIP CULTURE

Inspiring and encouraging all employees to achieve their full potential

BRAND PROMISE

*Powering our customers through **innovation** and **dependability***

STRATEGY

Delivering value to all stakeholders

GOVERNANCE

102-18

Governance structure:

The Board of Directors 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 [2019 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. Senior management, led by the Chief Executive Officer and Chief Financial Officer, in conjunction with other appropriate officers, undertake a process that identifies, categorizes and analyzes the relative severity and likelihood of different types of risk (see page 57 of the [2018 Sustainability Progress Report](#)). The board committees receive frequent updates from senior leaders who have functional responsibility for managing the risks related to those committees.

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.

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 our Corporate Responsibility efforts (see page 27 in the [2018 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. They try to weigh the interests of all stakeholders in their decisions including communities, employees, not for profits and others in addition to our shareholders.

102-22

Composition of the highest governance body and its committees:

The company's [2019 Proxy Statement](#) includes extensive information about the board members, their duties, and the strengths they present to the board.

102-23

Chair of the highest governance body:

Tom Linebarger is Chairman of the Board of Directors and Chief Executive Officer at Cummins. He is one of two Cummins employees on the 12-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 [2019 Proxy Statement](#).

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102-24**Nominating and selecting the highest governance body:**

The board composition guidelines are discussed in Sections 5.6 and 5.7 of the Corporate Governance Principles, and pages 6-8 of the **2019 Proxy Statement**.

A statement on diversity is included on page 3 of the proxy. Independence is addressed on page 4 of the proxy. The expertise each member brings to the board is included on pages 9 to 22 of the proxy.

102-25**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**.

102-26**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.

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**.) Cummins' Chairman and CEO also conducts one-on-one evaluations with each director individually.

BOARD GOVERNANCE AT A GLANCE

Here's a quick look at key governance matters regarding Cummins Board of Directors. To learn more go to the **governance documents website** on **cummins.com**.

BOARD

- » Size of Board: **12 members**
- » Independent Directors: **10 members**
- » Average Age of Directors: **64 years old**
- » Mandatory Retirement Age: **74 years old**
- » Annual Election of Directors: **Yes**
- » Women and Minority Board Members: **42%**
- » Majority Voting in Director Elections: **Yes**
- » Average Director Tenure: **Approximately 10 years**
- » Board Meetings held in 2018: **8 meetings**

LEADERSHIP

- » Combined Chairman and CEO: **Yes**
- » Independent Lead Director: **Yes**

PROCEDURAL

- » Super Majority Voting Threshold for Mergers: **No**
- » Proxy Access: **Yes**
- » Shareholder Right to Amend Bylaws: **Yes**
- » Shareholder Called Special Meetings: **Yes**
- » Poison Pill: **No**

POLICIES/ GUIDELINES

- » Code of Conduct for Directors, Officers and Employees: **Yes**
- » Stock Ownership Guidelines for Directors and Executive Officers: **Yes**
- » Anti-Hedging and Pledging Policies: **Yes**
- » Compensation Recoupment Policy: **Yes**

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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, updating it 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](#).

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 four 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. Sustainability reporting is compiled and edited by the Director of Sustainability Communications. The board does not play a direct role.

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 8 of the company's [Proxy Statement](#).

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

See Cummins' [2018 Annual Report on Form 10-K](#) starting on page 17.

REMUNERATION

102-35**Remuneration policies:**

The "Compensation Discussion and Analysis" section starting on page 23 of the [2019 Annual Proxy Statement](#) provides detailed information about Cummins' executive compensation program. See also Director Compensation starting on page 65 and a discussion of the Board of Director's Compensation Committee starting on page 6.

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

The board's Compensation Committee engaged Fariet Advisors LLC as its independent compensation consultant to provide input and advice to the committee. See page 6 of the [2019 Annual Proxy Statement](#). Fariet's work did not present any conflict of interest.

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

A vote is taken on the compensation plan as part of the company's Annual Meeting of Shareholders held May 14, 2019. 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 59 of the [2019 Annual Proxy Statement](#) for a complete discussion of this U.S. financial requirement.

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

See page 60 of the [2019 Annual Proxy Statement](#).

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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 2019 and 2023. To see more, go to the chart on page 38 of the [2019 Sustainability Progress Report](#).

102-42

Identifying and selecting stakeholders:

Stakeholders are identified in several ways, via the company's leadership in 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.

102-43

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.

102-44

Key topics and concerns raised:

Cummins' engagement with customers is obvious through products such as the X15 and X12 engine platforms, which make 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. Cummins started a sustainability report, for example, at the suggestion of a stakeholder and has now published 16 annual editions. In one of the most visible examples, the company joined activists in opposing apartheid in the 1980s, leaving the country after it was told it could not desegregate its facilities.

REPORTING PRACTICE

102-45

Entities included in consolidated financial statements:

See the company's [2018 Annual Report on Form 10-K](#) starting on page 3.

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MATERIALITY

102-46 Defining report content and boundaries

103-1 Material topics: definition

103-2 Material topics: management

103-3 Material topics: evaluation

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.**

PROCESS

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.

DISCLOSURE AND TARGETS

Cummins now discloses information and targets and progress toward them, if developed, for all 10 of the key material topics as depicted on the matrix (see [page 6](#)). These disclosures are found in the [Annual Report on Form 10-K](#), in our [Sustainability Progress Report](#), our GRI Data Book, and the water and climate submissions to CDP.

But the materiality exercise also showed opportunities for the company to be more thorough in its reporting.

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102-48

Restatements of information:

A proposal for a third-party logistics provider outside the U.S. was paused during some warehousing and organizational changes, after which the logistics providers will be evaluated. Currently, the company is not evaluating data outside the U.S. against its goal. To learn more, see the logistics section on page 22 of the [2018 Sustainability Progress Report](#).

102-50

Reporting period:

This report covers the 2018 calendar year.

102-51

Date of most recent report:

This report was posted June 29, 2019.

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 48](#).

MANAGEMENT APPROACH

103-1
103-2
103-3

See materiality discussion on [pages 6](#) and [19](#).

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ECONOMIC STANDARDS

201-1

Direct economic value generated and distributed:

In 2018, Cummins earned a net income of 2.1 billion on revenues of \$23.8 billion. For a full discussion on the company's finances, please see the company's [2018 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 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. To learn more, go to page 22 of the company's [2018 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 52 and referred to

throughout the company's [2018 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 46 of the [2018 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 Achatas Power on contract with the National Advanced Mobility Consortium to develop and demonstrate a technologically advanced engine for the next generation of U.S. combat vehicles.

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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 we follow the law everywhere. Cummins recognizes that market-based pay rates, at times, do not deliver wages necessary for a sustainable life-style. To that end, the company also collects "Living Wage" data in each country 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. Between 2009 and 2016, the number of Cummins leaders born in the United States shrunk from more than 60% to about 56%. To learn more, see the chart on the next page.

PROCUREMENT PRACTICES

204-1

Proportion of spending on local suppliers:

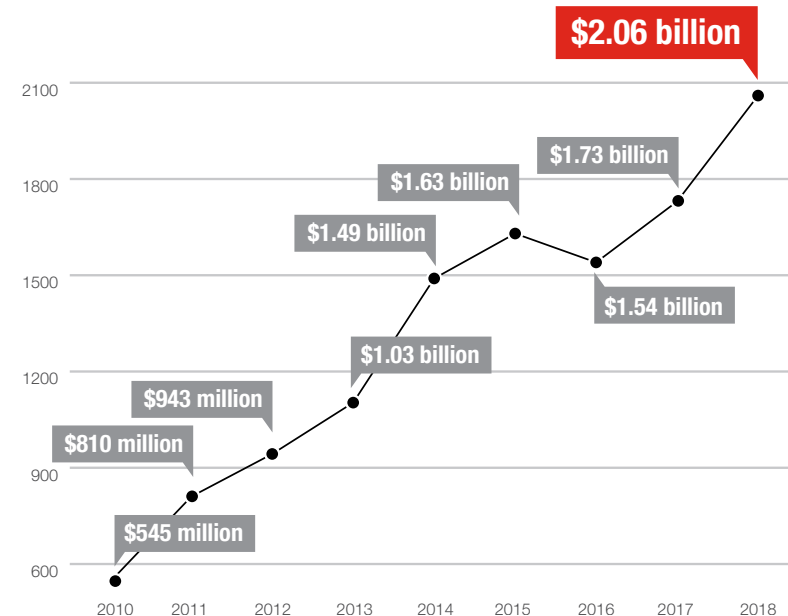
As a global company, defining "local" is difficult. In August 2016, Cummins was inducted into the Billion Dollar Roundtable, a prestigious advocate for best practices in corporate supplier diversity. Members must have exceeded \$1 billion in annual spending with diverse suppliers. There are only 22 corporations in the group, which includes Ford, P&G and Microsoft. For the latest in spending, see the chart on this page.

SPENDING ON DIVERSE SUPPLIERS



Cummins believes supplier diversity is critical to the company's sustainability efforts. Using diverse suppliers* enables Cummins to tap into the power of diverse thoughts and approaches, increases competition for Cummins' business, and spreads the benefit of economic growth to a wider number of communities.

In 2018, Cummins, for the first time, exceeded \$2 billion in global spending with suppliers who self-identify as diverse in their region of the world. Two years earlier, 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 the U.S.



* The eight categories of diverse suppliers recognized in the U.S. are: Minority Business Enterprises; Women Business Enterprises; Veteran Owned Businesses; Service-Disabled Veterans; Lesbian, Gay, Bisexual and Transgender (LGBT) Suppliers; SBA Small Disadvantaged Businesses; HUBZone Small Business Concerns and Philanthropic Suppliers. Cummins' global diverse spending total includes both Tier I and Tier II diverse suppliers.

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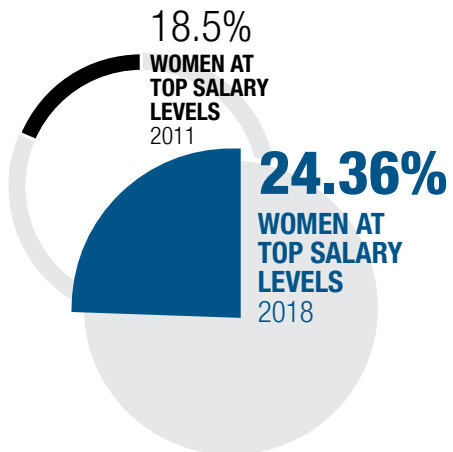
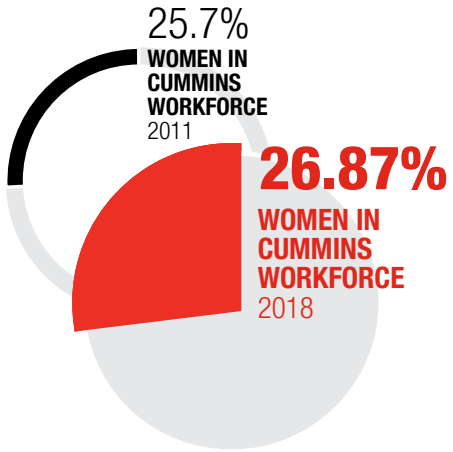
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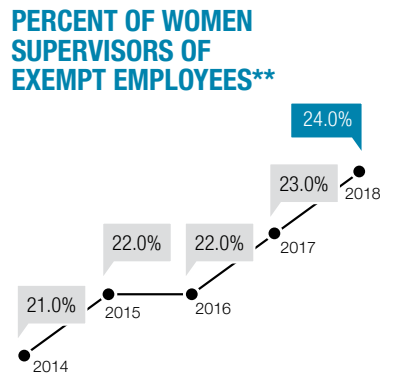
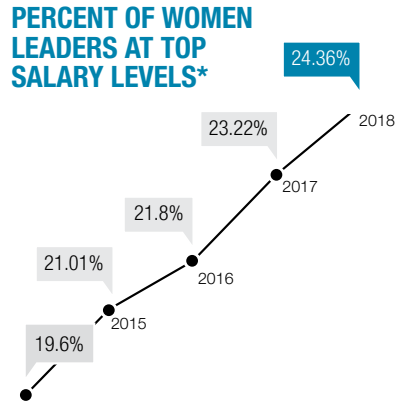
WOMEN AT CUMMINS

Cummins is working to bring more women to the company and foster their development as leaders. Here's a look:



MAKING PROGRESS

Here's a look at how women in leadership positions and women supervisors has grown since 2014:



* Women leaders in top three salary levels at Cummins.
 ** Includes all women leaders supervising non-unionized employees.

GEOGRAPHIC DIVERSITY

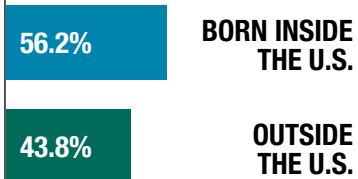
Cummins employees and leaders come from all over the world. Here's a look:

GLOBAL BACKGROUNDS

ALL EMPLOYEES



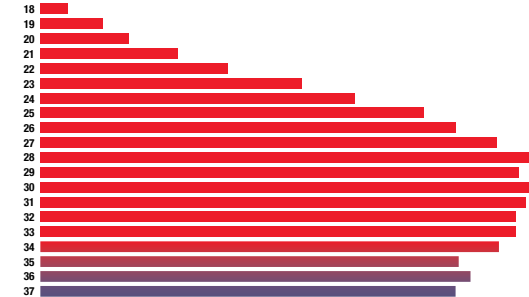
LEADERS



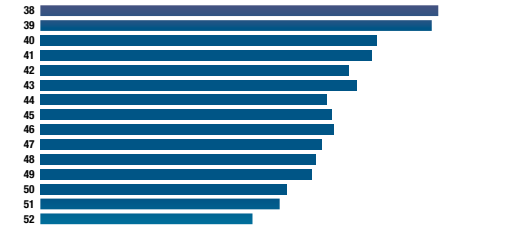
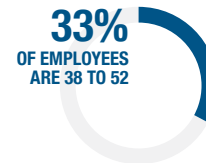
GENERATIONS

Cummins also has diversity in the ages of its employees. They are spread across a broad generational spectrum.

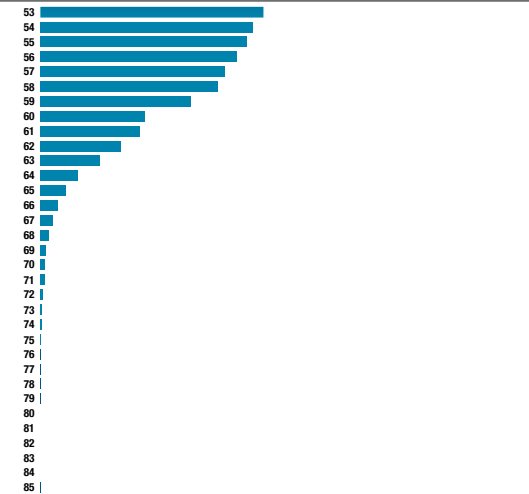
GEN Y



GEN X



BOOMERS



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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 52 of the company's [2018 Sustainability Progress Report](#).

COMPLIANCE TRAINING

Thousands of employees receive ethics and compliance training every year at Cummins. These figures are accumulated enrollments of active employees since 2005, when the oldest courses were first offered. The completion rates reflect the number of completions by the first quarter of 2019.

TRAINING	ENROLLED	COMPLETED	% COMPLETED
Anti-Bribery Refresher	21,156	20,769	98.2%
Global Anti-Bribery	33,551	32,600	97.2%
Careful Communications	33,551	33,022	98.4%
Code of Business Conduct Refresher	24,245	23,626	97.4%
Conflicts of Interest	522	477	91.4%
Data Privacy	33,551	31,989	95.3%
Doing Business Ethically	33,551	32,943	98.2%
Export Compliance	21,630	20,486	94.7%
Treatment of Each Other at Work Refresher	18,186	17,779	97.8%
Fair Labor Standards	469	467	99.6%
Code of Business Conduct – New Hire	64,153	59,840	93.3%
Treatment of Each Other at Work – New Hire	64,153	59,807	93.2%
Fair Competition	25,164	23,569	93.7%
Preventing Money Laundering*	1,987	1,433	72.1%

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MAINTAINING THE CODE



Training and guidance are not enough to ensure compliance. Cummins relies on its employees to speak up if they witness behavior that potentially violates the Business Code of Conduct. Once a potential issue is reported, Cummins has a global team of Master Investigators who investigate alleged Code of Conduct violations. In 2018, 2,215 cases were investigated, 35% of those cases were substantiated and 40% of the substantiated cases led to terminations.

	2015	2016	2017	2018
Total cases	1,830	1,772	1,904	2,215
Cases outside U.S.	43%	48.5%	49.7%	51.5%
Cases in the U.S.	57%	51.5%	50.3%	48.5%
Anonymous reports	33%	33%	32%	35%
Cases substantiated	53%	43%	38%	35%
Terminations*	27%	37%	38%	40%
Average days to close	13	13	16	19

* Termination data based on percentages of substantiated cases.

205-2

Communication and training about anti-corruption policies and procedures:

In 2018, 33,499 employees and officers, including all members of the Board of Directors, completed Cummins' annual Ethics Certification. The Ethics & Compliance function reviewed any exceptions and worked with Cummins' Human Resources staff to ensure they were documented and investigated. Since anti-bribery training started in 2005, 98% of the more than 32,000 Cummins employees targeted for the training have completed it. For other trainings, see the chart on [page 24](#). The Vice President of Ethics and Compliance speaks extensively on the topic of ethics and company leaders also reach out to employees on the subject, often speaking in their native languages. The Ethics & Compliance function has focused on increasing face-to-face training in high risk countries. Cummins' Board of Directors is periodically updated on the company's ethics

and compliance efforts, including an annual briefing from the Ethics & Compliance function (the Vice President of Ethics & Compliance is also the Board Secretary). To learn more about the company's efforts, go to the Ethics and Compliance section on page 52 of the company's [2018 Sustainability Progress Report](#).

205-3

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. The company in 2018 did not report any court case material to its financial performance. It did report that 35% of the 2,215 total cases were substantiated and 40% of those resulted in terminations. The complete chart is on this page.

ANTI-COMPETITIVE BEHAVIOR

206-1

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 [2018 Annual Report on Form 10-K](#).

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ENVIRONMENT STANDARDS

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

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301-1**Materials used by weight or volume:**

Cummins estimates 95% of the materials used to produce the organization's primary products are non-renewable (metals, oil, plastic) and 5% are renewable (rubber, paper, wood).

Cummins estimates it uses 900,00 metric tons of metal for one year's production.

301-2**Recycled input materials used:**

We know that 95% of our products are made from metal and that six major metals (pig iron, steel, copper, platinum group metals, nickel and aluminum) comprise 90% of our metal spend. Applying industry averages regarding use of recycled metal, we estimate that between 20-40% of our input materials are from recycled materials.

301-3**Percentage of products sold and their packaging materials that are reclaimed by category:**

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](#).

ABOUT REMANUFACTURING

- » **Percent of an engine that can be remanufactured**
85%
- » **GHGs avoided per year**
400 million pounds = 181,400 metric tons
- » **Amount of material reclaimed**
77 million pounds = 35,000 metric tons
- » **Number of part numbers offered**
1,000 component and 2,000 engine
- » **Cummins Remanufacturing portfolio**
 - » Engines and long blocks (3.3 to 19 liter) including internal components
 - » Turbochargers
 - » Cylinder heads
 - » Injectors
 - » EGR valves
 - » Connecting rods
 - » Air compressors / accessory drives
 - » Diesel particulate filters, diesel oxidation catalysts
 - » Water pumps / lube pumps
 - » Fuel injection pumps
 - » Electronic Control Modules (ECMs)
 - » Urea dosers

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302-1

Energy consumption within the organization.

See the table on [page 29](#) of this report..

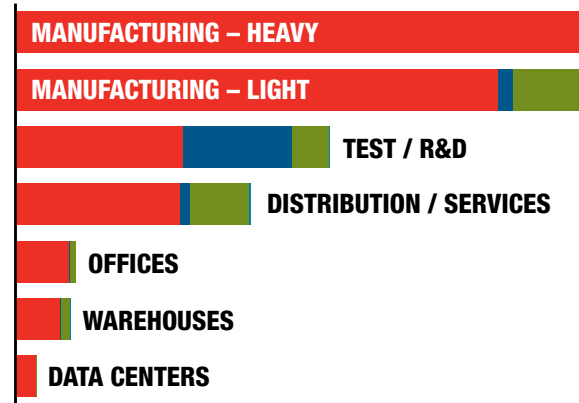
302-2

Energy consumption outside of the organization.

See [2018 CDP Climate Change Report](#) question 14 posted on our Sustainability page.

ENERGY USE BY FACILITY TYPE

in millions of British thermal units



Facility Type	Purchased Electricity*	Diesel	Natural Gas	Other fuels	On-site Renewable Electricity*
Manufacturing – Heavy	5,586,979	1,070,191	860,873	63,844	20,046
Manufacturing – Light	2,589,106	83,638	355,120	30,766	1,380
Test / R&D	901,978	580,065	203,730	2,679	34
Distribution / Services	883,743	50,719	320,449	6,775	2,477
Offices	289,612	3,052	31,062	137	-
Warehouses	241,333	2,412	47,227	6,292	363
Data Centers	109,695	156	1,158	-	-

*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.

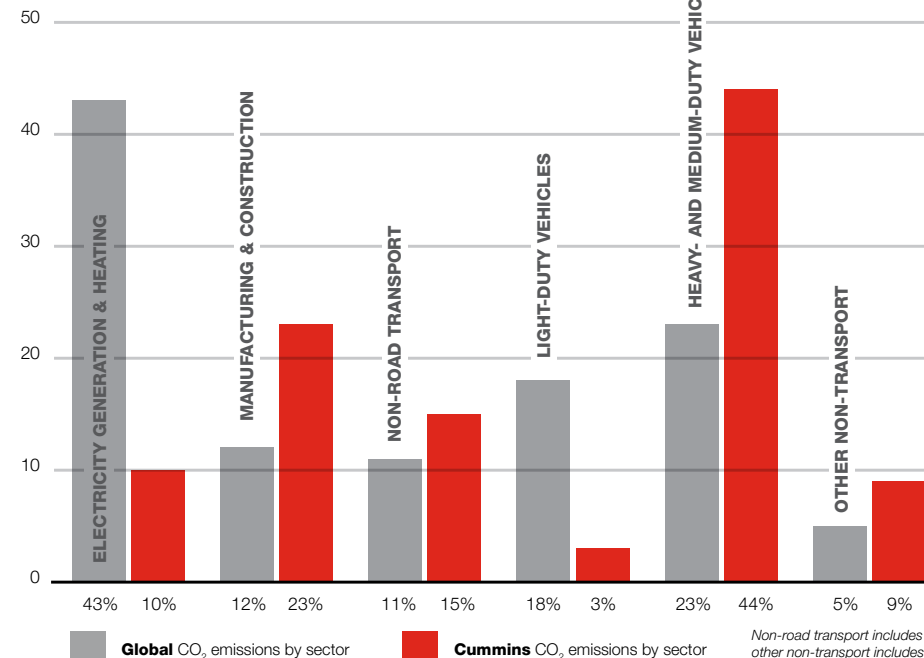
United States	2014*	2015*	2016*	2017*	2018*
Diesel	954,603	1,002,861	1,038,832	1,023,244	998,245
Natural gas	1,209,263	1,137,624	1,133,717	1,160,199	1,290,392
Other fuels	49,426	36,980	20,599	21,289	26,169
Purchased electricity*	5,227,521	5,354,055	5,320,361	5,509,620	5,787,632
On-site renewable electricity*	184	4,759	7,497	7,125	6,726
U.S. Total Energy	7,440,593	7,536,280	7,521,007	7,721,477	8,109,164
Non-U.S.					
Diesel	778,660	812,268	697,841	748,794	792,956
Natural gas	431,321	448,916	432,198	460,947	535,207
Other fuels	74,000	47,494	62,282	67,968	84,510
Purchased electricity*	4,013,328	4,066,871	4,169,428	4,620,942	4,859,400
On-site renewable electricity*	565	576	6,689	12,191	17,591
Non-U.S. Total Energy	5,297,874	5,376,125	5,368,439	5,910,841	6,289,663
Total primary energy use	12,738,467	12,912,404	12,889,446	13,632,317	14,398,827

*includes 3x factor for purchased electricity to account for T&D losses and 1x for on-site renewable electricity

CO₂ EMISSIONS RELATED TO PRODUCT FUEL USE

compared with the global composition of CO₂ emissions

Approximately two-thirds of Cummins CO₂ emissions from our products in use come from generators and heavy-duty engines.



Non-road transport includes locomotive and marine; other non-transport includes defense and agriculture.

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ASSURANCE

Since 2011, Bureau Veritas (BV) has audited Cummins' environmental footprint and data collection and verification processes. BV's audit included GHGs, water used, landfilled waste and recycled materials. BV provided an audit report with "limited independent assurance," which is included as part of Cummins' CDP (previously Carbon Disclosure Project) submissions.

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

ENVIRONMENTAL GOALS UPDATE

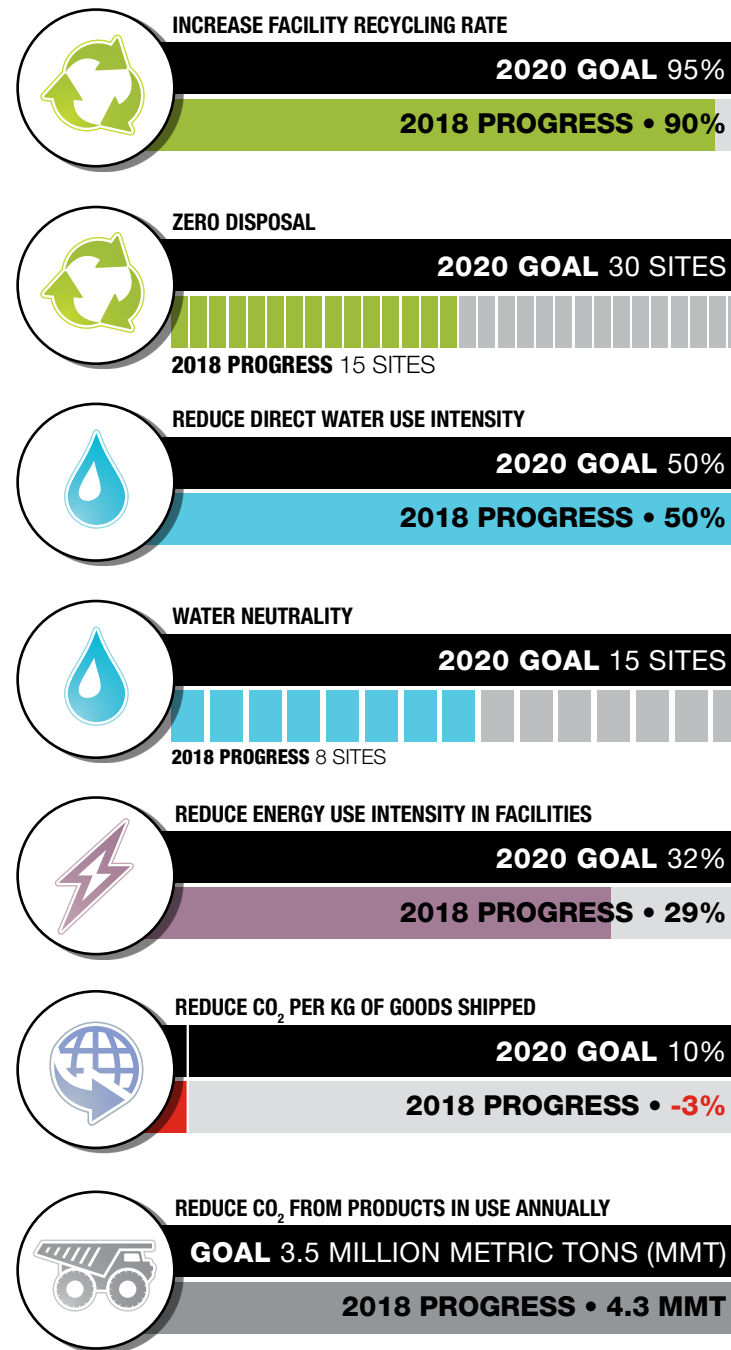
Here's a look at Cummins' progress toward its environmental goals.

Environmental performance includes all consolidated operations and joint ventures subscribing to Cummins' Enterprise Environmental Management System.

KEY INDICATORS

ENVIRONMENTAL PERFORMANCE	2015	2016	2017	2018
Energy consumption (thousands of MMBtu) ¹	12,912	12,889	13,656	14,374
GHG emissions (thousands of metric tons CO ₂ e)	774	762	778	808
Generated waste (thousands of metric tons)	186	186	207	227
Disposed waste (thousands of metric tons)	18	21	21	24
Recycled waste (thousands of metric tons)	168	166	186	203
Recycling rate (%)	90	89	90	90
Hazardous waste (metric tons)	78	3,098	4,048	5,409
Water use (millions of gallons)	947	930	964	949
Enterprise ISO 14001 certified entities ²	112	108	108	109
Manufacturing sites certified to ISO 14001 / OHSAS 18001 (%)	92	96	95	97
ISO 50001 Certified sites	7	16	27	36
Net sales (millions U.S. dollars)	19,110	17,509	20,428	23,771
Water intensity reduction since 2010 (%) ³	42	43	44	50
Energy intensity reduction since 2010 (%) ^{3,4}	24	24	25	29
GHG intensity reduction since 2010 (%) ^{3,4}	29	30	33	37

¹ Primary energy excludes sold electricity and associated fuel usage
² Includes global CMI managed facilities and 50:50 JV non-managed facilities
³ Intensity defined as adjusted for hours worked for energy, GHG and water
⁴ Reduction includes consolidated entities only



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Reduction of energy consumption:

See [2018 CDP Climate](#)

[Change Report](#) question

3.3 posted on our Sustainability page.

302-5

Reductions in energy requirements of products and services.

See pages 19 and 23 of the Cummins [2018 Sustainability Progress Report](#).

303-1

Total water withdrawal by source:

See charts at right.

306-5

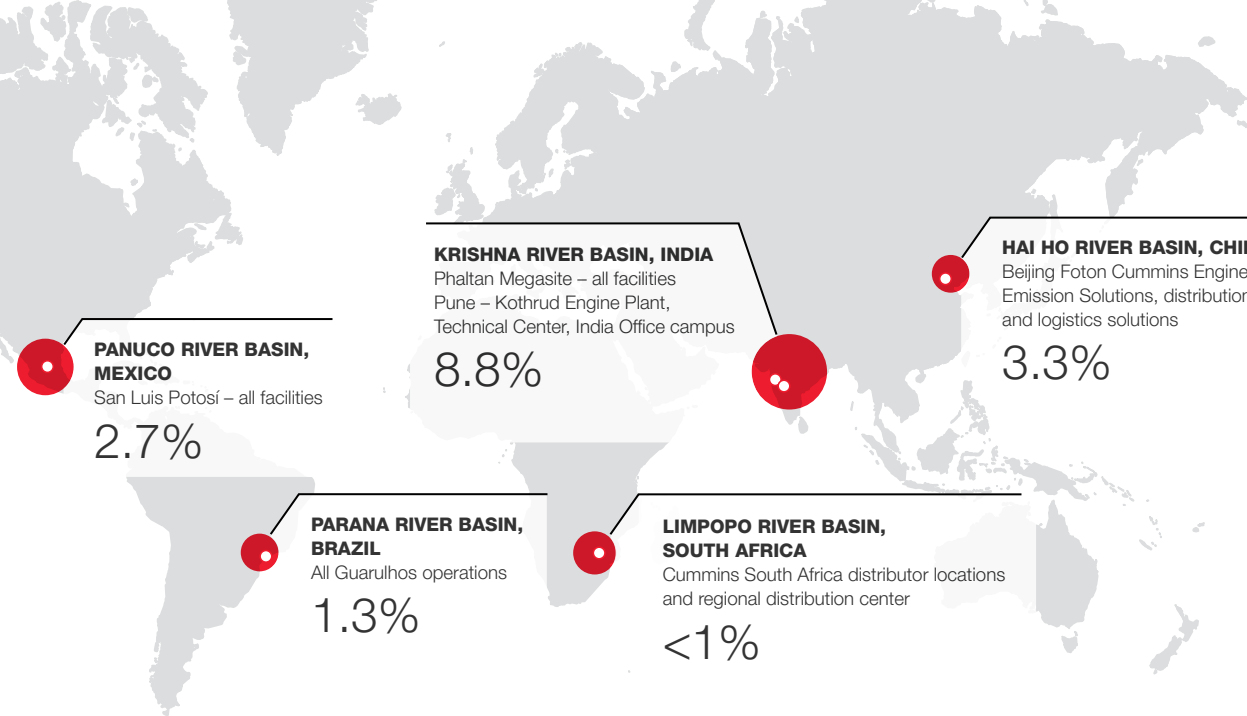
Water sources significantly affected by withdrawal of water:

See water strategy on page 18 of the [2018 Sustainability Progress Report](#) and Cummins performance relative to its water goals on the same page and the charts and graphics to the right.

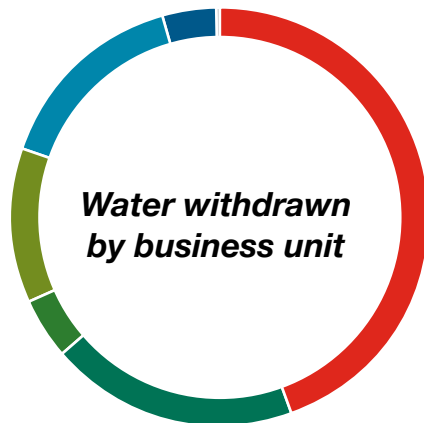
WATER RISKS

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, 45% of Cummins' water use is in water-stressed areas.

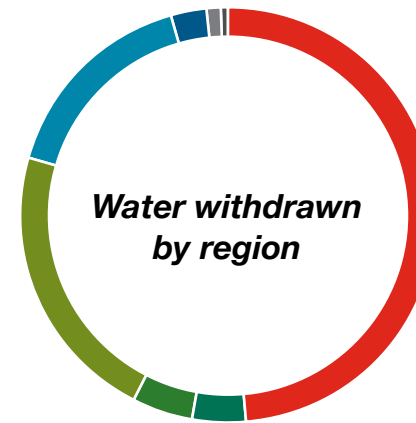
The size of the dot represents the size of the water basin in a particular region. The percentages refer to the amount of water removed relative to Cummins' total water use.



WATER WITHDRAWN BY BUSINESS UNIT AND BY REGION



EBU	45%
PS & CGT	19%
P & CSCO	5%
DBU	12%
CBU	15%
CSS	4%
EPBU	<1%



North America	49%
Europe	4%
Latin America	5%
China	22%
India	16%
Asia Pacific	3%
Africa	1%
Middle East	<1%

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EXPLAINING WATER NEUTRAL AND ZERO DISPOSAL GOALS

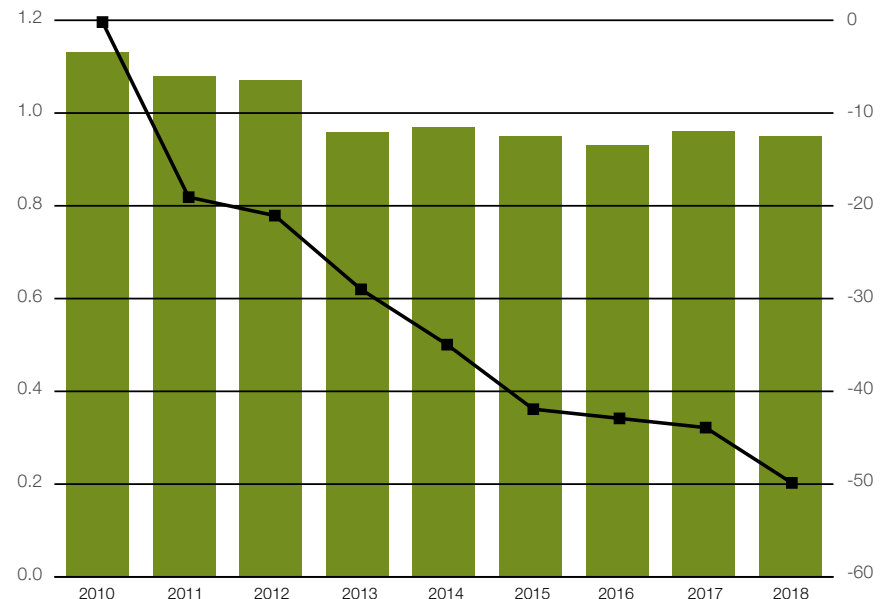
WATER NEUTRAL	ZERO DISPOSAL
<p>01 <i>Consistent with the waste and water management hierarchies (reduce first)</i></p>	
<p>02 <i>Protects the environment and the communities where the company operates</i></p>	
<p>03 <i>Completes annual validation reviews (new and renewal sites)</i></p>	
<p><i>Successfully offsets 100% of its water consumption within the community.</i></p> <p><i>Must be in a water scarce region (Mexico, China, India, Africa, Brazil) to be counted in the goal of 15 sites.</i></p>	<p><i>Successfully recycles 100% of its waste. Waste burned for energy recovery must produce a net energy gain to be considered in recycling.</i></p> <p><i>Must have a headcount of 100 or more to be counted in the goal of 30 sites.</i></p>

WATER INDICATOR DATA

	in gallons	in mega liters	
Water recycled and reused	14,174,838	53.7	Reuse and Recycle
Fresh surface water	53,983,968	204.4	Discharges
Municipal Treatment Plant	442,436,177	1,674.8	
Wastewater for another organization	8,110,541	30.7	
Aquifer Recharge	98,703,629	373.6	Withdrawals
Groundwater (renewable)	58,669,602	222.0	
Municipal supply	902,884,260	3,418.0	
Rain Water	938,791	4.0	Consumption
Consumption	279,150,221	1,056.7	

WATER USE AND INTENSITY CHANGE FROM BASELINE

in billion gallons



2010	1.13 B	2014	.97 B	■ Water withdrawn from all sources — % change in water intensity from baseline
2011	1.08 B	2015	.95 B	
2012	1.07 B	2016	.93 B	
2013	.96 B	2017	.96 B	
		2018	.95 B	

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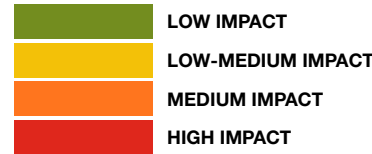
ECONOMIC ENVIRONMENTAL SOCIAL

304-1

Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas

Cummins evaluated 121 global sites in its biodiversity hot spot analysis.

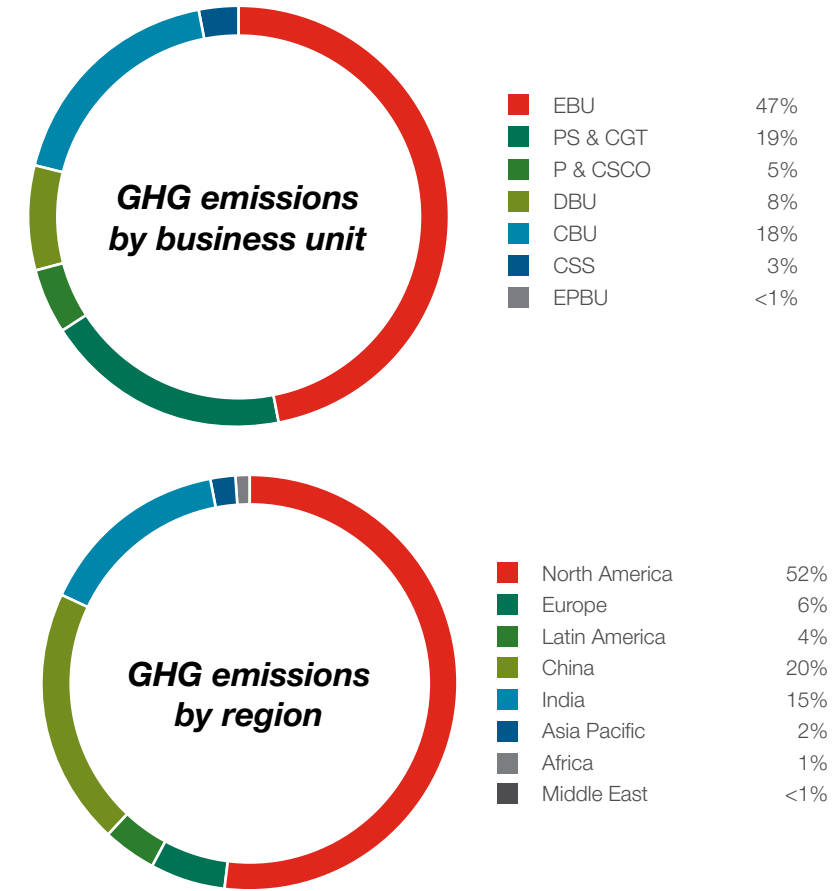
Of those sites, 15 sites were identified as high priority based upon a composite average of all data sources above a certain point. It is important to note that while the majority of sites are not located directly within biodiversity hotspots, especially with the relatively urban or developed locations of many Cummins facilities, a conservative approach was utilized to help Cummins prioritize where their operations could positively or negatively interact (or be perceived by stakeholders to interact) with defined biodiversity hotspots.



CUMMINS BIODIVERSITY HOTSPOTS

Site name	Country	WRI Baseline Water Stress	Conservation International Biodiversity Hotspot	IUCN Threatened Amphibians	Alliance for Zero Extinction	WWF 2020 Priority Places	Ramsar Wetlands
CPG India - Pirangut	India	High Impact	Low Impact	Low-Medium Impact	High Impact	High Impact	Low-Medium Impact
Singapore Data Center	Singapore	High Impact	Low Impact	Low-Medium Impact	High Impact	High Impact	Medium Impact
Parts Distribution Center Singapore	Singapore	High Impact	Low Impact	Low-Medium Impact	High Impact	High Impact	Medium Impact
Cummins Global Logistics Xi'an	China	High Impact	Low Impact	Medium Impact	High Impact	High Impact	Low Impact
Xi'an Cummins Engine Co., China	China	High Impact	Low Impact	Medium Impact	High Impact	High Impact	Low Impact
Cummins Filtration - Kilsyth	Australia	Medium Impact	Low Impact	Low-Medium Impact	Low-Medium Impact	Medium Impact	High Impact
Cummins Filtration - San Luis Potosí	Mexico	High Impact	Low Impact	Low-Medium Impact	Low-Medium Impact	Low-Medium Impact	High Impact
New Recon & Parts SLP, Mexico	Mexico	High Impact	Low Impact	Low-Medium Impact	Low-Medium Impact	Low-Medium Impact	High Impact
CFBU Turkey	Turkey	Low-Medium Impact	Low Impact	Low-Medium Impact	Low-Medium Impact	High Impact	Medium Impact
CPG China	China	Low-Medium Impact	Low Impact	Low-Medium Impact	High Impact	High Impact	Low Impact
Bogota Regional Distribution Center	Colombia	Low-Medium Impact	Low Impact	Low-Medium Impact	High Impact	High Impact	Low Impact
Cummins Global Logistic SLP	Mexico	High Impact	Low Impact	Low-Medium Impact	Low-Medium Impact	Low-Medium Impact	High Impact
Cummins India Office Campus	India	Medium Impact	Low Impact	Low-Medium Impact	High Impact	High Impact	Low Impact
Cummins India Limited, India	India	Medium Impact	Low Impact	Low-Medium Impact	High Impact	High Impact	Low Impact
Cummins Fuel System Juarez (JFS)	Mexico	Medium Impact	Low Impact	Low-Medium Impact	Low-Medium Impact	High Impact	Medium Impact

GHG EMISSIONS BY BUSINESS UNIT AND BY REGION



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Direct greenhouse gas (GHG) emissions (Scope 1).

305-2

Energy indirect greenhouse gas (GHG) emissions (Scope 2).

See graphics to the right.

305-3

Other indirect greenhouse gas (GHG) emissions (Scope 2)

Please see the [2018 CDP Climate Change Report](#) on question 10 posted on our Sustainability page.

305-4

GHG emissions intensity ratio.

Please see the [2018 CDP Climate Change Report](#) on question 12 posted on our Sustainability page.

305-5

Reduction of greenhouse gas (GHG) emissions intensity.

See Cummins' response to question 3.3 in the company's [2018 CDP Climate Change Report](#) posted on our Sustainability page and Cummins' report on its progress against its waste, water and energy goals starting on page 17 of the [2018 Sustainability Progress Report](#) posted in the same location.

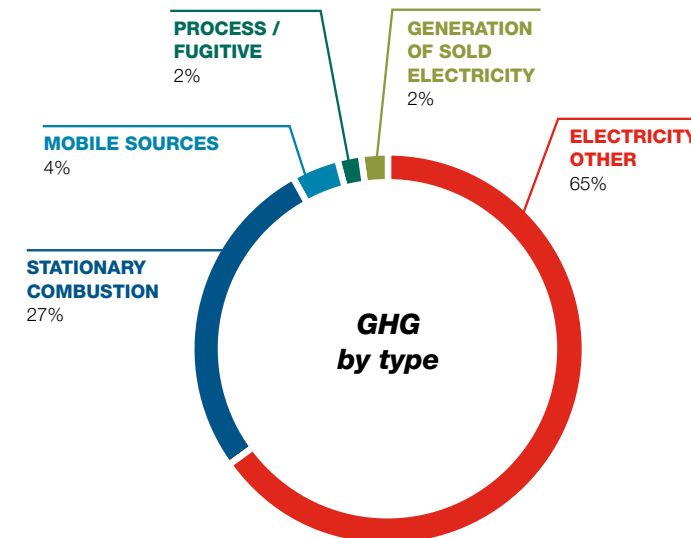
DIRECT AND INDIRECT EMISSIONS

(Facilities + power solutions business + mobile sources) Metric tons CO₂e

U.S. EMISSIONS					
DIRECT	2014	2015	2016	2017	2018
Stationary combustion	138,083	137,096	138,597	138,888	144,246
Mobile sources	23,739	21,274	36,138	32,611	33,197
Process / fugitive	3,697	4,259	4,827	5,260	4,874
Generation of sold electricity	0	0	0	0	0
Total Direct Emissions	165,503	162,520	179,454	176,758	182,317
INDIRECT EMISSIONS					
Electricity	306,040	286,923	282,434	261,122	272,115
Hot water	0	14	1	0	0
Total Indirect Emissions	306,040	286,938	282,435	261,122	272,115
DIRECT + INDIRECT					
Total U.S. Emissions	471,542	449,457	461,889	437,880	454,432

NON-U.S. EMISSIONS					
DIRECT	2014	2015	2016	2017	2018
Stationary combustion	81,909	85,271	75,590	81,340	88,644
Mobile sources	20,469	17,199	21,284	18,883	12
Process / Fugitive	9,495	9,823	10,567	10,464	9,990
Generation of sold electricity	14,857	17,199	17,049	17,360	17,360
Total Direct Emissions	126,730	129,493	124,490	128,048	116,006
INDIRECT EMISSIONS					
Electricity	244,072	247,930	246,214	274,954	282,498
Hot water	344	183	113	0	0
Steam	4,198	2,627	4,401	4,590	6,069
Total Indirect Emissions	248,615	250,740	250,727	279,544	288,567
DIRECT + INDIRECT					
Total Non-U.S. Emissions	375,345	380,233	375,218	407,592	404,573

TOTAL U.S. EMISSIONS AND NON-U.S. EMISSIONS					
DIRECT	2014	2015	2016	2017	2018
Stationary combustion	219,992	222,367	214,187	220,228	232,890
Mobile sources	44,208	38,473	57,423	51,494	33,208
Process / Fugitive	13,176	13,973	15,285	15,724	14,864
Generation of sold electricity	14,857	17,199	17,049	17,360	17,360
Total Direct Emissions	292,233	292,012	303,944	304,806	298,323
INDIRECT EMISSIONS					
Electricity	550,112	534,853	528,648	536,076	554,613
Hot water	344	198	114	0	0
Steam	4,198	2,627	4,401	4,590	6,069
Total Indirect Emissions	554,654	537,677	533,162	540,666	560,682
DIRECT + INDIRECT					
Total Emissions	846,887	829,690	837,107	845,472	859,005



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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 define 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.

See table below.

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.

Direct Air Emissions	2014	2015	2016	2017	2018
NOx (Metric Tons)	3,695	3,851	3,674	3,767	3,831
CO (Metric Tons)	813	846	811	828	844
PM 10 (Metric Tons)	251	262	251	253	259
VOC (Metric Tons)	772	695	716	813	810
Direct (gigajoules)					
Diesel	1,837,744	1,924,545	1,841,359	1,878,855	1,899,174
Natural gas	1,735,877	1,678,694	1,656,871	1,715,309	1,931,534
Propane	78,119	55,996	35,270	41,995	48,365
Indirect					
Electricity (gigajoules)	3,250,840	3,319,157	3,352,716	3,583,501	3,761,878
Electricity (Kwh)	903,011,095	921,988,057	931,310,077	995,416,963	1,044,966,229

CONFLICT MINERALS

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.

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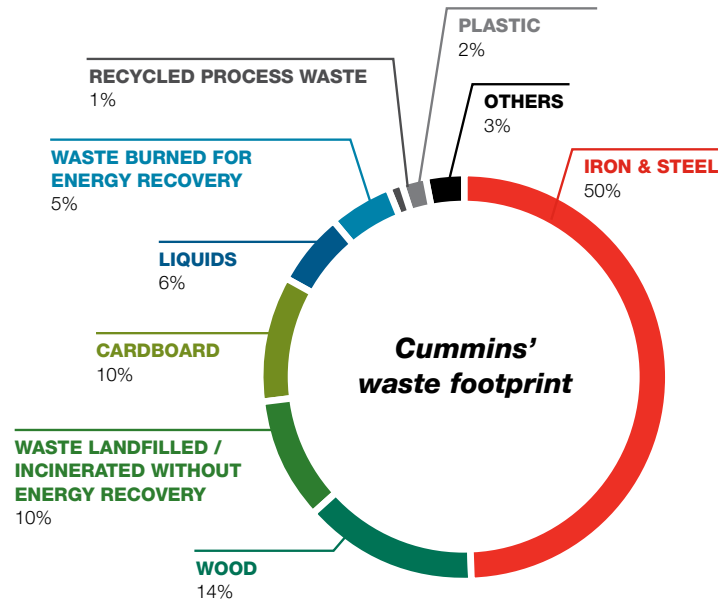
306-2

Total weight of waste by type and disposal method.

See graphics below and on following page.

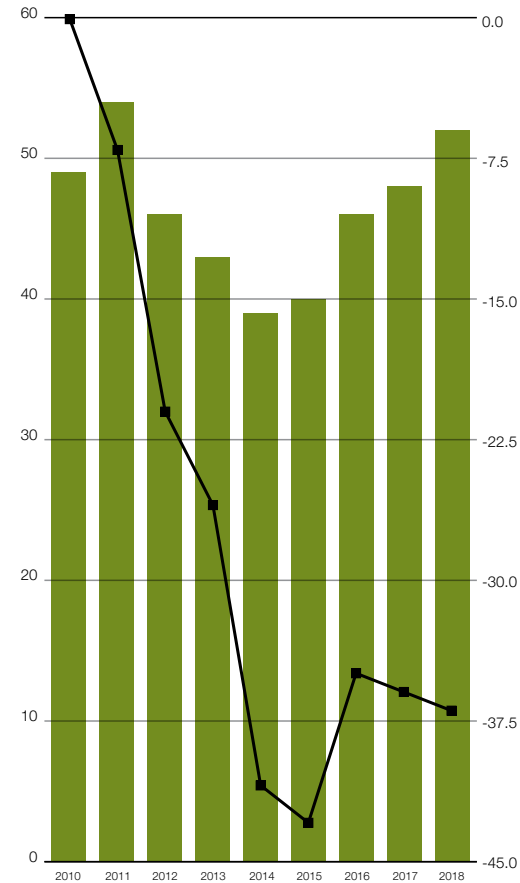
CUMMINS' WASTE FOOTPRINT

Iron and steel make up the largest component of Cummins' waste footprint.



TOTAL WASTE DISPOSED AND INTENSITY CHANGE FROM BASELINE

in million pounds



Year	Disposal (lb)	% change in waste disposal intensity from baseline
2010	49,171,352	0.0
2011	54,283,409	-7.5
2012	46,088,694	-22.5
2013	43,277,999	-30.0
2014	38,540,353	-45.0
2015	40,469,552	-37.5
2016	46,202,805	-30.0
2017	47,969,546	-37.5
2018	47,969,546	-37.5

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RECYCLED MATERIALS

in metric tons

RECYCLED METALS	2014	2015	2016	2017	2018
Iron and steel	102,619	94,482	96,030	107,940	113,404
Aluminum	814	850	804	787	1,067
Copper and brass	627	649	667	915	585
E-waste	76	103	102	95	192
RECYCLED NON-METALS					
Wood	22,720	28,488	24,930	26,630	31,529
Cardboard	16,008	18,563	17,732	19,595	22,332
Liquid Waste	9,842	11,554	10,667	13,065	13,261
Burned for energy recovery	5,595	7,232	8,283	9,787	10,397
Composted	4,410	1,722	1,422	997	996
Plastic	1,905	2,011	2,302	2,741	3,551
Office paper	833	953	995	1,375	1,969
Hazardous waste	2*	1*	651	434	1,681
Other process derived industrial waste	Not tracked	999	902	1,792	2,456
Total Recycled Waste	165,452	167,608	165,486	186,151	203,419

* Includes only US EPA RCRA Hazardous waste

● **15* 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, Markthiedenfeld, Germany
- Olympia Building, Columbus, Indiana (U.S.)

* 3 sites pending final review

● **8 WATER NEUTRAL SITES**

Cummins Filtration, Shanghai, China

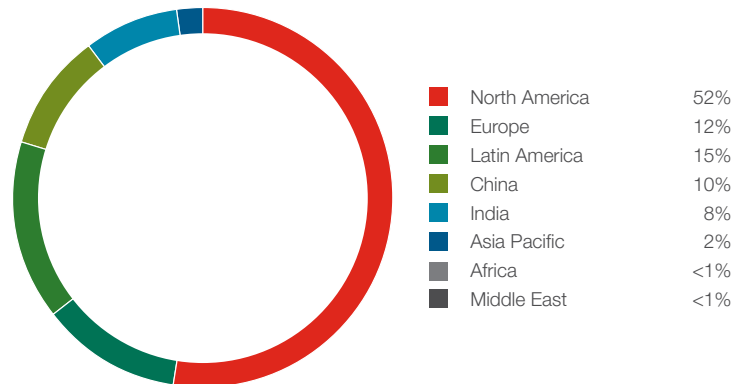
PHALTAN, INDIA "MEGASITE":

- Tata Cummins Pvt Ltd 2
- Cummins Technologies India Limited, High Horsepower
- Parts Distribution Center
- Cummins Shared Services

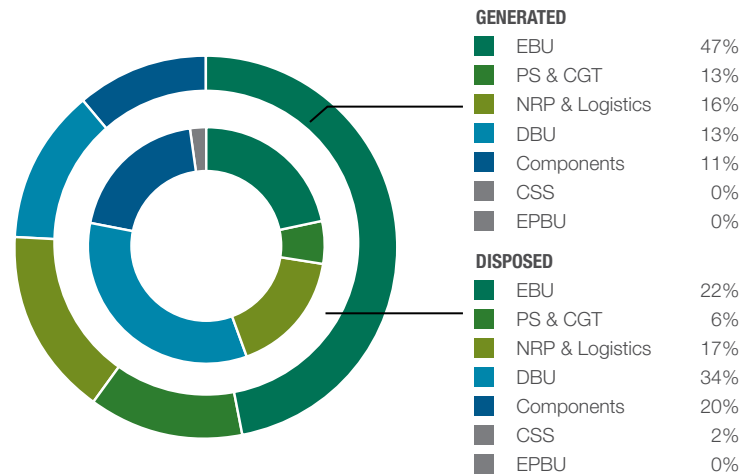
PUNE, INDIA:

- Kothrud Engine Plant
- Cummins India Technical Center
- India Office Campus

WASTE BY REGION



WASTE GENERATION AND DISPOSAL BY BUSINESS UNIT



306-4

Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention² Annex 1, II, III, and VIII, and percentage of transported waste shipped internationally.

Cummins is unable to uniformly track its hazardous waste internationally because of lack of conformity surrounding definition. The company does, however, comply with all regulations in the countries where it operates.

306-5

Identify, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff.

Cummins is unaware of any such discharges impacting environmentally sensitive areas.

307-1

Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.

CUMMINS BRIDGEWAY DISTRIBUTOR BRANCH

The Grand Rapids, Michigan (U.S.), branch of a Cummins distributor shipped a fuel pump that leaked residual diesel fuel onto the box in which it was packed. This leakage was detected by the air freight company and reported to the Federal Aviation Administration (FAA). Cummins Bridgeway was issued a fine in 2015 of \$32,000 (consequently paid in early 2016) for not complying with FAA regulations for air shipment of hazardous material.

CUMMINS EMISSIONS SOLUTIONS – STOUGHTON, WISCONSIN

Cummins Emissions Solutions was issued a fine of \$20,000 in November 2015 (consequently paid in January 2016) for the Stoughton, Wisconsin (U.S.), facility's failure to comply with the size of engine permitted for testing in the site's test cells and related reporting requirements.

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.

A violation occurs when an authorized body determines that a law, regulation, code, etc. related to environmental or ecological issues has been breached, and the fine or penalty is over \$10,000. The chart to the left refers only to Cummins facilities. This definition is essentially in line with the GRI G4 Sustainability Reporting Guidelines definition of environmental laws and regulations. It refers to regulations related to all types of environmental issues (that is, emissions, effluents, and waste, as well as material use, energy, water, and biodiversity) applicable to the organization.

	2015	2016	2017	2018
Number of violations of legal obligations / regulations	2	0	1	1
Amount of fines/penalties related to above	\$52,000	\$0	\$62,550	\$52,550
Environmental liability accrued at year end	\$52,000	\$0	\$62,550	\$52,550

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308-1**Percentage of new suppliers that were screened using environmental criteria.**

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.

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HSE MANAGEMENT SYSTEM

The company's Enterprise Environmental Management System (EMS), created in 2003, plays a critical role in Cummins' global environmental footprint reductions and other improvements. The company adopted a model that includes a common framework to ensure a similar look, feel and fundamental approach throughout the organization.

The EMS has the flexibility to allow individual sites and businesses to address risks and opportunities most important to them. Cummins has integrated health and safety processes and procedures with the environment since 2007, in accordance with the international standard OHSAS 18001 Occupational Health & Safety Management System, to create the company's Enterprise Health, Safety and Management System (HSEMS).

The system has served as the framework for driving continual improvement and efforts beyond compliance at Cummins operations around the world.

The company expects all sites to comply with its policy, procedures and initiatives. Broad objectives and targets are set at the corporate level to establish direction for critical corporate initiatives. Cummins' business units and sites then build upon them to establish site-specific objectives that align with company priorities but address site-specific needs and challenges.

Cummins policies apply to more than just its employees, extending to contingent workers, suppliers, contractors and even customers working at company facilities. Cummins' expectations also extend beyond the company's

physical boundaries, encompassing maintenance and support services that occur at off-site locations. Cummins strategically drives certification to recognized international standards.

Since 2003, the company has focused on its manufacturing locations with 96% of manufacturing sites certified to ISO14001 and OHSAS 18001. The company continues to work toward having 100% of the company's manufacturing and distribution locations toward HSEMS Enterprise dual-certified sites. By the end of 2017, the company's independent auditor certified 108 entities, representing 372 sites and corporate offices as part of the HSEMS. Cummins' HSEMS scope has been extended to encompass manufacturing joint ventures and distributors. In 2017 Cummins focused on transitioning certified sites to the ISO 14001:2015 Standard. This transition continued into 2018. Cummins has expanded the ISO 14001:2015 at their Corporate Level to encompass Corporate Environmental Suitability Committee and Product Certification & Compliance – enabling Cummins to strategically plan beyond Manufacturing Facilities and Operations.

By incorporating practices and procedures into the HSEMS to meet the new ISO 50001 Energy Management Standard, Cummins has delivered a common global approach to make energy efficiency a standard practice across the company. Cummins' business units and sites then build upon them to establish site-specific objectives that align with company priorities but address site specific needs and challenges. At the global level, by end of 2017, 26 sites were certified to the ISO 50001 energy management system, including 7 sites certified to the Superior Energy Performance Standard (ANSI/MSE 50021). By end of 2018, 36 sites were certified to ISO 50001 energy management systems, including two sites certified to Superior Energy Performance Standard (ANSI/MSE 50021). In 2019, nine more sites are working on ISO 50001 implementation, with certification target end of 2019.

AUDITING AND DATA CERTIFICATION

Environmental goals are measured through a structured audit process. A third party auditor, Bureau Veritas Certification (BVC), certifies the HSEMS and the environmental metrics Cummins collects. Since 2011, BVC has also audited Cummins' environmental footprint and the company's data collection and verification processes. Cummins supplements the audit sampling conducted by BVC by conducting its own annual audits using internally trained HSE auditors. Every site is audited on an annual basis. The company has developed an internal environmental auditor certification process, where employees complete a training course and then a series of audit levels.

By the end of 2018 we had an auditor pool of 126 certified lead auditors globally that represent cross-functional leaders in Health, Safety and Environment, facilities and operations roles such as testing, quality and manufacturing operations.

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SOCIAL STANDARDS

HEALTH AND SAFETY

403-1

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 32 of the [2018 Sustainability Progress Report](#).

403-2

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

According to the most recent U.S. Bureau of Labor Statistics data published in 2017, the average Incidence Rate (per 200,000 hours worked) for U. S. motor vehicle manufacturing is 6.4 and 2.1 and U.S. motor and generating manufacturing. Cummins had a rate of 0.69. Overall the company has seen a 50% reduction in injuries between 2008 and 2018. Cummins believes what matters most to achieve an injury free workplace is fostering a culture of caring along with a spirit of interdependence. Every employee must look out not only for their own safety, but for the safety of their co-workers, family, friends and communities. The chart on [page 41](#) captures trends in Cummins' health and safety performance and its goals for the future.

403-3

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.

A KEY CONCERN

One key concern for health and safety at Cummins in 2019 is contractor safety. While Cummins saw a 17% improvement in the Contractor Incidence Rate in 2018, major injuries suffered by contractors did not go down and there were two contractor fatalities.

Plans include webinars for Cummins employees on the importance of health and safety for contractors and strengthening the pre-qualification process for contractors to ensure the company has a consistent process that always includes an emphasis on safety.

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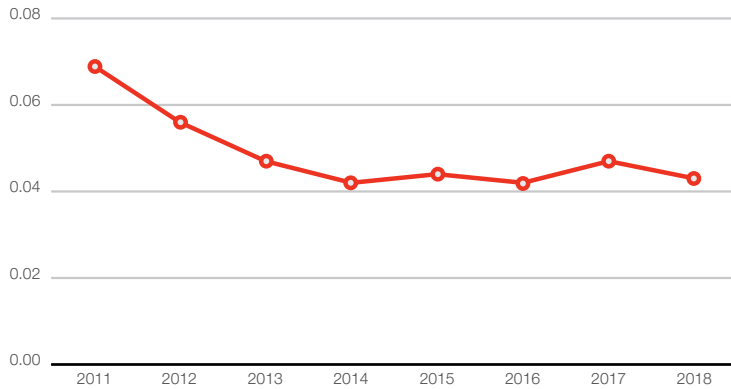
SOCIAL

SAFETY PERFORMANCE INDICATORS

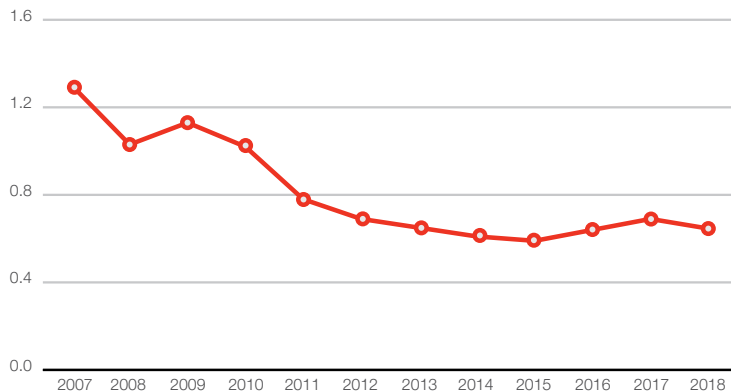


Here's a look at key trends in safety at Cummins.

MAJOR INJURY RATE



INCIDENCE RATE

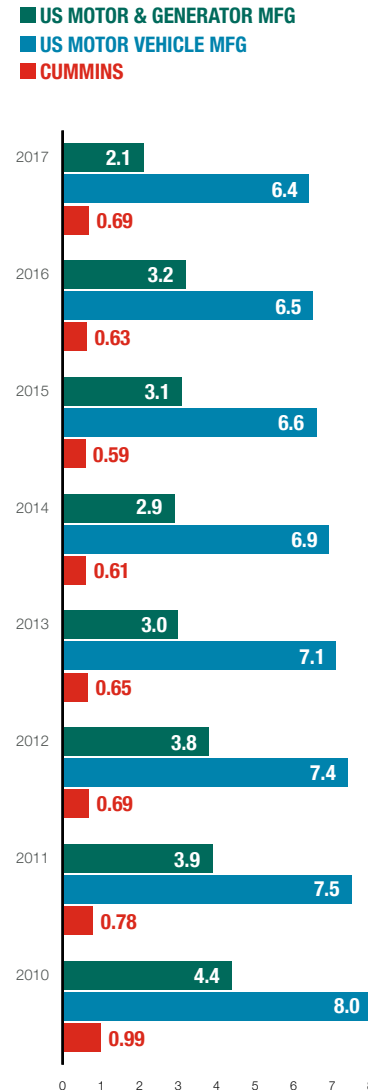


NOTE: The company's Major Injury Rate is the number of major injuries per 100 employees per year. The company started tracking it in 2011. Cummins' Incidence Rate, also known as the average Injury/Illness rate, is the relative number of recordable injuries and illnesses per 100 employees.

HOW WE COMPARE



Here's Cummins' Incidence Rate compared to other industries.



MORE SAFETY METRICS

Cummins is committed to the health and safety of its employees. Here are two safety metrics followed by the Dow Jones Sustainability Indices: Lost-Time Injury Frequency Rate for employees (per 1 million hours worked) and Occupational Illness Frequency Rate for employees (per 1 million hours worked). Both rates include 100% of employees.

	2015	2016	2017	2018
Lost-Time Injury Frequency Rate	0.974	1.123	1.231	1.287
Occupational Illness Frequency Rate	0.078	0.202	0.171	0.136

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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 (see chart on this page). 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. Cummins' plants frequently send employees to community colleges and elsewhere for training on specific pieces of equipment and tasks.

404-2

Programs to upgrade skills:

See answer to 404-1.

404-3

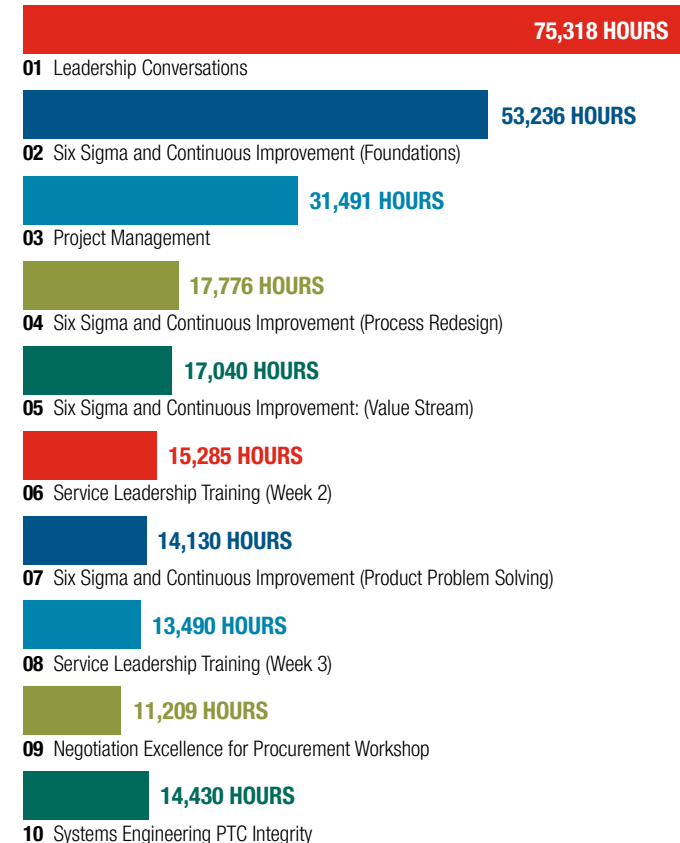
Percentage of employees receiving regular performance and career development reviews:

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 DEVELOPMENT

The company offers a wide variety of training depending on position, location and other factors. Employees with a computer have access to the Cummins Learning Center, which in 2018 delivered more than 800,000 hours* of instruction on line and in person. The training was on a wide range of topics, from leadership to engineering, information technology, Six Sigma (see page 12), customer support and more.

Employees in 2018 engaged in more than 560,000 hours of training outside of mandatory training in areas such as safety and ethics and compliance. Here's a quick look at the top 10 voluntary courses and the time invested.



*Time based on estimated time to complete a course

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DIVERSITY AND EQUAL OPPORTUNITY

405-1

Diversity of governance bodies and employees:

The 12-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 55 to 71. For more on their backgrounds, see page 10 the [2019 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 and the "country of origin" of its workforce. See the chart on page 34 of this report for more on the workforce's makeup or the section on Diversity and Inclusion starting on page 30 of the [2018 Sustainability Progress Report](#).

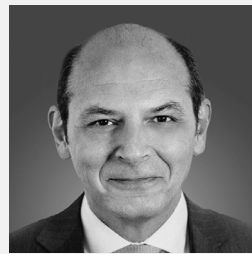
CUMMINS BOARD MEMBERS



ROBERT J. BERNHARD

Vice President for Research and a Professor of Engineering at the University of Notre Dame. He joined the board in 2008.

Committees: Audit Committee; Safety, Environment and Technology Committee; Governance and Nominating Committee.



BRUNO V. DI LEO

Retired Senior Vice President, IBM Corporation, a global technology and consulting company. Currently Managing Director of Bearing-North, LLC, an independent advisory firm. He joined the board in 2015.

Committees: Finance Committee; Safety, Environmental and Technology Committee; Governance and Nominating Committee.



RICH J. FREELAND

President and Chief Operating Officer, Cummins Inc. He joined the board in 2017.

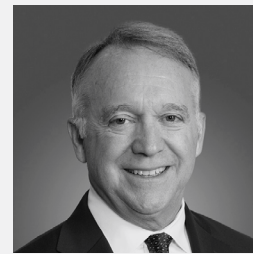
Committees: He does not serve on any committees.



ALEXIS M. HERMAN

Chairman and Chief Executive Officer of New Ventures, LLC, a corporate consulting company. She joined the board in 2001 and currently serves as Lead Director.

Committees: Finance Committee; Safety, Environment and Technology Committee; Governance and Nominating Committee; Lead Director; Executive Committee of the Board of Directors.



THOMAS J. LYNCH

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

Committees: Compensation Committee; Finance Committee; Governance and Nominating Committee.



GEORGIA R. NELSON

President and Chief Executive Officer of PTI Resources, LLC, an independent consulting firm. She joined the board in 2004.

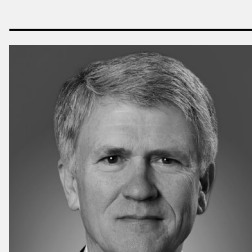
Committees: Audit Committee; Compensation Committee; Governance and Nominating Committee.



DR. FRANKLIN R. CHANG DIAZ

Chairman and Chief Executive Officer of Ad Astra Rocket Company, a U.S. spaceflight engineering company based in Houston, Texas. He joined the board in 2009.

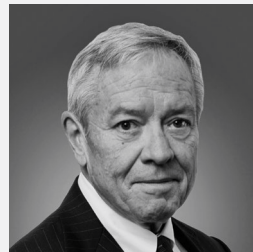
Committees: Finance Committee; Safety, Environment and Technology Committee; Governance and Nominating Committee.



STEPHEN B. DOBBS

Retired Senior Group President at Fluor Corporation, a Fortune 500 company offering engineering, procurement, construction, maintenance, and project management services. He joined the board in 2010.

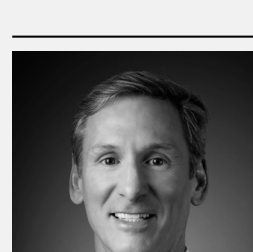
Committees: Audit Committee; Safety, Environment and Technology Committee; Governance and Nominating Committee.



ROBERT K. HERDMAN

Managing Director of Kalorama Partners, LLC, a Washington, D.C.-based consulting firm. He joined the board in 2008.

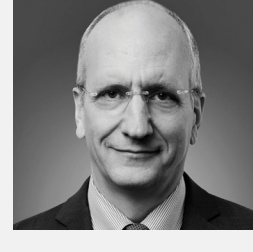
Committees: Audit Committee; Compensation Committee; Governance and Nominating Committee



N. THOMAS LINEBARGER

Chairman and Chief Executive Officer, Cummins Inc. He joined the board in 2009.

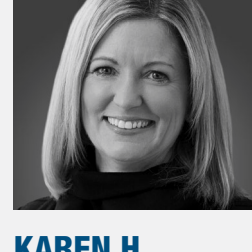
Committees: Executive Committee of the Board



WILLIAM I. MILLER

President of the New York-based Wallace Foundation, a national philanthropy focused on education for disadvantaged children and the arts. He joined the board in 1989.

Committees: Audit Committee; Compensation Committee; Governance and Nominating Committee; Executive Committee of the Board.



KAREN H. QUINTOS

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

Committees: Audit Committee; Safety, Environment and Technology Committee; Governance and Nominating Committee.

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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 205-2 on [page 25](#).

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."

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:

Cummins in December 2017 adopted its first Human Rights Policy. The company's Code of Business Conduct also includes many elements of the policy. You can find a report on 2018 enforcement of the Code of Business Conduct on page 54 of the [2018 Sustainability Progress Report](#).

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 2018 can be found on page 28 of the [2018 Sustainability Progress Report](#). Also see [page 46](#) of this report.

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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 26](#)) 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 [page 28](#) of the [2018 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. In these locations the company offsets its water use with community improvements that either conserve water or make new sources available. Cummins believes building stronger communities is not only the right thing to do but ultimately results in stronger markets for its products.

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 refrain from 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 48](#) of the [2018 Sustainability Progress Report](#).

PUBLIC POLICY

415-1

Political contributions:

A complete description of Cummins' policy on political contributions is available starting on [page 58](#) of the [2018 Sustainability Progress Report](#).

LOBBYING

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

Here's a list of U.S. trade organizations Cummins paid dues in excess of \$50,000 during calendar year 2018, as well as the U.S. Chamber of Commerce, which fell below the \$50,000 threshold. Listed with each entity is Cummins' estimation of the portion of these dues used for lobbying or other political expenditures:

TRADE ORGANIZATION	LOBBYING ESTIMATE	KEY ISSUES
American Benefits Council	\$1,560.00	Employer sponsored benefits
American Trucking Association	\$13,428.24	Trade, environment
Business Roundtable	\$237,150.00	Trade, taxes
National Association of Manufacturers	\$32,804.00	Immigration, trade, manufacturing
The Truck and Engine Manufacturers Association	\$4,848.56	Truck and engine manufacturing
U.S. Chamber of Commerce	\$10,000.00	Immigration, taxes
TOTAL	\$299,790.80	

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MEASURING ENGAGEMENT



EMPLOYEE PARTICIPATION

Cummins shows its commitment to the communities it serves in part through direct engagement.

Employees around the globe can volunteer at least four hours on company time to engagement activities, using their skills to make their communities better places to live and work. Given its significance, the company sets an annual community engagement participation goal of 70%. The company had a record year for engagement in 2018, topping its 2017 record:

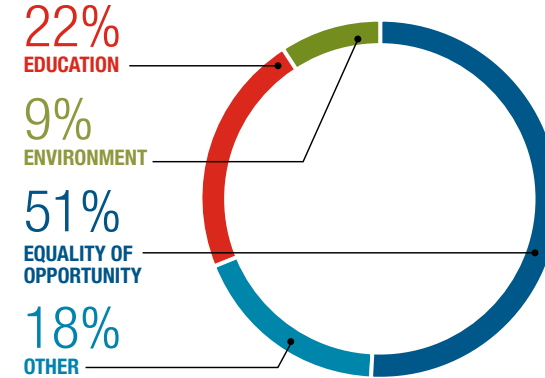


CUMMINS GIVING

\$21.1 million Cummins financially supports community engagement projects around the world. In 2018, the company gave a record \$21.1 million to communities through Community Development Grants and other strategic community investments in Cummins' three global priority areas. Giving increased in 2018 by more than 12% over 2017.

GRANT MAKING BY PRIORITY AREA

Here's a look at 2018 grant making at Cummins by priority area. A key future priority is increasing giving and engagement to support the environment.

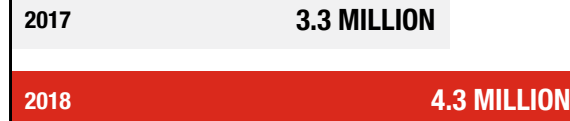


IMPACT BY THE NUMBERS

Here's a quick look at the impact of Cummins' community engagement efforts.



PEOPLE SERVED



JOBS SECURED



WATER CONSERVED



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CUSTOMER HEALTH & SAFETY

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:

- » Cummins will design, manufacture, sell, distribute and service all products so that they are safe to use for the described and intended purpose.
- » Cummins will provide its customers, its partners, the company's employees and society with products that are safe to operate, maintain, adjust and repair when used as intended.
- » Each Cummins employee will regard product safety as a top priority.
- » Each Cummins employee is responsible for applying the policy in his or her individual and collective work activity.

In compliance with the company's Product Safety Policy in 2018, Cummins voluntarily initiated five product safety campaigns, impacting approximately 114,000 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 unit 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.

416-2

Assessment of the health and safety impacts of product and service categories:

See 416-1.

MARKETING COMMUNICATIONS

417-3

Incidents of non-compliance concerning marketing communications:

Cummins knows of no such incidents.

418-1

Substantiated complaints concerning breaches of customer privacy and losses of customer data:

Cummins knows of no such breaches.

SOCIOECONOMIC COMPLIANCE

419-1

Non-compliance with laws and regulations in the social and economic area:

Cummins knows of no such cases.

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ASSURANCE



INDEPENDENT ASSURANCE STATEMENT

Introduction and objectives of work

Bureau Veritas North America, Inc. (Bureau Veritas) was engaged by Cummins, Inc. (Cummins) to conduct an independent assurance of select 2018 social data metrics to be published in Cummins' Sustainability Report (Report) and/or included in the Dow Jones Sustainability Index (DJSI) assessment. This Assurance Statement applies to the related information included within the scope of work described below. The intended users of the Assurance Statement are the stakeholders of Cummins. The overall aim of this process is to provide assurance to Cummins' stakeholders on the accuracy, reliability and objectivity of the information included in the Report and the DJSI assessment as described in the scope of work. The assurance process also evaluated Cummins' management of sustainability in accordance with the principles of inclusivity, materiality and responsiveness.

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

Scope of work

Cummins requested Bureau Veritas to include in its independent assurance of the following select social data metrics for calendar year 2018:

- Corporate Responsibility Metrics
 - "Every Employee Every Community" participation rate
 - Number of jobs secured through the company's education and equality of opportunity outreach efforts
 - Estimated number of people served by community engagement efforts
 - Kiloliters of water conserved through community projects (reviewed methodology for data collection only)
- Diversity Metrics (percent)
 - Assignment Countries
 - Country of birth for workforce
 - Country of birth for leaders
 - Women in the workforce
 - Women leaders in the workforce
 - Age of workforce
- Health and Safety Metrics
 - Severity Case Rate
 - Recordable Incidence Case Rate
 - Major Injury Case Rate
 - Severity Lost Work Day Rate
 - Ergonomics Incidence Rate
 - Occupational Illness Frequency Rate
 - Lost Time Injury Frequency Rate

- Ethics & Compliance Training Metrics
 - Percentage of completion by employees enrolled
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyze and review the data subject to the assurance process; and
- Evaluation of the select metrics (as shown above) in accordance with the Assurance Standard AA1000AS (2008)¹, Type 2 engagement, to a moderate assurance level.

Excluded from the scope of our work is any assurance of information relating to:

- Text or other written statements associated with the Report and DJSI assessment;
- Activities outside the defined assurance period; and
- Financial data and data reported that is not included in the Scope of Work and Summary of Assured Information.

Methodology

Bureau Veritas undertook the following activities:

1. Interviews with relevant personnel of Cummins (including managers and staff members at the corporate level);
2. Review of internal and external documentary evidence produced by Cummins;
3. Audit of performance data including a detailed review of a sample of data (except for metrics noted as "tracking and calculation process only" in Scope of Work); and
4. Review of Cummins' data and information systems for collection, aggregation, analysis and internal verification and review.

The work was planned and carried out to provide a moderate level of assurance and we believe it provides a sound basis for our conclusions.

Our findings

On the basis of our methodology and the activities described above:

- Nothing has come to our attention to indicate that the reviewed information within the scope of our assurance is not materially correct.
- Nothing has come to our attention to indicate that the reviewed information is not a fair representation of the corporate responsibility, human resources, health and safety, or business ethics activities for calendar year 2018.
- It is our opinion that Cummins has established appropriate systems for the collection, aggregation and analysis of quantitative data, including corporate responsibility data, human resources data, health and safety data, and ethics and compliance training data.

A summary of reported data within the scope of assurance for 2018 is attached.

Adherence to the AA1000 Accountability Principles

Based on the work undertaken during this assurance process, we are of the opinion that Cummins adheres to the Accountability Principles of inclusivity, materiality and responsiveness as discussed below.

Inclusivity

Based on discussions with Cummins, their processes appear to be inclusive of stakeholders. For example, Cummins is active in community engagement that includes community investment (Cummins Grants), Corporate Responsibility Projects, and humanitarian projects.

¹ Published by AccountAbility: The Institute of Social and Ethical Accountability

Materiality

In 2019, the company compiled the results of stakeholder assessments conducted by various functions within Cummins to determine what topics are the most relevant to the company's stakeholders in the economic, social and environmental realms. Cummins continues to review this process for modifications and relevant updates to its core business strategies.

Responsiveness

Some examples of how Cummins responds to stakeholders regarding sustainability issues are through their submissions to CDP and the DJSI. The Board of Directors also communicates with stakeholders regarding sustainability issues.

Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 185 years history in providing independent assurance services.

No member of the assurance team has a business relationship with Cummins, its Directors or Managers beyond that of verification and assurance of sustainability data and reporting. We have conducted this verification independently and we believe there to have been no conflict of interest. Bureau Veritas 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 environmental, social, ethical and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of Bureau Veritas standard methodology for the Assurance of Sustainability Reports.

Attestation:

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Candace Derks, Project Reviewer
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Bureau Veritas North America, Inc.

Santa Ana, California

May 14, 2019

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**VERIFICATION STATEMENT
GREENHOUSE GAS EMISSIONS**

Bureau Veritas North America, Inc. (BVNA) was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by Cummins, Inc. (Cummins) for the calendar year 2018. This Verification Statement applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of Cummins. BVNA's sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyze and review the information.

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

- Operational Control
- Worldwide
- Exclusions: None

Emissions data verified:

Cummins Entity Wide GHG Emissions for 2018	
Scope 1 Emissions 305,970 metric tons (mt) of CO ₂ e equivalent (CO ₂ e)	
Scope 2 Emissions – Location Based 566,875 mtCO ₂ e	Scope 2 Emissions – Market Based 572,872 mtCO ₂ e
Scope 3 Emissions	
Category 1 – Purchased Goods and Services	4,269,000 mt CO ₂ e
Category 2 – Capital Goods	450,000 mt CO ₂ e
Category 3 – Fuel & Energy Related Activities	176,000 mt CO ₂ e

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Scope 3 Emissions (continued)	
Category 4 – Upstream Transportation & Distribution	765,000 mt CO ₂ e
Category 5 – Waste Generated in Operations	8,000 mt CO ₂ e
Category 6 – Business Travel (air travel and rental cars)	40,800 mt CO ₂ e
Category 7 – Employee Commuting	124,000 mt CO ₂ e
Category 8 – Upstream Leased Assets	27,300 mt CO ₂ e
Category 10 – Processing of Sold Products	3,000 mt CO ₂ e
Category 11 – Use of Sold Products	809,000,000 mt CO ₂ e
Category 12 – End Of Life Treatment of Sold Products	64,500 mt CO ₂ e
Category 13 – Downstream Leased Assets	52,000 mt CO ₂ e
Category 15 - Investments	54,300 mt CO ₂ e

Data and information supporting the Scope 1 and Scope 2 GHG emissions assertion were in most cases historical in nature, but in some cases estimated.

Data and information supporting the Scope 3 GHG emissions assertion were in many cases estimated rather than historical in nature.

Period covered by GHG emissions verification:

- January 1, 2018 to December 31, 2018

GHG Reporting Protocols against which verification was conducted:

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

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GHG Verification Protocols used to conduct the verification:

- ISO 14064-3: Greenhouse gases – Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions

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.
- Qualifications: None

GHG Verification Methodology:

- 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 GHG emissions at Cummins' Columbus, Indiana headquarters office.
- Audit of samples of data used by Cummins to determine GHG emissions.

Assurance Opinion:

Based on the process and procedures conducted, there is no evidence that the GHG emissions assertion shown above:

- is not a fair representation of the GHG emissions data and information; and
- has not been prepared in accordance with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2), and WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3).

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



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Statement of independence, impartiality and competence

The Bureau Veritas Group is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 185 years history in providing independent assurance services.

No member of the verification team has a business relationship with Cummins, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

The Bureau Veritas Group has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

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

Attestation:

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Trevor Donaghu, Technical Reviewer
Program Manager
Climate Change and Sustainability Services
Bureau Veritas North America, Inc.

June 21, 2019

This verification statement, including the opinion expressed herein, is provided to Cummins and is solely for the benefit of Cummins in accordance with the terms of our agreement. We consent to the release of this statement by you to the CDP in order to satisfy the terms of CDP disclosure requirements but without accepting or assuming any responsibility or liability on our part to CDP or to any other party who may have access to this statement.

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**VERIFICATION STATEMENT
WASTE and RECYCLING**

Bureau Veritas North America, Inc. (BVNA) was engaged to conduct an independent verification of the waste data reported by Cummins, Inc. (Cummins) for the calendar year 2018. This Verification Statement applies to the related information included within the scope of work described below.

The determination of the waste quantities is the sole responsibility of Cummins. BVNA's sole responsibility was to provide independent verification on the accuracy of the waste quantities reported, and on the underlying systems and processes used to collect, analyze and review the information.

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

- Operational Control
- Worldwide

Data Verified:

2018 Reported Waste Data	Metric Tons
Total Waste Generated	227,003
Total Waste Disposed - includes total landfilled waste and incinerated waste without energy recovery	23,584
Total Waste Recycled	203,419
US Process Hazardous Waste (included in above totals)	647
Non-US Process Hazardous Waste (included in above totals)	4,766
Recycled Waste Categories	
Aluminium	1,067
Cardboard	22,332
Composted Waste	996
Copper & Brass	585
E Waste	192
Iron & Steel	113,404
Liquid Waste (Used Oils, Paints, Solvents, etc.)	13,261
Other Process Derived Waste (Recycled)	2,456
Paper	1,969

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Recycled Waste Categories (continued)	Metric Tons
Plastic	3,551
Hazardous Waste (Recycled)	1,681
Waste Burned for Energy Recovery	10,397
Wood	31,529

Data and information supporting the waste assertion were in some cases estimated rather than historical in nature.

Period covered by Waste verification:

- January 1, 2018 to December 31, 2018

Verification Protocols used to conduct the verification:

- 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 the above primary indicators.

Verification Methodology:

- 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 waste totals at Cummins', Columbus, Indiana headquarters office.
- Audit of samples of data from Cummins Operations used to determine waste and recycling volumes.

Assurance Opinion:

Based on the process and procedures conducted, there is no evidence that the waste and recycling assertion shown above:

- 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 quantitative data for determination of its waste and recycling totals for the stated period and boundaries.

Statement of independence, impartiality and competence

The Bureau Veritas Group is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 185 years history in providing independent assurance services.

No member of the verification team has a business relationship with Cummins, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest. The Bureau Veritas Group 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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The verification team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of The Bureau Veritas Group standard methodology for the verification of environmental data.

Attestation:

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Trevor Donaghu, Technical Reviewer
Program Manager
Climate Change and Sustainability Services
Bureau Veritas North America, Inc.

June 27, 2019

This verification statement, including the opinion expressed herein, is provided to Cummins and is solely for the benefit of Cummins 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.

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**VERIFICATION STATEMENT
WATER WITHDRAWAL**

Bureau Veritas North America, Inc. (BVNA) was engaged to conduct an independent verification of the water withdrawal reported by Cummins, Inc. (Cummins) for the calendar year 2018. This Verification Statement applies to the related information included within the scope of work described below.

The determination of the water withdrawal is the sole responsibility of Cummins. BVNA's sole responsibility was to provide independent verification on the accuracy of the water withdrawal reported, and on the underlying systems and processes used to collect, analyze and review the information.

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

- Operational Control
- Worldwide

Data Verified:

2018 Reported Water Withdrawal	Gallons	Megaliters
Groundwater	47,437,576	180
Rainwater	1,248,712	5
Municipal Water	900,455,046	3,409
Total Water Withdrawal	949,141,333	3,593

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

Period covered by Water Withdrawal verification:

- January 1, 2018 to December 31, 2018

Reporting Protocols against which verification was conducted:

- CDP Water Disclosure Reporting Guidelines

Verification Protocols used to conduct the verification:

- 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.

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Verification Methodology:

- 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 at Cummins' Columbus Indiana headquarters office.
- Audit of samples of data from Cummins Operations used to determine water withdrawal.

Assurance Opinion:

Based on the process and procedures conducted, there is no evidence that the water withdrawal assertion shown above:

- 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. .

Statement of independence, impartiality and competence

The Bureau Veritas Group is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 185 years history in providing independent assurance services.

No member of the verification team has a business relationship with Cummins, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

The Bureau Veritas Group has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

The verification team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of The Bureau Veritas Group standard methodology for the verification of environmental data.

Attestation:

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Trevor Donaghu, Technical Reviewer
Program Manager
Climate Change and Sustainability Services
Bureau Veritas North America, Inc.

June 27, 2019

This verification statement, including the opinion expressed herein, is provided to Cummins and is solely for the benefit of Cummins in accordance with the terms of our agreement. We consent to the release of this statement by you to the CDP in order to satisfy the terms of CDP disclosure requirements but without accepting or assuming any responsibility or liability on our part to CDP or to any other party who may have access to this statement.

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Summary of Assured Information
Reporting Year 2018
Cummins, Inc.



Corporate Responsibility	Metric	RY-2018
Every Employee Every Community participation rate	Percent	83%
Jobs secured through the company's education and equality of opportunity outreach efforts	Number of jobs secured	2,460
Estimated number of people served by community engagement efforts	Number of people served	4.3 million
Kiloliters of water conserved by Cummins employees engaged in community projects	Water conserved (kiloliters)*	12 million*

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

Talent Attraction & Retention	Metric	RY-2018
Employee coverage of individual performance appraisals	percent	nearly 100%

Diversity	Metric	RY-2018
Women in the workforce	percent	26.9%
Women leaders in the workforce	percent	24.4%

Diversity - Age of Workforce	Metric	RY-2018
Employees 37 and under	percent	51.0%
Employees 38 to 52	percent	33.0%
Employees 53 and over	percent	16.0%

Health and Safety	Unit of Measure	RY-2018
Severity Case Rate*	Lost work day cases per 100 employees	0.264
Incidence Rate*	Recordable incidents per 100 employees	0.646
Major Injury Rate *	Major injuries per 100 employees	0.043
Severity Lost Work Day Rate*	Lost work days per 100 employees	7.706
Ergonomics Incidence Rate *	Ergonomic incidents per 100 employees	0.148
Occupational Illness Frequency Rate**	Occupational Illness Frequency Rate per 1,000,000 hours worked	0.136
Lost Time Injury Frequency Rate**	Lost time injury frequency rate per 1,000,000 hours worked	1.287

*Rate per 100 employees = (number reported*100,000)/(Hours worked) for 2018

** Rate = (number of illnesses or lost time injuries*1,000,000)/(Hours worked) for 2018

Ethics & Compliance Training	Metric	RY-2018
Numerous training courses. Percentage of completion by employees enrolled.	percent	* range from 88.7% to 99.6%

*Bureau Veritas 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.

Breakdown of Cummins Employees by Assignment Countries (%)	RY-2018
Australia	2.8
Brazil	2.5
China	8.4
India	13.0
Mexico	10.3
Rest of World	9.2
United Kingdom	7.8
United States	46

Country of Birth for Workforce (%)	RY-2018
Brazil	2.9
China	9.5
India	17.2
Rest of World	12.4
United Kingdom	7.4
United States	36.8

Country of Birth for Leaders (%)	RY-2018
Australia	1.8
Brazil	1.8
China	6
India	10.1
Mexico	2.9
Rest of World	8.9
United Kingdom	12.5
United States	56.1

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