



Cummins Unveils New Environmental Sustainability Strategy to Address Climate Change, Conserve Natural Resources

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Company advocates for partnership with government, other businesses and nongovernmental organizations

COLUMBUS, Ind.--(BUSINESS WIRE)--Nov. 15, 2019-- Cummins Inc. (NYSE: CMI) announced today its next environmental sustainability strategy, which includes science-based goals that meet or exceed the goals in the United Nations Paris agreement on climate change. By 2050, Cummins is targeting net-zero carbon emissions.

"Our communities and our business depend on our collective response to improve the health of the planet while creating prosperity for all," said Tom Linebarger, Cummins Inc. Chairman and CEO. "It's clear that government, businesses, nongovernmental organizations, and communities must unite behind swift, decisive action to address the environmental threats we face."

The strategy, called PLANET 2050, is focused on three priority areas: addressing climate change and air emissions, using natural resources in the most sustainable way, and improving communities. It includes eight specific goals, timed to 2030, as well as aspirational targets for 2050 and is the most comprehensive and ambitious environmental sustainability strategy ever pursued by the company.

Below are Cummins' new, specific 2030 goals related to its parts, products, and company-managed facilities and operations:

Doing our part to address climate change and air emissions

- Reduce absolute greenhouse gas emissions from facilities and operations by 50% (science-based target).
- Reduce absolute lifetime greenhouse gas emissions from newly sold products by 25% (science-based target).
- Partner with customers to reduce greenhouse gas emissions from products in the field by 55 million metric tons.
- Reduce volatile organic compounds emissions from paint and coating operations by 50%.

Using natural resources in the most sustainable way

- Create a circular lifecycle plan for every part to use less, use better, use again.
- Generate 25% less waste in facilities and operations as a percent of revenue.
- Reuse or responsibly recycle 100% of packaging plastics and eliminate single-use plastics in dining facilities, employee amenities and events.
- Reduce absolute water consumption in facilities and operations by 30%.

Cummins will make investments to achieve the goals, which will require new technology and capabilities. The company has a history of developing challenging goals and then finding ways to achieve them. Cummins reports results transparently even when falling short of goals. As Cummins has done with past environmental goals, the progress on 2030 goals will be periodically evaluated and communicated including consideration of whether more can or should be done in line with global energy and environmental challenges.

"Our vision for 2050 is a world where Cummins powers the world's really important work with carbon neutral products and operations," said Brian Mormino, Executive Director Worldwide Environmental Strategy and Compliance. "Since our communities and business depend on a healthier planet, we will take strong action on climate change and work toward a future where we waste nothing and ensure that our communities are better because we are there."

In 2020, Cummins will launch a strategic community environmental program to align its efforts and affirm its commitment to the environment as one of the company's three community priority areas. Also, as part of its focus on communities and natural resources, Cummins joined the CEO Water Mandate, which is focused on addressing global water challenges through corporate water stewardship, in partnership with the United Nations, governments, civil society organizations, and other stakeholders.

Cummins will continue to work in partnership with others to advocate for tough, clear and enforceable regulations across the globe to address air emissions and for science-based climate policies. Earlier this year, Cummins' executives testified before two U.S. Congressional committees, advocating that legislation should include national-level emissions targets for product-specific applications, regulatory certainty and realistic implementation schedules. They also supported robust federal investment in research and development, grant programs for adoption of new technologies, and tax incentives.

"We recognize that achieving our strategy requires Cummins to invest in new technologies along with the development, implementation and enforcement by governments of clear regulations that drive down economy-wide air and greenhouse gas emissions," Mormino said. "We will continue to work with trade associations, our customers, suppliers, community leaders, and other stakeholders to advocate for policies in line with our 2050 targets."

A team of experts created Cummins' plan after consulting the United Nations Sustainable Development Goals, analyzing best practices globally, considering the unique needs of the company's stakeholders, and undertaking significant internal review. In 2017, Cummins formally committed to developing science-based targets under the Science Based Target Initiative, which provides a framework for the calculation of greenhouse gas goals for products and facilities that are in line with recommendations by climate scientists.

In 2019, Cummins was named to the S&P Dow Jones Sustainability Index for North America for a 14th consecutive year. In 2006, the company set its first facility energy and greenhouse gas goal and joined U.S. EPA Climate Leaders program – firmly stating its commitment to addressing climate change. In 2014, the company released a global environmental sustainability plan with facility goals in water, waste, and energy. Progress against the goals is publicly reported annually in Cummins' Sustainability Progress Report.

What others are saying:

"The science is clear: To avert the worst impacts of climate change, the developed world must transition to a 100% clean economy — producing no more climate pollution than we can remove — by 2050," said Fred Krupp, President, Environmental Defense Fund. "So it is heartening to see Cummins take its place among the industry leaders from multiple sectors who are now embracing this goal. Perhaps even more important is its commitment to slash pollution from both operations and products by 2030, because effective action now is what we need most. And by advocating for policies in line with those targets, Cummins sets a powerful example for others to follow. Its strong commitment to work with policymakers and community leaders on tough, clear and enforceable rules to cut pollution will mean better lives and healthier communities."

"Cummins' new sustainability plan continues the company's track record of leadership on environmental stewardship and advances its efforts to reduce company contributions to climate change emissions, both from its manufacturing processes and the products it makes," said Janet McCabe, Director of the Indiana University Environmental Resilience Institute. "The plan is science-based, has transparent goals and metrics to measure progress, and follows Cummins' corporate values. Climate change impacts us all, corporations and communities alike, and we need the private sector to step forward with plans like this."

"Disclosure is the vital first step for climate action," said Bruno Sarda, President of CDP North America. "Cummins has demonstrated its commitment to transparency, as evidenced by their consistent CDP disclosures, and has taken progressive steps toward sustainable best practices – most prominently, committing to a scope 1 and 2 science-based target aligned with a 1.5C trajectory and an aggressive scope 3 use of sold product target. As the company works to meet these targets, we look forward to seeing Cummins continue to drive towards a low-carbon future."

"I know firsthand the ramifications of poor air quality and Cummins' willingness to take a leadership role in helping to lead in the search for solutions," said Seema Arora, CEO of the Centre of Excellence for Sustainable Development at the Confederation of Indian Industry and an advocate for sustainability globally. "PLANET 2050 expands that leadership further to climate change and natural resources, and I hope its global, long-term, and science-based approach becomes a benchmark for others to follow."

"From our perspective, it is hard to overstate the significance of the leadership Cummins is demonstrating with PLANET 2050," said Eric Olson, Senior Vice President at BSR. "Two things in particular stand out: 1) a commitment to carbon neutral products and operations as one of the world's leading power companies and, no less importantly, 2) a call to action and commitment to positive *public advocacy* supporting the policies that will be essential to enabling a prosperous low-carbon economy."

About Cummins:

Cummins Inc., a global power leader, is a corporation of complementary business units that design, manufacture, distribute and service 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 battery systems, fuel systems, controls, air handling, filtration, emission solutions and electrical power generation systems. Headquartered in Columbus, Indiana (U.S.A.), since its founding in 1919, Cummins employs approximately 62,600 people committed to powering a more prosperous world through three global corporate responsibility priorities critical to healthy communities: education, environment and equality of opportunity. 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 and earned about \$2.1 billion on sales of \$23.8 billion in 2018.

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Forward-looking disclosure statement

Information provided in this release that is not purely historical are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our forecasts, guidance, preliminary results, expectations, hopes, beliefs and intentions on strategies regarding the future. These forward looking statements include, without limitation, statements relating to our plans and expectations for our revenues and EBITDA percentage for the full year of 2019. Our actual future results could differ materially from those projected in such forward-looking statements because of a number of factors, including, but not limited to: any adverse results of our internal review into our emissions certification process and compliance with emissions standards; a sustained slowdown or significant downturn in our markets; changes in the engine outsourcing practices of significant customers; the development of new technologies that reduce demand for our current products and services; increased scrutiny from regulatory agencies, as well as unpredictability in the adoption, implementation and enforcement of emissions standards around the world; product recalls; policy changes in international trade; the United Kingdom's (U.K.) decision to end its membership in the European Union; lower than expected acceptance of new or existing products or services; a slowdown in infrastructure development and/or depressed commodity prices; supply shortages and supplier financial risk, particularly from any of our single-sourced suppliers; exposure to potential security breaches or other disruptions to our information technology systems and data security; a major customer experiencing financial distress; the actions of, and income from, joint ventures and other investees that we do not directly control; our plan to reposition our portfolio of product offerings through exploration of strategic acquisitions and divestitures and related uncertainties of entering such transactions; failure to realize expected results from our investment in Eaton Cummins Automated Transmission Technologies joint venture; competitor activity; increasing competition, including increased global competition among our customers in emerging markets; foreign currency exchange rate changes; variability in material and commodity costs; political, economic and other risks from operations in numerous countries; changes in taxation; global legal and ethical compliance costs and risks; aligning our capacity and production with our demand; product liability claims; increasingly stringent environmental laws and regulations; future bans or limitations on the use of diesel-powered products; the price and availability of energy; the performance of our pension plan assets and volatility of discount rates; labor relations; changes in accounting standards; our sales mix of products; protection and validity of our patent and other intellectual property rights; the outcome of pending and future litigation and governmental proceedings; continued availability of financing, financial instruments and financial resources in the amounts, at the times and on the terms required to support our future business; and other risks detailed from time to time in our SEC filings, including particularly in the Risk Factors section of our 2018 Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are

cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements made herein are made only as of the date of this press release and we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. More detailed information about factors that may affect our performance may be found in our filings with the SEC, which are available at <http://www.sec.gov> or at <http://www.cummins.com> in the Investor Relations section of our website.

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