



Corporate Sustainability Best Practices

How Sustainability Has Helped
Cummins Be Ready for the
Demands of a Changing World

Brian Mormino

March 30, 2022

Public

Demands of a changing world

Impacts on people and planet



205 million
Lives affected annually
by weather-related
events



Sydney Faces More Rain as Death Toll From Australian Floods Rises

Reuters March 5, 2022

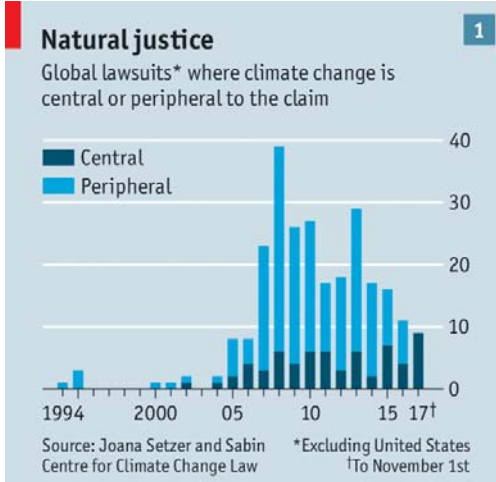
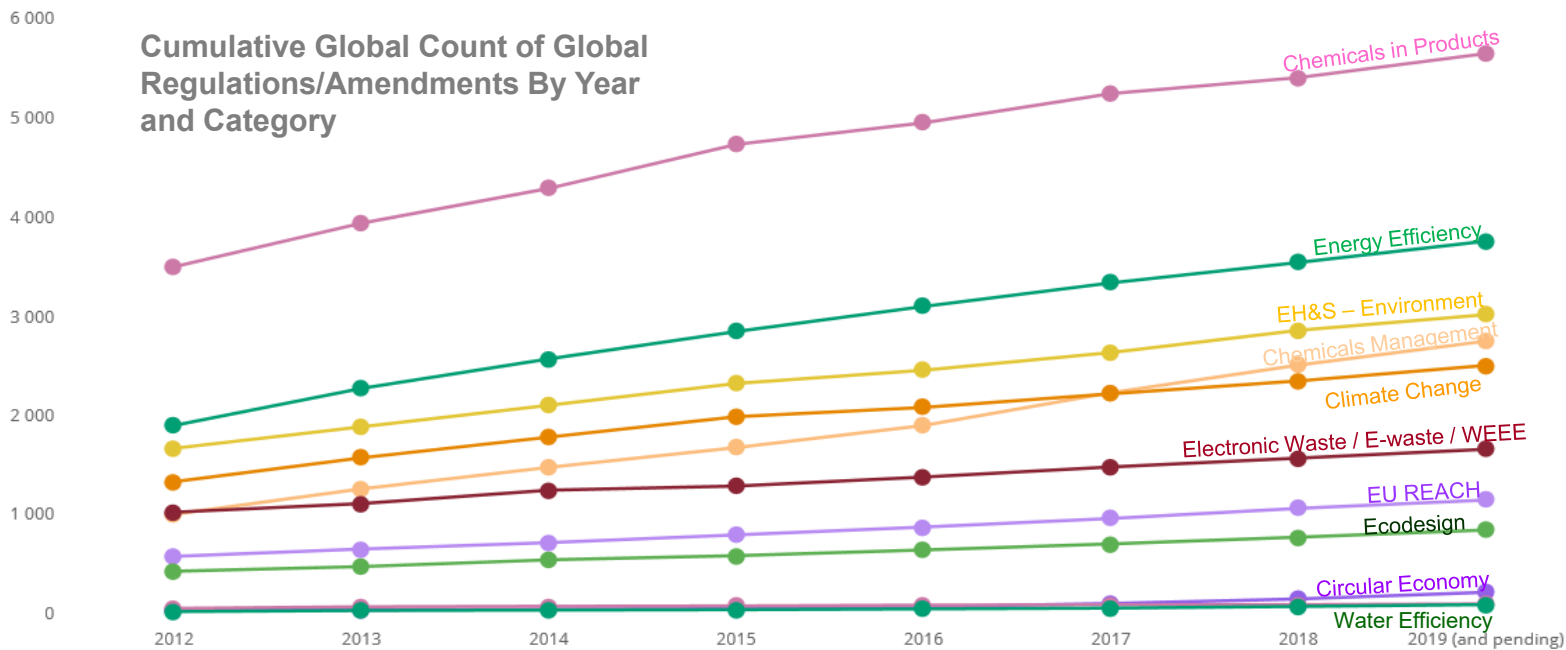
>90%
of the world's children
breathe toxic air every
day



4 billion
People experience water
scarcity during at least
one month of the year

Demands of a changing world

Impacts from litigation and regulation



Economist.com



Activist Investors Seize on Sustainability, ESG in Campaigns

Demands of a changing world

Impacts from operational disruption



Shipping containers stranded in floodwaters at the harbor in Riesa, Germany

FOOD & BEVERAGE

Water shortage shuts Coca-Cola plant in India

How Climate Change Is Disrupting the Global Supply Chain



Failure to Manage Natural Resources Puts Businesses at Critical Risk, According to New Allianz Report

What do we do now?



5 ways your company can respond



1

Just start

Show how environmental improvements contribute to the bottom line

2

See the future

Use your knowledge of trends to drive change

3

Engage leadership

Their voice lends credibility and gives permission to act

4

Empower action

Employees want a sense of belonging & purpose

5

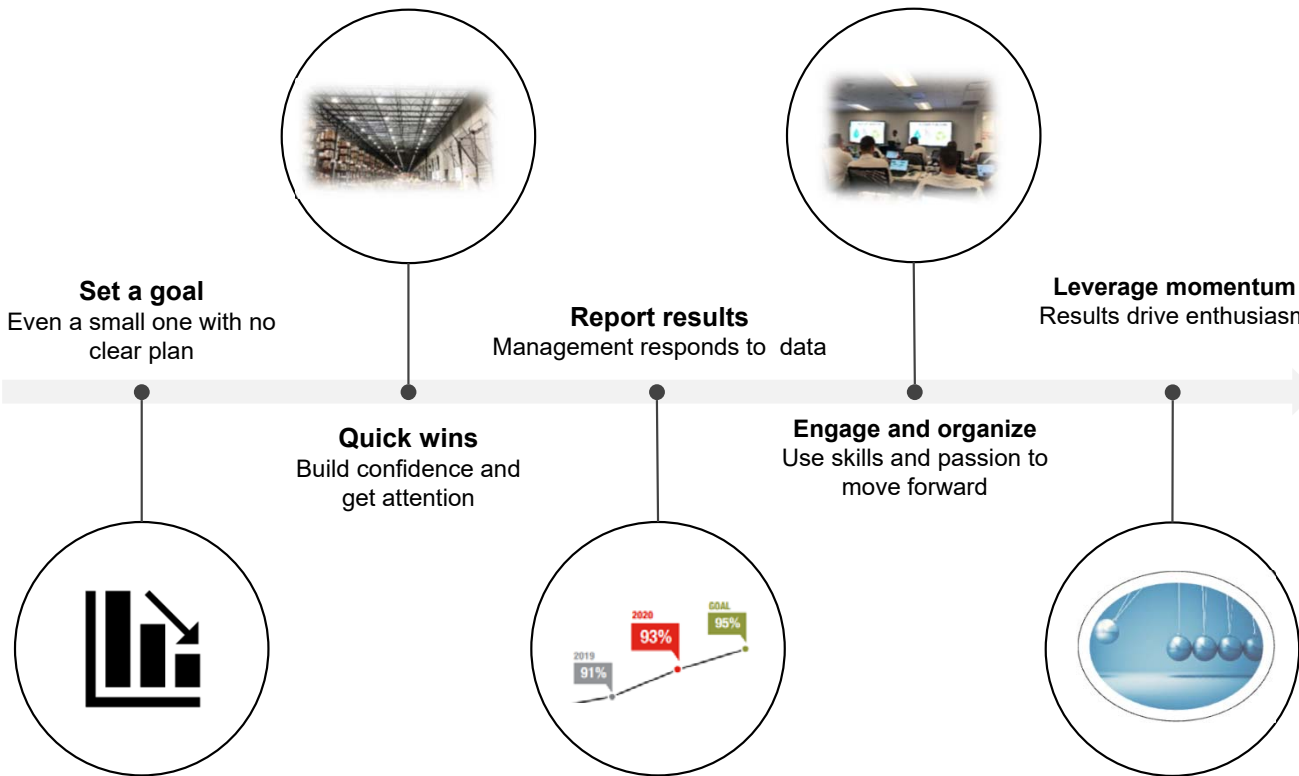
Keep going

Build on success to take on new challenges

1

Energy efficiency has been a good place to begin

Just start



Toolset

Project prioritization model
Helps decision-making by ROI, GHG reduction/\$ spent and payback

Campaigns
Concentrate activity and investment, foster collaboration

Site teams
Use existing HSE teams and engage others

2

See
the future

What **if...** is becoming **here and now**

The world just agreed to end plastic pollution

The U.N. passed a resolution yesterday that will pave the way for a global treaty to stop the use of plastic.

BY:

SARA SCHONHARDT

| 03/03/2022 06:54 AM EST

Paris to ban all petrol vehicles by 2030, all diesel vehicles by 2024



SUSTAINABLE FUTURE

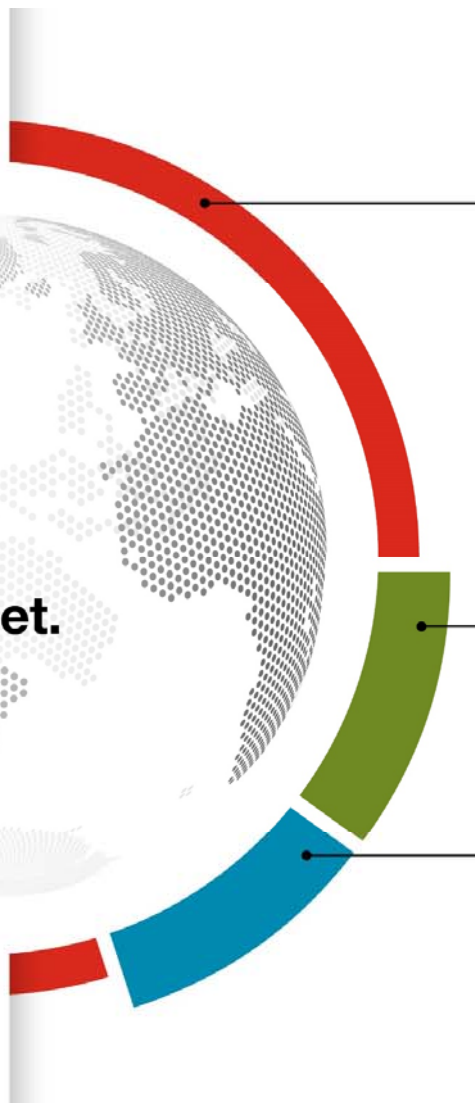
Why some of the world's biggest companies are increasingly worried about water scarcity

Public

Cummins

| 8

**Making people's lives
better by powering a
more prosperous world
requires a healthier planet.**



PLANET 2050

Leveraging our unique skills, experiences, and stakeholder relationships, we are committed to addressing climate change and air emissions, using natural resources in the most sustainable way, and ensuring our communities are better because of our presence in them. We have quantifiable goals for 2030 and visionary longer-term aspirations for 2050.

DESTINATION ZERO

Our strategy to go further, faster to reduce the greenhouse gas and air quality impacts of our products in a way that is best for our customers and all stakeholders.

CUMMINS WATER WORKS

Our initiative to address the global water crisis by strengthening communities through access to sustainable water.

3

Engage
leadership



“...we believe that our survival in **the very long run** is as dependent upon responsible citizenship in our communities and in the society as it is in responsible technological, financial and production performance.”

J. Irwin Miller
Former Chairman and CEO, 1972

50 years apart, consistent commitment

“Climate change is the existential crisis of our time, and we must act **today** to solve it.”

Tom Linebarger
Chairman and CEO, 2022





Introducing Destination Zero

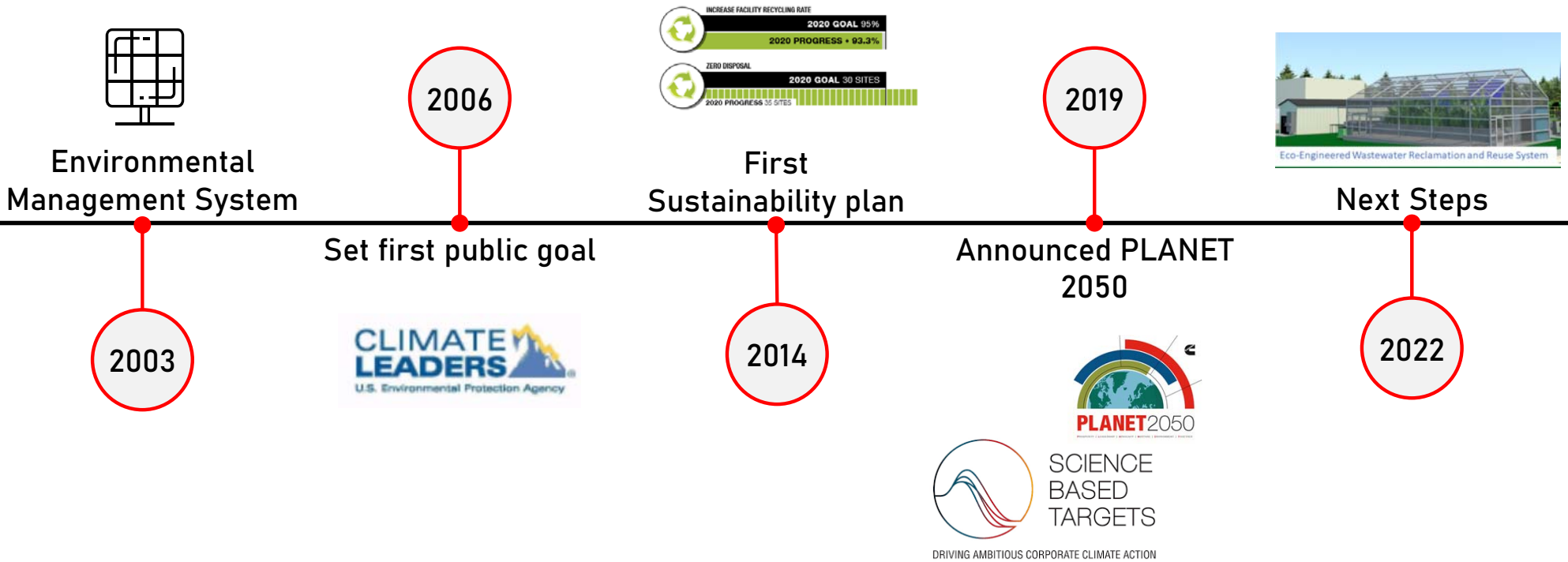
[PLAY VIDEO](#)

"Building on our history of turning challenges into opportunities, we will lead the industry in the transition to a decarbonized future. We have the people, technology, capabilities and broad portfolio of power solutions to seize this moment, and there is a role for each of us to play."

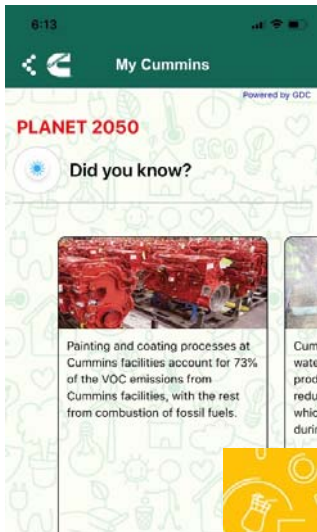
4

Create the right tools, strategy

Empower
Action



And engage employees

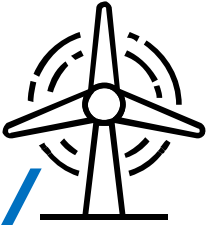


Act now for PLANET 2050


Sustainability expert makes the case for environmental action.
June 7, 9-10 a.m. EST



Actions bring results


25% Renewable energy


151
LED projects


One billion gallons
of water saved


93%
Recycling rate


45 ISO 50001
certified sites

\$60+ million
Energy efficiency
savings

5

Keep going

Cummins Newsroom: Corporate Responsibility

CUMMINS INC. LAUNCHES CUMMINS WATER WORKS

Jul 14, 2021 • Indianapolis, Indiana

NEW INITIATIVES ADDRESS SYSTEMIC RACISM, THE ENVIRONMENT

In 2020, Cummins introduced CARE: Cummins Advocating for Racial Equity, a U.S. strategic community initiative focused on dismantling institutional racism and creating systemic equity.

The initiative will invest in and advocate for evidence-based programs and practices focused on building more equitable and inclusive communities. Cummins is engaging in four critical areas:

- » **POLICE REFORM**
Supporting initiatives that enhance transparency and accountability in police governance.
- » **CRIMINAL JUSTICE REFORM**
Developing advocacy positions on juvenile justice, bail reform, parole and probation policies, as well as post-system inequalities and re-entry back into society.
- » **SOCIAL JUSTICE REFORM**
Focusing on sustainable revitalization of historically Black communities.
- » **ECONOMIC EMPOWERMENT**
Narrowing the economic disparity of Black Americans through dedicated investing in Black-owned businesses.

The program will span across more than 30 cities — nine where Cummins has its largest sites and 25 locations in the company's distribution business network. Additionally, CARE will link to the Cummins TEC: Technical Education for Communities vocational program.

The Cummins TEC team is exploring expanding the program into schools in Memphis and Nashville, Tennessee, among other locations. Cummins TEC

in October 2020 of Indianapolis in state of Indiana, forces with other organizations to for the establish majority civilian C

The board has tl policies and pro the manner in w conducted in la

WORKING FOR GENDER EQUITY AROUND THE WORLD



Salvador Ortiz (speaking), General Manager Cummins Colombia, and Eliana Scazzetti (right, striped shirt) Health, Safety, Environment and Quality leader, meet with domestic workers prior to the pandemic as part of Cummins Powers Women nonprofit partner CARE's initiative to raise awareness of domestic workers' rights. This project developed a smart phone application to better inform domestic workers of their rights and provide access for them to critical support services.

Cummins TEC was followed in 2018 by Cummins Powers Women, a \$20 million global community program to advance equity for women and girls.

This community work augments the company's internal diversity efforts. The program partners with eight global nonprofits to accelerate gender equality in educational attainment, economic empowerment, personal safety and legal rights.

In three years, Cummins Powers Women has enabled equal rights and opportunity for more than 260,000 women and girls in 18 countries and funded 99 advocacy grants resulting in 14 gender equality law and policy changes that positively impacted the lives of 17 million women and girls in the company's global communities.

KEY STRATEGY ELEMENTS

Cummins' Global Diversity, Equity & Inclusion (DE&I) Strategy is centered on enabling a diverse, equitable and inclusive environment. Here's a look at some key elements:

- » **LEADERSHIP ACCOUNTABILITY:**
Leaders demonstrate individual and collective leadership accountability for enabling a diverse, equitable and inclusive culture.
- » **RECRUITMENT, RETENTION, DEVELOPMENT AND ADVANCEMENT:**
Cummins' talent development processes deliver equitable and accessible recruitment, retention, advancement, and a pervasive feeling of inclusion.
- » **BENEFITS, WORK ARRANGEMENTS AND COMPENSATION:**
Benefits, work arrangements and compensation systems are equitable and optimize employee well-being, potential and performance.
- » **LEARNING AND EDUCATION:**
DE&I skills and competence are enabled in company leaders and employees through education and development.
- » **COMMUNITY, GOVERNMENT AND SOCIAL RESPONSIBILITY:**
Cummins will take a leading role within local communities and society at large to dismantle systemic inequities and advance justice for all.
- » **ASSESSMENT, MEASUREMENT AND RESEARCH:**
Comprehensive assessment, measurement, and research guides DE&I actions and performance is shared with all stakeholders.
- » **COMMUNICATIONS:**
DE&I communications are a powerful and pervasive force in achieving a more inclusive, equitable and prosperous workplace and world.

CUMMINS POWERS WOMEN PARTNERS

The company's most ambitious community initiative ever is partnering with a network of expert nonprofit organizations around the world, including:

- » Girls Inc.
- » Rosa Fund
- » China Women's Development Foundation
- » Rise Up
- » Camfed (the Campaign for Female Education)
- » CARE Australia
- » CARE Latin America
- » Promundo

TO LEARN MORE

Want to learn more about the Cummins Powers Women program? You can watch a [video](#) on the initiative to expand gender equity around the world or check out the program's [website](#).

KEY NUMBERS IN 2020

FIFTY

Cummins leaders and their teams engaged with Cummins Powers Women nonprofit partners.

1,363

Employees serving as Cummins Powers Women ambassadors, committing to learn and volunteer in support of gender equality. They represent 40 different countries around the world.

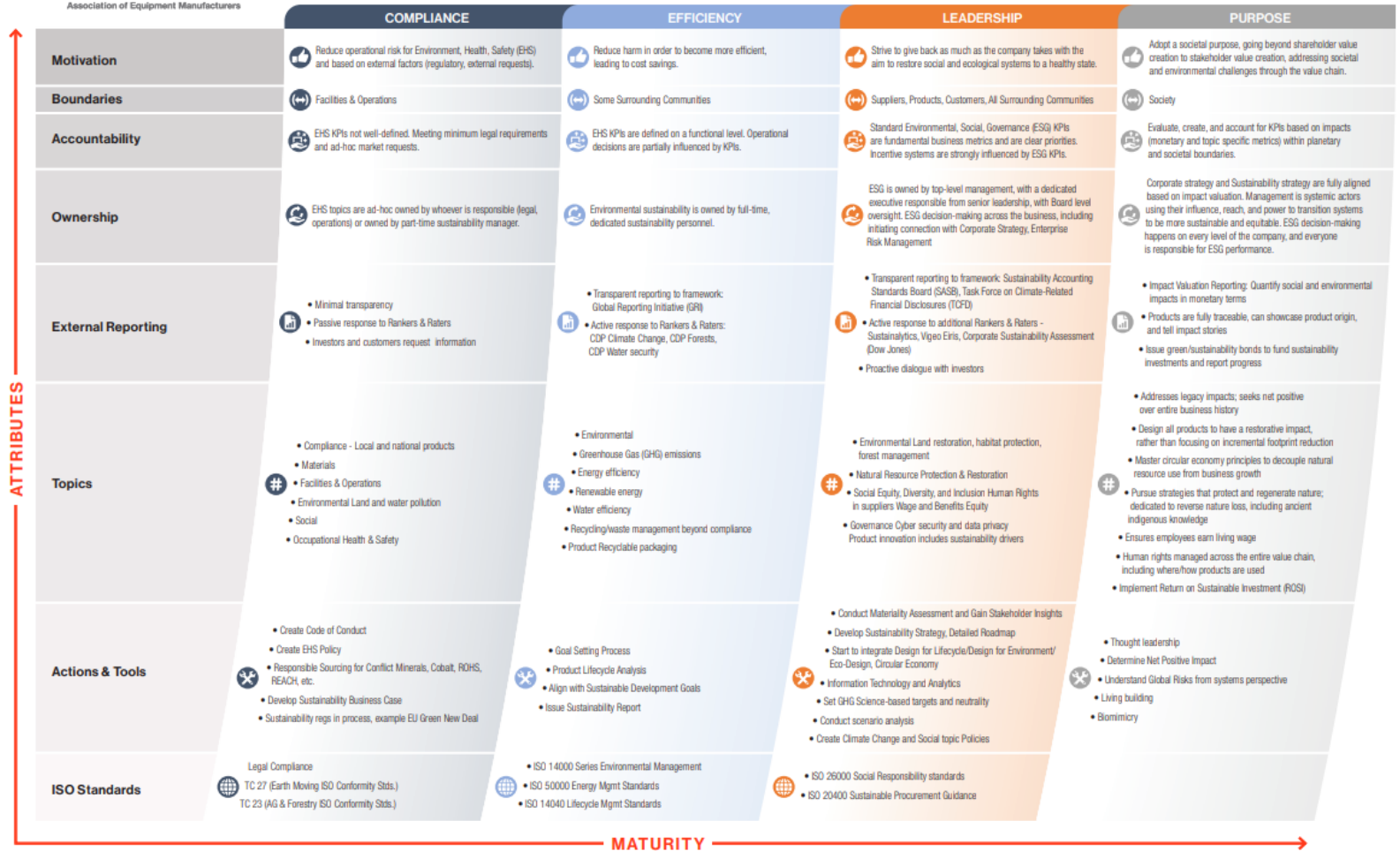
3,113

Hours volunteered by Cummins employees with the eight global nonprofit partners in Cummins Powers Women.

\$20 MILLION

Cummins commitment in Cummins Powers Women since the program launched in 2018.

SUSTAINABILITY MATURITY MODEL



Industry groups are helping their members along the journey

It takes all stakeholders working together



Customers and Partners







Brian Mormino

Executive Director – Technical & Environmental Systems

Columbus, Indiana

Brian leads the Technical & Environmental Systems organization in Cummins Inc. The group's role is to integrate technology, planning and sustainability globally across Cummins functions and businesses in order to ensure emerging and long-term technical and environmental challenges and opportunities are addressed. Collaborating broadly with many stakeholders, Brian's team works to identify and respond to changing trends and policies, ensure the Company adopts a long-term enterprise perspective to plan for an uncertain future and establish environmental goals and actions to preserve the sustainability of the company and planet. Among other leadership roles, Brian served on the U.S. Environmental Protection Agency's Clean Air Act Advisory Committee and on the Executive Committee and as the Public Policy Group Chair for the Truck and Engine Manufacturers Association (EMA).

Before joining Cummins in 2006, Brian served in the United States Senate as Staff Director for the Subcommittee on Clean Air, Climate Change and Nuclear Safety. One of his most significant accomplishments was drafting and building a strong coalition that led to the successful passage and funding of the Diesel Emissions Reduction Act (DERA).

He is a graduate of the University of Akron with a Bachelor of Arts degree in Philosophy, Political Science and Economics, Georgetown University with a Master of Public Policy degree and Indiana University with a Master of Business Administration degree.

Brian and his wife Adrienne have three children (Max, Sam and Tess). They reside in Columbus, Indiana and are active leaders in the community promoting improved policies and instruction for teaching children to read. In addition to other activities, Brian coaches youth sports and helps support foster children and their families.