



PLANET 2050 and Destination Zero

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Public

DOING OUR PART TO ADDRESS CLIMATE CHANGE AND AIR EMISSIONS

2050 Targets

- ❑ Customer success powered by carbon neutral technologies that address air quality
- ❑ Carbon neutrality and near zero pollution in Cummins' facilities and operations

COMMUNITIES ARE BETTER BECAUSE WE ARE THERE

2050 Targets

- ❑ Net positive impact in every community in which we operate
 - ❑ = *sum of environmental good > local environment footprint*
- ❑ Near zero local environmental impact

USING NATURAL RESOURCES IN THE MOST SUSTAINABLE WAY

2050 Targets

- ❑ Nothing wasted
 - ❑ Design out waste in products and processes
 - ❑ Use materials again for next life
 - ❑ Reuse water and return clean to the community

PLANET 2050

References to "facilities" relate to all consolidated operations and joint ventures subscribing to Cummins' Enterprise Environmental Management System. Goals will be periodically assessed for progress and continued practicability



COMMUNITIES ARE BETTER BECAUSE WE ARE THERE

2050 TARGETS

Net positive impact in every community where we operate
= Sum of environmental good > Local environmental footprint

Near zero local environmental footprint

THEMES

- » Understand and identify unique environmental challenges in our communities
- » Create partnerships and engagement using Cummins' core skills to help address community environmental needs

Goal 9:

Produce net water benefits that exceed Cummins' annual water use in all Cummins regions.

Community Led, Cummins Powered

ENVIRONMENT

Creating net positive impact and near zero local environmental footprint

Cummins will make a net positive environmental impact in our communities through volunteerism and partnerships, which means that our positive impact will be greater than our local environmental footprint. Among many programs to achieve Cummins' environmental goals, Cummins Water Works is a global strategic program to strengthen communities through sustainable water and address the global water crisis.



Executive Order 14096

APRIL 21, 2023

Executive Order on Revitalizing Our Nation's Commitment to Environmental Justice for All



BRIEFING ROOM

PRESIDENTIAL ACTIONS

(b) “Environmental justice” means the just treatment and meaningful involvement of all people, regardless of income, race, color, national origin, Tribal affiliation, or disability, in agency decision-making and other Federal activities that affect human health and the environment so that people:

(i) are fully protected from disproportionate and adverse human health and environmental effects (including risks) and hazards, including those related to climate change, the cumulative impacts of environmental and other burdens, and the legacy of racism or other structural or systemic barriers; and

(ii) have equitable access to a healthy, sustainable, and resilient environment in which to live, play, work, learn, grow, worship, and engage in cultural and subsistence practices.

Key Trends with Environmental Justice

1. Integration of economic and environmental justice through workforce development:

- A holistic approach to just energy transition that addresses both environmental challenges and economic disparities
- The focus is on fostering an equitable economic future by investing in a clean energy economy that generates well-paying union jobs for members of EJ communities.

2. 40% of federal investments, including grant funding, must benefit EJ communities:

- Inflation Reduction Act
- Bipartisan Infrastructure Law
- American Rescue Plan
- DoE grants now require Community Benefits Plan and Justice40 section addressing energy equity.

3. Air quality and public health impacts are a primary focus of government enforcement and funding:

- DOJ Enforcement Strategy focus on cases involving hazardous air pollutants and violations of clean air laws.
- EPA funding opportunities prioritize projects that improve air quality with measurable health outcomes in vulnerable communities

4. Data-driven determination of EJ enforcement sites, funding eligibility, and benefit calculation:

- EPA EJScreen and White House CEJST used in DOJ enforcement
- CEJST used in funding eligibility and benefit calculation for federal grant opportunities
- CEJST identifies DACs based on low-income status and environmental burden in census tract – not racial demographics.

Environmental Justice @ CMI

ENVIRONMENTAL JUSTICE AND PROSPERITY POLICY



SCOPE

This policy applies globally to the employees and operations of Cummins entities in which Cummins has a controlling ownership interest or management responsibility, including subsidiaries, joint ventures, affiliated companies, and distributors. If Cummins does not have a controlling ownership interest or management responsibility, Cummins will take reasonable steps to require compliance with this policy and the law.

POLICY

Cummins seeks a future of global Environmental Justice and Prosperity. This means greater prosperity with less impact on the planet and its people. Cummins is part of making that future a reality through actions today that mitigate environmental harms and optimize more equitable environmental and economic benefits.

The company acknowledges that the impacts of the world's industrialization and manufacturing, both good and bad, have not been and are not equitably distributed. Low-wealth communities, communities of color, and other historically marginalized communities are disproportionately impacted by environmental harms. These communities also tend to benefit less from technological advancement and economic development.

Cummins' Environmental Justice and Prosperity Policy brings together the company's long-standing dedication to the environment and social justice. Cummins is committed to improving equity and reducing disparity on vulnerable and marginalized communities.

Cummins champions Environmental Justice and Prosperity by incorporating data on environmental impact and vulnerability into decision-making processes across products, facilities and operations, and communities through these principles:

- **Innovating products for a cleaner, more equitable future on the way to Destination Zero.** Cummins impact on Environmental Justice and Prosperity starts with the products Cummins manufactures. Cummins invests, innovates, and manufactures products whose use power prosperity today and into the future.

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- **Increasing equitable environmental benefits where Cummins operates.** Under PLANET 2050, Cummins set a 2050 aspiration to provide a net positive impact in every community where the company operates. The company integrates environmental justice data as a factor in existing decision-making and capital allocation processes for facilities across their lifecycle, prioritizing the areas of greatest need.
- **Partnering with impacted communities and neighborhoods to solve the problems that matter to them.** Cummins strengthens the communities where the company operates. Cummins partners with communities to understand their needs and advance Environmental Justice and Prosperity.

EJ Risk Management Framework

<p>Summary of Environmental Justice Risks and the Need for Environmental Justice Risk Management</p> <p>Environmental justice is a critical concern in today's world, and the enforcement efforts by the Department of Justice (DOJ) underscore the significance of addressing environmental justice risks. The risks associated with environmental justice violations, particularly those related to harmful air pollution and emissions, highlight the imperative for companies to identify and manage these risks effectively. The DOJ's approach to enforcing environmental justice principles serves as a compelling example that underscores the need for proactive risk management. Failure to prevent, manage, and mitigate environmental justice risks can have significant reputational harm and adverse effects on shareholder value for companies. Investors are increasingly considering environmental, social, and governance (ESG) factors when making investment decisions. Environmental justice risks and violations can affect the overall valuation of the company, lead to a long-term decline in brand equity and loss of trust from investors and other stakeholders, and create challenges to accessing certain markets or securing partnerships, thus limiting growth opportunities and impacting shareholder returns.</p> <p><i>Key Environmental Justice Risks:</i></p> <ul style="list-style-type: none"> • Disproportionate Impact on Vulnerable Communities: One of the foremost environmental justice risks is the disproportionate impact of environmental harms on overburdened and underserved communities, especially those with low-income residents. These communities often face a higher risk of health problems and environmental degradation due to harmful air pollution and emissions. Companies that fail to adequately address these impacts may find themselves subject to DOJ enforcement actions. • Legal Consequences and Penalties: Environmental justice violations can lead to legal action from affected communities, environmental groups, or regulatory bodies. Legal battles can be costly and time-consuming, impacting shareholder value and potentially resulting in financial settlements. The DOJ's commitment to utilizing all available legal tools to address environmental justice concerns implies that companies violating environmental justice principles may face severe legal consequences and penalties. As exemplified by the BP Products' Whiting Refinery case in Indiana, substantial penalties can be imposed for violations of the Clean Air Act, potentially leading to significant financial liabilities for the company (\$5M+) • Public Health Concerns: Harmful air pollutants and emissions can have direct and severe impacts on public health, particularly in communities near industrial facilities. The risk of adverse health outcomes, such as respiratory illnesses and cancer, increases when companies fail to reduce harmful emissions adequately. Such public health concerns are a significant risk factor for companies facing environmental justice enforcement actions. • Community Engagement and Transparency: Environmental justice violations can lead to negative media coverage and public scrutiny. This can result in a tarnished corporate image, eroding consumer trust, and damaging the company's reputation. The DOJ's emphasis on meaningful engagement with impacted communities and promoting transparency in enforcement efforts highlights the risk of reputational damage for companies that do not involve local communities or provide clear information about their environmental justice initiatives. Failure to engage and maintain transparency can lead to community unrest and damage a company's reputation. <p><i>The Need for Environmental Justice Risk Management</i></p> <p>Given these key environmental justice risks, it is imperative for companies to develop a comprehensive environmental justice risk management plan. This plan should address the following critical aspects:</p>	<ol style="list-style-type: none"> 1. Data and Reporting: Transparency is crucial in environmental justice risk management. Companies should collect and report data on emissions, community impacts, and mitigation efforts. This data can be used to demonstrate compliance, engage with the public, and inform future environmental initiatives. 2. Emission Reduction and Health Measures: A central focus of risk management efforts should be to proactively identify and address sources of harmful air pollution and emissions. Companies must adopt measures to reduce their environmental impact, improve air quality in surrounding communities, and protect public health. 3. Community Engagement: Engaging with overburdened communities is essential for building trust and minimizing the risk of public opposition and litigation. Creating avenues for meaningful dialogue and actively involving local communities in decision-making processes are key components of environmental justice risk management. <p>In conclusion, the environmental justice risks associated with harmful air pollution and emissions are significant, and the DOJ's enforcement actions serve as a clear warning to companies. To mitigate these risks, it is essential for companies to prioritize environmental justice, develop robust risk management plans, and actively engage with affected communities while striving for transparency and compliance with regulations. By doing so, companies can navigate the complex landscape of environmental justice and contribute to a more equitable and sustainable future.</p>	<p>Environmental Justice Framework: Approach and Goals</p> <p><i>Framework Approach</i></p> <p>The framework, in collaboration with stakeholders, establishes mechanisms for regular assessment of progress, the effectiveness of risk management strategies, and failures in addressing environmental justice risks, with the findings informing future risk management decisions and actions.</p> <p><i>Framework Goals</i></p> <p>The environmental justice risk management framework ensures that:</p> <ul style="list-style-type: none"> • Environmental justice concerns are given due consideration by decision-makers in the identification, assessment, and mitigation of environmental risks. • Environmental risks do not disproportionately impact any specific demographic group. The environmental risks and opportunities associated with our activities and decisions are justly distributed. • Community partners/representatives have the opportunity to participate meaningfully in the assessment and management of environmental justice risks. <p><i>Framework Strategies</i></p> <p>Our framework embodies a set of strategies that seamlessly integrate environmental justice into our operations, regulatory compliance, monitoring initiatives, and community programs. It delineates the requisite procedures, resource allocation, and tools necessary to support this integration, with key components including:</p> <ol style="list-style-type: none"> 1. Identification of Vulnerable Areas: Identify areas where low-income, vulnerable, and disadvantaged residents may be experiencing more harm or are more susceptible to environmental conditions as areas of focus for environmental justice action. This identification process is based on rigorous analysis of demographic data, environmental indicators, and health-related information. 2. Adaptive Approaches: Our environmental justice strategy encompasses a commitment to adapt and expand our efforts to address environmental justice issues. This includes a comprehensive examination of pollution sources and associated health risks through robust monitoring and assessment activities. We rigorously explore avenues to reduce these environmental impacts, leveraging our presence and influence for positive change. <p><i>Framework Objectives + Tactics</i></p> <ol style="list-style-type: none"> 1. Objective: Monitoring, Assessment, and Consideration of Cumulative Impacts <p>Through the uses of tools and resources for monitoring, modeling, risk assessment and cumulative impacts analysis, strive to identify and understand environmental impacts, inform and target efforts to address past and present impacts, and avoid future disproportionate impacts.</p> <ul style="list-style-type: none"> ▶ Consider known or potential areas of concern for environmental justice when planning for environmental monitoring. When deciding where, when, and what to monitor, expressly consider contaminants of concern in areas of concern for environmental justice. Evaluate whether additional monitoring would help to understand risks.
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Changes to our products – how they are used and how they are made

Four 2030 goals

25%

Reduction in scope 3 absolute lifetime GHG emissions from newly-sold products

55_{MMT}

million metric tons reduced from scope 3 GHG emissions from products in the field

50%

Reduction in absolute GHG emissions from facilities and operations

50%

Reduction of volatile organic compounds emissions from paint and coating operations

Product decarbonization

Doing our part to address climate change and air emissions

Use less, use better, use again

Four 2030 goals

25%

Generate less waste in facilities and operations as part of revenue

100%

Create a circular lifecycle plan for every part to use less, use better and use again

100%

Reuse or responsibly recycle 100 percent of packaging plastics and eliminate single-use plastics

30%

Reduction in absolute water consumption in facilities and operations

Using natural resources in the most sustainable way

CMI Sites by EJ Status

Location Name	Consolidated Site Name	Enablon Site Name	Address	City	State	St	Zip Code	EJ Community
								No
								No
								Yes
								Yes
								No
								No
								No
								No
								No
								No
								Yes
								Yes
								Yes
								Yes

Data-Driven EJ Targets + Tracking

All Funds										
Year	EJ	Total Project Cost (\$k)	Capital Cost (\$k)	Electricity Savings (Kwh)	Diesel Savings (Gals)	NG Savings (CU.FT)	Water Savings (US Gals)	GHG Reduction (mt)	Total Waste Savings	Total Energy Savings (MMBTu)
2021	Yes									
	No									
	Total									
Percent EJ										
2022	Yes									
	No									
	Total									
Percent EJ										
2023	Yes									
	No									
	Total									
Percent EJ										
Delta 2021-2022										
Delta 2022-2023										
2024 Target										

Environmental Capital Prioritization - EJ

Criteria	Explanation	9		3		1		0	
Energy Impact	Measure of MMBtu & GHG savings								
Water Impact	Measure of US Gal savings & water scarcity								
Waste Impact	Measure of kg savings								
\$ per env benefit	Measure of \$/MMBtu, \$/100Gallon, \$/100Kg								
Simple Payback	Cost ÷ cost savings								
Environmental Justice Impact	Env. Harm reduction or benefit to disadvantaged (DA) EJ community according to	Direct reduction of env. burden in EJ DA community (exceeds both environmental and	Direct env. benefit for EJ DA community (exceeds both environmental and socioeconomic	Indirect reduction of env. burden in EJ DA community	Indirect env. benefit for EJ DA community	Env. burden reduction in non-EJ DA community (exceeds socioeconomic or deny	Env. Benefit in non-EJ DA community (exceeds socioeconomic or deny	Env. burden reduction in non-EJ non-DA community	Env. benefit in non-EJ non-DA community

Prioritizing EJ in Practice

C&E Weighting							Priority for Strategic Fund	Score	Column1	
Completion Quarter	Energy Impact	Water Impact	Waste Impact	\$ Spent Per Env Benefit	EJ Impact	Payback	Ability to Deliver			
								High	416	
								High	280	
								High	263	
								High	263	
								High	263	
C&E Weighting										
Energy Impact	Water Impact	Waste Impact	\$/Benefit	Payback	Deliver	EJ Impact				
7	7	7	10	4	0	7				

AI + Sustainability @ CMI

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AI for Sustainability

- AI tools for sustainable supply chain management
- AI for sustainability reporting
- AI for environmental data management

Sustainability Req's for AI

- Environmental risk in AI risk assessment
- Environmental impact of CPU in AI vendor selection criteria
- Environmental benefit-burden in AI use-case prioritization

AI for Sustainability Employees

- Environmental staff augmentation with productivity tools
- Virtual assistants
- Chatbots
- Knowledge retrieval for environmental reports + data

Q+A

The logo features a stylized globe showing the Americas, partially covered by a rainbow with three bands: green, blue, and red. The Cummins logo is positioned in the upper right. Below the graphic, the text "PLANET 2050" is displayed, with "PLANET" in red and "2050" in black. At the bottom, a tagline lists six pillars: PROSPERITY | LEADERSHIP | ADVOCACY | NURTURE | ENVIRONMENT | TOGETHER™.

PLANET 2050

PROSPERITY | LEADERSHIP | ADVOCACY | NURTURE | ENVIRONMENT | TOGETHER™