Cummins Inc.
A Programmatic Approach:
Environmental Management and Sustainability

Partners for Pollution Prevention

Alan Resnik and Todd Swingle, April 2014

Cummins Inc. – Vision and Mission

Vision

"Making people's lives better by unleashing the power of Cummins."

Mission

We unleash the power of Cummins by:

- Motivating people to act like owners, working together.
- Exceeding customer expectations by always being the first to market with the best products.
- Partnering with our customers to make sure they succeed.
- Demanding that everything we do leads to a cleaner, healthier, safer environment.
- Creating wealth for all stakeholders.

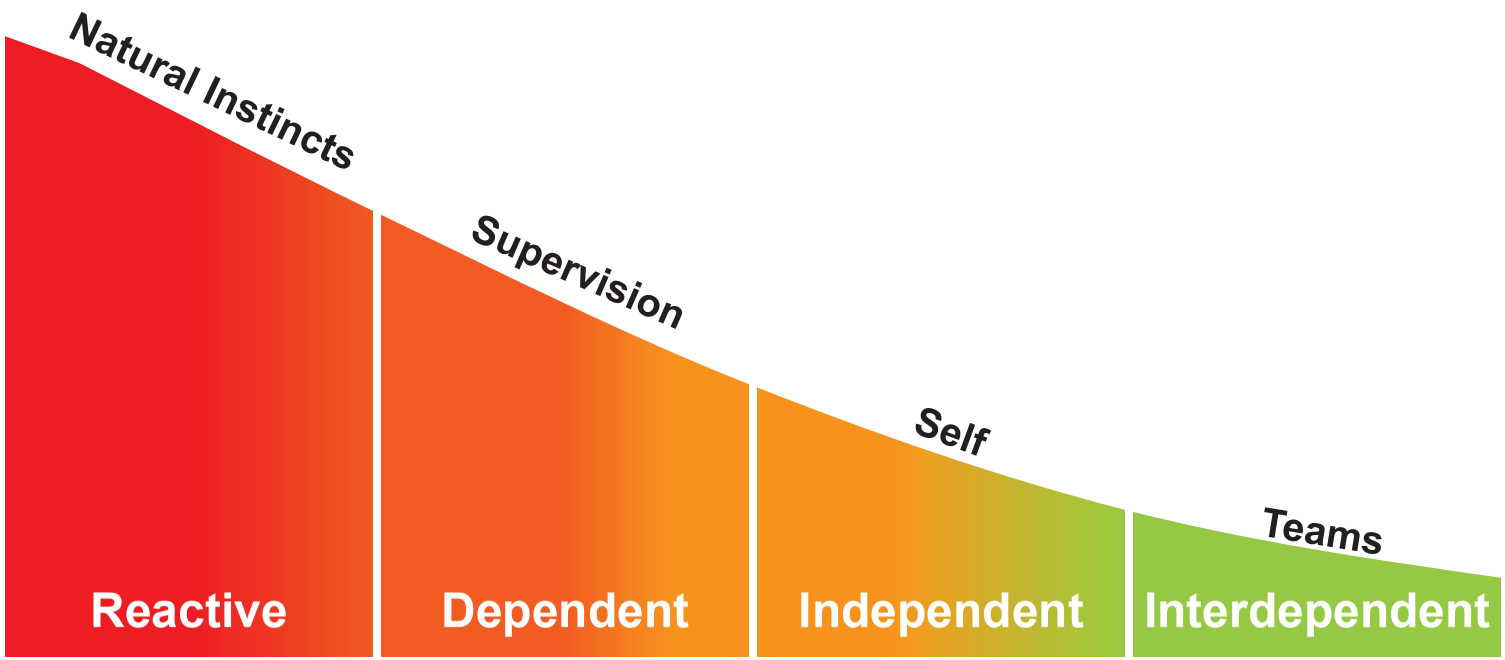
The Triple Bottom Line

CUMMINS RECOGNIZED BY CHRYSLER AS 2012 SUSTAINABILITY SUPPLIER OF THE YEAR

"We selected Cummins for the breadth and depth of its sustainability program, which covers all three areas of the 'triple bottom line': people, planet and profit,"

Greg Rose
Chrysler Group LLC
Director of Sustainability, Environment, Health and Safety.

The DuPont Bradley Curve



http://www2.dupont.com/sustainable-solutions/en-us/dss/video/bradley-curve-video.html

Cummins Environmental Management

Sustainability Leadership

Design for Environment

Suppliers/ Customers

Policy

Beyond Compliance

TN P2 Partnership

Dow Jones Sustainability Index

Mexican Clean Industry

IDEM Stewardship Program

IDEM Gov's Award: Environ Excellence

Compliance

DOT

REACH

RCRA

Clean Water Act { NPDES, SPCC

CRC

TSCA

CERCLA { EPCRA, SARA

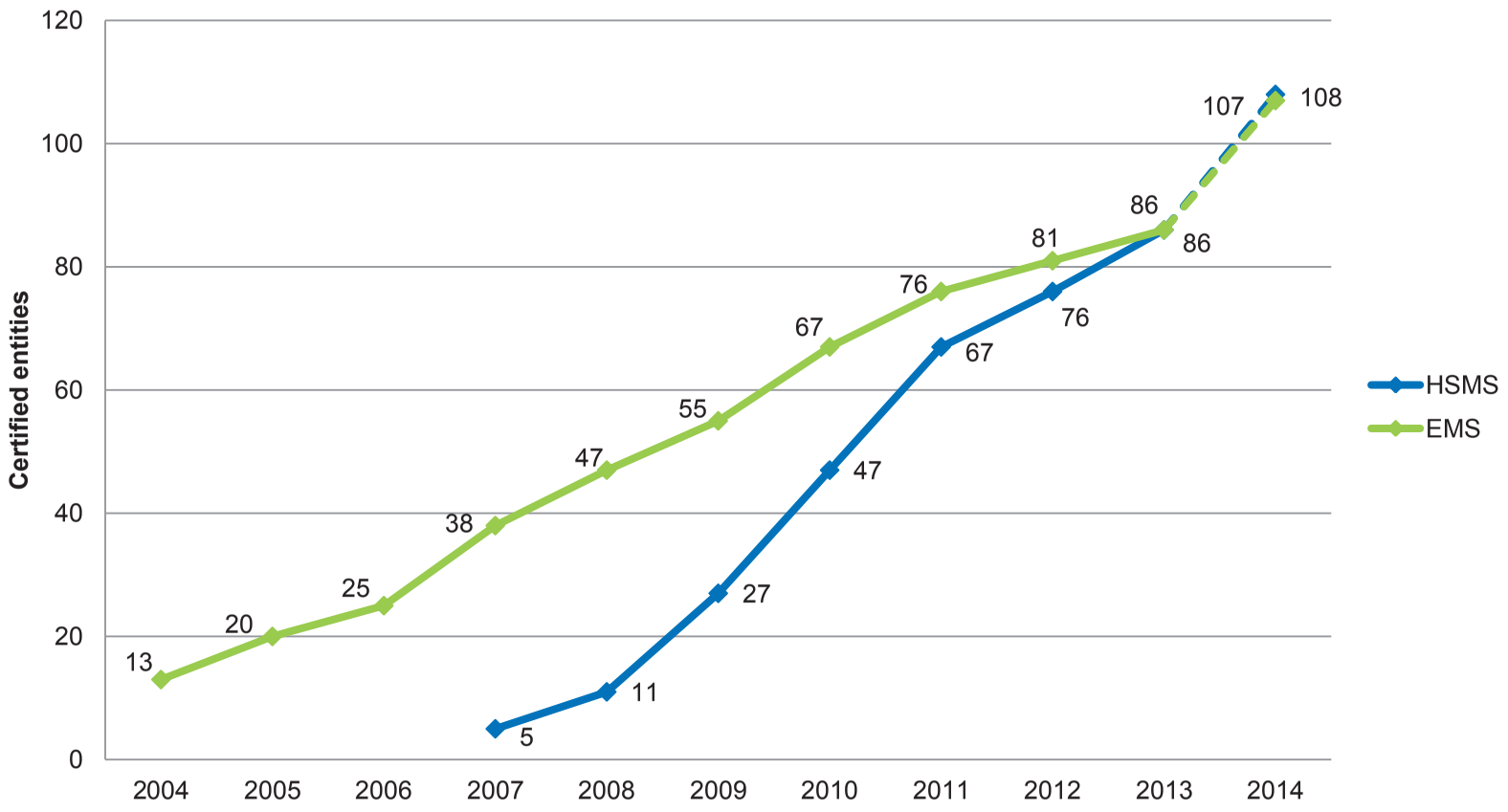
Clean Air Act

Enterprise Environmental Management System

HSEMS Enterprise Growth

108 Entities Registered

202 Sites



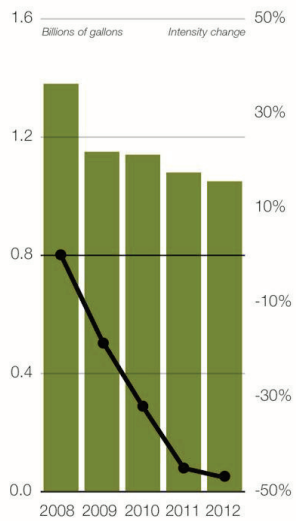
Telling the Story

- 315 Reporting Sites
  - 66 Primary,150 Calculated Indicators
- Understand CMI "footprint"
- Supports our 6-Sigma, Data Driven Culture
- Stakeholder Reporting
  - Sustainability Report
  - Dow Jones Sustainability Index
  - Carbon Disclosure Project
  - EPA Climate Leaders
  - U.S. Department of Energy
  - Carbon Reduction Commitment
  - Newsweek Green Companies

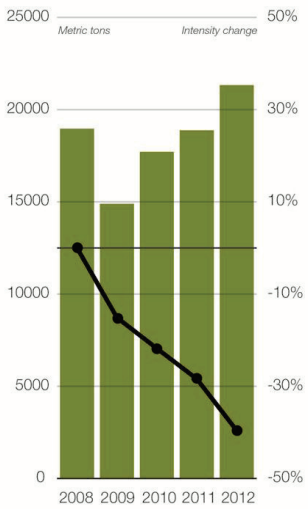
Innovative. Engaged. **Sustainable.**

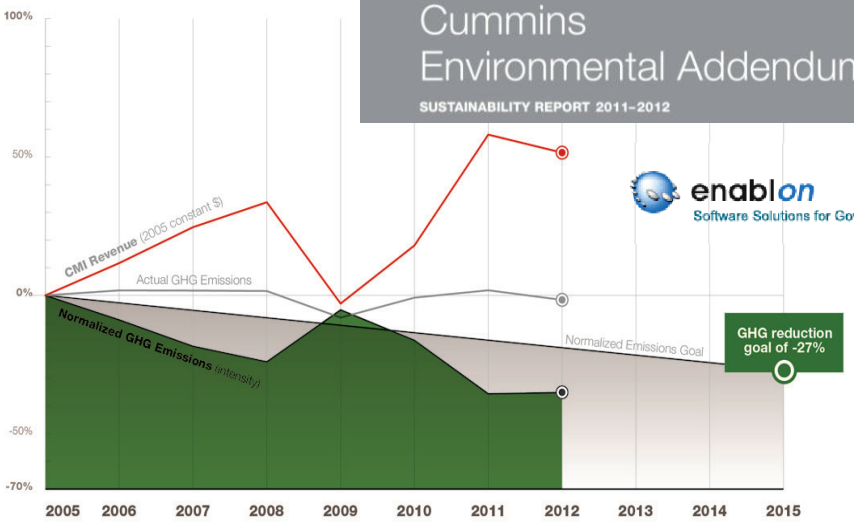
And

Total water withdrawn
in billion gallons



Total disposed waste
in metric tons





enablon
Software Solutions for Governance, Risk and Compliance

Cummins Environmental Sustainability Journey

Foundational → Reputable → Transformational → Environmental Leadership

2000-2005

- Created Values/Mission
- Embraced emissions regulations
- Certified Enterprise EMS
- Created first Cummins Sustainability Report
- Recognized on Dow Jones Sustainability Index
- Deployed Customer Focused Six Sigma projects

2006-2010

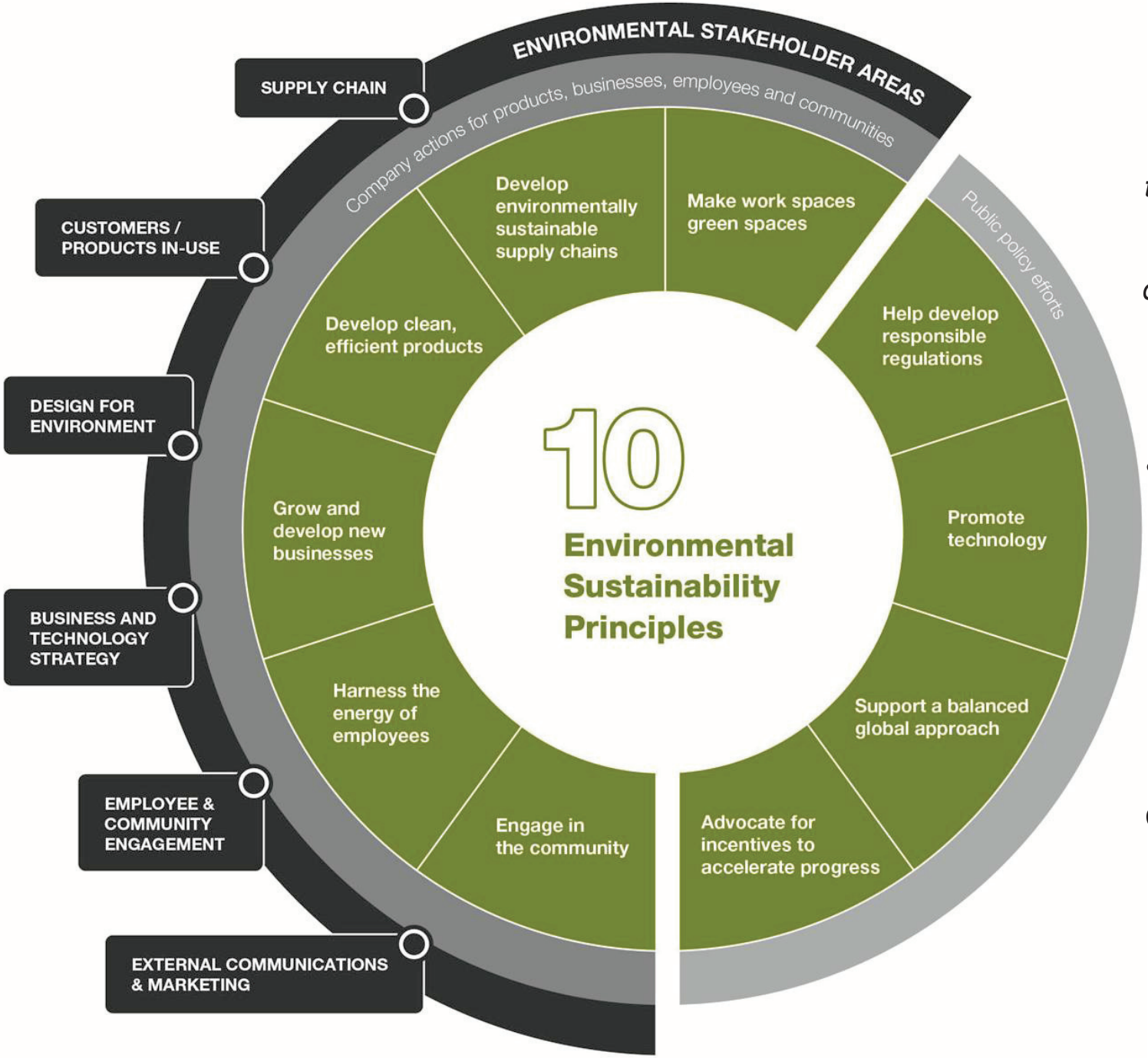
- Deployed EMS globally (ISO 14001)
- Set GHG facility goal, certified 1st LEED Gold Facility
- Formed Climate Change Working Group
- Participated in Carbon Disclosure Project
- First to meet the 2010 EPA emissions regulations
- Named Automotive News 2008 PACE Award Winner - 6.7L Turbo Diesel Engine
- Identified environment as global priority in CR, launched Env Challenge

2011-2015

- Set new GHG facility goal for 2015
- Awarded Chrysler Group 2012 Sustainability Supplier of the Year
- First EPA engine certification for meeting GHG and Fuel-Efficiency Rules
- Formed Action Committee for Environmental Sustainability (ACES)
- World Class Environmental Sustainability vision added to Cummins Goal Tree
- Adopt product lifecycle approach
- Create Cummins 2020 Global Environmental Sustainability Plan

2016-2020

- Sustainability embedded in core business strategy and company culture



A Legacy of Responsibility

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

J. Irwin Miller, former chairman of Cummins, 1972

Path for Sustainable Operations Maturity

How *our facilities* source, use & discharge resources

How we interact with the *business and communities* within which we operate

ur total value chain and *global footprint*

Stage 1 **Stage 2** **Stage 3**

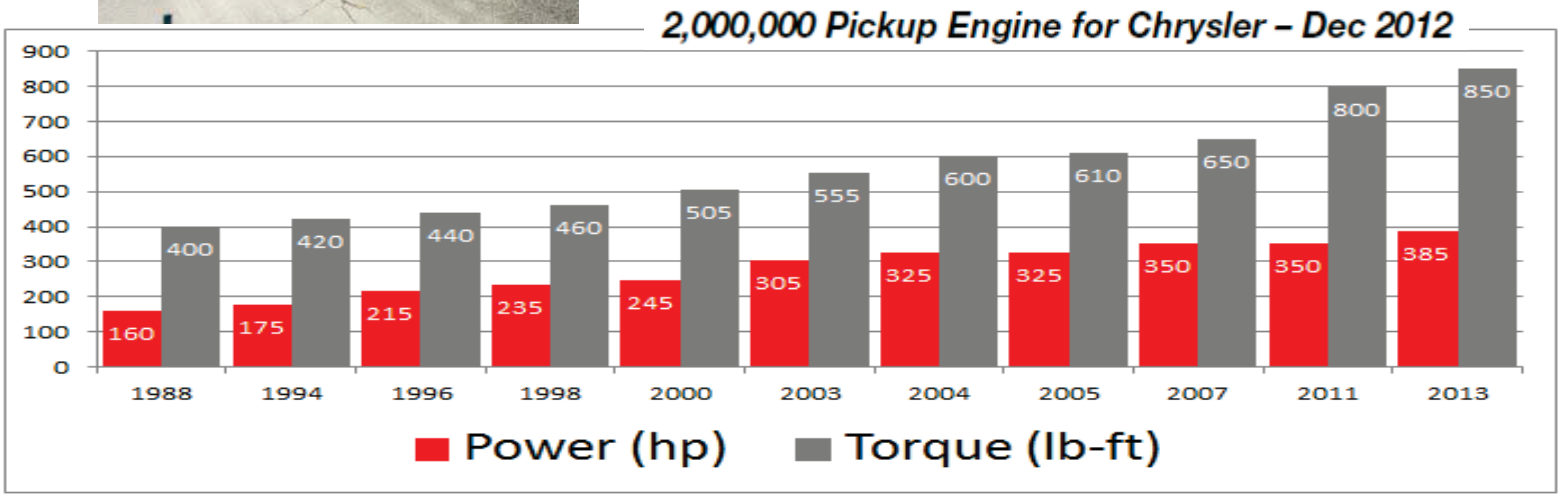
	Resource Conservation	Business Operations Risk	Community Engagement	Supply Base
Structure and Governance				
Infrastructure and Investment				
Personnel				
Tools & Processes				
Communication and Engagement				

At the Core of a Sustainable Supply Chain -

- Products that Fit the Market,
  For Cummins and Chrysler this means:
  - Power
  - Durability
  - Reliability

2013

1989



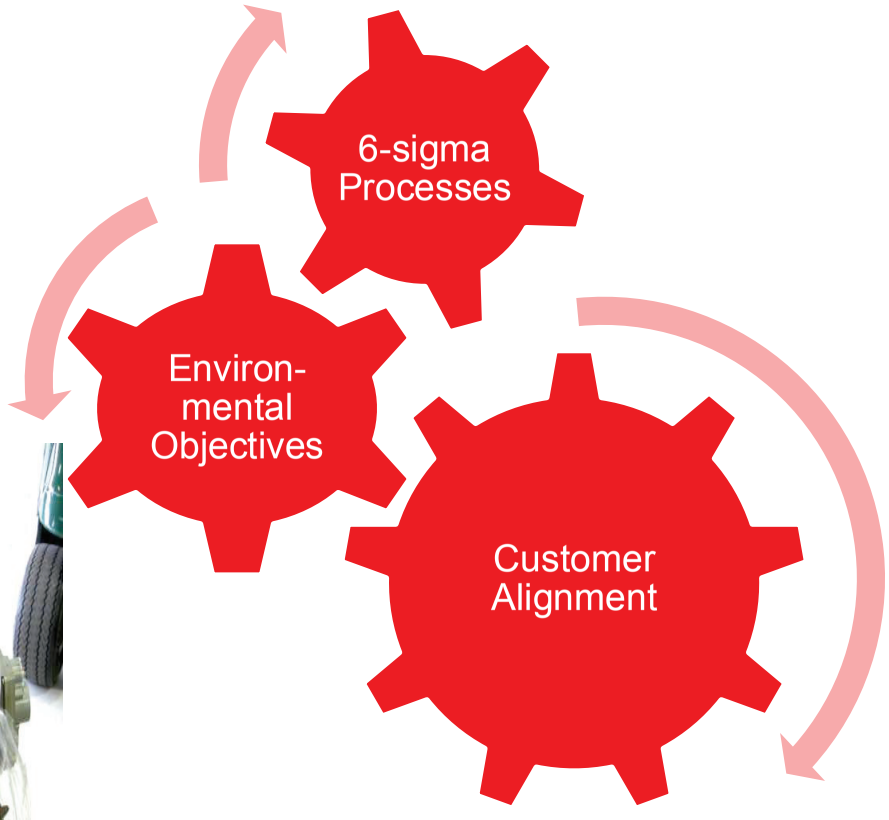
Our Sustainability Vision is Looking to 2020 But Results With Cummins and Chrysler are 2013

- Increased Towing and GCWR* - **Improved Trip Efficiency**
  - Max Towing of 30,100 lbs.
  - Max GCWR of 37,600 lbs.
- Torque – High Output 850 lb-ft (Pickup Only)*
  - 750lb-ft (Chassis Cab)
- Oil Change interval – 15,000 miles (Doubled from 2012)* - **Lower Waste Generation from Service Activities**
- Performance and durability improved with new cooling package
  - 25% more heat rejection
- Increases fuel economy +10% - **Lower energy use and GHGs**
- Smart exhaust brake
- B20 Biodiesel Capable – **Reduced Fossil Fuel Use**
- VGT Turbo with Integrated Exhaust Brake increases brake life by as much as 3 times.

* Denotes Best in Class *** Environmental / Sustainability Highlights**

Cummins Midrange Engine Plant (CMEP)
Meaningful Results Aligning Product and Environment

- Transition from Paint to Rust Inhibitor
  - Improved Performance
  - Reduced Cost
  - Eliminated VOCs from Paint
  - Reduced Facility Status from LQG to SQG



Paint

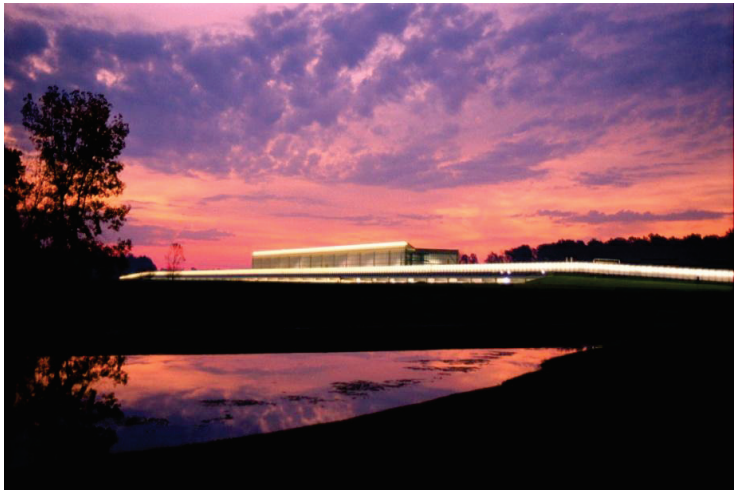
KATS

Post Exposure Testing Results

CMEP: Environmental Success
IDEM Governor's Award For Environmental Excellence, 2010

5 years of Excellence:

- Landfill Waste Reductions
  - Reduced 15.53 pounds per engine
  - 68% landfilled waste reduction avoiding 11,867 tons of buried waste
- Engine painting evolution from solvent-based, to clear coat, to rust preservative only
  - Less labor, materials, wastes and emissions
- Energy reduction projects resulting in
  - 8.2 million kWh reduction in electricity
  - 12 million cubic foot reduction in natural gas
  - Aggregate 18,649 ton carbon dioxide reduction



Cummins Inc.

ENVIRONMENTAL

Cummins was named to the **Dow Jones Sustainability** Index for the ninth consecutive year in 2012.

Named one of only 34 Greenbiz "Natural Capital Leaders" among 4000 largest global companies

Cummins #64 of the companies reviewed as part of **Newsweek's** environ. rankings of the **500 largest U.S. companies in 2012**.

GOVERNANCE ETHICS AND CORPORATE RESPONSIBILITY

Cummins was again named by **Corporate Responsibility** magazine in 2012 as one of the world's **100 Corporate Citizens**.

Diversity Inc. named Cummins to its list of the **Top 50 Companies for diversit**y for a seventh consecutive year in 2013.

Cummins received a perfect rating for the eighth consecutive year from **Human Rights Campaign** in 2013.