



2023-2024 SASB REPORT

# Sustainability Accounting Standards Board (SASB)

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SASB has placed Cummins in the Industrial Machinery & Goods category. It has generated the following questions for companies in this category to address. The report covers calendar year 2023, the most recent year-end data available. The report was compiled in February 2025.

Topic	Code	Accounting metric	Unit	Category	Disclosure
<b>ENERGY MANAGEMENT</b>					
	RT-IG-130a.1	(1) Total energy consumed	Gigajoules (GJ)	Quantitative	9,272,261
		(2) Percentage grid electricity	%		48.04%
		(3) Percentage renewable	%		11.92%
<b>HEALTH AND SAFETY</b>					
	RT-IG-320a.1	(1) Total recordable Incidence Rate	Rate per 200,000 hours worked	Quantitative	0.78 in 2023, up from 0.71 in 2022
		(2) Fatality Rate	Rate per 200,000 hours worked	Quantitative	0 in 2023, equal to 0 in 2022
		(3) Near miss frequency rate for (a) direct employees and (b) contract employees	Rate per 200,000 hours worked	Quantitative	<a href="#">2023-2024 Sustainability Progress Report: Health, Safety and Environment (pg. 41)</a>  We do not disclose near miss frequency rate for direct employees and contract employees.

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<b>FUEL ECONOMY &amp; EMISSIONS IN USE-PHASE</b>					
	RT-IG-410a.1	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Litres per 100 tonnekilometres	Quantitative	Cummins does not currently calculate sales-weighted fuel efficiency data. As an independent engine and power technology maker, there are many complexities regarding how the company's engines and technology are sold and then used by customers, creating a high degree of uncertainty in deriving a single number for each category. Cummins has estimated the lifetime emissions of its products sold since 2016, when it first disclosed those emissions in its annual CDP (formerly Carbon Disclosure Project) submission. <a href="#">2024 Cummins CDP Report</a> .
	RT-IG-410a.2	Sales-weighted fuel efficiency for nonroad equipment	Litres per hour	Quantitative	See RT-IG-410a.1
	RT-IG-410a.3	Sales-weighted fuel efficiency for stationary generators	Kilojoules per litre	Quantitative	See RT-IG-410a.1
	RT-IG-410a.4	Sales-weighted emissions of (1) nitrogen oxides (NOx ) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines and (d) other non-road diesel engines 1	Grammes per kilojoule	Quantitative	Cummins does not currently calculate sales-weighted emissions, but it has made significant progress in reducing oxides of nitrogen (NOx) and particulate matter (PM). The company decided several decades ago to embrace tougher environmental standards and to use Cummins' technological expertise and innovation to drive business success and community improvement. As a result, the company has grown its business and enhanced air quality, reducing NOx and PM by 90% and 99%, respectively, over the last two decades in the most regulated countries such as the United States. To see more info on the company's environmental progress, see the <a href="#">2023-2024 Sustainability Progress Report</a> .

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<b>MATERIALS SOURCING</b>					
	RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	n/a	Discussion and analysis	<p>Several groups at Cummins, working together, manage the handling of the materials in this disclosure, including material identification and risks regarding supply, price, reputation and regulation.</p> <p>Understanding the risks associated with restricted, prohibited or critical materials begins with understanding what is in the company's products. The products Cummins makes deliver power to the company's customers, and many of those products are dependent on critical materials.</p> <p>This can include platinum group metals in the company's aftertreatment systems, cobalt in lithium-ion batteries, rare earth elements in the permanent magnets of electric vehicle traction drive motors and variable geometry turbo actuators, and small amounts of critical alloy elements in Cummins' high alloy steels used by the company's Fuel Systems group and in the axles produced by Meritor in the company's Components business segment.</p> <p>All Cummins suppliers must first go through a quality audit, which includes establishing the prospective supplier possesses an understanding of responsible sourcing requirements and that their operations employ adequate restricted substance controls.</p> <p>Cummins' general risk philosophy is that at the commodity level, metal will always be available; it may simply become more expensive if near term demand begins to exceed supply. When the company perceives such changes in the market coming, it will consider buying a strategic inventory of high alloy steels or locking in capacity with a supplier.</p> <p>The company uses a range of pricing strategies such as physical-forward buys and hedging financial instruments. Cummins may also use contract clauses that periodically adjust the price it pays up or down with the movement of that commodity price.</p> <p>Cummins works hard to also source ethically. The company has an active Restricted Substances and Products Disclosure (RSPD) group that works with Cummins' supply base to know what restricted materials are in the company's products. It monitors regulations around the globe.</p>

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<i>Materials sourcing (continued)</i>	RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	n/a	Discussion and analysis	<p>Restricted materials are addressed in the <a href="#">Cummins Supplier Code of Conduct</a> and the company has a <a href="#">Conflict Minerals Policy</a> and a policy on the ethical <a href="#">sourcing of cobalt</a>.</p> <p>The company uses multiple sources of information, such as networking with trade associations, industry groups such as the Responsible Minerals Initiative (RMI), and third-party contractors to keep abreast of current and emergent threats in the conflict minerals regulatory space. It also evaluates how these regulations impact Cummins and its products.</p> <p>To mitigate regulatory and reputational risk, Cummins assesses each supplier’s risk, and those most likely to provide conflict minerals are sent a Reasonable Country of Inquiry (RCOI) survey in the form of a Conflict Minerals Reporting Template (CMRT), conformant to the industry standard IPC 1755.</p> <p>The CMRTs are evaluated against verifiable information provided by RMI, and the appropriate Cummins functions, where proper due diligence is applied to suppliers who use smelters in covered countries.</p> <p>Cobalt is at risk due to its supply chain, which has additional risk related to pricing. Since Chinese entities are believed to control the majority of cobalt extraction and refining, there is the risk of one country controlling the bulk of the supply chain.</p> <p>Further risk may occur should China choose to execute price controls on cobalt ores and chemicals. Cummins’ primary method of mitigation is to work with its Tier 1 suppliers to ensure supply chain continuity as much as possible. Cobalt is also under regulatory risk. Currently, it is not regulated but there have been discussions about adding it as a fifth conflict mineral. Cummins will work with industry groups to come to the best solution should this occur.</p> <p>If a substance or material is added to a list such as the European Union’s REACH SVHC (Substance of Very High Concern) list, Cummins will work with its engineers and supply base to identify suitable alternatives. The RSPD group engages with agencies for advocacy needs on continued use of certain critical substances necessary for maintaining and improving the reliability of company products.</p>

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<b>REMANUFACTURING DESIGN &amp; SERVICES</b>					
	RT-IG-440b.1	Revenue from remanufactured products and remanufacturing services	Presentation currency	Quantitative	For 2023, revenue derived from the sale of remanufactured products was close to \$3 billion. This revenue includes parts and engines sold directly to self-servicing original equipment manufacturers as well as through the company's independent, joint venture and company-owned distributors and used in Cummins' Master Rebuild Centers.
<b>ACTIVITY METRICS</b>					
	RT-IG-000.A	Units sold	Number	Quantitative	1.36M
	RT-IG-000.B	Number of employees	Number	Quantitative	74,873



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Produced in U.S.A. 2/25  
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