

MESSAGE FROM DOUG

## Living Our Values In Action Every Day

Each year we all complete our Code of Conduct assessment. We often talk about Our Values in Action. And I'm confident that our entire global team knows about our high ethical standards. But every now and then something happens that reminds me we can never take our high standards for granted.

Wal-Mart, another large, global company, has been in the news recently related to allegations of bribery in Mexico. We are well aware of business conduct differences around the world, but bribery is illegal not only under the U.S. Foreign Corrupt Practices Act but local laws as well. And, importantly it's not the way we do business at Caterpillar. Yes, we operate in every corner of the world, but Caterpillar operates according to the high global standards set forth in our Code of Conduct.



We are on a roll, and in a hurry. We are driving hard to deliver results, but we should never compromise our name, our reputation or our standards to get those results. Customers, governments, suppliers, dealers, stockholders and employees all know what to expect when they work with Caterpillar—fair and ethical behavior from our entire team.

Believe me, nobody likes to see positive business results more than me. That's why I wanted to send this message. No deal is worth risking our reputation. I will gladly pass up a sale if it is the right thing to do and it keeps our good name intact. We have the best team in the world, and we can always find another, ethical way to get the job done. We can always find new sales, new locations and new deals, but it's very difficult to rebuild a reputation that's been damaged.

And the same holds true for our internal operations. Just as we have an obligation to our customers and shareholders, we have an obligation to each other. Integrity, excellence, teamwork and commitment aren't just nice words, but the way we work together.

I'm confident in our team and the great work you are doing. The Code of Conduct assessment is going on now, and I encourage all of you to take your obligation to complete that assessment seriously. I also encourage you to take a few minutes to look through Our Values in Action today. Ethical behavior isn't about a yearly assessment or even a written set of standards—it's about your daily work and interactions. It's up to each and every one of us to live Our Values in Action, each and every day.

***"We are driving hard to deliver results, but we should never compromise our name, our reputation or our standards to get those results."***

## BCP Breaks Ground In Georgia



Building Construction Products (BCP) leaders, Georgia Governor Nathan Deal and Georgia-area officials got a little closer to realizing their goal of a new Caterpillar facility when the group ceremonially broke ground near Athens, Georgia, on March 16, 2012.

Mary Bell, BCP vice president, addressed the crowd of



supporters and expressed the team's excitement.

"We are thrilled to call Georgia home to our newest Caterpillar production facility and appreciate the support we've received," said Bell. "This facility will play an important role in positioning Caterpillar to maintain its leadership position, and the groundbreaking ceremony puts us another step closer to achieving that goal."

The state-of-the-art, one-million-square-foot facility will produce small track-type tractors and mini hydraulic excavators. Caterpillar will invest approximately \$200 million in the facility, which is expected to employ 1,400 people once fully operational. The company estimates another 2,800 full-time jobs will be created in the United States among suppliers and at other non Caterpillar companies that will support the new facility.

"We congratulate Caterpillar as it opens this new door of opportunity," Governor Deal said.

Initial production at the facility is expected to begin in late 2013, ramping up to full production over a five-year period.

# TINAJA HILLS CENTER WELCOMES ARMY ENGINEERS



On April 4, 2012, Caterpillar's Tinaja Hills Demonstration and Learning Center in Tucson, Arizona, welcomed 100 members of the United States Army's 103rd Engineer Company. Based out of Fort Leonard Wood, Missouri, the soldiers are part of ongoing military construction projects that utilize Cat® D6R and D7R track-type tractors.



Members of the U.S. Army's 103rd Engineer Company visited the Demonstration and Learning Center.

The recent visit coincided with a full-line demonstration from Park Construction and Ziegler Cat. The 103rd participated by marching in formation on the floor of the general line.

Private First Class Coty Ricks operated a D7E during the special event.

Also in attendance were seven-year-old Samuel Duerkop and his family. Samuel, who was recently diagnosed with Duchenne muscular dystrophy, was treated to a ride in a 994 loader. He and his brother Zach were given patches worn by the Joint Task Force-North (JTF-N) Engineers in Iraq.



Special guests Samuel (left) and Zach Duerkop attended the event.

"It makes us smile to be reminded there are people in the world like the Caterpillar team at Tinaja Hills," said Andrea Duerkop, mother of Samuel and Zach. "Thank you for making our little boys' day!"

## Cat Japan Launches "I Love Air" Campaign

In December of 2011, Cat Japan launched a 12-month targeted advertising campaign aimed at increasing awareness of the Cat® brand in Japan.

Entitled "I Love Air," the ad campaign features a Cat® 320E and a D7E, and highlights the company's commitment to clean air emissions and the reduction of carbon dioxide.

Display ads have been placed in 15 major train stations and on 35 train lines in Tokyo and Osaka, Japan's two largest cities. Nearly 50 percent of

Japanese residents live and work near the cities of Tokyo and Osaka, and many travel by train every day, giving the ads significant exposure. According to recent research, 27.2

percent of commuters surveyed said they had seen the ads.

"In Japan it has been becoming increasingly important for the success



of the customers' business to integrate sustainability," said Noriyuki Takeuchi, country manager for Japan. "From that perspective it was extremely

productive that we were able to gain awareness of Caterpillar's commitment to sustainability through the 'I Love Air' campaign."

### Contact Us

Cat Folks is published quarterly by Corporate Public Affairs, a department of Caterpillar's Human Services Division. Please send comments, questions and story ideas to [cat\\_folks@cat.com](mailto:cat_folks@cat.com). You can visit us online at [caterpillar.com/company/employees-and-retirees](http://caterpillar.com/company/employees-and-retirees). We always appreciate your feedback!



## Caterpillar Foundation Announces Updates For Matching Gifts And United Way Pledges

Starting July 1, 2012, the Caterpillar Foundation's matching gift process is going electronic.

Instead of printing a form and sending it to the organization, employees and retirees will visit [caterpillar.com/foundation](http://caterpillar.com/foundation) and go to the matching gift section to enter requests. The non-profit and the Foundation will then approve online.

**New United Way Pledge Program For Retirees:** From August 13, 2012, to September 28, 2012, retirees can pledge to the United Way through a new online process. Instead of contacting Northern Trust, retirees should visit [caterpillar.com/foundation](http://caterpillar.com/foundation) and go to the United Way section. Retirees can pledge with credit cards or stock to any United Way agency. The Foundation is proud to offer a match of employee and retiree dollars up to \$4.5 million.

Current United Way deductions through Northern Trust pensions will end July 31, 2012. The employee campaign will run from August 13, 2012, to September 7, 2012.

Employees will receive information on how to pledge closer to August 13. For more information please visit [caterpillar.com/foundation](http://caterpillar.com/foundation) or call Kylene Anthony at 309-675-1475.



Dick Melton

## Longtime Employee Shares Success With Family

After more than four decades at Caterpillar, retirement isn't on Dick Melton's radar screen.

His 43-year career began as a machine operator in East Peoria, Illinois. Since then, Dick has worked in various planning roles, helping to start six new Caterpillar facilities across the United

States. Serving as an engineering project team leader, today he is helping to complete construction on the new hydraulic excavator facility in Victoria, Texas.

With six children and 22 grandchildren, family has always been a priority for Dick and his wife Lana. Six years ago, they were blessed with a new granddaughter, Zoey, who was born with Down's syndrome.

Realizing she would face many challenges, the Meltons vowed to help make their granddaughter's life full and complete. One of Dick's personal goals is to keep working until he can provide a place for Zoey to call home when she is able to live independently.

"I have been blessed with a great career at Caterpillar and have many people to thank for my success," he said. "Sharing my success with Zoey is the least I can do. Zoey and I are a team, and she will be cared for and assured of leading as much of a normal life as I can make possible."



Granddaughter Zoey



## Caterpillar Helps Establish Equipment-Operator Course

Caterpillar Forest Products and Cat® Dealer Gregory Poole are working with Pitt Community College (PCC) in Greenville, North Carolina, to develop a 12-week course to train logging-equipment operators. Graduates of the program will receive a certificate from the North Carolina Association of Professional Loggers and be qualified to assume the responsibilities of an entry-level logging-equipment operator.

The course is designed to produce 25 to 50 trained equipment operators in the first year, with a minimum of 25 new workers employed within three months of course completion. Caterpillar Forest Products is donating \$1.25 million in equipment to the program, including a Cat® 525 skidder, a Cat® 573 wheel feller buncher and a Cat® 559 DS loader package.

"Traditionally, equipment operators have learned on the job, which can leave gaps in what they need to know to be a good operator and steward of the environment," said Michael Duncan, Caterpillar Forest Products industry manager. "We are supporting this program because it is designed to cover everything that a skilled operator should know in addition to running the machine—working safely, taking care of the equipment, taking care of the environment and working most efficiently and productively."

Cat® Dealer Gregory Poole Equipment Company will maintain the equipment through its Greenville branch. Gregory Poole personnel will also participate in portions of the training related to equipment maintenance. Additional course content will include day-to-day life skills.

# Meet Latasha Gillespie: A Champion For Teamwork

In April of 2012, Latasha Gillespie was named Global Diversity and Inclusion director for Caterpillar. Her role includes responsibility for accelerating Caterpillar's efforts to create an environment that embraces the ideas and perspectives of all employees.

Previously, Gillespie served as Employee Relations manager for Solar Turbines, a division of Caterpillar. She is a successful advocate for diversity initiatives and has extensive experience in human resources, finance and 6 Sigma.

Recently, Gillespie sat down with *Cat Folks* to discuss her vision for Global Diversity and Inclusion and the role each Caterpillar employee plays in building an inclusive culture.



Latasha Gillespie

**Folks: How do diversity-related issues impact Caterpillar on a day-to-day basis?**

**L.G.:** Caterpillar is a company made up of people. Every day we have an opportunity to fill an opening, make developmental moves, launch new product teams, solve customer problems and get engaged in the community. We need diversity of thought, opinion and talent to come together in an inclusive way to meet all of those needs on a daily basis.

**Folks: What is your vision for Global Diversity and Inclusion?**

**L.G.:** Short term, we need to reenergize the business by articulating the meaning of

Diversity and Inclusion in a global environment and develop an action plan of how we are going to get there. That includes raising the profile of Diversity and Inclusion and helping employees

understand that they all have roles to play. Long term, we need to execute a strategy that calls for all segments of the population to be represented in the leadership team, where all ideas are solicited, welcomed and

respected, cultural norms are celebrated and flexibility exists to accommodate personal responsibilities outside the job.

**Folks: How important is the Employee Affinity Group (EAG) program to the overall process?**

**L.G.:** EAGs are critical to our success. EAG members help us understand how we can better support them in achieving an environment of inclusion. They impact the business by contributing to the attraction and retention of talent, touching the communities we are in and becoming the arms and legs of executing Vision 2020.

**Folks: How can employees learn more about Diversity and Inclusion initiatives at Caterpillar? What can they do to support your team's efforts?**

**L.G.:** The easiest way to learn more is to visit our website or contact the Office of Global Diversity and Inclusion

at [latasha@cat.com](mailto:latasha@cat.com). You can also reach out to your individual supervisor or attend one of the many EAG functions, which are open to all Caterpillar employees.

When it comes to supporting Diversity and Inclusion, the most important thing is to stay open minded. Seek out ideas and opinions from others, and take them into consideration. Reach out to people who would not normally be in your social circles, and engage them in the business. Help new employees feel welcome by inviting them to lunch or showing them around your facility. To get where we want to go as an organization, every employee needs to play a part.

## Get Involved

For more information about Caterpillar's Office of Global Diversity and Inclusion, please visit [caterpillar.com/careers/why-caterpillar/diversity](http://caterpillar.com/careers/why-caterpillar/diversity) or send an e-mail to [latasha@cat.com](mailto:latasha@cat.com).



**Folks: What led you to the position of Global Diversity and Inclusion director?**

**L.G.:** As a longtime human resources professional, I have a passion for seeing Caterpillar become an industry leader in the people space. I am honored to lead such an important initiative. There is so much passion and support around the topic of diversity from the Board of Directors, Executive Office and individual employees. It's exciting to be a part of such a dynamic time in our company.

**Folks: How would you define or explain Diversity and Inclusion?**

**L.G.:** Diversity is simply all of the individual attributes that make us uniquely different from one another. Inclusion is what you do with those qualities. Ideally, you leverage those differences in a way that allows everyone to bring their whole selves to work and contribute in a way that drives innovation and business results.

## Folks Photos



Thank you to *Cat Folks* reader Steve Berkebile, who recently submitted this photo of a statue located in Johnstown, Pennsylvania. The bronze statue depicts a coal miner wearing a Cat® Diesel Power hat.

As always, the *Folks* editorial team wants to hear from you! Please share your Caterpillar photos and stories by sending an e-mail to [cat\\_folks@cat.com](mailto:cat_folks@cat.com).

**CATERPILLAR®**