



Caterpillar One of Top-Scoring Companies in The Sustainability Yearbook



Not only was Caterpillar named to the Dow Jones Sustainability Index last year, it also received the Industry Mover distinction for excellent sustainability performance.

The Sustainability Yearbook is the world's most comprehensive publication on corporate sustainability. To be listed in the Yearbook, companies must be within the top 15 percent of their industry and must achieve a score within 30 percent of their industry leader's score. Furthermore, within the top 15 percent of each industry, the company that has achieved the largest proportional improvement in its sustainability performance compared to the previous year is named the RobecoSAM Industry Mover. Caterpillar is proud to be honored with this distinction.

Where in the World... Spotting Caterpillar Around the World



930K at Coronado Beach, California

MESSAGE FROM DOUG

HELLO EVERYONE!

We kicked-off 2015 by ramping up our historic tradition of leading industry innovation. In February, our leadership team gathered in Atlanta for our annual Leadership Summit. For three days we talked and learned about the amazing changes ahead in technology and what they mean for Caterpillar. We also had our first "Innovation Expo" where some of our most creative colleagues demonstrated more than 20 innovative products and approaches that will help shape our future.



"We have the best engineers and innovators in the business, and they are getting it done every day."

We've taken up a new call to action: Think inside and outside the machine. We know what it means to think inside the machine, and we have a 90 year history of innovations like the diesel engine, the elevated sprocket, autonomous mining trucks and dynamic gas blending to show for it.

Today's competitive marketplace and the great opportunities that exist in the Internet of Things mean we are also thinking outside the machine—about using data analytics and big data to provide new services and products our customers want and need. Along those lines, we signed a technology and predictive analytics agreement with Uptake, an entrepreneurial Chicago company that will develop an easy-to-

use predictive diagnostics platform for our products.

Think about how our industry will change when customers have mobile, easy-to-use, diagnostic information that lets them shift from a reactive "repair after failure" mode to a proactive "repair before failure" stance.

The Uptake agreement, along with even more internal innovation, demonstrates exactly how we intend to disrupt our industry, and how we are moving quickly to prevent traditional or non-traditional competitors from coming between us and our dealers and customers.

We have the best engineers and innovators in the business, and they are getting it done every day. I am incredibly excited about what this means for our customers and our future!

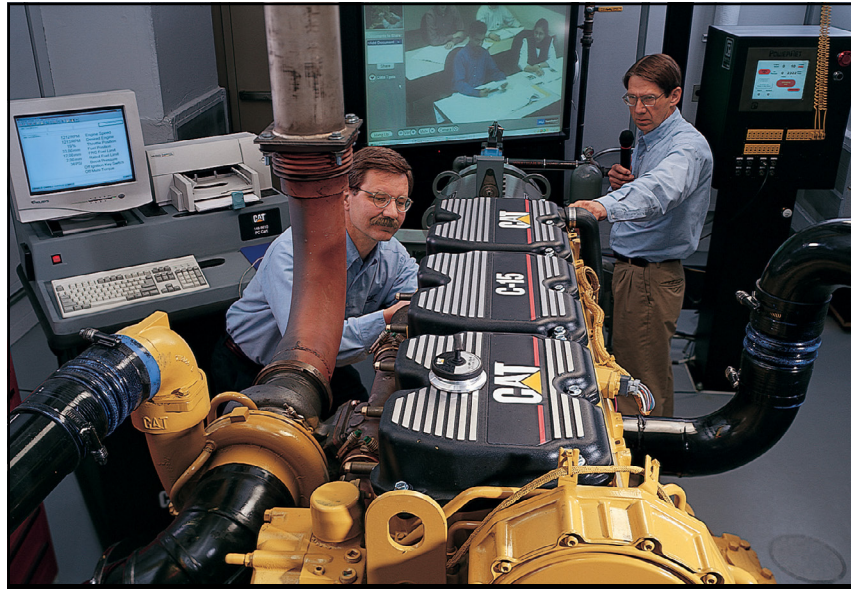
Caterpillar Announces Grand Opening of First Data Innovation Lab

In today's age of technology, data touches everyone and drives progress across the globe. Shocking amounts of data are generated every day from each sale, GPS point, social media post, web search and countless other sources all over the world. We're in the midst of a global data revolution, and companies that understand and leverage the value of Big Data will be the ones to succeed.

While Caterpillar has always been a company that places a premium on data-driven decision making, we're upping our game. February 19, we celebrated the grand opening of our first Data Innovation Lab, located in Research Park at the University of Illinois (U of I) in Champaign, Illinois.

The U of I Vice Chancellor for Research, Dr. Peter Schiffer, and Caterpillar Vice President and Chief Technology Officer, Gwenne Henricks, welcomed guests at the grand opening, both expressing excitement about the lab as another positive link in the long and rich relationship between the university and Caterpillar. Dr. Schiffer said, "Caterpillar has been a tremendous partner with the U of I. Ours is a strategic relationship that helps drive success at our respective institutions. The Research Park is a natural fit for a tech-focused company like Caterpillar, and this new innovation lab will leverage Illinois strengths in computing and data analysis in exciting ways."

Henricks echoed Dr. Schiffer's thoughts and went on to explain



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the opportunities this lab—and forthcoming labs in global locations—will provide. At Caterpillar, Data Innovation Labs will lead to faster, better and more efficient innovation than ever before, allowing the company to deliver even better results to customers. With high-velocity analysis of Big Data, research and development professionals can tap into insights about customers' current and future needs, opportunities to optimize Caterpillar's processes and global trends that drive technological change. Staffed with world-class talent from critical fields

(statistics, computer science, operations research, engineering, etc.), the labs will also tackle experimental and high-risk challenges that standard practices can't address, allowing the company to identify and explore breakthrough and disruptive opportunities through data analysis.

At the grand opening, Henricks summarized, "This lab will foster real-world innovation at the dynamic intersection of technological and cultural change in the world, giving us the ability to turn customer and market data into valuable information for the growth of our business and our customers' businesses."

This grand opening is only the beginning. Caterpillar will be launching more labs in global locations, harnessing the power of worldwide analytics expertise and tapping into data-driven insights that propel success.

2015
Robotics Business Review

RBR
50
COMPANY

CATERPILLAR NAMED A TOP 50 COMPANY IN ROBOTICS

Robotics Business Review (RBR) unveiled its fourth annual RBR50 list, naming Caterpillar one of the most noteworthy companies in the global robotics industry for 2015. The RBR is the largest, most comprehensive online robotics news and information resource. Companies listed on the RBR50 are selected based on their innovations, groundbreaking applications, commercial success and potential, and represent many different levels and facets of the robotics ecosystem.

This international compilation spans 11 countries and in addition to the large conglomerates, 20 percent of the list is comprised of lesser-known startups. The RBR50 list is dynamic, with robotics companies entering and leaving on an annual basis, thus creating a list that is indicative of where the global robotics industry as a whole is headed. Other companies on the list include Boeing, Lockheed Martin, Komatsu and Google.

"Caterpillar has long recognized the value robotic technologies can bring to our customers when integrated into our products and solutions," said Lou Balmer Millar, director of Research and Advanced Engineering. "Being named one of the top 50 companies in the global robotics industry is great recognition of our successful history of innovation, as well as the commercial success of our semi-autonomous and fully autonomous products and features."

For the full list of companies on the RBR50 List, <http://roboticsbusinessreview.com/rbr50>.

CATERPILLAR PRIDE:

Panama Employees Showcase Company Pride in Local Communities

From Strains and Sprains to Improved Ergonomics

When thinking about work-related injuries, sprains and strains may not come to mind. But for Caterpillar's Material Handling & Underground Division in East Peoria, Illinois, (MH&U-EP) identifying poor ergonomics was a major issue.

"We identified that 25 percent of all first aids and 50 percent of all recordable injuries were related to sprains and strains," said environmental, health and safety (EHS) professional Josh Labeda. "We realized we weren't doing the best job proactively identifying or managing ergonomic risk."

A multidisciplinary 6 Sigma team made up of EHS, workers compensation, medical, engineering, logistics and production employees spent a year examining the facility's processes and injuries. They consulted Dr. Don Blosswick, an expert and professor in engineering and occupational therapy at the University of Utah. Led by 6 Sigma Black Belt Karla Lowery, the team's next steps were examining daily work, conducting surveys and using comprehensive ergonomic assessment tools to pinpoint and analyze risk.

"Our goal is to identify issues before they cause problems," Labeda said. "Our new tools have more power in providing direction and appropriate abatement."

The team piloted a new process in the large tractor assembly area, where there was the highest ergonomic risk. Following the pilot, there have been zero recordable injuries in that area.

"The pilot was very interactive," Labeda said. "The team was on the shop floor taking video and looking at things up close. We tried out tools with the engineers and the production employees. We weren't just sitting and looking at numbers."

Following the pilot, the ergonomic risk assessment tools that MH&U-EP developed were added to the global ergonomics toolbox, and Global EHS has begun to train other facilities to use the tools. The project recently won one of two Ergonomic Excellence Platinum Awards, the highest distinction awarded by Global EHS.

"I think other facilities will see the same gains we have," Labeda said. "We're already seeing people capitalize on these tools and identify the risks and appropriate abatement."

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Kim Hauer, Vice President of Human Services Division, handing out gift bags at the Caterpillar Panama Family & Friends Weekend

The Panama Caterpillar Facility recently hosted the first Family & Friends Weekend, providing an opportunity for employees to showcase the facility and share the Caterpillar brand and culture with family and loved ones.

"This event was key to increasing our brand visibility throughout the Panama communities, as well building a sense of pride in our employees by showcasing what a great place to work Caterpillar is," said Sue Parcels, Panama HR manager, HSD.

The highlight of the event was the Cat® Product Demo Show in the Demonstration Learning Center. For many Panama employees, this was the first time they had the opportunity to see the action-packed demonstration.



The Cat machines displayed their strength and the tasks they are each built to perform for our customers every day. The audience was engaged and energized by the memorable event.

The two-day event was also filled with family-oriented entertainment, including a children's playground, energetic sports competitions, a photo booth and a 9D Cinema Truck. In addition, the event included a center stage for an employee talent showcase and musical performances from two local bands.

"Being able to show my family a small part of my day-to-day work and share with them what it's like to have 'Yellow Blood' was an incredible experience," said Sharon Campos, process support rep. "We all had a great time and I cannot wait for the next family event."



From left to right: Abiel Chevannes, Jon Nightingale, Chris Yates and Carla Navarro

Employees Connect Students Worlds Apart Using Technology

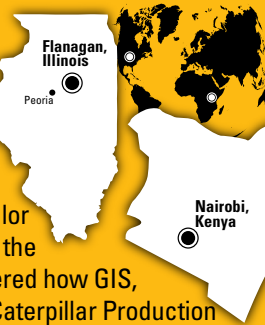
Two separate schools...worlds apart... each one striving to improve their classroom environments have come together, thanks to a group of volunteers from Global Information Services (GIS) and Business Systems Transformation (BST).

Working with the Valor Junior/Senior High School—which is part of the Salem4Youth Ranch for at-risk teenage boys located just outside of Flanagan, Illinois—and the REM School serving six areas of Nairobi, Kenya. Caterpillar volunteers used computer and video conferencing technology to link two classrooms to not only different cultures but also to possible Caterpillar careers.

Efforts began in January 2014 as GIS volunteers assisted Salem with a computer systems upgrade. Volunteers setup

28 computers with standard classroom functionality and systems. As the Valor initiative took root, the volunteers discovered how GIS, Human Services, Caterpillar Production System (CPS) and various other divisions and business partners located in EAME were partnering with the Cat® dealer, Mantrac, in Nairobi to support the REM School.

Work began in February 2014 and by the following September, plans and arrangements had been made for a one-day, same-day student event. As the REM students visited the Mantrac facility, the Valor students visited Caterpillar's



East Peoria, Illinois, Track-type tractor engineering center and assembly operations, and the Caterpillar Visitors Center in downtown Peoria, Illinois.

"For these inquisitive students, it was a great opportunity to share the good work of Caterpillar and its affiliates, and to open students' minds to possible careers at Caterpillar," said BST volunteer Terry Keith.

Intertwined in their separate Caterpillar tours, the Caterpillar team set up a 90-minute conference call with video feed between the two worlds for students to exchange experiences, ideas and cultures with each other.

Support for REM

- *Teaming with other contributors, Caterpillar supported the long-term relationships with the 11 Kenyan teachers and 260+ students. REM schools (pre-school through eighth grade)*
- *Receive basic school supplies, educational tools and technology for improving classroom effectiveness. The extended classroom assets include eight laptops, an office printer and Internet access for up to five computers.*

GIRLS BASKETBALL AT CATERPILLAR

Within its first 10 years as a company, Caterpillar offered both men's and women's intramural sports. Starting in the mid-1930s, several women's intramural plant teams were formed, including a basketball team. After a few years, Caterpillar selected one team to play in the local Proctor League that featured other female teams from businesses like the Peoria Star, Hiram Walker, Ideal Troy, Peoria Journal Transcript, LeTourneau, Gipps and Keystone. The Caterpillar team would first be known as the Caterpillar Girls.

The Caterpillar Girls won several league championships—including 1938 and 1939—and placed high in other years. In the 1937-1938 season the girls' record was 15-1. They were 22-5 in the 1943-1944 season.

Popular with Caterpillar employees, it was reported that 800 people attended one of the Caterpillar Girls' games in the 1939-1940 season. Practices and games were held in various local junior high and high school gymnasiums.

In addition to playing teams in the local league, the Caterpillar Girls also played games against teams from other cities in Illinois, Missouri, Iowa and Indiana. In some cases, the Caterpillar Girls would play opener games before the Caterpillar Diesels men's basketball team.

In the 1940-1941 season, the team's name changed from Caterpillar Girls to the Caterpillar Dieselettes.

It was common for the players to participate in several different company-sponsored sports. For example, Irene "Amy" Applegren, Rosie Fisher, Frances Morlock, Norma Humphries, Eleanor Rudolph, Marie Wadlow and Sid Esslinger all played on Caterpillar's

championship softball teams—the Caterpillar Girls, later named the Caterpillar Dieselettes.

Applegren actually left Caterpillar in 1943 to play for the Rockford Peaches in the National Women's Baseball League. The Peaches were featured in the popular movie, *A League of Their Own*.



1941-1942 Caterpillar Dieselettes Basketball Team. Caterpillar Inc. Corporate Archives



JUST OPENED... Visitors to the Caterpillar Visitors Center will see never-before-seen artifacts and game films featuring the world's longest consecutive-running women's softball team—the Caterpillar Dieselettes, which later became the Sunnyland Lettes and, finally, the Pekin Lettes.

Contact Us

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