

2019

UK

Gender Pay Report



Since 1925, Caterpillar Inc. has been helping our customers build a better world – making sustainable progress possible and driving positive change on every continent.

With 2019 sales and revenues of \$53.8 billion, Caterpillar is the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. Services offered throughout the product life cycle, cutting-edge technology and decades of product expertise set Caterpillar apart, providing exceptional value to help our customers succeed. The company principally operates through three primary segments – Construction Industries, Resource Industries and Energy & Transportation – and provides financing and related services through its Financial Products segment.

Caterpillar established its first major facility outside of the United States more than 60 years ago in the United Kingdom (UK). Today, the company employs around 7,600 people in 18 locations, including manufacturing facilities and offices across the UK.

Wherever we work, whatever we do, we share a single set of values that unite our company – integrity, excellence, teamwork, commitment and sustainability. These values steer us in how we interact with our customers, partners and one another and serve as the foundation of our business strategy and a guide for how we do the work.

Our Caterpillar team is diverse and representative of the many customers we serve around the globe. But it's our focus on inclusion that allows every person to contribute his or her fullest potential.

At Caterpillar, we collaborate and combine the unique talents, experiences, backgrounds and cultures of each individual; we actively seek out different perspectives because it makes us stronger, more innovative, more productive.

Different perspectives help us discover new ways of solving problems, allow us to achieve our best work and enable our company to make positive changes in the communities where we live and work. And that matters to us.

Global footprint...



 **102,000**
Global Workforce



>4 million Products at work around the world

 **165**
Global Cat® Dealers

 **\$53.8 billion**
2019 Global Sales and Revenues



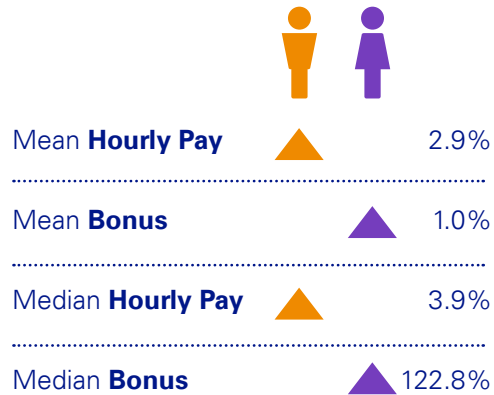


Measuring...

To provide a more complete picture, Caterpillar has chosen to report data for all its employees in the UK, excluding Northern Ireland (NI). Caterpillar in the UK is made up of separate legal entities, three of which are in scope for Gender Pay Reporting.

All UK Caterpillar Employees, excluding NI

Gender Pay and Bonus Gaps



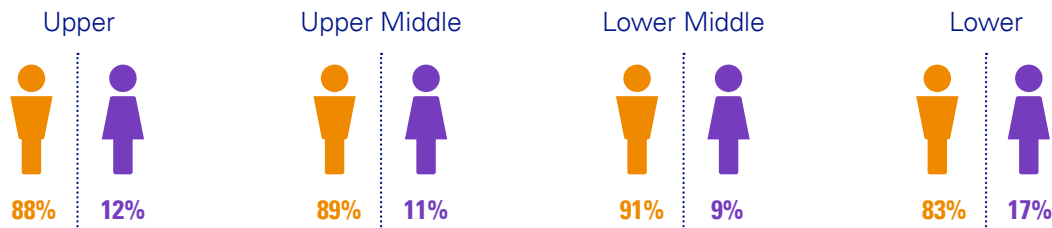
Proportion of employees paid a bonus*



Proportion of employees eligible to participate in bonus scheme

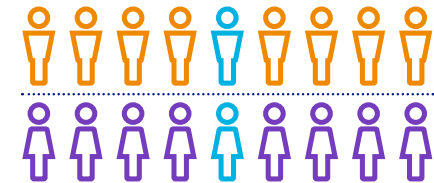


Pay quartiles



Mean

The difference in the average hourly pay for women compared to men within a company.



Median

The difference between the midpoints in the ranges of men's and women's pay. The pay gap between hourly rate pay for the middle woman compared to that of the middle man.

* Non-payment of bonus is the result of:

- Bonus plan not paying out due to business performance
- Employee leave of absence
- Effective date of hire occurred outside of reported plan year



Caterpillar (UK) Ltd.

Gender Pay and Bonus Gaps

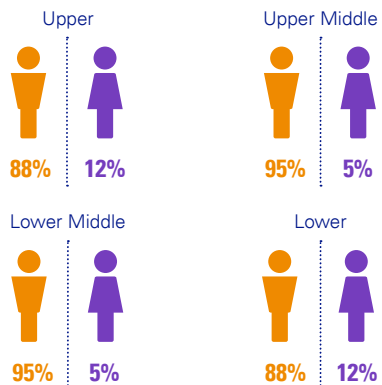


Mean Hourly Pay	▲	2.3%
Mean Bonus	▲	29.5%
Median Hourly Pay	▲	4.0%
Median Bonus	▲	127.4%

Proportion of employees paid a bonus



Pay quartiles



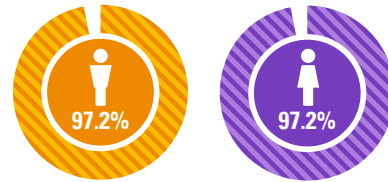
Perkins Engines Company Ltd.

Gender Pay and Bonus Gaps

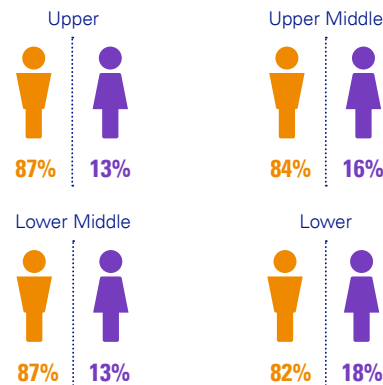


Mean Hourly Pay	▲	6.6%
Mean Bonus	▲	18.4%
Median Hourly Pay	▲	4.4%
Median Bonus	▲	23.2%

Proportion of employees paid a bonus



Pay quartiles



Progress Rail Services UK Ltd.

Gender Pay and Bonus Gaps

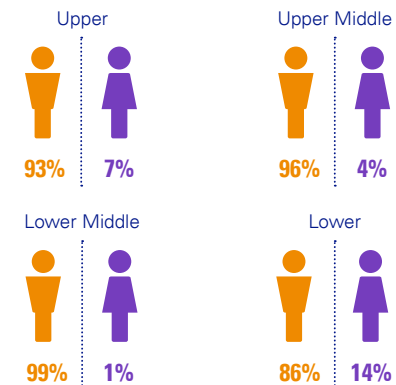


Mean Hourly Pay	▲	4.0%
Mean Bonus	▲	210.0%
Median Hourly Pay	▲	11.8%
Median Bonus	▲	100.0%

Proportion of employees paid a bonus



Pay quartiles



Understanding...



"Equal Pay" is about receiving equal pay for equal work. Caterpillar has gender neutral pay grades and a pay-for-performance philosophy that includes opportunities for equal pay and bonuses.



The **"Gender Pay Gap"** is the average difference between a man's and a woman's remuneration over a period of time. The "Gender Pay Gap" is influenced by a number of factors, including the demographics of a company's workforce. At Caterpillar, a higher proportion of men make up the total workforce with a significant amount in production roles.



Our goal is to increase the percentage of women at all levels and across all areas.

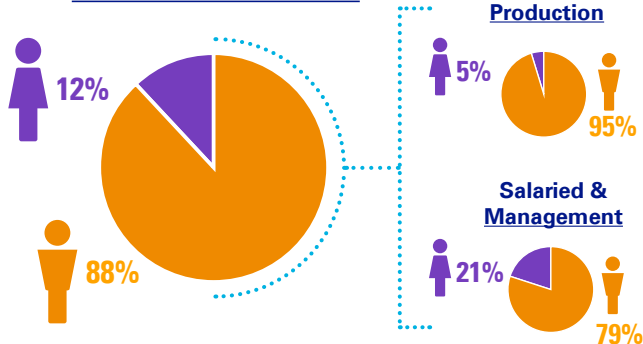


Our compensation is driven by individual and team performance. Base pay as a proportion of total compensation decreases as salary grade increases, meaning more pay at risk with increased job responsibility.



At Caterpillar, we employ more men than women across our business.

Total UK Workforce



- Our overall figures shown in line with the UK regulations reflect a 2.9% pay gap (men being paid more than women).



- 78% of women, but only 42% of men are in salaried roles; this impacts the median hourly pay rate.
- Within the sub groups of salaried and management or production, when looked at independently, we see a gender pay gap in line with the national average.

Did you know...



The national average*

17.3% UK National Median Pay Gap

*Source ONS 2019. Reflects a positive pay gap (men being paid more than women).


Definitions...

Production: employees who work within our manufacturing and logistics facilities

Salaried and Management: employees who work in supporting or leadership roles

Addressing...

Caterpillar is committed to driving this change across the enterprise and has implemented and supported many initiatives on behalf of our global team – both women and men – at all career stages.

 The goal is to create a diverse, inclusive and safe environment where all employees can thrive regardless of sex, race, religion or belief, age, sexual orientation, gender reassignment, or disability.

- Employee Resource Groups serve as catalysts for change including Women's Initiative Network (WIN)

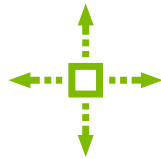


- Intentional leadership development for current and future female leaders



- Leadership training for men to address unconscious bias in the workplace

- Flexible and agile working policies designed to support employees balance work and lifestyle commitments



- Improve recruitment practices to address unconscious bias

- Enhanced maternity, paternity and adoption pay

- Our strategy, underpinned by our inclusive values, drive equal opportunities and inclusion



- Create more opportunities for female representation

- Mentoring, including reverse mentoring, which provide leaders with a different perspective

- Graduate and Apprenticeship programmes

- Society of Women Engineers



- Women's Engineering Society



- Science, Technology, Engineering and Mathematics (STEM)



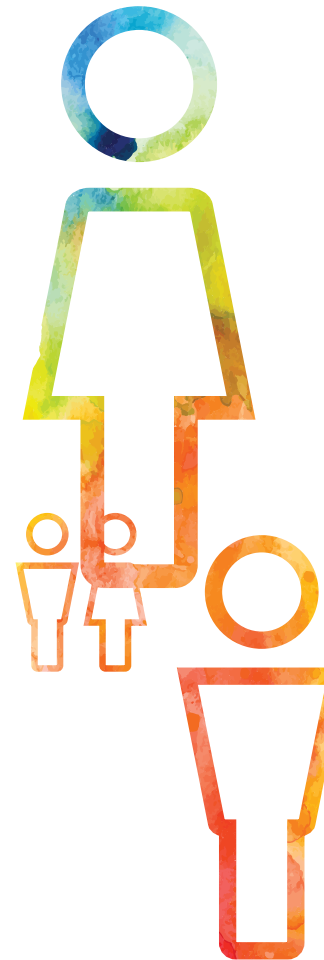
- Partner with local schools and colleges to increase STEM awareness and provide career advice



- International Women's Day



- ▶ For more information on our initiatives, [click here](#).





Our commitments...

Caterpillar maintains an inclusive work environment for our teams around the world. We believe that, regardless of gender, each individual can contribute their best when we treat one another with respect, dignity and fairness.



We are focused on helping employees at all levels grow their skills and capabilities. Having the very best talent – including a gender-balanced workforce – benefits everyone. Addressing gender parity is a key step in a broader, more intentional diversity and inclusion journey. Because, ultimately, Caterpillar believes that when employees with different perspectives, experiences and backgrounds come together, we can achieve superior business and personal results.



We confirm that our data published within this report is accurate and in line with the UK Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Cheryl Johnson
Chief Human Resources Officer

Mark Dorsett
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