COMMON

good

2013 SUSTAINABILITY REPORT

CATERPILLAR®

The world's resources support seven billion people today, and will need to support nine billion by 2050. As the world's population increases, demand for resources and infrastructure will increase, too. Sustainable progress to meet these needs and support economic growth will remain absolutely necessary.

Douglas R. Oberhelman
Chairman & CEO

Caterpillar is uniquely positioned to be a leader in making this sustainable progress possible. Our commitment is longstanding because we know we can be profitable while also best serving our planet and its people by promoting the common good.

This is not something we discovered recently; it can be traced back to the Caterpillar Worldwide Code of Conduct first published in 1974. For 40 years, our Code has provided a common ground for our business life values. Since 2005, these have been Our Values in Action:

- Integrity: The Power of Honesty
- Excellence: The Power of Quality
- Teamwork: The Power of Working Together
- Commitment: The Power of Responsibility

I'm proud that in early 2014 we honored our longstanding commitment and recognized sustainability as another value:

- Sustainability: The Power of Endurance.

Sustainability has been included for years as a part of our value of Commitment, clearly stating our responsibility to produce sustainable solutions. Raising sustainability to a stand-alone value acknowledges both what we have done in the past and will do in the future.

For Caterpillar, sustainability is an enterprise-wide approach we apply to our own operations, as well as a guide for our suppliers, dealers and customers.

We make sustainable progress possible by:

- Leveraging innovation and technology,
- Increasing productivity,
- Using resources more efficiently,
- Reducing environmental impacts and
- Contributing to the communities where we live and work.

We know that to endure, our company and operations must operate in a sustainable manner. What does this mean to our stakeholders?

To our customers, it means enduring products, services and solutions. Our brands represent long-lasting quality, and our products and solutions help our customers operate more efficiently. Through innovation, we focus on providing products that are more fuel-efficient and require less oil and fluids to operate. Our customers build the infrastructure, supply the power and transport the goods that support economic growth in developing and developed nations alike, and support Caterpillar's efforts to help make that growth sustainable.

To our stockholders, it means sustainable development strategies and leading-edge products that promote customer loyalty and ensure Caterpillar prospers for another 90 years, and longer.

To our people, it means working for a company they can be proud of, for many reasons. We have a robust risk management process that includes anti-bribery, anti-corruption and other programs and training designed to support Our Values in Action. We've reduced our Recordable Injury Frequency to a world class 0.78 level in 2013. We have strong employee training and development programs, intentional efforts to find and retain the most qualified and diverse employees, and are dedicated to diversity and inclusion.

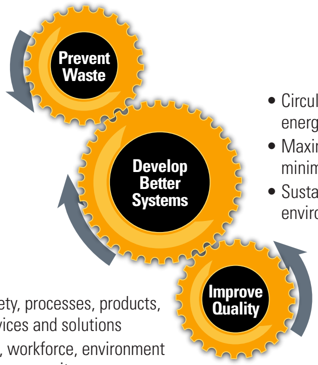
We also invest in and support the communities where we live and work through the United Way, and generous nonprofit gift matching and volunteer programs at our facilities worldwide. We support the Caterpillar Foundation, which has invested more than $550 million since 1952 to boost economic growth and quality of life around the world.

I encourage you to take the time to read the details presented in the report. I believe Caterpillar is second to none in our commitment to sustainable progress.

Doug Oberhelman
Chairman & CEO, Caterpillar Inc.

SUSTAINABILITY PRINCIPLES

- Materials, energy, water and land
- Impacts to people, communities and the environment



- Circular flow of materials and energy through the value chain
- Maximum life cycle benefits and minimum cost of ownership
- Sustained progress for economy, environment and community

- Safety, processes, products, services and solutions
- Life, workforce, environment and community

2020 GOALS FOR OPERATIONS

Reduce our recordable workplace injury rate to 0.6 and lost-time case rate due to injury to 0.15.

↓50%
Reduce greenhouse gas emissions intensity by 50 percent. (Baseline: 2006)

↓50%
Reduce by-product materials intensity by 50 percent. (Baseline: 2006)

↓50%
Reduce energy intensity by 50 percent. (Baseline: 2006)

↓50%
Reduce water consumption intensity by 50 percent. (Baseline: 2006)

LEED
Design all new facility construction to meet Leadership in Energy and Environmental Design (LEED) or comparable green building criteria.

20%
Use alternative/renewable sources to meet 20 percent of our energy needs.

2020 GOALS FOR PRODUCT STEWARDSHIP

Safety
Goal: Provide leadership in the safety of people in, on and around our products.

↑100%
Systems Optimization
Goal: Increase managed fleet hours by 100 percent. (Baseline: 2013)

Products, Services and Solutions
Goal: Leverage technology and innovation to improve sustainability of our products, services and solutions for our customers.

↑20%
Reman and Rebuild
Goal: Increase remanufactured and rebuild business revenues by 20 percent. (Baseline: 2013)

SUSTAINABLE DEVELOPMENT CONTACTS

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SUSTAINABLE DEVELOPMENT
caterpillar.com/sustainability

2013 SUSTAINABILITY REPORT
caterpillar.com/sustainability-report

2013 YEAR IN REVIEW
caterpillar.com/year-in-review

SAFETY INFORMATION
safety.cat.com

EMPLOYMENT INFORMATION
caterpillar.com/careers

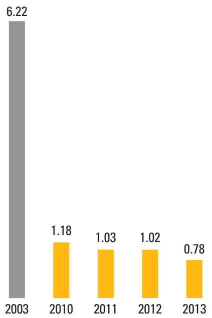
ABOUT CATERPILLAR
For nearly 90 years, Caterpillar Inc. has been making sustainable progress possible and driving positive change on every continent. With 2013 sales and revenues of $55.656 billion, Caterpillar is the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. The company principally operates through its three product segments – Resource Industries, Construction Industries and Power Systems – and also provides financing and related services through its Financial Products segment.

View the full content of the 2013 Sustainability Report at caterpillar.com/sustainability-report.

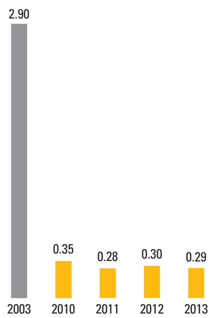
Performance **At-A-Glance**

WORKPLACE SAFETY

Recordable Injury Frequency (RIF)[1]
(Recordable injuries per 200,000 hours worked)



Lost-Time Case Frequency Rate (LTCFR)
(Work-related injuries resulting in lost time per 200,000 hours worked)



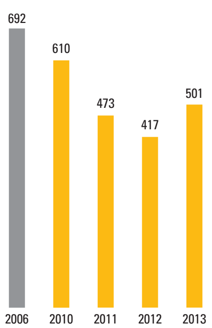
1 Data prior to 2013 has been restated due to a) acquisitions, b) data updates realized from improved accuracy, c) divestitures and d) updates to goal reporting format.

2 Data does not include Progress Rail, Electro-Motive or Solar Turbines.

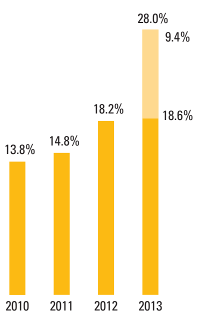
3 Water consumption intensity does not include noncontact cooling water from foundry operations.

ENVIRONMENTAL IMPACT

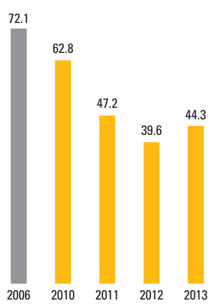
Energy Intensity[1]
(Absolute gigajoules energy use/ million dollars of revenue)
(Baseline 2006)



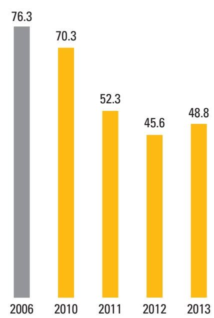
Alternative/Renewable Energy
(Sum of renewable and alternative electrical energy use/total electrical energy use x 100)
Renewable Alternative



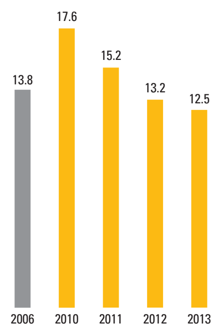
GHG Emissions Intensity[1]
(Absolute metric tons of CO2e/ million dollars of revenue)
(Baseline 2006)



Water Consumption Intensity[1,3]
(Absolute thousand gallons of water/ million dollars of revenue)
(Baseline 2006)

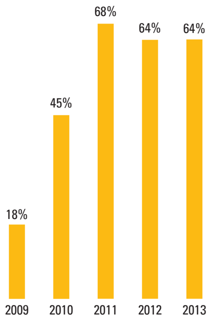


By-Product Materials Intensity[1]
(Absolute metric tons of by-product materials/ million dollars of revenue)
(Baseline 2006)

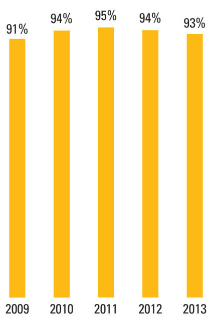


REMAN

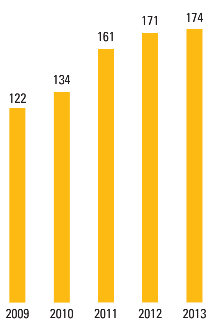
Reman Business Growth[1,2]
Revenue increase
(Baseline 2006; future reporting will use 2013 as baseline.)



Reman End-of-Life "Take Back" Percent[2]
Actual end-of-life returns/ eligible returns x 100



Reman End-of-Life "Take Back" by Weight[2]
Millions of pounds of end-of-life material received



FORWARD-LOOKING STATEMENTS

Certain statements in this 2013 Sustainability Report relate to future events and expectations and are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "believe," "estimate," "will be," "will," "would," "expect," "anticipate," "plan," "project," "intend," "could," "should" or other similar words or expressions often identify forward-looking statements. All statements other than statements of historical fact are forward-looking statements, including, without limitation, statements regarding our outlook, projections, forecasts or trend descriptions. These statements do not guarantee future performance, and we do not undertake to update our forward-looking statements.

Caterpillar's actual results may differ materially from those described or implied in our forward-looking statements based on a number of factors, including, but not limited to: (i) global economic conditions and economic conditions in the industries we serve; (ii) government monetary or fiscal policies and infrastructure spending; (iii) commodity price changes, component price increases, fluctuations in demand for our products or significant shortages of component products; (iv) disruptions or volatility in global financial markets limiting our sources of liquidity or the liquidity of our customers, dealers and suppliers; (v) political and economic risks, commercial instability and events beyond our control in the countries in which we operate; (vi) failure to maintain our credit ratings could increase our cost of borrowing and adversely affect our cost of funds, liquidity, competitive position and access to capital markets; (vii) our Financial Products segment's risks associated with the financial services industry; (viii) changes in interest rates or market liquidity conditions could adversely affect Cat Financial's and our earnings and /or cash flow; (ix) an increase in delinquencies, repossessions or net losses of Cat Financials customers could adversely affect its results; (x) new regulations or changes in financial services regulations; (xi) we may not realize all of the anticipated benefits of our acquisitions, joint ventures or divestitures, or these benefits may take longer to realize than expected; (xii) international trade policies may impact demand for our products and our competitive position; (xiii) our ability to develop, produce and market quality products that meet our customers' needs; (xiv) the highly competitive environment in which we operate could adversely affect our sales and pricing; (xv) we may not realize all of the anticipated benefits from a number of initiatives to increase our productivity, efficiency and cash flow and to reduce costs; (xvi) we could incur additional restructuring charges and may not realize anticipated savings or benefits from past or future cost reduction actions; (xvii) inventory management decisions and sourcing practices of our dealers and our OEM customers; (xviii) compliance with environmental laws and regulation; (xix) alleged or actual violations of trade or anti-corruption laws and regulations; (xx) additional tax expense or exposure; (xxi) currency fluctuations; (xxii) our or Cat Financial's compliance with financial covenants; (xxiii) increased pension plan funding obligations; (xxiv) union disputes or other employee relations issues; (xxv) significant legal proceedings, claims, lawsuits or investigations; (xxvi) compliance requirements imposed if additional carbon emissions legislation and/or regulations are adopted; (xxvii) changes in accounting standards; (xxviii) failure or breach of IT security; (xxix) adverse effects of unexpected events including natural disasters; and (xxx) other factors described in more detail under "Item 1A. Risk Factors" in our Form 10-K filed with the SEC on February 18, 2014 for the year ended December 31, 2013.