



# CATERPILLAR'S SUPPLIER CODE OF CONDUCT



## A MESSAGE FROM PAM HEMINGER, STRATEGIC PROCUREMENT VICE PRESIDENT

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At Caterpillar, our internal Code of Conduct is the foundation of the work we do. It defines our Values in Action – what we stand for and how we conduct ourselves with our customers, suppliers, and one another. While we conduct business within the framework of applicable laws and regulations, we also recognize we must set clear expectations, beyond the law, for ourselves and our business partners.

As a Caterpillar supplier, you are an extension of our extended value chain and our commitment to quality. We ask you to demonstrate strong values and commit to the principles outlined in this document. Simply put, we expect our partners to always follow the law and the sound business practices Caterpillar embraces, and to conduct activities in a manner that respects human rights.

Thank you for your commitment to Caterpillar, and for taking the time to read and understand our Supplier Code of Conduct.



**Pam Heminger, Vice President  
Caterpillar Strategic Procurement**



## **CONFLICTS OF INTEREST**

Suppliers must not engage in activities that create, or even appear to create, conflict between the Supplier's interests and the interests of Caterpillar. Caterpillar expects prompt disclosure of any potential, actual and perceived conflicts of interest. Suppliers must use good judgment when extending business courtesies to ensure that any exchange of gifts, favors, or entertainment is proportionate or reasonably related to the business being conducted between the parties. Caterpillar prohibits accepting or offering gifts, favors or entertainment that obligate or appear to obligate our Employees, business partners or customers to act in any way contrary to the law, Caterpillar's business interests and commonly accepted business practices. When conducting activities with Caterpillar to meet the expectations of this Code, Suppliers are always expected to follow the law and adhere to their own conflict of interest and gift policies.

## **FAIR COMPETITION**

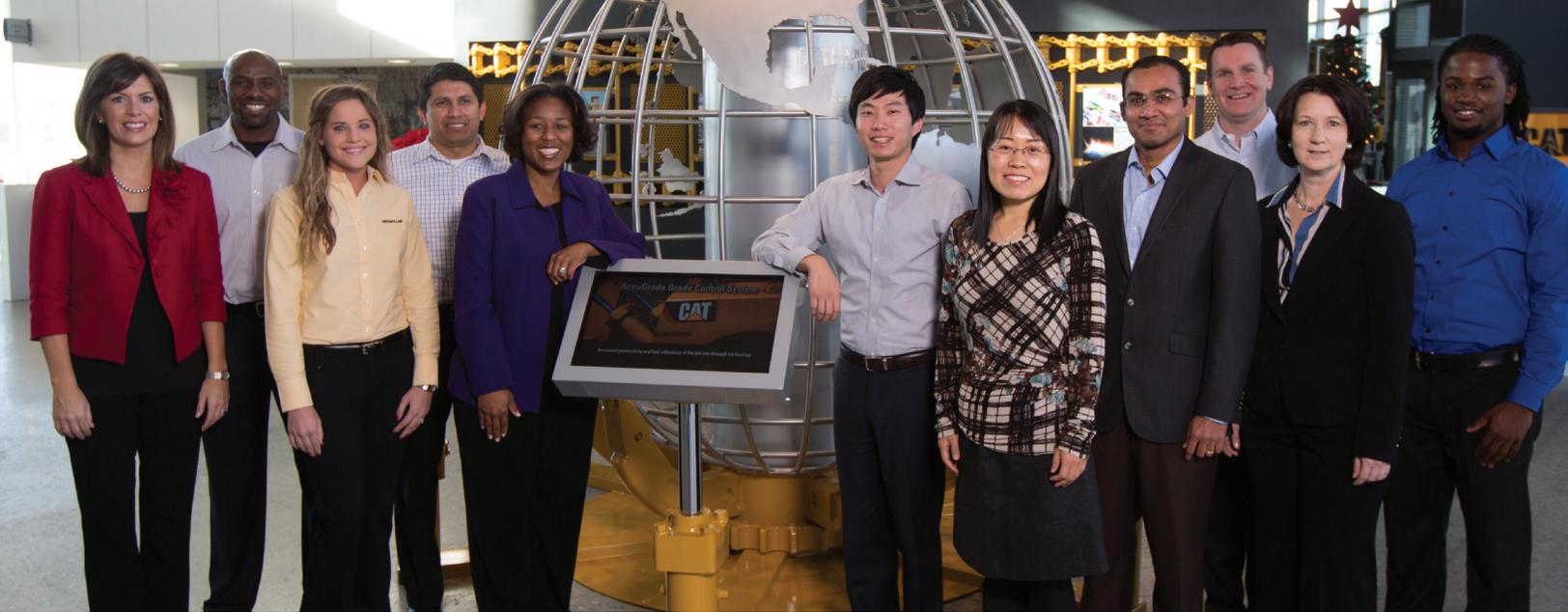
We expect suppliers to observe antitrust and competition laws where they do business. In relationships with suppliers, Caterpillar avoids arrangements that restrict our ability to compete with others.

## **INTERNATIONAL TRADE LAW**

We expect suppliers to follow applicable international trade laws, including import and export controls regulations, and compliance with sanctions and anti-boycott laws. Our suppliers have a responsibility to ensure they comply with these trade laws and regulations in any country where they do business.

## **IMPROPER PAYMENTS**

Suppliers must not seek to influence others, either directly or indirectly, by paying bribes or kickbacks or by any other measure that is unethical or that would tarnish Caterpillar's reputation for honesty and integrity. Even the appearance of such conduct must be avoided.



## **DIVERSITY AND INCLUSION**

We expect suppliers to embrace diversity and inclusion. Suppliers must value the diversity of unique talents, skills, abilities, cultures and experiences that enable people to achieve superior business results.

## **FAIRNESS AND NON-DISCRIMINATION**

We expect suppliers to select and place employees and sub-suppliers on the basis of their qualifications for the work to be performed, considering accommodations as appropriate and needed - without regard to race, religion, national origin, color, gender, gender identity, sexual orientation, age and/or physical or mental disability. We expect our suppliers to support and obey laws that prohibit discrimination everywhere they do business.

## **CONFIDENTIAL INFORMATION**

We consider information Caterpillar owns to be an asset. Some information we communicate publicly, including advertising, product documentation, news releases and public financial reporting. Everything else - including trade secrets, confidential financial information, new product or service development plans and other corporate and personal information – we protect through appropriate and reasonable safeguards and where applicable, legally enforceable agreements. To the extent our suppliers have access to such information, we expect them to do the same.

## **PROTECTION OF ASSETS**

Suppliers must preserve, protect and responsibly use all Caterpillar assets to which they have access. This includes tangible as well as intangible assets, such as our brands, technology, business information and intellectual capital. Suppliers must not make unauthorized disclosures of trade secrets or other sensitive information belonging to the company, our customers or dealers at any time. When sharing Caterpillar's information with others such as sub-suppliers, the supplier must ensure appropriate controls are in place to protect Caterpillar interests.



## HEALTH AND SAFETY

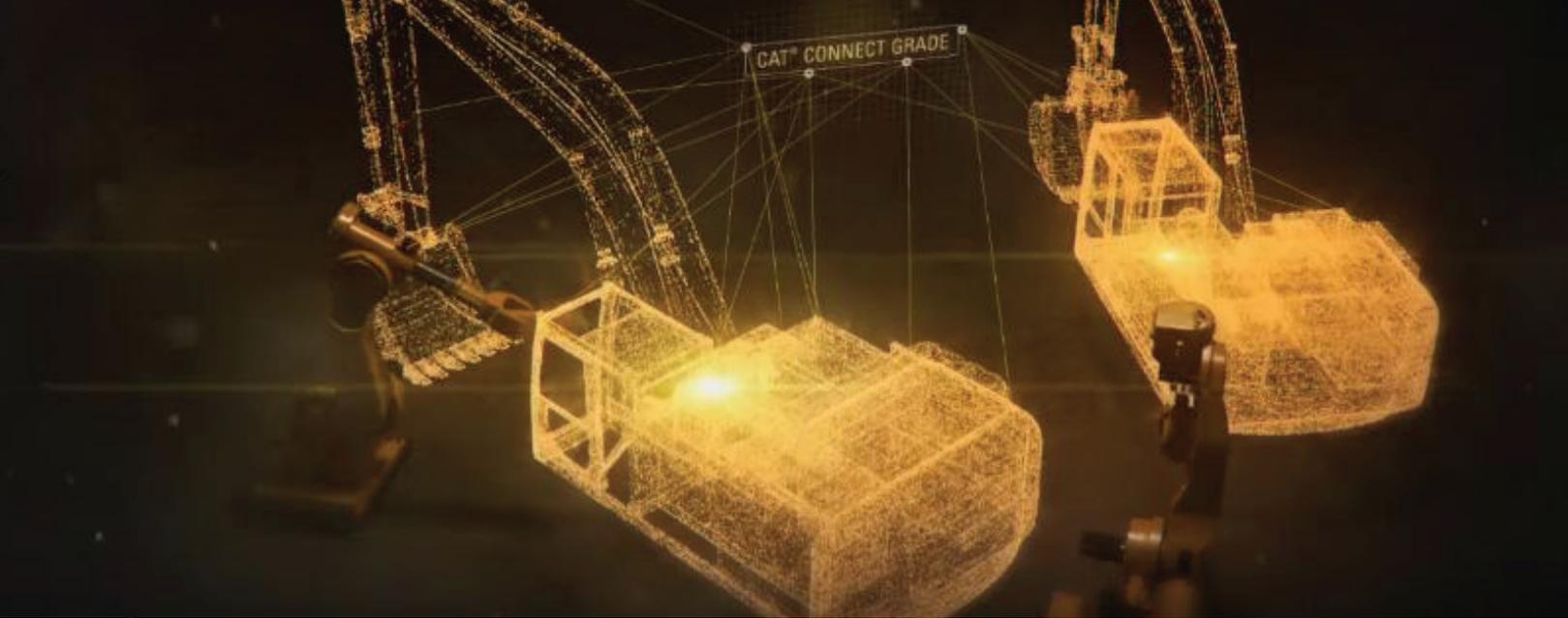
We expect suppliers to put safety first with an aspirational goal to prevent all injuries, occupational illnesses and safety incidents. Our suppliers must actively promote the health and safety of everyone on their property with policies and practical programs that help individuals safeguard themselves, their co-workers and Caterpillar employees. Our commitment to safe practices extends throughout our value chain – from suppliers to end users. We expect suppliers to provide Caterpillar with products and services that are safe and reliable.

## HUMAN RIGHTS

Caterpillar is committed to respecting internationally recognized human rights principles throughout our global operations. We clearly articulate our commitment to upholding and respecting human rights in Our Values in Action – Caterpillar’s Code of Conduct. We expect our suppliers to comply with Caterpillar’s sound business practices, follow the law and conduct activities in a manner that reflects Caterpillar’s Code of Conduct. Caterpillar has developed a human rights policy that is uniquely our own and is available to view on our website. We are committed to respecting recognized human rights principles aimed at promoting and protecting human rights in the countries in which we operate. We do not condone and we strive to eliminate all forms of forced labor, child labor, and discrimination in the workplace. We encourage all of our business partners to assess their own business activity and to develop their own approach that respects human rights in their operations.

Additional information is available at:

<https://www.caterpillar.com/en/company/governance/political-engagement/human-rights.html>



## CONFLICT-FREE SOURCING

Caterpillar encourages its suppliers that manufacture components, parts, or products containing “Conflict Minerals” (Under the Dodd Frank Act known as tin, tungsten, tantalum, and gold) to procure those materials from conflict-free sources. We expect our suppliers to adopt, implement and communicate to sub-suppliers their positions and policies regarding Conflict Minerals, and where possible, require their down-stream suppliers to adopt and implement similar positions and policies. Suppliers are expected to work with their sub-suppliers to establish traceability of Conflict Minerals to the smelter level and encourage the use of a standard reporting process (e.g. the Responsible Minerals Initiative Conflict Minerals Reporting Template). Caterpillar reserves the right to request its suppliers to provide further evidence of their Conflict Minerals supply chain, including down to the mine level. We expect suppliers to maintain such traceability data for five years and provide this information to Caterpillar upon request.

Additional information is available at <http://www.caterpillar.com/en/company/sustainability/conflict-minerals.html>

## INNOVATION

Caterpillar wishes to be the collaborator of choice with industry, government and academic institutions around the world to leverage world-class expertise and speed up the pace of Research & Development to help our customers build a better world. We expect suppliers to leverage technology and customer insight to help Caterpillar differentiate our products and services, improve product performance, promote remanufacturing to extend product life, and make customers more productive, safer and more efficient.



## **ENVIRONMENTAL RESPONSIBILITY**

We expect suppliers to support environmental stewardship by utilizing business processes that enable waste prevention, improve quality and promote the efficient use of resources. Caterpillar will work with suppliers to improve the processes and systems used throughout the manufacturing and delivery of our products. Suppliers are required to comply with environmental laws and regulations.

## **WATER CONSERVATION STEWARDSHIP**

Our suppliers are expected to implement policies and procedures to reduce water consumption in water scarce regions and use water resources efficiently throughout the world.

## **ENERGY**

Caterpillar recognizes energy is a key requirement for sustainable progress around the world and is foundational to economic and social development. Our suppliers are expected to implement policies and procedures to improve energy efficiency and/or reduce greenhouse gas emissions.

## **WASTE REDUCTION**

Caterpillar works to minimize waste across the end to end value chain, as a good environmental steward and as an important strategy for competing in today's markets. Our suppliers are expected to develop systematic policies and procedures, including LEAN principles, to relentlessly and continuously eliminate or reduce waste in terms of both the resources and/or materials consumed by any process in our extended supply chain. Where waste cannot be avoided, we expect suppliers to focus first on reusing materials, second on proper recycling methods, and last on proper disposal, thereby improving overall efficiency.



## **REPORTING RIGHTS AND RESPONSIBILITIES**

If you become aware of a circumstance or action that violates or appears to violate this Supplier Code of Conduct or Our Values in Action - Caterpillar's Code of Conduct, contact the Office of Business Practices:

### **DIRECT TELEPHONE:**

+1-309-675-8662  
(English only)

### **CALL COLLECT HELPLINE:**

+1-770-582-5275  
(language translation available)

### **TOLL-FREE HELPLINE:**

Caterpillar maintains toll-free Helpline numbers in various countries.

Inside Canada, the United States and the U.S. Virgin Islands the number is 1-800-300-7898.

Toll-free numbers currently in effect for other countries are posted at <https://codeofconduct.cat.com>.

Language translation is available for those numbers. You may remain anonymous when you call from a country in which anonymous reporting is allowed.

### **E-MAIL:**

[BusinessPractices@cat.com](mailto:BusinessPractices@cat.com)