

# 2021

UK

## Gender Pay Report



Caterpillar is the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel electric locomotives. Caterpillar established its first major facility outside the United States more than 60 years ago in the UK. Today, the company employs more than 7,000 people in 16 facilities across the UK.

We are committed to ensuring that our workplace is diverse and representative of the many customers we serve around the globe. At Caterpillar, we respect the unique talents, experiences and viewpoints of all of our employees. Different perspectives help us 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. Our workforce is as diverse as the customers we serve. We have different backgrounds and varied experiences. But wherever we work, whatever we do, we share a single set of values that unite our company. We live and work by these values – integrity, excellence, teamwork, commitment and sustainability – which means we treat each other with respect and value each individual's contribution. At Caterpillar, we recognize the need to celebrate diversity and the true uniqueness of each individual member, while ensuring the inclusion of the individual's ideas and contributions.

Diverse and inclusive work environments embrace the values, unique talents, experiences and viewpoints of employees. At Caterpillar, we are a high-performing team living our values and inspired to help our customers build a better world.

Inclusion drives business results, and Caterpillar knows that when it focuses on having the best talent – including a more gender-balanced workforce – everyone benefits. The more diverse our global team, the better positioned we are to meet the needs of our customers.



## Global footprint...



**107,700 FTE**  
Global Workforce



Construction



Mining  
Equipment



Diesel &  
Natural  
Gas Engines



Industrial  
Gas  
Turbines



Diesel-  
Electric  
Locomotive

**4 million +** Products at work  
around the world



**160**  
Global Cat® Dealers



**\$51.0 billion**  
2021 Global Sales and Revenues

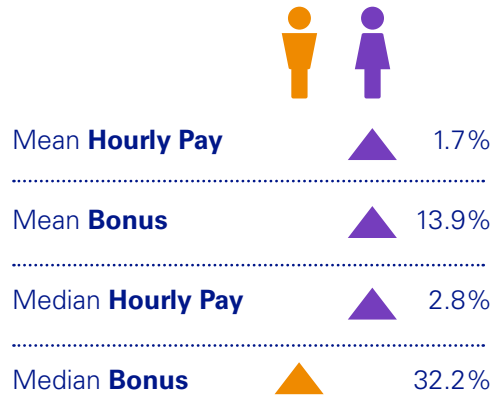


# Measuring...

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



\* Non-payment of bonus is the result of:

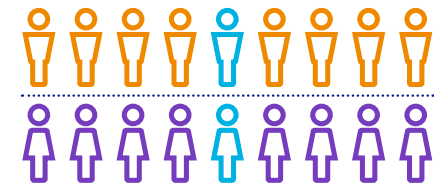
- Bonus plan not paying out
- Employee leave of absence
- Effective date of hire occurred outside of reported plan year

During 2020, due to the pandemic, most bonus plans were cancelled, impacting a majority of eligible employees.



### Mean

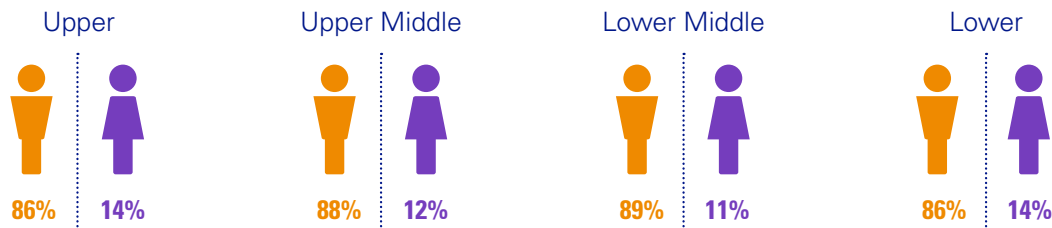
The difference in the average hourly pay for women compared to men within a company.



### 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.

### Pay quartiles

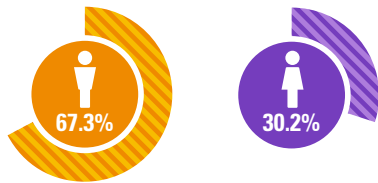


### Caterpillar (UK) Ltd. Gender Pay and Bonus Gaps



Mean <b>Hourly Pay</b>	▲	8.5%
Mean <b>Bonus</b>	▲	31.7%
Median <b>Hourly Pay</b>	▲	6.5%
Median <b>Bonus</b>	▲	8.9%

#### Proportion of employees paid a bonus



### Perkins Engines Company Ltd. Gender Pay and Bonus Gaps



Mean <b>Hourly Pay</b>	▲	3.9%
Mean <b>Bonus</b>	▲	50.4%
Median <b>Hourly Pay</b>	▲	1.2%
Median <b>Bonus</b>	▲	44.9%

#### Proportion of employees paid a bonus



### Progress Rail Services UK Ltd. Gender Pay and Bonus Gaps



Mean <b>Hourly Pay</b>	▲	3.0%
Mean <b>Bonus</b>		
Median <b>Hourly Pay</b>	▲	7.2%
Median <b>Bonus</b>		

#### Proportion of employees paid a bonus



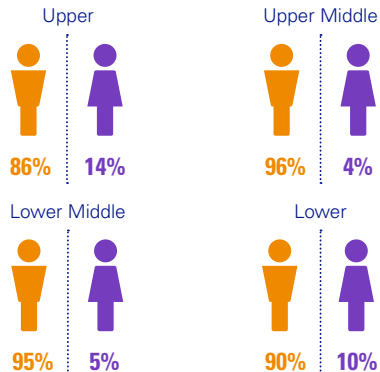
*During 2020, due to the pandemic, most bonus plans were cancelled.*

Bonus reflects mainly production bonus and long term incentive vesting.

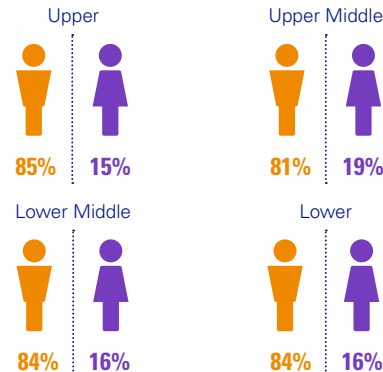
Bonus reflects mainly long term incentive vesting.

All bonus plans were cancelled.

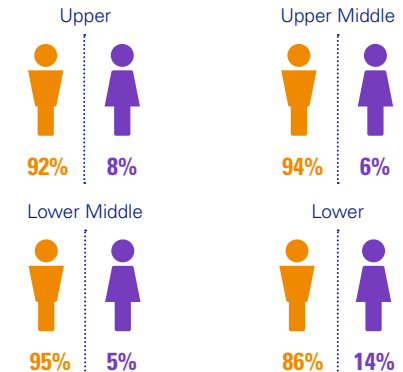
#### Pay quartiles



#### Pay quartiles



#### Pay quartiles



*Data representative of our three legal entities with an employee population of more than 250 employees, as of 5 April 2021.*

# 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.

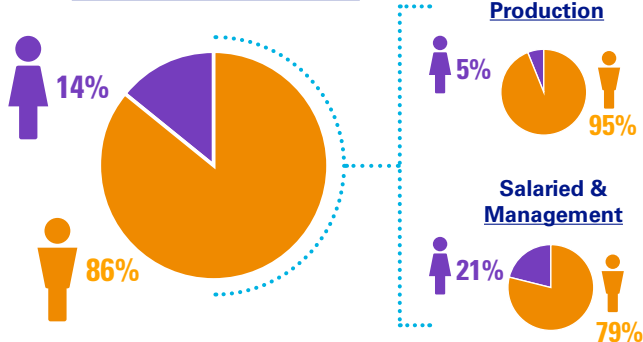


Our compensation is driven by individual and team performance. Base pay as a proportion of total compensation decreases as salary grade increases, meaning more pay at risk with increased job responsibility.



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 -1.7% pay gap (women being paid more than men).



- 80% of women, but only 47% 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...



UK National  
**Median Pay Gap**

The national average\*

**15.4%**

\*Source ONS 2021. Reflects a positive pay gap (men being paid more than women).


## Definitions...

**Production:** employees who work within our manufacturing and logistics facilities

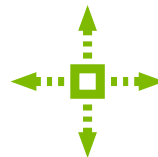
**Salaried and Management:** employees who work in supporting or leadership roles

# Addressing...

Caterpillar is committed to fostering a diverse workforce and an inclusive environment 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)
- 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



International Women's Day

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





## Our commitments...

Caterpillar fosters an all-embracing environment and believes that regardless of gender, the full value of each individual's contribution can be realised only when we treat one another with respect, trust and dignity.



Providing all employees with the opportunity to develop and having the very best capable talent – including a gender-balanced workforce – benefits everyone. Caterpillar believes that when employees with different opinions, experiences and backgrounds come together, we help our customers build a better world.



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

**David Goldspink**  
UK Country Director