2021 Global Diversity & Inclusion Report HARNESSING THE POWER OF EVERYONE

At Caterpillar, we believe in The Power of Everyone as a source of innovation and competitive advantage. We are proud that our people come from across the globe, with diverse backgrounds, experiences and perspectives united by our Values in Action and collectively committed to our purpose of helping our customers build a better world.

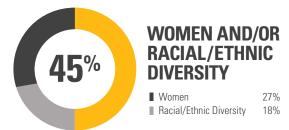


"We have a strong D&I foundation, and we're proud of the progress we've made in recent years. We're committed to improving diverse representation at every level of our organization as we leverage the unique backgrounds and experiences of our global employees and further build our inclusive culture. A diverse global team will allow us to continue building positive, sustainable progress for our bright future."

Jim Umpleby Chairman and Chief Executive Officer Caterpillar Inc.

OUR REPRESENTATION

INDEPENDENT DIRECTORS OF THE BOARD



19%

81%

*Board of Directors data reflects current Board make-up

CEO DIRECT REPORTS



15%

*White Women: 38%: Racial/Ethnic Diversity Women: 12%: Racial/Ethnic Diversity Men: 12%

GLOBAL WOMEN



77% Men ■ Women 23%

Executive Men ■ Women 19%

* Some percentages may not add up to 100 due to rounding

** All numbers except Board of Directors data represent year-end 2021 data

Professionals Men ■ Women 27%

Managers/

18%

Production Men 82% ■ Women 18%



Overall Executives White 70% White

U.S. RACIAL/ETHNIC DIVERSITY

85% Asian 7% 6% Asian ■ Black 13% Black 3% ■ Hispanic 9% ■ Hispanic 5% Other Other





Managers/

Professionals White Asian 10% Black 5%

■ Black ■ Hispanic 12% ■ Hispanic 7% Other Other



22%

3%

WE MADE IMPORTANT PROGRESS IN 2021

GROWTH IN

CATERPILLAR'S OVERALL WORKFORCE **GREW, WITH THE GREATEST PROPORTIONAL GROWTH IN FEMALE AND RACIAL/ETHNIC DIVERSE POPULATIONS**

OF CATERPILLAR'S GLOBAL **WORKFORCE IS UNDER 35**

OF U.S. EMPLOYEES UNDER **AGE 35 ARE WOMEN AND/OR RACIAL/ETHNIC DIVERSE**

OF EMPLOYEES RATED **CATERPILLAR AS FAVORABLE ON** AN INTERNAL INCLUSION INDEX FOR FOUR YEARS IN A ROW

ADDITIONAL MILESTONES

D&I Framework

In 2021, we formalized and introduced our strategic approach to diversity and inclusion with our five-pillar D&I Framework. The goal of the framework is to weave D&I seamlessly into the business, ensuring that the principles are at play in our daily operating rhythm.



Business Impact: Create superior value for those we serve by leveraging diverse partners and suppliers and harnessing diverse insights.

Leadership Behavior and Accountability:

Share accountability and responsibility for ensuring diverse representation, high performance and an inclusive environment.

Workplace Culture: Foster an inclusive environment where people feel valued, respected and have a sense of belonging.

Workplace Composition: Strive for employee representation that reflects the diverse customers and the communities we serve.

Global Community Impact: Continue our long–standing commitment to equip individuals and communities with the skills, resources and services they need to thrive.



We continue to build a more globally diverse workforce and inclusive environment to support our employees and customers, and the communities where we live and work. Key markers in 2021 include:

Pay equity: Building on the equal pay studies that we conduct outside of the U.S. to meet local law or regulation Caterpillar now conducts an annual pay equity review of our employee salaries in the U.S. This proactive pay review looks across gender, race or ethnicity helping identify potential pay disparities and allowing us to take action when appropriate. This ensures that we have comparable pay for comparable work resulting from sound and equitable pay practices.

Expanded gender identity

options: The ability to self-identify is an important element of a robust and inclusive culture. We took action to provide employees who do not identify as either male or female the option to self-identify as non-binary. All elections are optional and confidential. We continue to welcome people of all races, ethnic groups, genders, religions, national origins, ages, sexual orientations, levels of ability and veteran status.

Learning and development:

To further reinforce leadership accountability for diversity and inclusion, in 2021 we updated our leadership development programs. In the programs, our leaders learn and practice foundational skills key to their roles in building an inclusive culture. These skills include coaching, change management, effective communications, influencing, giving feedback and creating psychological safety. Leaders apply these skills in their on-the-job support of individual team members to impact their teams' performance and to foster an environment that supports talent attraction and retention.

First comprehensive

D&l Conference: Over 300 leaders and employees participated in Caterpillar's first D&l Conference centered on our five-pillar D&l framework. Internal and external speakers, including a panel of Caterpillar's top leaders, lead topics on building stronger business results and enhancing workplace culture. Built on the successful platform of our Women in Leadership conferences, the event also showcased diverse talent from across the enterprise.

GLOBAL COMMUNITY IMPACT

The Caterpillar Foundation and our businesses made important investments to advance equity in education and workforce readiness in underserved communities, as well as support for charities and initiatives most important to our 14 employee resource group (ERG) members.

APPROVED 36 WORKFORCE READINESS GRANTS

focused on STEM, technical and vocational education, and training programs for girls, underserved and underrepresented communities.

CREATED UNIVERSITY & INDUSTRY PARTNERSHIPS

focused on innovation through new workforce development programs for high school through mid-career diverse talent.

SUPPORTED ERG GIVING

through 2:1 Giving Campaign for charities nominated by our 14 ERGs.

DONATED \$1,000,000

to the National Museum of African American Music to support and promote the museum's focus on education and youth outreach in the Nashville area.

For more on Caterpillar's diversity and inclusion journey visit <u>caterpillar.com/diversity</u>.