



2023
SUSTAINABILITY REPORT
EXECUTIVE SUMMARY

Caterpillar's Environmental,
Social and Governance Approach

CHAIRMAN & CEO LETTER

Caterpillar's legacy of sustainable innovation spans nearly a century. Throughout that time, we have provided products and services that improve the quality of life and the environment while helping customers fulfill society's need for infrastructure in a sustainable way.

We support the transition to a lower-carbon future, and we are contributing by significantly reducing greenhouse gas (GHG) emissions in our operations and continuing to invest in a diverse portfolio of products, technologies and services that help customers achieve their sustainability goals.

We believe the energy transition and growing global energy demand expand opportunities for long-term profitable growth through increasing demand for a variety of Caterpillar products and services. For example, demand for commodities is expected to increase due to the growing adoption of electric vehicles, battery storage, and wind and solar power. Increasing global energy demand will require investments in renewables and many traditional forms of energy, as well as grid modernization. The energy transition requires significant global infrastructure investment, which expands opportunities for Caterpillar.

From our earliest days, Caterpillar has been a technology leader, and we continue to invest in technology to meet the needs of our diverse global customers. Our increasing investments in the core technologies of autonomy, alternative fuels, connectivity and digital, and electrification (AACE) support customer requirements for performance, durability and economic value. As you will see in this report, we are developing an expanded portfolio of fully electric, fuel-flexible and increasingly fuel-efficient products to help customers achieve their climate-related objectives.

The work we do — and how we do it — is driven by Caterpillar's Values in Action. They define what we stand for and guide us on our sustainability journey. The Caterpillar Foundation's strong corporate citizenship is evident in its support of sustainable development and building more resilient communities. The Foundation donated more than \$43 million to community partners toward disaster relief, workforce development, STEM education and natural infrastructure during the past year.

I am proud of our global team's work to advance our sustainability journey in 2023. Together with the Cat® dealer network, we are helping customers build a better, more sustainable world.



Jim Umpleby
Chairman & CEO



2023 SUSTAINABILITY HIGHLIGHTS & DISCLOSURES

Investments of more than

\$30B

in R&D over the past 20 years to deliver best-in-class innovation

Since 1985, Cat dealers have completed more

than **50,000**

Cat Certified Rebuilds on machines, powertrains and components

10

years of autonomous operations

Induction into the

Billion Dollar Roundtable

to promote excellence in supply chain diversity

14

Employee Resource Groups (ERGs) building community, belonging and experiences to support development

35%

reduction in Scope 1 + 2 GHG emissions from 2018

25%

safety improvement in recordable injury frequency from 2018

Over **\$935M**

contributed by the Caterpillar Foundation since 1952

147M lbs

of material taken back through Cat® Reman



Learn more in our:

[Task Force on Climate-related Financial Disclosures \(TCFD\) Report](#)

[ESG incorporated into incentive plan for executive officers](#)

[Lobbying Report: The Purpose of Engagement](#)

[Diversity & Inclusion Report](#)

All data represents 2023, unless otherwise noted.

2030 GOALS & PROGRESS

We are pleased to share a summary of our progress toward our 2030 sustainability goals. For more context about progress toward each goal, please refer to the respective topic discussions in our 2023 Sustainability Report.



OPERATIONS ENERGY & EMISSIONS

Goal: We have set a science-based Scope 1 and 2 goal to reduce absolute greenhouse gas (GHG) emissions from our operations by 30% from 2018 to 2030.

35%

reduction in absolute GHG emissions from 2018

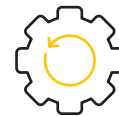


OPERATIONS WASTE

GOAL: Reduce landfill intensity by 50% from 2018 to 2030.

44%

reduction in landfill intensity from 2018



REMANUFACTURING

GOAL: Increase sales and revenues from remanufacturing offerings by 25% from 2018 to 2030.

31%

increase in sales and revenues from remanufacturing offerings from 2018



PRODUCT EMISSIONS & ENERGY EFFICIENCY

GOAL: 100% of Caterpillar's new products through 2030 will be more sustainable than the previous generation through collaborating with customers, reduced waste, improved design for rebuild/remanufacturing, lower emissions or improved efficiency.

100%

new products introduced in 2023 were more sustainable than previous generations



OPERATIONS WATER

GOAL: Implement water management strategies at 100% of facilities located in water high-risk areas by 2030.

57%

facilities achieved goal of water strategy implementation



EMPLOYEE HEALTH & SAFETY

GOAL: We aspire to prevent all injuries and will further our industry-leading safety results by reducing recordable injury frequency (RIF) by 50% from 2018 to 2030.

25%

improvement in recordable injury frequency from 2018



CUSTOMER SAFETY

GOAL: Provide leadership in the safety of people who work in, on and around our products.

We are committed to customer safety. [See page 24](#) of the full report for examples of our progress



A CONVERSATION WITH GEORGE MOUBAYED,

Chief Sustainability & Strategy Officer at Caterpillar

At the beginning of 2024, George Moubayed, Caterpillar's senior vice president — Enterprise Strategy Division, assumed new responsibilities as our chief sustainability & strategy officer. Here is his perspective on the importance of having sustainability embedded within our strategy for profitable growth, as well as his thoughts on his new role.

How do strategy and sustainability align?

The opportunities presented by the energy transition and our work to help customers achieve their climate-related objectives led us to add sustainability as a focus area of our enterprise strategy in 2022.

Each customer's trajectory on this journey is unique, and we provide a range of solutions that meet them where they are. Our customers rely on us to provide diverse products, services and technologies to help lower GHG emissions, improve efficiency and productivity, and deliver energy flexibility. We are confident in our ability to help customers reach their climate-related objectives.

Tell us about Caterpillar's sustainability journey.

We continue to be transparent about our sustainability journey, sharing our goals, progress and innovations. In our 2020 Sustainability Report, we set seven sustainability goals for 2030. You can find these goals on [page 4](#). These goals encompass the sustainability of our products, as well as goals related to our operations, employee health & safety, customer safety and remanufacturing. In the 2023 Sustainability Report you can read more about our plans, as well as the progress we've made toward achieving these goals.

What do you plan to focus on as chief sustainability & strategy officer at Caterpillar?

Hands down, my most rewarding days at Caterpillar have been when I'm on site working with a customer, so I'm excited to work with our customers to help achieve their climate-related objectives.

Importantly, we don't have a one-size-fits-all approach, and we draw upon our diverse products, services and technologies to partner with our customers during the energy transition.

From supporting the development of the mine site of the future that can sustainably source materials critical to the energy transition to investing in machines that operate on alternative fuels, we are helping our customers reach their objectives. At the same time, our reciprocating engines and gas turbines can be used to support both grid stability and for upstream natural gas production and transmission.

In a large enterprise like Caterpillar, I also believe that effectively measuring and communicating our progress is essential, and we remain committed to being transparent about our own journey.

At Caterpillar, we take pride in what we do and make possible — and ultimately, how we help our customers build a better, more sustainable world.

CATERPILLAR AWARDS & RECOGNITION

Barron's
100 Most Sustainable U.S. Companies 2024 (#96)

Financial Times
Europe's Diversity Leaders 2024 (#108)

Forbes
World's Best Employers 2023 (#124)

Forbes
Best Employers for Diversity 2023 (#229)

Newsweek
America's Most Responsible Companies 2024 (#157)

USA Today
America's Climate Leaders 2023

The Wall Street Journal
Best Managed Companies of 2023 (#39)

Caterpillar Inc. is the world's leading manufacturer of construction and mining equipment, off-highway diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives.

For nearly 100 years, we've been helping customers build a better, more sustainable world and are committed and contributing to a reduced-carbon future. Our innovative products and services, backed by our global dealer network, provide exceptional value that helps customers succeed. Caterpillar does business on every continent, principally operating through three primary segments — Construction Industries, Resource Industries and Energy & Transportation — and providing financing and related services through our Financial Products segment.



 **\$67.1B**
Sales & Revenues

 **~150**
Primary Locations
25 Countries with
Operations

 **4M+**
Cat Products at
Work Around the World*

 **113,200**
Employees

*Includes discontinued products.
All numbers represent year-end 2023 data.



To learn more view our full [2023 Sustainability Report](#)



Visit caterpillar.com/sustainability to learn more about how we are helping our customers build a better, more sustainable world.

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