



# 2023 SUSTAINABILITY REPORT

Caterpillar's Environmental,  
Social and Governance Approach



**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.



## CONTENTS

- 3** Executive Summary
- 7** Supporting a Lower-Carbon Future
- 22** Returning People Home Safely
- 25** The Power of Everyone
- 31** Our Values in Action
- 43** Reporting

# 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](#) 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 5](#). These goals encompass the sustainability of our products, as well as goals related to our operations, employee health & safety, customer safety and remanufacturing. In this 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)**



# Supporting a Lower-Carbon Future

*Cat R1700 XE Underground Loader*

# OUR ROLE IN THE ENERGY TRANSITION

**For nearly 100 years, Caterpillar has supported customers through energy transitions.**

Caterpillar leans on our experience to offer numerous opportunities to help our customers transition to a lower-carbon economy. These opportunities start with reducing the GHG emissions of our operations and extend to help our customers achieve their climate-related goals through continued investment in new products, technologies and services that facilitate fuel flexibility, increased operational efficiency and reduced emissions.

To underscore the significance of these opportunities, our enterprise strategy includes sustainability as a focus area along with operational excellence, expanded offerings and services. Caterpillar's commitment to supporting our customers in the energy transition also underscores our support of the goals of the Paris Agreement to limit global temperature rise. Caterpillar is committed and contributing to a reduced-carbon future.





# SUPPORTING OUR CUSTOMERS IN THE ENERGY TRANSITION

## Supporting the Mine Sites of the Future

Our mining equipment supports the increased demand for critical materials required for evolving energy technologies. These include copper, lithium, nickel and aluminum for electric vehicles, battery storage, wind and solar power, and grid modernization and stability.

## Building Infrastructure

Our construction equipment helps build the infrastructure needed for the energy transition. Improving fuel efficiency and productivity of machines helps customers reduce greenhouse gas emissions.



## Optimizing Natural Gas

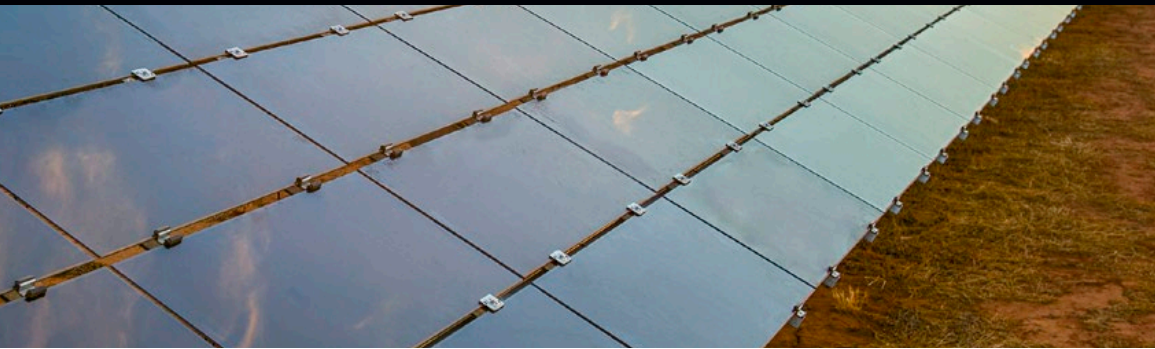
Our reciprocating engines and gas turbines are widely used across the globe in upstream natural gas production and transmission. Natural gas is playing an important role in the energy transition.

## Increasing Alternative Fuel Capabilities

We offer machines and engines that are capable of operating on alternative fuels, such as biodiesel, biogas, hydrogen, hydrotreated vegetable oil and methanol while continuing to develop technologies for the future.

## Enhancing Energy Reliability

Customers utilize our reciprocating engine and gas turbine generator sets to support grid stability as renewable energy is increasingly added to the grid.



## HELPING OUR CUSTOMERS BUILD A BETTER, MORE SUSTAINABLE WORLD

**Caterpillar's diverse products, services and technologies that can lower GHG emissions, deliver energy flexibility and improve efficiency and productivity allow us to help customers achieve their sustainability objectives.**

Our ability to provide these solutions reflects investments of more than \$30 billion in R&D over the past 20 years to deliver best-in-class innovation. This innovation has focused on autonomy, alternative fuels, connectivity and digital, and electrification — technologies we refer to as AACE. With our customers' sustainability needs continuing to grow, our commitment to innovation and the required investment to support R&D remains strong.

As we bring innovations to market, it's important to ensure the viability of new solutions in real-world applications that will power the energy transition. To this end, we continue to transform our Tucson Proving Ground in Arizona into a working, sustainable "mine site of the future" by installing and utilizing renewable energy sources. The objective is to implement the same sustainability solutions that mining companies will use at their operations and learn firsthand what it takes to run an electrified mine site and effectively support customers through the changes.

Cat machines are built with innovative features that improve productivity and conserve fuel. Improving productivity and fuel efficiency of our products helps customers do more work with the fuel they use, benefiting the customer's business and reducing the GHG emissions intensity. For example, through internal testing conducted in 2020 in a truck loading application, the 982 XE Medium Wheel Loader, with the Cat continuously variable transmission, demonstrated lower fuel consumption and related tailpipe emissions by up to 11% as compared to the 982 powershift model.

### THE JOURNEY TO 2030

## Goal

**100% of new Caterpillar 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.<sup>1</sup>**

## 100%

**of new products introduced in 2023 were more sustainable than previous generations.**

#### Progress includes:

More than 50 new products in 2023 satisfied the goal criteria:

- Introduced the Cat R2900 XE Diesel Electric Underground Loader with a high-efficiency electric drive system for mining customers. This electric drive machine improves fuel efficiency by greater than 31% and productivity by 20% compared to the R2900G — helping mines reduce GHG.
- Began offering the Cat G3600 Gen 2 in gas compression applications, which, when running at full load, reduces methane emissions by 33% on g/bhp basis,<sup>2</sup> compared to the previous model, while boosting power by 10%.
- Introduced the Cat MH3050 Material Handler, which combines components from next generation Cat excavators with the material handler cab, improving productivity and enhancing comfort for the operator. The Cat C9.3B Turbo Diesel Engine meets U.S. EPA Tier 4 Final and EU Stage V emission standards, while Auto Engine Speed Control reduces unnecessary fuel burn and GHG by allowing the engine to automatically go into idle mode when the machine is not operating.
- Talos™ helps customers analyze train runs and optimize train operation. Talos can help improve performance efficiency, resulting in fuel savings and related emission reductions while also enabling the locomotive engineer to focus on safety and situational awareness.

<sup>1</sup> For this goal, new products include new or improved prime product such as machines, engines, generator sets, upper powertrain and other complete solutions sold directly to a customer, original equipment manufacturer (OEM) or dealer under any majority-owned brand. Exclusions from the goal include, but are not limited to, new source introduction programs, work tools, component development programs for prime product, defense products, aftermarket kits or site solutions. Collaborating with customers is key to Caterpillar's identification of sustainability criteria. To meet the goal requirements, products must meet one or more of the four criteria in comparison to the previous generation: reduced waste, improved design for rebuild/remanufacturing, lower emissions or improved efficiency.

<sup>2</sup> With appropriate compressor match-simulation results provided using Ariel Performance Program.

# INNOVATING ADVANCED TECHNOLOGIES

## Autonomous Technology

Caterpillar has long invested in autonomous development. In 2023, the team reached a milestone of 10 years of autonomous operations. Through the end of 2023, this fleet counted more than 630 large mining trucks that moved a combined 7.5 billion metric tons.

This fleet is growing every year as customers look to automation and autonomy to drive operational consistency and deliver results.

In 2023, zero of our autonomy customers reported lost time injuries caused by Caterpillar's autonomous system. Another customer publicly reported their autonomous fleet burns less fuel per ton moved due to less idle time and fewer specific near-miss events. Today, we offer a range of remote control, semi-autonomous and fully autonomous solutions designed to meet specific customer needs at their worksites, with a portfolio of options for haul trucks, water trucks, drills, dozers, wheel loaders and underground loaders. For example, a single operator can simultaneously operate up to four semi-autonomous dozers from a remote location.



988 XE Wheel Loader

The demand for an autonomous fleet also has expanded dramatically. When we first introduced autonomous machines a decade ago, only about 10% of mines in the world had a fleet large enough — approximately 70 trucks or more — to justify the capital investment. That investment can make financial sense for mines with as few as 12 trucks in their fleet. This opportunity not only translates into business growth for Caterpillar, but also offers the opportunity to impact carbon reductions and safety improvements.

## Alternative Fuels

We offer machines and engines that are capable of operating on alternative fuels, such as biodiesel, biogas, hydrogen, HVO and methanol.

All Caterpillar diesel engines, for example, can operate on 100% HVO. While fuels such as HVO and biodiesel produce GHG emissions at the tailpipe that are essentially the same as traditional fuels, lower-carbon intensity fuels may reduce lifecycle GHG emissions in the fuel value chain. In 2023, LCL Data Centers, the operator of five independent data centers in Belgium, commissioned a standby power solution for a data center that operates exclusively on 100% HVO fuel. It is the first data center in Belgium to use biofuels for standby power operation. In another data center application, Caterpillar commissioned and initiated testing of the 1.5 MW hydrogen-based fuel cell standby power system at Microsoft's data center in Cheyenne, Wyoming.

Hydrogen is a promising alternative fuel for electricity generation applications. We continue to be involved in projects that demonstrate the potential viability of hydrogen while the infrastructure to support the availability of renewable hydrogen is under development. For example, Caterpillar worked with EQT, the largest producer of natural gas in the U.S., on a demonstration that utilized hydrogen in a



1 MW Cat 3512C land drilling module with dynamic gas blending technology. Already today, we offer a line of generator sets and retrofit kits capable of operating on natural gas blends with up to 25% hydrogen in a range of power nodes. In addition, all gas turbines offered by Caterpillar can operate on hydrogen blends, with some operating on 100% hydrogen.

In the maritime industry, we're committed to supporting our customers' climate-related objectives through methanol-powered solutions, which are efficient, cost-effective, and meet Caterpillar fuel standards. In 2023, Caterpillar Marine and Svitzer, a leading global marine operations and towage operator, signed a Memorandum of Understanding (MOU) to adopt solutions that enable Svitzer to utilize methanol in their fleet — a key enabler of Svitzer's decarbonization strategy.





## Connectivity

Caterpillar has more than 1.5 million connected assets. Robust connectivity enables our customers to work smarter and more efficiently by using machine and engine data. Our team has evolved how we extract data from equipment. Now, we are harnessing the next wave of connectivity technologies, such as 5G, Next-Gen Satellite and C-V2X, to build smarter solutions across the industries we service and provide even better customer insights and recommendations.

In 2023, we continued to enhance capabilities with a new version of VisionLink®, which introduces the ability for customers to track, all in one application, estimated CO2 emissions related to fuel consumption for their Cat and non-Cat

equipment. As an example, a customer in Chile monitored more than 2,300 hours of operation on a new D6 XE, which delivered a 30% reduction in fuel consumption versus the D6T working in the same operation.

In the industrial gas turbine space, Solar Turbines leverages the InSight Platform™ and the Energy Optimization products to support our customers in their sustainability journey. The digital tools provide our customers with recommendations for operations to optimize energy and financial considerations.

Tangent Energy Solutions' Energy as a Service offerings, including Cat AMP, monitors energy market conditions to efficiently dispatch distributed power assets. The software predicts opportunities to lower energy costs for sites with natural gas gensets, renewable power generation, energy storage or microgrids.

## Electrification

Deploying an electrified industrial equipment portfolio, however, is a more complex undertaking than the electrification of a passenger vehicle. Among the many considerations are longer battery life requirements to enable operation at a jobsite throughout the day and unique charging infrastructure challenges in remote areas where mining and infrastructure work may occur. With a portfolio that includes both transportation and energy solutions, we have a unique opportunity to solve these challenges and innovate new electrification solutions for our customers.

We are gaining valuable experience from initial introductions of battery-powered equipment and the additional battery-powered machines and chargers under development that can help our customers achieve their climate-related objectives.

Following the demonstration of our first battery electric 793 Large Mining Truck Prototype in 2022, we continue to develop the Caterpillar Early Learner program, which focuses on accelerating the deployment and validation of the Cat

battery electric trucks at participating customers' sites. The building of Early Learner trucks is underway. Caterpillar has also successfully demonstrated our first battery electric prototype underground mining truck. This battery electric truck will complete Caterpillar's first fully electric underground load and haul solution when paired with the commercially available R1700 XE Battery Electric Loader.

In 2023, we launched Pathways to Sustainability — a four-year training program for enrolled customer groups. Representatives from each participating customer and their Cat dealers will receive a holistic learning experience in preparation for the energy transition, focusing on its impacts on people, processes, products, technology and infrastructure.

At the CONEXPO-CON/AGG construction trade show in 2023, we displayed components of Caterpillar's total construction site solution for the energy transition, including four battery electric machine prototypes — the Cat 301.9 Mini Excavator, 320 Medium Excavator, 950 GC Medium Wheel Loader and 906 Compact Wheel Loader — in addition to AC and DC charging solutions. Caterpillar's battery prototypes power these battery electric machines using lithium-ion technology.

Railway transportation is another sector in which we are helping to deliver zero exhaust emissions solutions. Australia's largest rail freight company, Aurizon, has contracted with Progress Rail to build the first zero-exhaust emissions freight locomotive constructed in the country, retrofitting an existing 4000 class locomotive to a battery electric locomotive. This type of work can potentially reduce Australia's transport emissions and transform the nation's freight supply chains. This will be the first freight unit to be constructed in Australia powered by batteries, allowing the potential future use of totally renewable energy sources for freight hauls. Progress Rail also has built a zero-idle EMD® Joule battery-electric locomotive for Pacific Harbor Line, which services the ports of Los Angeles and Long Beach, California. The locomotive began testing at the ports in 2023.



**Cat Battery Energy Storage Systems**

The Cat Energy Storage System (ESS) can help to meet a wide range of our customers' energy storage and charging needs, including power source integration at a worksite, grid stabilization, transient assist and renewable energy storage. To provide even more flexibility, we have introduced the Cat Compact ESS, a mobile battery energy storage system that supplements traditional mobile power solutions to reduce noise and enable the deployment of renewable energy sources. Additionally, customers using ESS can reduce fuel costs and GHG emissions when compared to continuous generator set usage. Designed for rapid plug-and-play installation and integration, the Cat Compact ESS module can be used with any combination of diesel, natural gas or renewable energy sources such as solar. It stores surplus power from these energy sources and then discharges from its reserve as needed. The modules are ideal for equipment charging stations, offices, auxiliary buildings, and security systems at construction, mining, oilfield and pipeline worksites. The modules also provide flexibility for remote agriculture operations such as irrigation, emergency response and other temporary power applications.

### Regulatory Compliance

In addition to investments in new technologies to support the energy transition, we're committed to continuously improving efficiency for traditionally powered machines and equipment as well as compliance with stringent emissions regulations. Caterpillar provides U.S. Environmental Protection Agency (EPA) Tier 4 Final, European Union (EU) Stage V or equivalent products in North America, Europe and select regions around the world. Products meeting these standards provide up to a 90% reduction in nitrogen oxides and particulate matter emissions compared to U.S. EPA Tier 3 or EU Stage IIIA emission standards. Product improvements in each segment provide customers with cost-saving benefits of improved fuel efficiency and fuel flexibility. Modular offerings allow the customization of products to optimize technology.

## A CIRCULAR BATTERY VALUE CHAIN

Supplying battery-powered solutions to support our customers' goals in the energy transition requires a reliable supply of the essential element lithium. A unique collaboration between Caterpillar and Albemarle, a provider of essential elements for mobility, energy, connectivity and health, is designed not only to support our lithium supply chain but also to make the mining of lithium itself more sustainable. Here's how the collaboration will work.



Using Cat battery-powered mining equipment at Albemarle's planned North Carolina mine site to help establish the first-ever zero-exhaust emissions lithium mine site in North America.



Albemarle supplying North American-produced lithium for use in Caterpillar battery production.



Albemarle and Caterpillar collaborating on R&D for battery cell technology and recycling techniques.

## HOW SERVICES AND SUSTAINABILITY GO TOGETHER AT CATERPILLAR

Services revenues increased to \$23 billion<sup>1</sup> in 2023 as we continue to target \$28 billion by 2026. Growing services-related sales is not only good for our business but also has additional sustainability-related benefits. These include:

- Remanufactured products offered through Cat Reman, Solar Turbines, Progress Rail, Caterpillar Energy Solutions and Cat Defense that result in reduced GHG emissions compared to manufacturing new products
- Cat Certified Rebuilds, performed by trained dealer service professionals, increase the lifespan of equipment while providing customers with product updates
- Failure models to detect problems before they occur, which can save maintenance costs and extend the life of components such as tires and axles
- Condition monitoring and remote diagnosis to decrease service calls and associated transportation-related emissions
- Application of advanced analytics to optimize productivity to reduce fuel burn and associated emissions
- Streamlined equipment management with digital tools like VisionLink, which helps improve fuel efficiency, reduce idle time and boost profitability
- Battery replacement management to enable recharging and end-of-life solutions

<sup>1</sup> ME&T Services Revenues include, but are not limited to, aftermarket parts and other service-related revenues and exclude most Financial Products' revenues, discontinued products and captive dealer services.

# CARBON IN OUR VALUE CHAIN

## Our commitment to a reduced-carbon future is long-standing.

From 2006 through 2020, in pursuit of our previous goals, we achieved a reduction of 33% in energy intensity and 51% in GHG emissions from our operations. Today, we are building on these efforts as we work toward our 2030 goals. We have also enhanced our understanding of Caterpillar's broader carbon footprint by reporting Scope 3 emissions for the first time in our 2022 Sustainability Report.

## Emissions in Our Operations

Increasing the efficiency of our environmental management practices at our facilities aligns with our strategy for operational excellence across the enterprise. We work to reduce GHG emissions in our operations while also minimizing water use and waste generation. Caterpillar manages hundreds of facilities worldwide, and some of these operations, especially our manufacturing sites, are energy-intensive.



## THE JOURNEY TO 2030

### Goal

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

# 35%

reduction in absolute GHG emissions from 2018

#### Progress includes:

- Implementing energy/GHG reduction initiatives at our facilities
- Improving operational efficiency of our global footprint

### Goal

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

# 57%

facilities have achieved the goal of water strategy implementation

#### Progress includes:

- Continued progress in our third year of implementing water management strategies at our facilities in water high-risk areas
- While 57% of our impacted facilities have implemented all 9 of the required management elements, over 75% of all management elements have been completed by in-scope facilities

### Goal

Reduce landfill intensity by 50% from 2018 to 2030.

# 44%

reduction in landfill intensity from 2018

#### Progress includes:

- Continued to increase the percentage of non-metals recycled, improving by 4% in 2023 from our 2022 performance
- In addition to reducing the landfill intensity of our operations, we have also reduced our overall waste (recycled and landfilled materials) intensity by 18% compared to our 2018 base year by focusing on waste reduction and improved operational efficiency



To reduce our energy consumption and GHG emissions, we are improving energy efficiency, investing in renewable energy technologies, and continually evaluating new solutions for feasibility and implementation. Likewise, we are making other environmental improvements to conserve water by implementing best management practices, notably at facilities located in water-stressed regions and managing waste through improved waste minimization, reuse and recycling activities. Examples of these initiatives in 2023 included:

- Implementing energy conservation projects at our San Luis Potosi, Mexico, facility, now using 100% on-site renewable solar electricity. In total, the site has been able to reduce its overall energy consumption by more than 35% from a 2018 baseline. This improvement allowed for 100% of the electricity required for operations to come from on-site, renewable solar power in 2023.

- Increasing cafeteria waste composting, remanufacturing electronic components, recycling plastic and reusing oil absorbents at our proving ground in Peoria, Illinois, to exceed the facility's internal 2030 target for non-metal recycling.
- Reducing approximately 625 tons of GHG emissions annually at our Grimbergen Parts Distribution Center through solar electricity and geothermal heating and cooling, implemented from 2019 through 2022.

Our enterprise energy management team builds awareness, encourages action and develops improvements in energy efficiency and renewable energy power generation. Solutions include renewable energy procurement and on-site installations. For example, photovoltaics (PV) or microgrid installations supplement and offset electricity generated with diesel fuel at off-grid locations. Operating combined heat and power (CHP) systems at some of our facilities has also significantly contributed to our conversion from traditional to alternative energy sources. The energy management team evaluates opportunities for replicating renewable energy power purchase agreements and CHP, PV and microgrid installations at other locations. We continue to assess new ways to upgrade systems and make facilities more efficient.

### Environmental, Health and Safety Management System

We maintain high standards for environmental, health and safety (EHS) throughout the company. Caterpillar's EHS management system, documented in our EHS Assurance Manual, establishes foundational requirements and best management practices for all workplaces globally, including those of majority-owned subsidiaries and joint ventures. Our facilities assess compliance with our requirements annually, and our EHS assessment team reviews those self-assessments while conducting in-depth audits of select facilities each year.

Beyond meeting standard expectations, facilities implement initiatives to enhance safety, improve energy efficiency and increase productivity. As facilities evaluate potential environmental initiatives, they also consider the annual investment required, total anticipated cost savings and average pay-back period. We encourage facilities to report emissions reduction activities through internal awards and recognition processes.





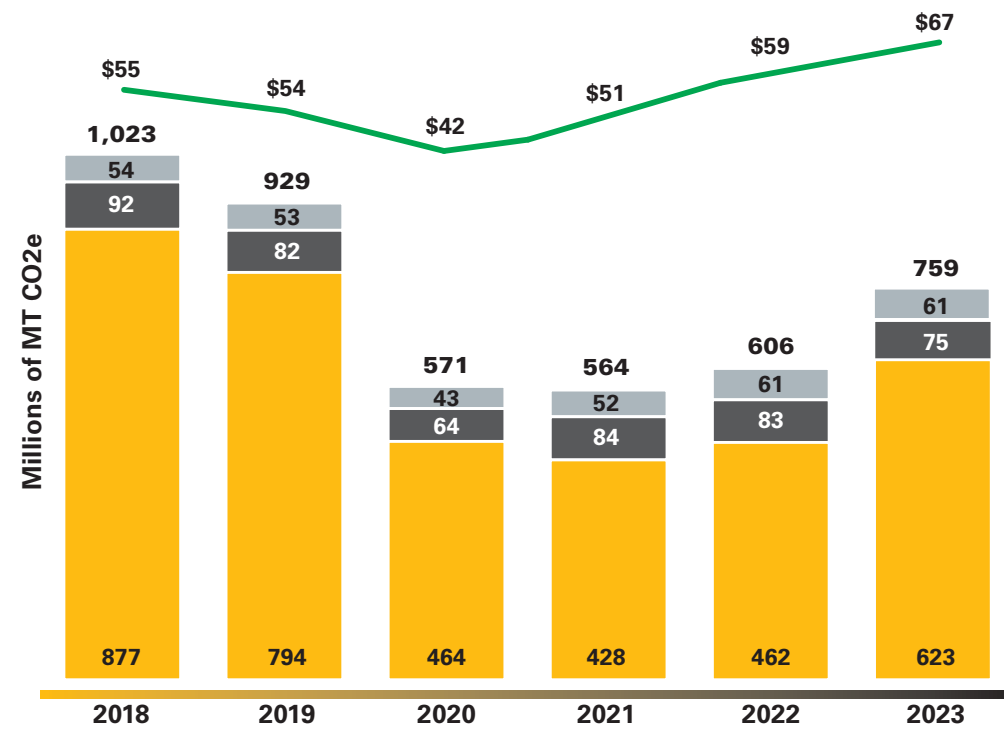
### Understanding Our Scope 3 Emissions

2023 marks our second year disclosing Scope 3 use of sold products emissions. Our Scope 3 emissions are estimated to be more than 95% of the company’s total Scope 1, 2 and 3 GHG emissions inventory. Given the company’s large, global customer base covering a diverse set of industries, including construction and mining equipment, off-highway diesel and natural gas engines, industrial gas turbines, diesel-electric locomotives and others, Category 11 — use of sold products — is our largest Scope 3 category. The remaining 14 categories of estimated Scope 3 emissions are either not relevant to our business or are immaterial, representing collectively less than 5% of total enterprise GHG emissions.

The six-year trend of Caterpillar’s estimated Scope 3 use of sold products emissions, which utilizes guidance from the GHG Protocol, illustrates annual emissions at the enterprise level and by primary segment — Construction Industries (CI), Resource Industries (RI) and Energy & Transportation (E&T) — as well as emissions intensity (MT CO2e divided by enterprise sales and revenues). Most of Caterpillar’s Scope 3 emissions come from products with high power output, high fuel consumption, high runtime and long product life. In some cases, product life extends decades through service life extension activities, including rebuilds, remanufacturing and overhauls.

The impact of macroeconomic conditions on global markets, including the COVID-19 pandemic, had an effect on enterprise emissions due to product mix changes and lower unit volume shipped in 2020 and 2021. Caterpillar’s sales and revenues reflected strong growth from 2020 through 2023. While emissions remained essentially flat from 2020 through 2022, they increased in 2023 primarily due to product mix and volume changes across our portfolio. The resulting product mix change was dependent on market and customer trends, especially in certain emissions-intensive industries that changed significantly during that period.

### SCOPE 3 USE OF SOLD PRODUCTS GHG EMISSIONS<sup>1</sup>



Emissions Intensity					
Use of Sold Products/Thousands of Dollars of Enterprise Sales and Revenues					
2018	2019	2020	2021	2022	2023
18.7	17.3	13.7	11.1	10.2	11.3

- Resource Industries
- Construction Industries
- Energy & Transportation
- Enterprise Sales and Revenues (\$B)

<sup>1</sup> The annual estimates for lifetime use of sold products GHG emissions are calculated from the GHG Protocol expression:  $\sum (\text{total lifetime expected uses of product} \times \text{number of products sold in reporting period} \times \text{fuel or electricity consumed per use (kWh)} \times \text{emission factor for fuel/electricity (kg CO2e/kWh)})$ . The inputs to this equation are specific to construction machines, mining machines, off-highway diesel and natural gas engines, industrial gas turbines, and diesel-electric locomotives, applied at the product-level to calculate lifetime emissions, then aggregated across the full enterprise portfolio. Included in the calculation are GHG emissions from combustion of fuels and/or use of electric power until the estimated point of final disposal covering rebuild, remanufacturing and overhaul events that extend the service life of the product. While we continue to grow lower-carbon intensity, alternative fuel offerings, given the difficulty predicting customer fuel switching, all liquid fuel is assumed to be diesel and all gaseous fuel is assumed to be natural gas. Excluded from this calculation are emissions from upstream production of fuel consumed in Caterpillar products, fuel efficiency and emission factor changes through the life of the product, refrigerant emissions, and others considered insignificant to Caterpillar’s enterprise number. The inputs to perform this calculation were integrated from many data sources including but not limited to: Operation and Maintenance Manuals (OMM), product design data, telemetry data, public data sources (U.S. EPA, IEA, industry data), and internal engineering, product, marketing, and other subject matter expertise. These inputs are refined yearly as needed based on telemetry data, product design data, and/or internal expertise, considering industry best practices, consistency and accuracy, data maturity, and regulatory/policy change. Data for prior years has been revised to reflect updated product life and energy consumption estimates. Our company’s total enterprise Scope 3 use of sold products emissions calculation was verified by a third-party assurance firm (ERM CVS); see the [assurance statement](#).

As previously reported, Scope 3 use of sold products emissions were expected to increase in 2023 based on customer demand, as well as anticipated shifts in product mix and customer and business trends. The 2023 emissions reported align with that prior expectation. In E&T, emissions increased due to higher sales of products with high power output and runtime as compared to 2022. This led to an increase in both emissions and intensity. In CI, emissions decreased due to lower sales of larger construction machines. In RI, emissions remained essentially flat. As of the date of this report, Scope 3 use of sold products emissions are expected to increase in 2024 based on customer demand, as well as anticipated shifts in product mix and customer and business trends.

Now more than ever, our customers rely on us to provide diverse products, services and technology that can help lower GHG emissions, improve efficiency and productivity and deliver energy flexibility. New product introductions focused on AACE technologies across our CI, RI and E&T segments, as highlighted throughout this report, demonstrate how we are meeting this need.



**Read more about products, services and technologies that are helping our customers achieve their climate-related objectives.**

# SUPPORTING A CIRCULAR ECONOMY

**Caterpillar products are built to be rebuilt. They are designed to withstand heavy-duty operating conditions and to be restored and used for multiple lifecycles, reducing the need for raw materials and associated GHG emissions.**

Remanufactured parts, commonly used in rebuilds, provide customers with quality products that help lower the total cost of ownership. Remanufacturing also helps Caterpillar contribute to the circular economy. Together, these benefits are why we have a goal to increase sales and revenues from remanufacturing offerings by 25% by 2030.

Remanufacturing means to return end-of-life product to original quality and performance specifications using a combination of salvaged and new parts in a manufacturing environment. Remanufacturing also helps keep high-value raw materials, such as iron, in productive use and helps extend the value created through the use of important resources like energy and metals consumed in a component's original manufacturing process.



## THE JOURNEY TO 2030

# Goal

**Increase sales and revenues from remanufacturing offerings<sup>1</sup> by 25% from 2018 to 2030.**

## 31%

**increase in sales and revenues from remanufacturing offerings from 2018**

### Progress includes:

- 147 million pounds of material taken back for remanufacturing through Cat Reman.<sup>2</sup>
- Cat Reman introduced 29% more remanufacturing offerings from 2018 to 2023 to support sustainability and total cost of ownership initiatives.<sup>2</sup>
- Remanufacturing produces 65-87% less GHG process emissions compared to manufacturing new parts.<sup>3</sup>
- Cat Reman product line meets the needs of the industries served by Caterpillar, including construction, mining, energy and transportation, as well as on-highway truck engines. We have parts for agriculture, demolition and scrap, forestry, railway power and more.

<sup>1</sup> Data includes remanufacturing offerings provided by Cat Reman, Progress Rail, Solar Turbines, Caterpillar Energy Solutions and Caterpillar Defense.

<sup>2</sup> Data does not include Progress Rail, Solar Turbines, Caterpillar Energy Solutions and Caterpillar Defense.

<sup>3</sup> Represents U.S. environmental impacts comparing "gate-to-gate" remanufacturing and manufacturing processes for engines and components. Based on 2018 external study of Cat engines, alternators and turbochargers. Does not include impacts elsewhere in our value chain.

## Putting Circularity to Work

### Remanufacturing

For many products and components, the remanufacturing process begins when we design them intentionally with multiple lifecycles in mind. The quality and durability required to withstand heavy-duty operating conditions also translate into the potential for more than one product life.

The remanufacturing process uses the proprietary know-how of the original manufacturer. The result is a like-new component created using fewer new materials because we use the existing core.

Here are steps within our remanufacturing process:



#### Product & Parts Return

When eligible parts or components reach the end of one life, they may be returned to the respective Cat dealer or subsidiary, Solar Turbines or Progress Rail.



#### Disassembly & Cleaning

We inspect all products and components before disassembling them down to their individual parts. A multi-part cleaning process ensures the removal of microscopic debris.



#### Inspection & Salvage

Imperfections are addressed through state-of-the-art salvage techniques and advanced remanufacturing processes that follow strict reuse guidelines.



#### Remanufacturing & Assembly

Repair options include reassembly to original Caterpillar performance and quality specifications. For Cat Reman, the advanced remanufacturing processes and quality controls provide like-new performance, coupled with a same-as-new warranty.



#### Inspection & Testing

We test remanufactured products to meet original equipment manufacturer (OEM) performance and quality specifications.



#### Return to Customer Use

Rebuilt equipment with remanufactured components is provided to our customers, extending the life of their assets.

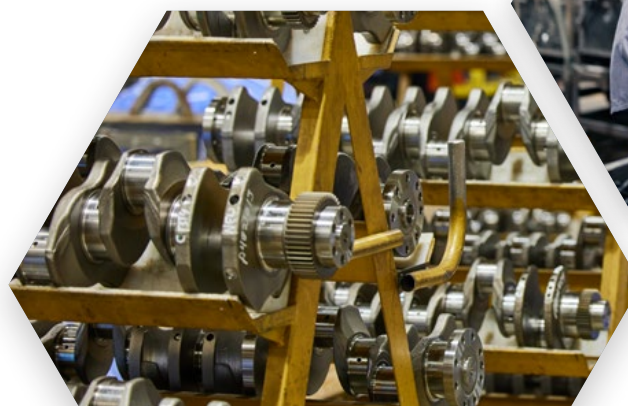
## REBUILD PROGRAMS

**Cat Certified Rebuild** programs increase equipment lifespan by providing customers with product updates at a fraction of the cost of buying a new machine, extending the life of materials. A complete Cat Certified Rebuild includes more than 350 tests and inspections, automatic replacement or reconditioning of approximately 7,000 parts, and a like-new machine warranty. Trained dealer service professionals perform rebuild work using genuine parts while incorporating the latest engineering updates. Caterpillar provides information, data, training and service tools to help dealers decide which parts to reuse to achieve the expected longevity of rebuilt components.



#### Benefits of a Cat Certified Rebuild include:

- Opportunity for product enhancements introduced after the equipment was first manufactured.
  - Upgrade optional features and technologies to current standards, which may reduce costs, boost productivity, and enhance efficiency, all at a lower cost compared to new.
  - Same-as-new support and services from the dealer and financing options through Cat Financial.
- Since 1985, Cat dealers have completed more than 50,000 Cat Certified Rebuilds on machines, powertrains and components.



# OUR REMANUFACTURING IMPACT

## 147M

pounds of  
material  
taken back  
in 2023<sup>1</sup>

## 88%

end-of-life  
eligible returns  
collected<sup>2</sup>

## OUR LOCATIONS<sup>1</sup>

Brazil  
China  
Indiana  
Indonesia  
Mexico  
Mississippi  
North Dakota

## SUSTAINABILITY BENEFITS OF REMANUFACTURING

## 65-87%

less process energy  
use and GHG process  
emissions<sup>3</sup>

## 80-90%

less new materials used,  
by weight<sup>3</sup>

<sup>1</sup> Data does not include Progress Rail, Solar Turbines, Caterpillar Energy Solutions and Caterpillar Defense.

<sup>2</sup> Represents Cat Reman customers' end-of-life components ("core") returned to Caterpillar by dealers, as a percentage of core returned plus unreturned core eligible for credit no later than 2023.

<sup>3</sup> Represents U.S. environmental impacts comparing "gate-to-gate" remanufacturing and manufacturing processes for engines and components. Based on 2018 external study of Cat engines, alternators and turbochargers. Does not include impacts elsewhere in our value chain.

## REMANUFACTURING OFFERINGS

**Cat Reman** restores end-of-life components to like-new condition.

**Solar Turbines** remanufactures turbine components to support the overhaul business.

**Progress Rail** extends the use of existing locomotives by providing rebuild, overhaul and repower options.

**Caterpillar Energy Solutions** X-Change program is a parts replacement program for medium and large MWM and Cat branded engines.

**Caterpillar Defense** responds to each operation's individual needs for machines, engines, power generation, services and support, offering solutions that extend the lifecycle of products.



# Returning People Home Safely

## EMPLOYEE SAFETY

We work to create a global workplace environment where people can work safely, stay healthy and live productive lives. Safety is at the forefront of our strategic goals and metrics, with visible commitment and support of leadership.

We believe the best way to drive a culture of safety excellence is to create an environment where each person and team is accountable for their own safety and the safety of those around them. Additionally, we nurture a culture of learning that enhances safety through training and experiences.

Safety at Caterpillar is led by both management and employees. From practical experience, our employees can create and champion their own safety improvements. We provide every employee, including newly hired employees, with knowledge to perform their jobs safely, and leaders regularly receive training on safety principles and set an

example for a strong safety culture. These actions help us manage risk while creating a culture focused on learning, speaking up and protecting those around us.

We track enterprise metrics and targets as well as individual business unit goals. Consistent enterprise targets create structure and accountability, while business unit strategies focus on safety culture to create opportunities for continuous improvement. We drive clear accountability with our **EHS management system**, which establishes expectations for each facility worldwide.

## SAFETY PERFORMANCE

The strong safety culture at Caterpillar today represents a journey that started two decades ago when we made recordable injury frequency (RIF) a global metric and safety part of our company strategy.

Since then, our safety programs have evolved as part of Caterpillar's continuous improvement efforts. To drive workplace safety to an even higher level, we have a goal to deliver a 50% improvement from our 2018 performance by 2030. To help achieve this goal, in 2023, our safety team worked on a refreshed safety strategy.

The work included benchmarking with safety thought leaders and other global companies on similar journeys. Many of the learnings aligned with the Human & Organizational Performance Principles or HOP. HOP is an operating

philosophy centered around how humans and organizations interact to accomplish work and understand the context and conditions of work.

Our resulting refreshed safety strategy builds on Caterpillar's existing safety strengths and focuses on three key outcomes:

- Preventing serious injury is critical
- Learning and improving is vital
- Demonstrating care is foundational

### THE JOURNEY TO 2030

## 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 RIF from 2018

Progress includes:

- Developed a refreshed safety strategy to strengthen our focus on preventing serious injuries. We benchmarked with safety thought leaders and other global companies to continue our learning around Human & Organizational Performance (HOP) principles.
- In 2023, recorded our best year on record for recordable injury frequency (RIF) and lost time case frequency (LTCFR).



# HELPING CUSTOMERS RETURN HOME SAFELY

**We want not only our employees to return home safely, but also anyone operating a Caterpillar product or present on a jobsite with Caterpillar equipment. That ambition starts with a mindset that it requires a safe workplace culture to manufacture safe products.**

Designing a product for safe operation is critical. Customer feedback is a key tool in our continuous improvement design process. We offer a broad range of safety solutions that include technology, training and consulting services.

## Safety Technology

Our research and development initiatives include innovating technologies that help increase jobsite safety. For example, Caterpillar Safety Monitoring Center provides customers with visibility to both machine and operator information to help mitigate risk and improve productivity. Through in-cab and wearable technologies, data is correlated to a magnitude of conditions such as fatigue and distraction. Currently, the Safety Monitoring Center covers more than 9,000 connected assets around the globe. Another example is Cat Detect — an intelligent vision camera system that can alert an operator when someone or something gets close to the machine. This innovative technology enables customers to enhance jobsite and machine safety as well as increase operator awareness and visibility.

## Operator Training

Our suite of training programs meets customers and their operators where needed — on the jobsite, virtually, or at one of our Demonstration & Learning Centers. Cat Simulator training provides a hands-on learning experience for operators in an environment that reflects real-world conditions and machine controls. Web-based e-learning opportunities can introduce new operators to safety controls and operating procedures, as well as provide experienced operators with a refresher on safe and responsible machine operation. We also offer training for jobsite supervisors who learn how to conduct site evaluations and identify improvement opportunities.

## Consulting Services

Caterpillar Safety Services supports customers around the world, helping to create a safer place to work through cultural transformation. They work with customers to develop a strategy for continuous improvement based on the four components of a resilient safety culture: System, Mindset, Leadership and Ownership.

## THE JOURNEY TO 2030

# Goal

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

### Progress includes:

- In 2023, trained 8,800 Caterpillar, dealer and customer employees in safety leadership, culture and process improvements.
- Over 9,000 connected assets around the globe were covered by the Caterpillar Safety Monitoring Center in 2023.







# Better Together: The Power of Everyone

# THE POWER OF EVERYONE

At Caterpillar, we believe in The Power of Everyone as a source of innovation and competitive advantage. Our people come from across the globe, with diverse backgrounds, experiences and perspectives united by Our Values in Action. Our employees care deeply about our purpose and play an important role in helping our customers build a better, more sustainable world.

## DEVELOPING OUR PEOPLE

We encourage all employees to focus on continuous learning so they can develop skills and grow their careers. We have invested in a variety of programs and learning tools, coupled with meaningful work and an inclusive environment, to help our employees build capabilities needed to grow throughout every phase of their careers.

We provide a variety of opportunities for learning and development:

- Onboarding new employees to gain a holistic view of the business
- Formal classroom, virtual and on-demand courses build skills and capabilities so employees can continue to problem solve, innovate, and meet the changing needs of our customers
- Experiential learning creates opportunities for employees to learn by doing
- Coaching and mentoring accelerates improved performance and interpersonal growth
- Leadership development programs for all levels of leaders focus on a variety of topics such as coaching, communications, giving feedback

In 2023, over 7,700 employees participated in professional development sessions on topics ranging from analytics to growing services to inclusive leadership. Employees completed over 2 million training courses on a variety of professional, technical and compliance-related subjects.

Over  
**680,000**  
skill improvement training  
courses completed by  
employees

**1,500**  
global interns  
**2,500**  
early career employees hired  
from over 150 colleges and  
universities around the world

*Nearly 600 Caterpillar interns gathered for orientation at the Edwards Demonstration Center in Edwards, Illinois. Students grew their business acumen and learned about the rewarding career opportunities Caterpillar provides.*



*Pictured left: The 13-week front-line manager development program is designed to encourage application, along with peer networking and coaching for reinforcement. Pictured are participants from the Europe, Asia and Middle East region.*

*A 2023 Engineering Rotational Development Program participant builds their knowledge of Caterpillar machines and technology during time in the field.*

### Development Starts on Day One

Caterpillar provides opportunities for aspiring engineers through the Engineering Rotational Development Program, which was implemented in 2004 to focus on early talent development to support Caterpillar's engineering talent pipeline. To date, we have onboarded over 2,000 engineers to Caterpillar. The purpose of the program is to build a strong foundation for long-term success at Caterpillar and an accelerated integration into the company through a holistic development approach. Participants set goals that directly impact the business and their professional development. They complete impactful rotations tailored to help them build future-focused skills, have opportunities to build their network, and are offered a number of formal education opportunities. In 2023, 189 Engineering Rotation Development participants across 17 engineering majors and 45 universities joined the Caterpillar team.

We support employee development through our 14 Employee Resource Groups (ERGs), where members have access to personal and professional growth opportunities. Our employees are also active in many external professional associations, technical societies and organizations focused on networking and growing skills like the Society of Women Engineers, Society of Hispanic Professional Engineers, National Society of Black Engineers, the Thurgood Marshall College Fund and the Executive Leadership Council.



# HEALTH & WELL-BEING

Caterpillar wants our employees and their families to have the resources to lead healthy lives and perform at their best at work, home and in their communities. Our Total Rewards offerings span our employees' life cycles and support their health and well-being.

Our competitive Total Rewards package varies by location but can include:

- Health care coverage, including medical prescription drug, dental, vision, and preventive exams and testing
- Tax-savings accounts, including flexible spending accounts, health savings accounts and commuter/parking/transit accounts
- Parental and adoption leave, adoption assistance, and infertility benefits
- Life and disability insurance
- Retirement savings plans
- Time-off benefits, including vacation, holidays and paid volunteer time\*
- Matching gifts on employees' charitable contributions
- Additional voluntary benefits, such as accident insurance, legal services and identity theft
- Employee Assistance Program
- Employee and group discounts for a range of services, including legal services and identity protection

## 117K

U.S.-based employees, retirees, spouses and dependents enrolled in Caterpillar health care plans

Nearly  
**20,000**  
global employees and family members who engaged with the Employee Assistance Program to obtain resources, referrals, training, counseling and more

Over  
**2,800**  
U.S.-based employees who participated in a financial health webinar



\*In 2023, paid volunteer time was expanded globally in multiple countries.

# EMPLOYEE EXPERIENCE

**At Caterpillar, we believe feedback plays a big role in helping us improve, and we prioritize listening and taking action to create a culture where employees can do their best work.**

Each year, we invite our employees to participate in a confidential employee engagement survey to provide their feedback and perspective.

## 2023 Annual Employee Engagement Survey Statistics

- 85% employee response rate
- Employees say, “Challenging Work” and “Impact” are our greatest strength, as communicated through the survey
- All indices maintained or increased year-over-year

**85%**  
employee  
participation  
in the annual  
employee  
engagement  
survey



## POSITIVE EMPLOYEE & LABOR RELATIONS

At Caterpillar, we respect freedom of association and where we have unions, works councils and other forms of employee representation, we always strive to have respectful, values-based labor-management relationships. We also collectively bargain, inform and consult in good faith, fully complying with all country labor-management laws and standards.

Additionally, we understand and respect that there are also employees who may prefer or choose not to be represented, and we have the same direct and positive relationship with them. Most importantly, and through Our Values in Action, regardless of whether represented or non-represented, we foster a positive employee-relations environment built on trust, confidence and respect.

# DIVERSITY & INCLUSION

**At Caterpillar, we remain committed to fostering a diverse workforce and inclusive environment and believe that diversity and inclusion is a journey, not a destination.**

We are proud of our progress and continually work to ensure our workplace is diverse and representative of the countries in which we operate and the customers we serve around the globe. We continue to take action to ensure an inclusive environment where all employees have opportunities for personal and professional development and are welcome to learn, connect, and foster a sense of belonging.



**Every year we share our progress in our annual Diversity & Inclusion Report.**



*Employees gathered in-person in Irving, Texas, and around the world in regional D&I conferences to share their personal D&I journeys and commitments to helping Caterpillar cultivate a more diverse and inclusive workplace.*



# Our Values in Action

# CORPORATE GOVERNANCE

The Caterpillar board of directors has direct oversight of our climate and sustainability efforts. The Sustainability & other Public Policy Committee has explicit oversight for sustainability, social and other public policy matters, including those related to the environment, climate change, human rights and lobbying.

Management-level sustainability governance includes our chief executive officer (CEO), all executive officers, and the chief sustainability officer (CSO). The CSO reports directly to the CEO. ESG performance is incorporated into annual incentive plans for executives. Further information on the incentive plans is provided in the Proxy, page 38.

## SUSTAINABILITY GOVERNANCE

Caterpillar Board of Directors

Sustainability & other Public Policy Committee

Chief Executive Officer

Executive Office including Chief Sustainability Officer



Additional information about Caterpillar's corporate governance policies and procedures can be found in the governance section of our [corporate website](#) and the [Caterpillar Proxy Statement](#).



# SHAREHOLDER ENGAGEMENT

**Caterpillar values the diverse perspectives and input of our shareholders. Through regular, ongoing shareholder engagement, we hear their interest in how Caterpillar is addressing and reporting on climate change, as well as how our company is contributing to a reduced-carbon future.**

## Climate Action

Caterpillar is committed and contributing to a reduced-carbon future. We demonstrate our commitment in many ways, including through significant progress in reducing GHG emissions from our operations and continuing to invest in new products, technologies and services to help our customers meet their climate-related objectives. We continue to support our diverse range of global customers while executing our strategy for long-term profitable growth.

Caterpillar values shareholder feedback. Through regular shareholder engagement, we hear their interest in how Caterpillar is addressing and reporting on Caterpillar's sustainability journey. We continue to demonstrate our commitment to shareholder responsiveness, including updating our TCFD report, Scope 3 emissions and our description of incorporating ESG into the incentive plan for executive officers in 2023.

## 2023 Lobbying Report: The Purpose of Engagement

As a leading global manufacturer and U.S. exporter, Caterpillar actively participates in the public policy process, advocating for key issues that align with our purpose and the execution of our strategy. We value Caterpillar shareholders' input and their demonstrated interest in our political engagement strategy. Our 2023 Lobbying Report, The Purpose of Engagement, outlines how we advocate for a policy and regulatory environment that supports our long-term success and provides value to shareholders. Our spotlight on climate and energy lobbying includes examples of how we support our customers as they transition to a lower-carbon future.



Learn more about our investor outreach in our [Proxy Statement](#).

# ETHICS & INTEGRITY

**We operate according to Our Values in Action — Caterpillar’s Code of Conduct. The Code defines Our Values — Integrity, Excellence, Teamwork, Commitment and Sustainability — which represent what we stand for and how we conduct ourselves with our customers, suppliers, communities and one another.**

It guides our employees, subsidiaries and affiliates, and board members in living Our Values each day. Some of the topics that the Code covers include avoiding conflicts of interest, fair competition, anti-bribery, trade compliance, employee performance and development, non-harassment, non-discrimination, personal privacy, supplier expectations and environmental responsibility.

## Code of Conduct Training

All Caterpillar employees are required to complete Code of Conduct training annually. As part of this training, employees must certify that they have read, understand, and agree to comply with the Code of Conduct. Additional compliance training is provided to employees based on risks identified in their job roles.

## Ethics & Compliance Helpline

We hold ourselves to the highest standard of integrity and ethical behavior. We promote and respect the rule of law and expect our employees and suppliers to do the same. We encourage individuals to report situations in which they have a good-faith belief that any circumstance or action has violated our Code of Conduct, enterprise policy or applicable law. Those who wish to report a concern can do so through internal and local channels or confidentially and anonymously report through resources maintained by our Office of Business Practices. These resources include:

- Online reporting
- Email reporting at [BusinessPractices@cat.com](mailto:BusinessPractices@cat.com)
- Telephone reporting with toll-free and call-collect dialing options that support reporting in multiple languages and from multiple countries

Caterpillar will not take any action — or tolerate any reprisal — against any party for raising an issue in good faith.



**Learn more about the Caterpillar Code of Conduct.**



# POLITICAL ENGAGEMENT

**Caterpillar participates in the public policy process, advocating for a range of issues that supports our corporate strategy and business objectives. The policy priorities are driven by our enterprise strategy and reflect the value we provide to shareholders, customers and other stakeholders.**

Our commitment to transparency and disclosure in our advocacy activities have long been recognized. As part of that commitment, numerous voluntary disclosures and links to filings related to our political engagements are provided on our website. We publish a lobbying report, *The Purpose of Engagement*, annually. The report provides greater transparency and disclosure of the company's U.S. political engagement strategy, a description of the governance oversight and

management of these activities, including the Caterpillar Inc. Political Action Committee. We maintain memberships with U.S. trade and industry associations as their work helps create an environment where companies from all industries — not just our own — can be successful.

Based on shareholder feedback, in 2022, we lowered the reporting threshold of our U.S. trade and industry association memberships from \$50,000 to \$25,000 and provided additional information on the percentage of Caterpillar's membership dues used for federal lobbying. We have further enhanced our disclosures for 2023 to include a tiered reporting of the dollar amount of Caterpillar's membership dues paid to all U.S. trade and industry associations and the percentage of those dues used for federal lobbying activities, as reported by each organization.



**Download the 2023 lobbying report: [The Purpose of Engagement](#).**

## Political Contributions

Where allowable by law, Caterpillar may make corporate contributions to political organizations or committees to support public policies that align with our business interests. Any corporate political contributions by Caterpillar must be approved by our senior vice president of Global Government & Corporate Affairs. In addition, the board annually reviews the company's political spending policy and political activities, including corporate political contributions, political contributions of the Caterpillar Inc. Political Action Committee (CATPAC), trade association participation and Caterpillar's lobbying priorities.

CATPAC contributions are made only in U.S. federal and state elections. CATPAC is funded through voluntary contributions by eligible individuals. A steering committee comprised of Caterpillar non-officer employees representing a diverse mix of U.S. locations and business units oversees all CATPAC disbursements to ensure they promote the company's business interests.



**Additional information regarding Caterpillar's corporate contributions, CATPAC contributions and trade association memberships is available on [our political engagement website](#).**



*Caterpillar showcased at the Construction on the Mall event in Washington, D.C.*

# RISK MANAGEMENT

**Through robust programs, including Enterprise Risk Management, Compliance and Audit, we engage across the enterprise to identify, prioritize and manage risks.**

Enterprise Risk Management and our enterprise strategy are linked. To better inform our decision making, we evaluate risks at the business unit and enterprise levels, considering the likelihood and potential impact of each risk. These evaluations guide our approach to risk management, allow us to understand the challenges these risks bring and position our business for the opportunities they present.

We consider risks across many categories, including strategic, operational, financial, compliance, hazard and sustainability/climate risk categories. Sustainability and climate risks continue to be considered in connection with other risk categories as well. We treat these sustainability and climate risks with the same priority and rigor as other risks across the business. For example, the results from the global climate scenario analysis Caterpillar completed in 2022 and summarized in its TCFD report were integrated into the Enterprise Risk Management process.

As risk management is fundamental to our culture, there is strong engagement in risk management from the CEO, executives and senior leaders. The company's officers share accountability for business risks, and the board of directors oversees the enterprise process. The board and its committees also oversee risk and have regular updates on topics that are identified through the risk management process. Outputs from risk management drive strategic initiatives and disclosures.

Our risk management culture enables us to critically evaluate risks to our business and identify opportunities to create value for our employees, customers and shareholders. Our commitment to sustainability is reflected in our risk management practices as we strive to build a better, more sustainable world.



# STRATEGIC PROCUREMENT & RESPONSIBLE SOURCING

**Our commitment to helping our customers successfully navigate the energy transition and meet their sustainability objectives depends upon strong relationships up and down our value chain.**

Supplier relationships have always been important for product quality, manufacturing excellence, customer service and financial performance. Today, sourcing strategic components and materials essential to advanced technologies makes these relationships even more important.

We recognize the importance of supplier relationships and actively engage in programs to strengthen them. These include advisory and safety councils, certification programs and excellence awards. As we strengthen relationships with suppliers, we are better positioned to improve product quality, operational efficiencies, business competitiveness and crisis response, accelerate innovation, manage costs and profitability, and mitigate risk. We leverage our supplier advisory councils to continue to grow the relationships. In 2023, we formed our first enterprise supplier advisory council with 10 supplier representatives.

## Responsible Sourcing

We pursue suppliers and business allies who demonstrate strong values and commit to the ethical principles outlined in the Caterpillar Supplier Code of Conduct, which is available in 18 languages. We expect suppliers to comply with the sound business practices we embrace and follow the law and conduct activities in a manner that respects human rights. Caterpillar asks priority suppliers to complete a self-assessment

to confirm their alignment with the Code. Suppliers are provided with access to the same ethics reporting channels as employees and encouraged to report any concerns or behaviors that violate our Supplier Code of Conduct.

Our Conflict Minerals Position Statement contains clear expectations for our suppliers regarding their sourcing of these materials. We have established a process that identifies areas of risk and corrective action plans to mitigate or remediate such risks relating to conflict minerals. A supplier's failure to take corrective actions when required may lead to additional actions, up to and including the termination of our business relationship. Caterpillar supports the Responsible Minerals Initiative to help influence smelters' engagement to support supply chain transparency and leverage industry collaboration toward greater business intelligence.

## Supplier Diversity

Supplier diversity continues to be a focus for our strategic procurement team. With a strong base of diverse suppliers already in place, we are investing in tools to help identify diverse suppliers for new business opportunities. This is key to delivering on our commitment to foster and increase business purchases with diverse suppliers.

We are members and serve on boards of organizations that certify, develop and advocate for diverse suppliers. In 2023, Caterpillar was honored to be inducted into the Billion Dollar Roundtable (BDR), a corporate advocacy organization that promotes supply chain diversity excellence. BDR member companies commit to a documented supply chain spend of \$1 billion or more annually on a first-tier basis with diverse suppliers as a condition of membership.



**Read: [Supplier Code of Conduct](#), [Conflict Minerals Position Statement](#).**

# HUMAN RIGHTS

In accordance with Our Values in Action, Caterpillar is committed to respecting internationally recognized human rights principles throughout our global operations.

We support individual and collective rights across the globe.



**Our Code of Conduct, Human Rights Policy, Slavery and Human Trafficking Statement and Supplier Code of Conduct represent our commitment that we will not condone and will strive to eliminate all forms of forced labor, child labor, human trafficking and discrimination in the workplace.**



We remain committed to establishing safe and healthy working conditions.



We value diversity as a foundational key to the success of our business strategy and seek to compensate our employees fairly and competitively where they work.



We respect the principles of freedom of association and the right to collective bargaining.



We have compassion for all persons affected by conflict wherever it occurs, and we expect our directors, officers, employees, business partners and suppliers, including in conflict-affected areas, to comply with all applicable laws and conduct activities in a manner that respects human rights. This also applies to our subsidiaries and majority-owned joint ventures.



Read our [Human Rights Policy](#).

# BEYOND CATERPILLAR: INVESTING IN COMMUNITIES

**Building resilient communities is a core priority for Caterpillar's philanthropic organization, the Caterpillar Foundation. The Foundation provides resources to organizations around the world to help build stronger, more sustainable communities. Caterpillar employees generously volunteer in the communities where they live and work — whether at a youth soccer game, in food pantries or through STEM education in programs like FIRST Robotics.**

Since its creation in 1952, the Caterpillar Foundation has granted more than \$935 million to organizations to help build resilient communities. The Foundation's global work in science, technology, engineering and mathematics (STEM) education, workforce readiness, natural infrastructure, access to basic services and disaster relief has helped communities achieve sustainable progress and improve the lives of people around the world.

Caterpillar employees and retirees demonstrated remarkable generosity in 2023 with a record-breaking \$14.8 million in pledges to United Way chapters across the United States, Mexico, Canada and Panama — placing Caterpillar among the top ten companies that have contributed to United Way. Additionally, via the Foundation's Matching Gifts and new Volunteer Service Match programs, \$10.8 million and over 109,000 hours of volunteer time were given to thousands of charities across the globe. In times of crisis, Caterpillar, employees, dealers and the Foundation swiftly responded to global disasters by supporting response organizations.



# CATERPILLAR FOUNDATION HIGHLIGHTS IN 2023

**\$43.5M**  
granted

**\$10.3M**  
employee matching gifts

**\$3.7M**  
disaster response

**546**  
water systems  
projected to be  
installed

**4,351**  
community partners

**56K**  
projected individuals gained  
industry-recognized credentials

**\$514K**  
volunteer service match

**93K**  
projected individuals  
with access to STEM  
education programs

**47**  
countries supported

**465K**  
acres to be restored





### Establishing Natural Infrastructure

Over the past two decades, the Foundation's innovative approaches to nature-based solutions help create resilient, more sustainable communities that thrive in a rapidly changing world. In 2023, the Foundation supported 20 organizations in 21 countries in building basic infrastructure services, like water and energy, and restoring natural ecosystems to withstand natural disasters and environmental challenges.

One organization the Foundation supports is Asociacion Reforesta, a Spanish organization devoted to natural restoration. Volunteers for Reforesta have planted more than 6,000 native seedlings in several drove roads in the Madrid region. These reforestations strengthen the ecological corridor function along these historical livestock routes to fight against habitat fragmentation and soil erosion, and provide food and shelter to several species.

### Disaster Relief

Lives are turned upside down when disasters strike. That is why the Caterpillar Foundation donated \$3.7 million to support disaster preparedness and response efforts in 2023.

The Caterpillar Foundation is a long-standing member of the American Red Cross Annual Disaster Giving Program. The Foundation's annual donation of \$1 million helps ensure that the American Red Cross is able to pre-position supplies and personnel and be on the ground immediately after disasters big and small, including floods, storms and countless other crises across the United States. This support also aided in alleviating suffering around the world through the global Red Cross and Red Crescent network, including providing relief to those affected by the Türkiye earthquake and Middle East

Humanitarian Crisis. Through this support, the Red Cross can help communities prepare for, respond to and recover from disasters big and small around the globe.

China Foundation for Rural Development (CFRD) is another organization the Foundation supports to assist those impacted by disasters. In 2023, CFRD successfully provided support for multiple disasters — from flooding and mudslides to power outages. The Foundation's support helped CFRD distribute essentials such as drinking water, blankets, insect repellent, flashlights and power banks for phones to many communities.



### Creating the Workforce of the 21st Century

The Caterpillar Foundation understands the importance of preparing the next generation for the challenges of today and tomorrow through STEM, technical and vocational education and training. The Foundation donated nearly \$13 million across 30 countries in 2023 to equip individuals and communities with the skills, resources and services they need to thrive in our changing world.

Through collaboration with the International Youth Foundation's EquipYouth program, young individuals in Latin America are provided with manufacturing and IT skills training. The program has set many of its participants on a path to success, with an 85% completion rate and 63% of graduates securing employment.



### Diversity & Inclusion

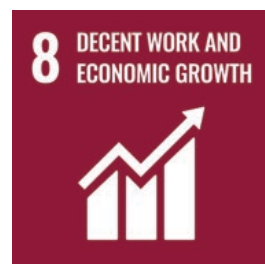
Communities are strongest when there is equality for all.

Access to clean water and safe sanitation impacts every facet of life, from health to education to economic outcomes. Vulnerable populations, including low-income communities and people of color, are most impacted. The Navajo Nation is one of the hardest-hit pockets of water poverty in the United States.

DigDeep's Navajo Water Project is an innovative Indigenous-led field team working to get clean water to homes without access to piped water or sewer lines. With the help of the Caterpillar Foundation's funding, DigDeep has committed to serving more than 1,000 individuals on the Navajo Nation through off-grid water and sanitation solutions that bring clean, running water and safe sanitation into homes across the Navajo Nation. Not only does the program provide much-needed water, but the community-managed approach creates meaningful employment opportunities with benefits, including employer-paid health coverage, a sanitation and septic installation program and the Navajo Nation's first-ever plumbing certification training program.

## CATERPILLAR FOUNDATION AND THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGS)

The Caterpillar Foundation's investments align with several of the UN SDGs. The Caterpillar Foundation works to build resilient communities in the places where Caterpillar employees live and work and where there is need.





# Reporting

*Cat 745 Articulated Truck and Cat 374 Hydraulic Excavator*

# ABOUT THIS REPORT

**The reporting period is the 2023 calendar year, which is also Caterpillar's fiscal year. Caterpillar is headquartered in Irving, Texas.**

This report has been prepared with reference to the Sustainability Accounting Standards Board (SASB), as well as with reference to the Global Reporting Initiative Universal Standards (GRI). In addition, we have published a TCFD Report, which aligns with the 11 recommended disclosures of the TCFD and summarizes how we govern our strategy to

address climate-related risks and opportunities and support customers in the energy transition. Our sustainability efforts and approach are consistent with the UN SDGs.

Given the breadth of our products, services and solutions, our advocacy on behalf of policies that enable sustainable development and the Caterpillar Foundation's effort to build resilient communities, Caterpillar and our customers are helping build a more sustainable future. The contents of this report represent the products and operations of Caterpillar Inc. and its subsidiaries with which we have a controlling financial interest. Where noted, certain information relates to Caterpillar's independent dealer network and supplier network. Caterpillar and subsidiary brands are listed on our website. Caterpillar's environmental and safety metrics for operations are consolidated based on the Greenhouse Gas Protocol "operational control" approach. Environmental data excludes office locations with fewer than 500 employees

and minor operations with fewer than 50 employees which will not have a significant impact on reported metrics. Safety data includes employees and agency workers in Caterpillar workplaces.

ERM Certification and Verification Services, Inc. (ERM CVS) has conducted independent assurance of selected environmental and safety data, including Scope 3 emissions. To understand the scope, activities and conclusions of the assurance process, please see the [ERM CVS Assurance Statement](#).



[Contact us](#)

[TCFD Report](#)



# ESG DATA & ENDNOTES

	2018 BASELINE (2030 GOALS)	2019	2020	2021	2022	2023	PERSPECTIVE
<b>PEOPLE DATA</b>							
<b>Total number of employees</b>		102,300	97,300	107,700	109,100	113,200	
<b>Number of employees outside of the United States</b>		58,700	57,000	63,400	60,900	62,400	
<b>Women in enterprise</b>		20%	20%	23%	23%	23%	We continue to increase our women's representation in leadership.
<b>Women in leadership<sup>1</sup></b>		20%	20%	21%	22%	23%	
<b>Collective bargaining</b> % of employees covered		41%	40%	40%	41%	38%	We respect the right of our employees to form, join or not to join any lawful organization of their choice without fear of reprisal, interference, intimidation or harassment. We believe it is important for individuals to exercise that right with the benefit of available information.
<b>SAFETY</b>							
<b>Lost-time case frequency rate (LTCFR) /A/</b> worker-related injuries resulting in lost time per 200,000 hours worked		0.15	0.20	0.18	0.18	0.14	The most important thing we do is ensure employees go home safely every day. Our LTCFR decreased by 22% and our RIF decreased by 9% from 2022 recording our lowest LTCFR and RIF levels ever.
<b>Recordable injury frequency (RIF) /A/</b> recordable injuries per 200,000 hours worked	0.53	0.43	0.42	0.41	0.44	0.40	
<b>Employee fatalities</b>		0	0	0	1	0	We can never rest in our efforts to keep our employees and contractors safe and will continue to work to ensure our workforce goes home safely every day.
<b>Contractor fatalities</b>		1	2	1	0	0	

# ESG DATA & ENDNOTES

	2018 BASELINE (2030 GOALS)	2019	2020	2021	2022	2023	PERSPECTIVE
<b>ENERGY-OPERATIONS</b>							
<b>Total energy use /A/</b> gigajoules		24,000,000	19,370,000	20,610,000	20,640,000	19,465,000	In 2023, we reduced our total energy use by 23% from our 2018 baseline.
<b>Total electricity /A/</b> million MWh		2.38	2.09	2.25	2.27	2.21	
<b>Grid electricity</b> %		83.8	87.3	86.7	87.4	88.9	In 2023, more than 27% of our electrical energy was obtained from renewable sources.
<b>Renewable energy<sup>2,3</sup></b> %		21.2	21.0	24.2	27.4	27.6	
<b>Energy intensity /A/</b> absolute gigajoules energy use/ million dollars of sales and revenues		446	464	404	347	290	
<b>Absolute greenhouse gas (GHG) emissions /A/<sup>4,5</sup></b> million metric tons CO <sub>2</sub> e	2.22	1.78	1.46	1.51	1.49	1.44	
<b>Scope 1 Direct emissions /A/</b> million metric tons CO <sub>2</sub> e		0.91	0.70	0.74	0.74	0.69	In 2023, we reduced our Scope 1 (direct) emissions by 27% from our baseline.
<b>Scope 2 Market-based indirect emissions from purchased electricity, heat or steam /A/<sup>6,7</sup></b> million metric tons CO <sub>2</sub> e		0.87	0.76	0.77	0.74	0.75	
<b>Scope 2 Location-based /A/<sup>6</sup></b> million metric tons CO <sub>2</sub> e		0.93	0.83	0.85	0.80	0.81	
<b>GHG intensity /A/<sup>4,7</sup></b> absolute metric tons of CO <sub>2</sub> e/million dollars of sales and revenues		33.09	34.97	29.82	25.07	21.47	In 2023, we reduced our GHG emissions intensity by 47% from our baseline.

# ESG DATA & ENDNOTES

	2018 BASELINE (2030 GOALS)	2019	2020	2021	2022	2023	PERSPECTIVE	
<b>WATER-OPERATIONS</b>								
<b>Water management strategies<sup>8</sup></b> % of in-scope facilities that meet all nine management elements	N/A	N/A	N/A	11%	14%	57%	Water management strategies is a recent goal for Caterpillar and data collection began in 2021. Previous years are listed as N/A as this is a newly composed goal. In this third year of implementation, we are pleased to report significant progress toward our 2030 goal of 100%.	
<b>Water management strategies<sup>8</sup></b> % of management elements completed by in-scope facilities		N/A	N/A	27%	41%	76%		
<b>Total water /A<sup>7</sup></b> billion imperial gallons		3.76	3.4	3.75	4.14	4.7		
<b>Total water consumption by source</b>								
<b>Cooling water from foundry operations</b>		35.2%	35.2%	37.4%	40.9%	52.1%		While cooling water from our foundry operations increased, water withdrawals from all other sources in 2023 decreased by 13% from our baseline.
<b>Municipal water</b>		30.8%	29.6%	28.8%	25.5%	23.4%		
<b>Surface water</b>		18.0%	20.4%	19.4%	20.4%	13.2%		
<b>Other water</b>		0.7%	0.6%	0.5%	1.3%	1.2%		
<b>Groundwater</b>		15.4%	14.2%	13.9%	11.9%	10.1%		
<b>Water consumption intensity /A<sup>7</sup></b> absolute thousand gallons of water/ million dollars of sales and revenues		69.9	81.4	73.6	69.7	70.1		
<b>WASTE-OPERATIONS</b>								
<b>Total waste</b> metric tons		587,000	554,000	567,000	575,000	637,000	In 2023, we reduced our landfill intensity by 44% from our 2018 baseline.	
<b>Waste intensity</b> absolute metric tons of waste/million dollars of sales and revenues		10.9	13.3	11.1	9.7	9.5		
<b>Landfill intensity</b> absolute metric tons of landfill waste/ million dollars of sales and revenues	1.49	1.36	1.09	0.98	0.96	0.83		
<b>Waste recycled</b> %		87.1%	91.5%	90.8%	89.6%	91%		

# ESG DATA & ENDNOTES

	2018 BASELINE (2030 GOALS)	2019	2020	2021	2022	2023	PERSPECTIVE	
<b>PRODUCT</b>								
<b>Scope 3 Emissions Enterprise /A<sup>9</sup></b> use of sold products emissions, million metric tons CO <sub>2</sub> e		929	571	564	606	759		
<b>Scope 3 Intensity Enterprise /A<sup>9</sup></b> use of sold products emissions/ thousands of dollars of sales and revenues		17.3	13.7	11.1	10.2	11.3		
<b>Scope 3 Emissions Energy &amp; Transportation Segment<sup>9</sup></b> use of sold products emissions, million metric tons CO <sub>2</sub> e		794	464	428	462	623	Caterpillar is represented by durable, reliable and innovative products that are built to last. See the <a href="#">Understanding Our Scope 3 Emissions</a> of this report to learn more.	
<b>Scope 3 Emissions Construction Industries Segment<sup>9</sup></b> use of sold products emissions, million metric tons CO <sub>2</sub> e		82	64	84	83	75		
<b>Scope 3 Emissions Resource Industries Segment<sup>9</sup></b> use of sold products emissions, million metric tons CO <sub>2</sub> e		53	43	52	61	61		
<b>New products that are more sustainable than the previous generation through collaborating with customers, reduced waste, improved design for rebuild/ remanufacturing, lower emissions or improved efficiency</b> % <sup>10</sup>	89%	95%	97%	100%	100%	100%		Caterpillar has a long history of and a strong process for innovation in the R&D of products and solutions. Examples of recent innovations are highlighted in the <a href="#">Helping Our Customers Build a Better, More Sustainable World</a> section of this report.



# ESG DATA & ENDNOTES

	2018 BASELINE (2030 GOALS)	2019	2020	2021	2022	2023	PERSPECTIVE
<b>REMANUFACTURING</b>							
<b>Growth in remanufacturing business<sup>11</sup></b> % business sales growth since 2018	N/A	2%	-14%	-3%	19%	31%	
<b>Product take-back by weight<sup>12, 13</sup></b> millions of pounds of end-of-life material received		153	131	127	140	147	Our remanufacturing and rebuild businesses provide customers with immediate cost savings, help extend product lifecycles, and use materials more efficiently.
<b>Product take-back by %<sup>12, 13</sup></b> % of actual end-of-life returns/ eligible returns		91%	89%	88%	89%	88%	
<b>PHILANTHROPY</b>							
<b>Community investments</b> millions of dollars		\$28.6	\$37.9	\$41.0	\$42.3	\$49.1	Caterpillar directly and through the philanthropic organization, Caterpillar Foundation, contributes to helping make sustainable progress possible around the world.
<b>Matching gifts<sup>14</sup></b> millions of dollars		\$3.5	\$9.8	\$22.6	\$21.1	\$23.3	The Caterpillar Foundation is proud to match our global employees, U.S. retirees, and the Caterpillar Inc. board of directors' contributions to eligible organizations.
<b>United Way<sup>15</sup></b> millions of dollars		\$12.2	\$12.3	\$12.9	\$13.8	\$14.8	Caterpillar has supported the United Way for more than 60 years through our annual campaign. The Foundation matches employee and retiree gifts during the campaign, amplifying our impact on the communities where we live and work.

**/A/** Data assured by ERM CVS. Please see our [data assurance statement](#).

N/A = Not Applicable

# ESG DATA & ENDNOTES

1. Women In Leadership data reflects all women with responsibilities for managing employees as part of their job scope. Data excludes Progress Rail.
2. Renewable energy percent includes purchased and on-site generated renewable energy, as well as calculating the percentage of renewable energy from grid-purchased electricity using data obtained from the International Energy Agency.
3. Renewable Energy: Caterpillar defines renewable energy as energy resources that are naturally replenishing over a short period of time and virtually inexhaustible. Power generation examples include wind, solar, hydro, geothermal, tidal, wave, biomass and biogas from anaerobic digestion.
4. GHG emissions intensity is based on our combined Scope 1 (direct) and Scope 2 (indirect, market-based) GHG emissions. Likewise, total absolute GHG emissions are a sum of Scope 1 and Scope 2 (market-based) emissions.
5. Results may not add to the total due to rounding.
6. Location-based Scope 2 GHG emissions are provided in accordance with the GHG Protocol Scope 2 guidance (2015). Our market-based Scope 2 emissions are calculated using the Scope 2 Quality Criteria. The following instruments were used in calculating our market-based Scope 2 emissions: Renewable Energy Guarantees of Origin, energy contracts, supplier-specific emission rates, and, for the remainder of our facilities, grid average emission factors from USEPA's eGRID (eGRID2021, released on January 31, 2023; state annual CO2 equivalent total output emission rate (lb/MWh)) and the International Energy Agency's data (IEA CO2 emissions factors for 2023 were obtained from IEA's Emission Factors 2022 Database, 2020 emission factors for CO2, CH4, and N2O; does not account for trade adjustments due to imported electricity to the country nor for losses in transmission and delivery). For 2023 calculations, Caterpillar did not use residual mix factors.
7. Data prior to 2023 has been revised for improved accuracy.
8. High-risk locations are identified using World Resources Institutes Water Risk Atlas 3.0. The nine criteria for facilities to incorporate in their water management strategies include a compliance plan, business continuity planning, developing a water consumption inventory identifying opportunities for improvement, setting a water consumption goal, employee education and involvement and annual management review of the entire strategy.
9. The annual estimates for lifetime use of sold products GHG emissions are calculated from the GHG Protocol expression:  $\sum (\text{total lifetime expected uses of product X number of products sold in reporting period X fuel or electricity consumed per use (kWh) X emission factor for fuel/electricity (kg CO2e/kWh)})$ . The inputs to this equation are specific to construction machines, mining machines, off-highway diesel and natural gas engines, industrial gas turbines, and diesel-electric locomotives, applied at the product-level to calculate lifetime emissions, then aggregated across the full enterprise portfolio. Included in the calculation are GHG emissions from combustion of fuels and/or use of electric power until the estimated point of final disposal covering rebuild, remanufacturing and overhaul events that extend the service life of the product. While we continue to grow lower-carbon intensity, alternative fuel offerings, given the difficulty predicting customer fuel switching, all liquid fuel is assumed to be diesel and all gaseous fuel is assumed to be natural gas. Excluded from this calculation are emissions from upstream production of fuel consumed in Caterpillar products, fuel efficiency and emission factor changes through the life of the product, refrigerant emissions, and others considered insignificant to Caterpillar's enterprise number. The inputs to perform this calculation were integrated from many data sources including but not limited to: Operation and Maintenance Manuals (OMM), product design data, telemetry data, public data sources (U.S. EPA, IEA, industry data), and internal engineering, product, marketing, and other subject matter expertise. These inputs are refined yearly as needed based on telemetry data, product design data, and/or internal expertise, considering industry best practices, consistency and accuracy, data maturity and regulatory/policy change. Data for prior years has been revised to reflect updated product life and energy consumption estimates. Our company's total enterprise Scope 3 use of sold products emissions calculation was verified by a third-party assurance firm (ERM CVS); see the [assurance statement](#).
10. For this goal, new products include new or improved prime product such as machines, engines, generator sets, upper powertrain and other complete solutions sold directly to a customer, OEM or dealer under any majority-owned brand. Exclusions from the goal include, but are not limited to, new source introduction programs, work tools, component development programs for prime product, defense products, aftermarket kits or site solutions. Collaborating with customers is key to Caterpillar's identification of sustainability criteria. To meet the goal requirements, products must meet one or more of the four criteria in comparison to the previous generation: reduced waste, improved design for rebuild/remanufacturing, lower emissions or improved efficiency.
11. Data includes remanufacturing offerings provided by Cat Reman, Progress Rail, Solar Turbines, Caterpillar Energy Solutions and Caterpillar Defense.
12. Data does not include Progress Rail, Solar Turbines, Caterpillar Energy Solutions and Caterpillar Defense.
13. Represents Cat Reman customers' end-of-life components ("core") returned to Caterpillar by dealers, as a percentage of core returned plus unreturned core eligible for credit no later than 2023.
14. This data represents employee and retiree donations and the match payments made in the calendar year 2023. This also includes 2:1 employee and retiree donations made in the calendar year 2023. 2:1 and the remaining Q4 match payments will occur in the 2024 calendar year.
15. This includes employee and retiree pledges during the 2023 campaign, and the Foundation match for the campaigns in the United States, Canada, Panama and Mexico paid in 2023.

## Independent Limited Assurance Statement to Caterpillar Inc.

ERM Certification and Verification Services, Inc. (ERM CVS) was engaged by Caterpillar Inc. to provide limited assurance in relation to the selected information set out below and presented in the 2023 Sustainability Report and Task Force on Climate-related Financial Disclosures (TCFD) Report (the “Reports”).

Engagement summary	
<b>Scope of our assurance engagement</b>	<p>Whether the 2023 data for the following selected disclosures are fairly presented in the Reports, in all material respects, in accordance with the reporting criteria.</p> <p><u>Environmental Data</u></p> <ul style="list-style-type: none"> <li>• Scope 1 Direct GHG emissions [million metric tons CO<sub>2</sub>e]</li> <li>• Scope 2 Indirect GHG emissions (location-based) [million metric tons CO<sub>2</sub>e]</li> <li>• Scope 2 Indirect GHG emissions (market-based) [million metric tons CO<sub>2</sub>e]</li> <li>• Total Scope 1 and Scope 2 GHG emissions [million metric tons CO<sub>2</sub>e]</li> <li>• Total Scope 1 and Scope 2 GHG emissions intensity [million metric tons CO<sub>2</sub>e/million dollars of sales and revenues*]</li> <li>• Total energy consumption [GJ]</li> <li>• Total energy consumption intensity [GJ/million dollars of sales and revenues*]</li> <li>• Total electricity [MWH]</li> <li>• Scope 3 Enterprise GHG emissions Category 11 (Use of Sold Products) [million metric tons]</li> <li>• Scope 3 Enterprise GHG emissions Category 11 (Use of Sold Products) intensity [million metric tons CO<sub>2</sub>e/thousand dollars of sales and revenues*]</li> <li>• Total water consumption [billion imperial gallons]</li> <li>• Total water consumption intensity [thousand gallons of water/million dollars of sales and revenues*]</li> </ul> <p><u>Safety Indicators</u></p> <ul style="list-style-type: none"> <li>• Lost Time Case Frequency Rate (LTCFR);</li> <li>• Recordable Injury Frequency rate (RIF) per 200,000 hours worked.</li> </ul> <p>* We place reliance on the financial assurance conducted on dollars of sales and revenues as they are presented in the 2023 10-K filing.</p>
<b>Reporting periods</b>	January 1, 2023 –December 31, 2023
<b>Reporting criteria</b>	<ul style="list-style-type: none"> <li>• WBCSD/WRI GHG Protocol: A Corporate Accounting Standard (2004, as updated January 2015)</li> <li>• The WBCSD/WRI GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)</li> <li>• Caterpillar’s Basis of Reporting</li> </ul>
<b>Assurance standard and level of assurance</b>	<p>We performed a limited assurance engagement, in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) ‘Assurance Engagements other than Audits or Reviews of Historical Financial Information’ issued by the International Auditing and Assurance Standards Board.</p> <p>The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.</p>
<b>Respective responsibilities</b>	<p>Caterpillar is responsible for preparing the Reports and for the collection and presentation of the information within it, and for the designing, implementing and maintaining of internal controls relevant to the preparation and presentation of the Reports.</p> <p>ERM CVS’ responsibility is to provide conclusions to Caterpillar on the agreed scope based on our engagement terms with Caterpillar, the assurance activities performed and exercising our professional judgement. We accept no responsibility, and deny any liability, to any party other than Caterpillar for the conclusions we have reached.</p>

**Our conclusion**

Based on our activities, as described below, nothing has come to our attention to indicate that the data for the disclosures listed under 'Scope' above are not fairly presented in the Reports, in all material respects, in accordance with the reporting criteria.

**Our assurance activities**

Considering the level of assurance and our assessment of the risk of material misstatement of the Reports a multi-disciplinary team of sustainability and assurance specialists performed a range of procedures that included, but was not restricted to, the following:

- Assessing the appropriateness of the reporting criteria for the Reports.
- Interviewing relevant staff to understand and evaluate the relevant management systems and processes (including internal review and control processes) used for collecting and reporting the selected environmental and safety disclosures.
- Conducting a review at corporate level of a sample of qualitative and quantitative evidence supporting the reported information.
- Performing an analytical review of the year-end data submitted by all locations included in the consolidated 2023 group data for the selected disclosures which included testing the completeness and mathematical accuracy of conversions and calculations, and consolidation in line with the stated reporting boundary.
- Conducting virtual visits to four Caterpillar sites to review local reporting processes and consistency of reported annual data with selected underlying source data for select environmental and safety indicators. We interviewed relevant staff, reviewed site data capture and reporting methods, checked calculations and assessed the local internal quality assurance processes.
- Reviewing source data for significant contributing sites and products to each key corporate EHS metric (e.g. energy, water, hours worked) including a sample of invoices and local incident logs, among others.
- Confirming conversion and emission factors and assumptions used.

**The limitations of our engagement**

The reliability of the assured information is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

**Our independence, integrity and quality control**

ERM CVS is an independent certification and verification body accredited by UKAS to ISO 17021:2015. Accordingly we maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our quality management system is at least as demanding as the relevant sections of ISQM-1 and ISQM-2 (2022).

ERM CVS applies a Code of Conduct and related policies to ensure that its employees maintain integrity, objectivity, professional competence and high ethical standards in their work. Our processes are designed and implemented to ensure that the work we undertake is objective, impartial and free from bias and conflict of interest. Our certified management system covers independence and ethical requirements that are at least as demanding as the relevant sections of the IESBA Code relating to assurance engagements.

ERM CVS has extensive experience in conducting assurance on environmental, social, ethical and health and safety information, systems and processes, and provides no consultancy related services to Caterpillar in any respect.



Heather Moore  
Partner, Corporate Assurance Services  
Malvern, PA

April 1, 2024

ERM Certification & Verification Services Incorporated  
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# PRIORITIZATION & MANAGEMENT OF ESG ISSUES

We have assessed and prioritized ESG topics by examining the external industry landscape to understand evolving trends and expectations of leading ESG standards, frameworks and guidelines and aligning expectations with Caterpillar's enterprise strategies, risks and future plans.

We prioritized topics through interviews with Caterpillar leadership, external research, third-party review, and benchmarking of industry peers, including:

- Potential impact the topic may have on Caterpillar's business
- Level of awareness and concern about the topic by business stakeholders (e.g., customers, dealers, suppliers, investors, nongovernmental organizations and others)
- Degree to which Caterpillar has influence over the topic

Our final step was to select issues that were highest priority. These issues guide our initiatives and decision making throughout our global operations and are closely aligned with topics covered by the SASB Industrial Machinery & Goods industry.

We continue to analyze and update these topics periodically as the ESG landscape and our business continue to evolve.

ISSUE	RELEVANCE
<b>Customer Health &amp; Safety</b>	Our commitment to safety includes people who work in, on and around our products, from designing products for safe operations to providing safety services for our customers.
<b>Employee Health &amp; Safety</b>	The health and safety of our employees is an important focus at Caterpillar, and we relentlessly strive to ensure our workforce returns home safely every day.
<b>Human Capital Management</b>	We attract and recruit the best talent to develop advanced technologies, meet customer needs, and grow our business. The diverse thinking and decision-making of our people in an inclusive work environment strengthens us and drives our progress.
<b>Material Sourcing</b>	We source raw materials and manufactured components from a global network of suppliers across broad categories and technologies for aftermarket and production parts, approximately 27,000 suppliers in total. Our Supplier Code of Conduct and supporting initiatives help us to responsibly source the raw materials used to build our products.
<b>Operations Energy &amp; Efficiency</b>	Operations within our manufacturing facilities are energy-intensive and account for most of our Scope 1 and 2 emissions.
<b>Operations Waste</b>	We strive to eliminate waste in our processes where possible and to recycle the materials that remain to reduce materials sent to landfills around the world.
<b>Operations Water</b>	While less water intensive than some industries, we are focused on reducing water consumption and ensuring good water management practices, particularly in areas determined to be the most at risk for water scarcity or quality concerns.
<b>Product Emissions &amp; Energy Efficiency</b>	Caterpillar is committed and contributing to a reduced-carbon future. We continue to invest in new products, technologies and services to help our customers achieve their climate-related objectives as they build a better, more sustainable world.
<b>Remanufacturing</b>	Through our remanufacturing offerings, we help keep materials in circulation for continued use, reducing waste, extending equipment life, and providing lower-cost options for our customers.

# SASB INDEX

TOPIC	SASB CODE	METRIC	UNIT OF MEASURE	RESPONSE/COMMENT
<b>Accounting Metrics</b>	RT-IG-000.A	Number of units produced by product category	Number	Sales data is provided in Caterpillar's annual report to shareholders on <a href="#">2023 Form 10-K</a>
	RT-IG-000.B	Number of employees	Number	113,200 global employees
<b>Energy Management</b>	RT-IG-130a.1	(1) Total energy consumed	Gigajoules (GJ)	Total energy consumed in GJ for 2023 is 19,465,000
		(2) Percentage grid electricity	%	88.9%
		(3) Percentage renewable	%	27.6% <sup>1</sup>
<b>Employee Health &amp; Safety</b>	RT-IG-320a.1	(1) Total recordable incident rate (TRIR)	Rate	0.40
		(2) Fatality rate	Rate	0 employee, 0 contractors
		(3) Near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	Rate	Caterpillar emphasizes the importance of reviewing all work-related environmental, health and safety incidents, including near misses. Near misses are communicated and managed locally.
<b>Fuel Economy &amp; Emissions in Use - Phase</b>	RT-IG-410a.1	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Litres per 100 tonnekilometres	Read more about our focus on product emissions in the <a href="#">Helping Our Customers Build a Better, More Sustainable World</a> section of the report. Given the diversity of our products and applications in which our products are used, as well as the lack of industry standards to estimate on a per unit of work basis, Caterpillar does not calculate sales-weighted fuel efficiency or emissions in this manner.
	RT-IG-410a.2	Sales-weighted fuel efficiency for nonroad equipment	Litres per hour	
	RT-IG-410a.3	Sales-weighted fuel efficiency for stationary generators	Kilojoules per litre	
	RT-IG-410a.4	Sales-weighted emissions of: (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines and (d) other non-road diesel engines	Grammes per kilojoule	
<b>Materials Sourcing</b>	RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	N/A	Caterpillar responsibly sources the raw materials used to build our products. Please see the <a href="#">Responsible Sourcing</a> section of this report.
<b>Remanufacturing Design &amp; Services</b>	RT-IG-440b.1	Revenue from remanufactured products and remanufacturing services	Presentation currency	31% increase in sales and revenues from remanufactured products from 2018 <sup>2</sup>

<sup>1</sup> Renewable sources includes purchased and on-site generated renewable energy, and the renewable energy from grid-purchased electricity.

<sup>2</sup> Data includes remanufacturing offerings provided by Cat Reman, Progress Rail, Solar Turbines, Caterpillar Energy Solutions and Caterpillar Defense.

# GRI INDEX

## GENERAL DISCLOSURES

DISCLOSURE NUMBER	DISCLOSURE	LOCATION/RESPONSE
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### GRI 2: GENERAL DISCLOSURES 2021

#### THE ORGANIZATION AND ITS REPORTING

2-1	Organizational details: Legal name and location of headquarters	Caterpillar Inc. Irving, Texas, USA
2-2	Entities included in the organization's sustainability reporting: List all its entities discussed in sustainability reporting	<a href="#">2023 Form 10-K</a> , pgs. 1-9
2-3	Reporting period, frequency and contact point: Specify the reporting period for its financial reporting, if it does not align with the period explain reason and add a point of contact	Annually Year end: December 31, 2023 <a href="mailto:CATir@CAT.com">CATir@CAT.com</a>
2-4	Restatements of information: Reason and effect of restatements, restatement of information when it has learned that the previously reported information needs to be revised	Restatements are noted as footnotes in the ESG Data table in the Reporting section of this report.
2-5	External assurance: Describe its policy and practice for seeking external assurance, including whether and how the highest governance body and senior executives are involved	ERM Certification and Verification Services, Inc. (ERM CVS) was engaged by Caterpillar Inc. to provide assurance in relation to the information presented in the Caterpillar 2023 Sustainability Report.

#### ACTIVITIES AND WORKERS

2-6	Activities, value chain and other business relationships: Describe value chain	<a href="#">2023 Form 10-K</a> , pgs. 6-7
2-7	Employees: Total number of employees, and a breakdown of this total by gender and by region	<a href="#">2023 Sustainability Report</a> >Reporting>ESG Data>People <a href="#">Caterpillar D&amp;I Report</a>
2-8	Workers who are not employees: Total number of workers who are not employees and whose work is controlled by the organization	Based on HRIS data available, 12,610 workers who are not employees may perform work activity at the direction of Caterpillar personnel.

# GRI INDEX

## GENERAL DISCLOSURES

DISCLOSURE NUMBER	DISCLOSURE	LOCATION/RESPONSE
<b>GRI 2: GENERAL DISCLOSURES 2021</b>		
<b>GOVERNANCE</b>		
2-9	Governance structure and composition: Describe the governance structure, list the committees of the highest governance body that are responsible for decision-making on and overseeing the management of the organization's impacts on the economy, environment and people	2024 Proxy Statement>Board Election & Leadership Structure, p. 26 2024 Proxy Statement>Board Committees, p. 28
2-10	Nomination and selection of the highest governance body: Describe the criteria used for nominating and selecting highest governance body members, views of stakeholders, diversity, independence and competencies relevant to the impacts of the organization	2024 Proxy Statement>Director Nominations and Evaluations, p. 13
2-11	Chair of the highest governance body: Report whether the chair of the highest governance body is also a senior executive in the organization, explain their function within the organization's management, the reasons for this arrangement, and how conflicts of interest are prevented and mitigated	2024 Proxy Statement>Board Election & Leadership Structure, p. 26
2-12	Role of the highest governance body in overseeing the management of impacts: Describe the role of the highest governance body and of senior executives in developing, approving, and updating the organization's purpose, value or mission statements, strategies, policies and goals related to sustainable development	2024 Proxy Statement>Board's Role in Risk Oversight, p. 12
2-13	Delegation of responsibility for managing impacts: Describe how the highest governance body delegates responsibility for managing the organization's impacts on the economy, environment and people	2024 Proxy Statement>Board Committees, p. 28
2-14	Role of the highest governance body in sustainability reporting: Responsible for reviewing and approving the reported information, including the organization's material topics. Describe the process for reviewing and approving	2024 Proxy Statement>Board Committees, p. 28
2-15	Conflicts of interest: Processes to ensure that conflicts of interest are prevented and mitigated	2024 Proxy Statement>Anonymous Reporting of Accounting and Other Concerns, p. 35 <a href="#">Caterpillar's Code of Conduct, p. 8</a>
2-16	Communication of critical concerns: How concerns are communicated to the highest governance body, report the total number and the nature of critical concerns during the reporting period	2024 Proxy Statement>Communication with the Board, p. 30



# GRI INDEX

## GENERAL DISCLOSURES

DISCLOSURE NUMBER	DISCLOSURE	LOCATION/RESPONSE
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### GRI 2: GENERAL DISCLOSURES 2021

#### GOVERNANCE (CONT.)

2-17	Collective knowledge of the highest governance body: Measures taken to advance collective knowledge and skills for the highest governance body on sustainable development	2024 Proxy Statement>Diversity of Skills and Expertise, p. 10 2024 Proxy Statement>Director Continuous Education and Development, p. 12
2-18	Evaluation of the performance of the highest governance body: Overseeing the management of the organization's impacts on the economy, environment and people	2024 Proxy Statement>Director Nominations and Evaluations, p. 13
2-19	Remuneration policies: Describe how the remuneration policies for members of the highest governance body and senior executives relate to their objectives and performance in relation to the management of the organization's impacts on the economy, environment and people	2024 Proxy Statement>Director Compensation, p. 24
2-20	Process to determine remuneration: Process for designing its remuneration policies and for determining remuneration	2024 Proxy Statement>Compensation Discussion and Analysis, p. 38
2-21	Annual total compensation ratio: Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees, ratio of the percentage increase	2024 Proxy Statement>CEO Pay Ratio, p. 61

# GRI INDEX

## GENERAL DISCLOSURES

DISCLOSURE NUMBER	DISCLOSURE	LOCATION/RESPONSE
<b>GRI 2: GENERAL DISCLOSURES 2021</b>		
<b>STRATEGY, POLICIES AND PRACTICES</b>		
2-22	Statement on sustainable development strategy: CEO Letter or message	2023 Sustainability Report>Executive Summary> <a href="#">Chairman &amp; CEO Letter</a>
2-23	Policy commitments: List of all policy commitments for business conduct	<p>Examples of relevant policies, include:</p> <p><a href="#">Caterpillar Worldwide Code of Conduct</a></p> <p><a href="#">Climate and Energy Statement</a></p> <p><a href="#">Supplier Code of Conduct</a></p> <p><a href="#">Human Rights Policy</a></p> <p><a href="#">Slavery and Human Trafficking Statement</a></p> <p><a href="#">Global Data Privacy Statement</a></p> <p><a href="#">Conflict Minerals Statement and Compliance</a></p>
2-24	Embedding policy commitments: How is it allocated or integrated responsibility to the commitments across different levels within the organization	<p>2023 Sustainability Report&gt;<a href="#">Executive Summary</a></p> <p>2023 Sustainability Report&gt;Supporting a <a href="#">Lower-Carbon Future</a></p> <p>2023 Sustainability Report&gt;Our Values in Action&gt;<a href="#">Strategic Procurement and Responsible Sourcing</a></p> <p>2023 Sustainability Report&gt;Our Values in Action&gt;<a href="#">Human Rights</a></p>
2-25	Processes to remediate negative impacts: Identify and address grievances	2023 Sustainability Report>Our Values in Action> <a href="#">Ethics &amp; Integrity</a>
2-26	Mechanisms for seeking advice and raising concerns: Process in raising concerns about the organization's code of conduct	2023 Sustainability Report>Our Values in Action> <a href="#">Ethics &amp; Integrity</a>
2-27	Compliance with laws and regulations: Report the total number of non-compliance instances with laws and regulations	<a href="#">2023 Form 10-K</a> >Environmental and Legal Matters p. 9

# GRI INDEX

## GENERAL DISCLOSURES

DISCLOSURE NUMBER	DISCLOSURE	LOCATION/RESPONSE
<b>GRI 2: GENERAL DISCLOSURES 2021</b>		
<b>STRATEGY, POLICIES AND PRACTICES</b>		
2-28	Membership associations: List of membership associations	Memberships include those identified in 2023 Lobbying Report, p. 10.
<b>STAKEHOLDER ENGAGEMENT</b>		
2-29	Approach to stakeholder engagement: Describe how to engage and identify stakeholders	2023 Sustainability Report>Our Values in Action> <a href="#">Shareholder Engagement</a> 2023 Sustainability Report>The Power of Everyone> <a href="#">Employee Experience</a> 2023 Sustainability Report>Supporting a Lower-Carbon Future> <a href="#">Helping Our Customers Build a Better, More Sustainable World</a>
2-30	Collective bargaining agreements: How the organization engages in collective bargaining with its employees	We respect the right of our employees to form, join or not to join any lawful organization of their choice without fear of reprisal, interference, intimidation or harassment. We believe it is important for individuals to exercise that right with the benefit of available information. 2023 Sustainability Report>Reporting> <a href="#">ESG Data</a>
<b>GRI 3: MATERIAL TOPICS 2021</b>		
<b>GRI 3: MATERIAL TOPICS</b>		
3-1	Process to determine material topics: Process in how to determine material topics	2023 Sustainability Report>Reporting> <a href="#">Prioritization &amp; Management of ESG Issues</a>
3-2	List of material topics: List of organizations material topics, i.e. Materiality Matrix	2023 Sustainability Report>Reporting> <a href="#">Prioritization &amp; Management of ESG Issues</a>

# GRI INDEX

## GENERAL DISCLOSURES

DISCLOSURE NUMBER	DISCLOSURE	LOCATION/RESPONSE
<b>GRI 300: ENVIRONMENTAL</b>		
<b>GRI 301: MATERIALS</b>		
3-3	Management of material topic	2023 Sustainability Report>Supporting a Lower-Carbon Future> <a href="#">Supporting a Circular Economy</a>
301-2	Recycled input materials used: Percentage of recycled input materials used for products and services	2023 Sustainability Report>Supporting a Lower-Carbon Future> <a href="#">Supporting a Circular Economy</a>
301-3	Reclaimed products and their packaging materials: Percentage of reclaimed products and their packaging materials	2023 Sustainability Report>Reporting>ESG Data> <a href="#">Remanufacturing</a>
<b>GRI 302: ENERGY</b>		
3-3	Management of material topic	2023 Sustainability Report> <a href="#">Supporting a Lower-Carbon Future</a>
302-1	Energy consumption within the organization: Total fuel consumption within the organization from non-renewable and renewable sources	2023 Sustainability Report>Reporting>ESG Data> <a href="#">Energy-Operations</a>
302-2	Energy consumption outside of the organization: Upstream and downstream categories and activities from the 'GHG Protocol Corporate Value Chain (Scope 3)	2023 Sustainability Report>Supporting a Lower-Carbon Future>Carbon in Our Value Chain> <a href="#">Understanding Our Scope 3 Emissions</a>
302-3	Energy intensity: Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam or all	2023 Sustainability Report>Reporting>ESG Data> <a href="#">Energy-Operations</a>
302-4	Reduction of energy consumption: Reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives	2023 Sustainability Report>Executive Summary> <a href="#">2030 Goals &amp; Progress</a>
302-5	Reductions in energy requirements of products and services: Example, the energy requirements of a car or a computer	2023 Sustainability Report>Executive Summary> <a href="#">2030 Goals &amp; Progress</a>

# GRI INDEX

## GENERAL DISCLOSURES

### DISCLOSURE NUMBER

### DISCLOSURE

### LOCATION/RESPONSE

#### GRI 300: ENVIRONMENTAL

#### GRI 303: WATER AND EFFLUENTS

3-3	Management of material topic	<p>2023 Sustainability Report&gt;Executive Summary&gt;<a href="#">2030 Goals &amp; Progress</a></p> <p>2023 Sustainability Report&gt;Supporting a Lower-Carbon Future&gt;<a href="#">Carbon in Our Value Chain</a></p> <p>While our manufacturing operations are not as water-intensive as those of other industries, we nonetheless recognize the far-reaching economic, social and environmental implications that water scarcity may have in the future — and are taking steps to reduce our consumption.</p> <p>We continue to implement conservation strategies to:</p> <ul style="list-style-type: none"> <li>• Reduce water use in our operations</li> <li>• Explore water-treatment technologies</li> <li>• Introduce water-recycling processes</li> <li>• Train employees about water resources to raise their awareness of the issue</li> </ul> <p>Around the world, Caterpillar facilities implement water management strategies, with increased emphasis in areas of water scarcity aligned with our 2030 goal.</p>
303-1	Interactions with water as a shared resource: Interactions with water, how and where water is withdrawn, consumed, and discharged and the water-related impacts	<p>2023 Sustainability Report&gt;Executive Summary&gt;<a href="#">2030 Goals &amp; Progress</a></p> <p>2023 Sustainability Report&gt;Supporting a Lower-Carbon Future&gt;<a href="#">Carbon in Our Value Chain</a></p> <p>2023 Sustainability Report&gt;Beyond Caterpillar: Investing In Communities&gt;<a href="#">Diversity &amp; Inclusion</a></p>
303-3	Water withdrawal: Surface water; Groundwater; Seawater; Produced water; Third-party water	2023 Sustainability Report>Reporting>ESG Data> <a href="#">Water-Operations</a>
303-5	Water consumption: Water consumption measures water used by an organization such that it is no longer available for use by the ecosystem or local community	2023 Sustainability Report>Reporting>ESG Data> <a href="#">Water-Operations</a>

# GRI INDEX

## GENERAL DISCLOSURES

DISCLOSURE NUMBER	DISCLOSURE	LOCATION/RESPONSE
<b>GRI 300: ENVIRONMENTAL</b>		
<b>GRI 305: EMISSIONS</b>		
3-3	Management of material topic	2023 Sustainability Report> <a href="#">Supporting a Lower-Carbon Future</a> 2023 Sustainability Report>Executive Summary> <a href="#">2030 Goals &amp; Progress</a>
305-1	Direct (Scope 1) GHG emissions	2023 Sustainability Report>Supporting a Lower-Carbon Future> <a href="#">Carbon in Our Value Chain</a>
305-2	Energy indirect (Scope 2) GHG emissions	2023 Sustainability Report>Supporting a Lower-Carbon Future> <a href="#">Carbon in Our Value Chain</a>
305-3	Other indirect (Scope 3) GHG emissions	2023 Sustainability Report>Supporting a Lower-Carbon Future>Carbon in Our Value Chain> <a href="#">Understanding Our Scope 3 Emissions</a>
305-4	GHG emissions intensity: Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2) and/or other indirect (Scope 3)	2023 Sustainability Report>Reporting>ESG Data> <a href="#">Energy-Operations</a> 2023 Sustainability Report>Reporting>ESG Data> <a href="#">Product</a>
305-5	Reduction of GHG emissions: Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2) and/or other indirect (Scope 3)	2023 Sustainability Report>Reporting>ESG Data> <a href="#">Energy-Operations</a> 2023 Sustainability Report> <a href="#">Supporting a Lower-Carbon Future</a> 2023 Sustainability Report>Executive Summary> <a href="#">2030 Goals &amp; Progress</a>

# GRI INDEX

## GENERAL DISCLOSURES

DISCLOSURE NUMBER	DISCLOSURE	LOCATION/RESPONSE
<b>GRI 300: ENVIRONMENTAL</b>		
<b>GRI 306: WASTE</b>		
3-3	Management of material topic	2023 Sustainability Report>Supporting a Lower-Carbon Future> <a href="#">Carbon in Our Value Chain</a> 2023 Sustainability Report>Supporting a Lower-Carbon Future> <a href="#">Supporting a Circular Economy</a> 2023 Sustainability Report>Executive Summary> <a href="#">2030 Goals &amp; Progress</a>
306-1	Waste generation and significant waste-related impacts: Impacts relate to waste generated in the organization's own activities or to waste generated upstream or downstream in its value chain. Types of inputs and outputs can include raw materials, process and manufacturing materials, leaks and losses, waste, by-products, products or packaging	2023 Sustainability Report>Supporting a Lower-Carbon Future> <a href="#">Supporting a Circular Economy</a>
306-2	Management of significant waste-related impacts: Circularity measures, taken to prevent waste generation in the organization's own activities and upstream and downstream in its value chain	2023 Sustainability Report>Supporting a Lower-Carbon Future> <a href="#">Carbon in Our Value Chain</a> 2023 Sustainability Report>Supporting a Lower-Carbon Future> <a href="#">Supporting a Circular Economy</a>
306-3	Waste generated	2023 Sustainability Report>Reporting>ESG Data> <a href="#">Waste-Operations</a>
306-4	Waste diverted from disposal	2023 Sustainability Report>Reporting>ESG Data> <a href="#">Waste-Operations</a>
306-5	Waste directed to disposal	2023 Sustainability Report>Reporting>ESG Data> <a href="#">Waste-Operations</a>
<b>GRI 400: SOCIAL</b>		
<b>GRI 401: EMPLOYMENT</b>		
3-3	Management of material topic	2023 Sustainability Report>Reporting> <a href="#">Prioritization &amp; Management of ESG Issues</a> 2023 Sustainability Report> <a href="#">The Power of Everyone</a>
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	2023 Sustainability Report>The Power of Everyone> <a href="#">Health &amp; Well-Being</a>
401-3	Parental leave	2023 Sustainability Report>The Power of Everyone> <a href="#">Health &amp; Well-Being</a>

# GRI INDEX

## GENERAL DISCLOSURES

DISCLOSURE NUMBER	DISCLOSURE	LOCATION/RESPONSE
<b>GRI 400: SOCIAL</b>		
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY</b>		
3-3	Management of material topic	2023 Sustainability Report> <a href="#">Returning People Home Safely</a>
403-1	Occupational health and safety management system: A description of the scope of workers, activities, and workplaces covered by the occupational health and safety management system, and an explanation of whether and, if so, why any workers, activities or workplaces are not covered	2023 Sustainability Report> <a href="#">Returning People Home Safely</a> 2023 Sustainability Report>Supporting a Lower-Carbon Future>Carbon in Our Value Chain> <a href="#">EHS Management System</a>
403-2	Hazard identification, risk assessment, and incident investigation: A description of the processes for workers to report work-related hazards and hazardous situations, and an explanation of how workers are protected against reprisals	2023 Sustainability Report> <a href="#">Returning People Home Safely</a>
403-3	Occupational health services: A description of the occupational health services' functions that contribute to the identification and elimination of hazards and minimization of risks	2023 Sustainability Report> <a href="#">Returning People Home Safely</a>
403-4	Worker participation, consultation, and communication on occupational health and safety: Participation in the occupational health and safety management system	2023 Sustainability Report> <a href="#">Returning People Home Safely</a>
403-5	Worker training on occupational health and safety: Occupational health and safety training provided to workers	2023 Sustainability Report> <a href="#">Returning People Home Safely</a>
403-6	Promotion of worker health: How the organization maintains the confidentiality of workers' personal health-related information	<a href="#">Employee Assistance Program</a>
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships: A description of the organization's approach to preventing or mitigating significant negative occupational health and safety impacts that are directly linked to its operations, products or services	2023 Sustainability Report> <a href="#">Returning People Home Safely</a>
403-8	Workers covered by an occupational health and safety management system: The number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system	100% of Caterpillar employees and workers at Caterpillar who are not employees but whose workplace is directed by Caterpillar are covered by an occupational health and safety management system.
403-9	Work-related injuries	2023 Sustainability Report>Reporting>ESG Data> <a href="#">People Data</a>
403-10	Work-related ill health	2023 Sustainability Report>Reporting>ESG Data> <a href="#">People Data</a>



# GRI INDEX

## GENERAL DISCLOSURES

DISCLOSURE NUMBER	DISCLOSURE	LOCATION/RESPONSE
<b>GRI 400: SOCIAL</b>		
<b>GRI 404: TRAINING AND EDUCATION</b>		
3-3	Management of material topic	2023 Sustainability Report>The Power of Everyone> <a href="#">Developing Our People</a>
404-2	Programs for upgrading employee skills and transition assistance programs: Programs implemented and assistance provided to upgrade employee skills	2023 Sustainability Report>The Power of Everyone> <a href="#">Developing Our People</a>
404-3	Percentage of employees receiving regular performance and career development reviews: Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period	Our talent processes guide us to provide 100% of employees with performance and development feedback informally and/or formally, throughout the course of the year. In addition to receiving performance feedback from leaders and/or colleagues, employees are encouraged to share performance feedback as well. Employees use performance feedback as one of the inputs to inform career and development conversations, which they're encouraged to have on an ongoing basis with their leaders.
<b>GRI 416: CUSTOMER HEALTH AND SAFETY</b>		
3-3	Management of material topic	2023 Sustainability Report>Returning People Home Safely> <a href="#">Helping Customers Return Home Safely</a>
416-1	Assessment of the health and safety impacts of product and service categories: Efforts to address health and safety across the life cycle of a product or service	2023 Sustainability Report>Returning People Home Safely> <a href="#">Helping Customers Return Home Safely</a>

# FORWARD-LOOKING STATEMENTS

Certain statements in this press release 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,” “forecast,” “target,” “guide,” “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 speak only as of the date they are made, 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 and regional economic conditions and economic conditions in the industries we serve; (ii) commodity price changes, material price increases, fluctuations in demand for our products or significant shortages of material; (iii) government monetary or fiscal policies; (iv) political and economic risks, commercial instability and events beyond our control in the countries in which we operate; (v) international trade policies and their impact on demand for our products and our competitive position, including the imposition of new tariffs or changes in existing tariff rates; (vi) our ability to develop, produce and market quality products that meet our customers’ needs; (vii) the impact of the highly competitive environment in which we operate on our sales and pricing; (viii) information technology security threats and computer crime; (ix) inventory management decisions and sourcing practices of our dealers and our OEM customers; (x) a failure to realize, or a delay in realizing, all of the anticipated benefits of our acquisitions, joint ventures or divestitures; (xi) union disputes or other employee relations issues; (xii) adverse effects of unexpected events; (xiii) disruptions or volatility in

global financial markets limiting our sources of liquidity or the liquidity of our customers, dealers and suppliers; (xiv) failure to maintain our credit ratings and potential resulting increases to our cost of borrowing and adverse effects on our cost of funds, liquidity, competitive position and access to capital markets; (xv) our Financial Products segment’s risks associated with the financial services industry; (xvi) changes in interest rates or market liquidity conditions; (xvii) an increase in delinquencies, repossessions or net losses of Cat Financial’s customers; (xviii) currency fluctuations; (xix) our or Cat Financial’s compliance with financial and other restrictive covenants in debt agreements; (xx) increased pension plan funding obligations; (xxi) alleged or actual violations of trade or anti-corruption laws and regulations; (xxii) additional tax expense or exposure, including the impact of U.S. tax reform; (xxiii) significant legal proceedings, claims, lawsuits or government investigations; (xxiv) new regulations or changes in financial services regulations; (xxv) compliance with environmental laws and regulations; (xxvi) catastrophic events, including global pandemics such as the COVID-19 pandemic; and (xxvii) other factors described in more detail in Caterpillar’s Forms 10-Q, 10-K and other filings with the Securities and Exchange Commission.



Cat 908 Compact Wheel Loader



Visit [caterpillar.com/sustainability](https://caterpillar.com/sustainability) to learn more about how we are helping our customers build a better, more sustainable world.

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