



SUSTAINABILITY AT CATERPILLAR 2023

OUR COMMITMENT TO BUILDING
A BETTER, MORE SUSTAINABLE WORLD

Read our 2022 Sustainability Report for more details:
caterpillar.com/sustainability

MY BACKGROUND

- Education
 - BS in Mfg Engineering - Tufts University
 - MBA - University of Southern California
- 35 Years Work Experience
 - USMC
 - National Conveyor Corporation
 - Products Engineering Corporation
 - AlliedSignal
 - George Group
 - Caterpillar
 - Solar Turbines
 - Large Power Systems Division



Solar[®] Turbines

A Caterpillar Company

CATERPILLAR[®]

NEARLY

100 Years of Sustainable Innovation

Since our earliest days, Caterpillar has provided products and services that benefit our customers, while helping build a better, more sustainable world.



1906

In **1906**, Benjamin Holt tested his first gasoline-powered track-type tractor that eventually replaced inefficient, steam-powered track-type tractors. His invention was named “Caterpillar,” and it was the first step on a never-ending journey toward more efficient power sources for our machines.



1930

In the **1930s**, Caterpillar track-type tractors were converted to run on alternative fuels such as butane and propane. This Caterpillar Seventy track-type tractor was equipped to burn butane in Hanford, California. In this same decade, Caterpillar converted gasoline engines to burn natural gas, and sold diesel engine conversion kits that allowed existing customers to “modernize” their gasoline-powered Sixty tractors.



1973

What began as a customer request for a low-cost repair option transformed into one of Caterpillar’s most dynamic brands—Cat Reman. In **1973**, the first Caterpillar remanufacturing plant began production in Bettendorf, Iowa.



2019

In **2019**, Caterpillar introduced the D6 XE, the world’s first elevated sprocket electric drive dozer, providing substantial fuel savings and efficiency alongside increased productivity compared to the D6T dozer.

WE HELP OUR CUSTOMERS BUILD A BETTER, MORE SUSTAINABLE WORLD.

Caterpillar Confidential Green

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WHAT DOES SUSTAINABILITY MEAN AT CATERPILLAR?



As one of Our Values in Action and strategic area of focus, Sustainability is part of who we are and what we do every single day.

Caterpillar is committed to building a better, more sustainable world.

As we execute our enterprise strategy, we're driving long-term profitable growth and furthering our sustainability, or **environmental, social and governance (ESG)**, journey.



SUSTAINABILITY



ENVIRONMENTAL



SOCIAL



GOVERNANCE



SUSTAINABILITY GOVERNANCE & ENGAGEMENT



BOARD OF DIRECTORS OVERSIGHT

Caterpillar leadership regularly reports to the board's Sustainability and other Public Policy Committee regarding sustainability and climate strategies, priorities, goals and performance.



CHIEF SUSTAINABILITY OFFICER

Reporting to the CEO, the CSO provides leadership for the execution of sustainability and works together with Caterpillar's Executive Office to further integrate sustainability considerations in our core business strategies.



EMPLOYEE ENGAGEMENT

Employee engagement for sustainability is strengthened through the Caterpillar Sustainability Advocates network which is open to all employees.

2030

SUSTAINABILITY GOALS

OUR COMMITMENT TO BUILDING A BETTER, MORE SUSTAINABLE WORLD

EMPLOYEE HEALTH & SAFETY

Reduce recordable injury frequency by

50%

OPERATIONS ENERGY & EMISSIONS

Reduce absolute greenhouse gas emissions by

30%

OPERATIONS WATER

Implement water management strategies in

100%

of high-risk areas

OPERATIONS WASTE

Reduce landfill intensity by

50%

PRODUCT EMISSIONS & ENERGY EFFICIENCY

of new products more sustainable than previous generation

100%

REMANUFACTURING

Increase sales and revenues by


25%

CUSTOMER SAFETY

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

OPERATIONS

PRODUCTS & SERVICES FOR OUR CUSTOMERS

 Indicates alignment to climate and environmental-related objectives.

 Indicates alignment to Sustainability Accounting Board Standards (SASB).

Note: Where applicable, progress is measured from a 2018 base year.

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2022 SUSTAINABILITY HIGHLIGHTS



33%

reduction in Scope 1 + 2 greenhouse gas emissions from 2018



17%

improvement in recordable injury frequency from 2018



14

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



Nearly **\$900M** invested by the Caterpillar Foundation over the last 70 years



100%

of new products introduced reduced waste, improved design for rebuild/remanufacturing, lowered emissions or improved efficiency from the previous generation



140M lbs*

of material taken back through Cat Reman



Successful demonstration of
first battery electric

793 large mining truck prototype, complementing our innovative portfolio of products and services designed to help our customers achieve their climate-related goals

*Data does not include Progress Rail, Solar Turbines, Caterpillar Energy Solutions and Caterpillar Defense.

OUR ROLE IN THE ENERGY TRANSITION

Building Infrastructure

Our construction equipment helps build the infrastructure for the energy transition. Our mining equipment supports the increased demand in critical materials, such as copper, lithium, nickel and cobalt, required for electric vehicles, battery storage, wind and solar power, and grid modernization and stability.

Optimizing Natural Gas

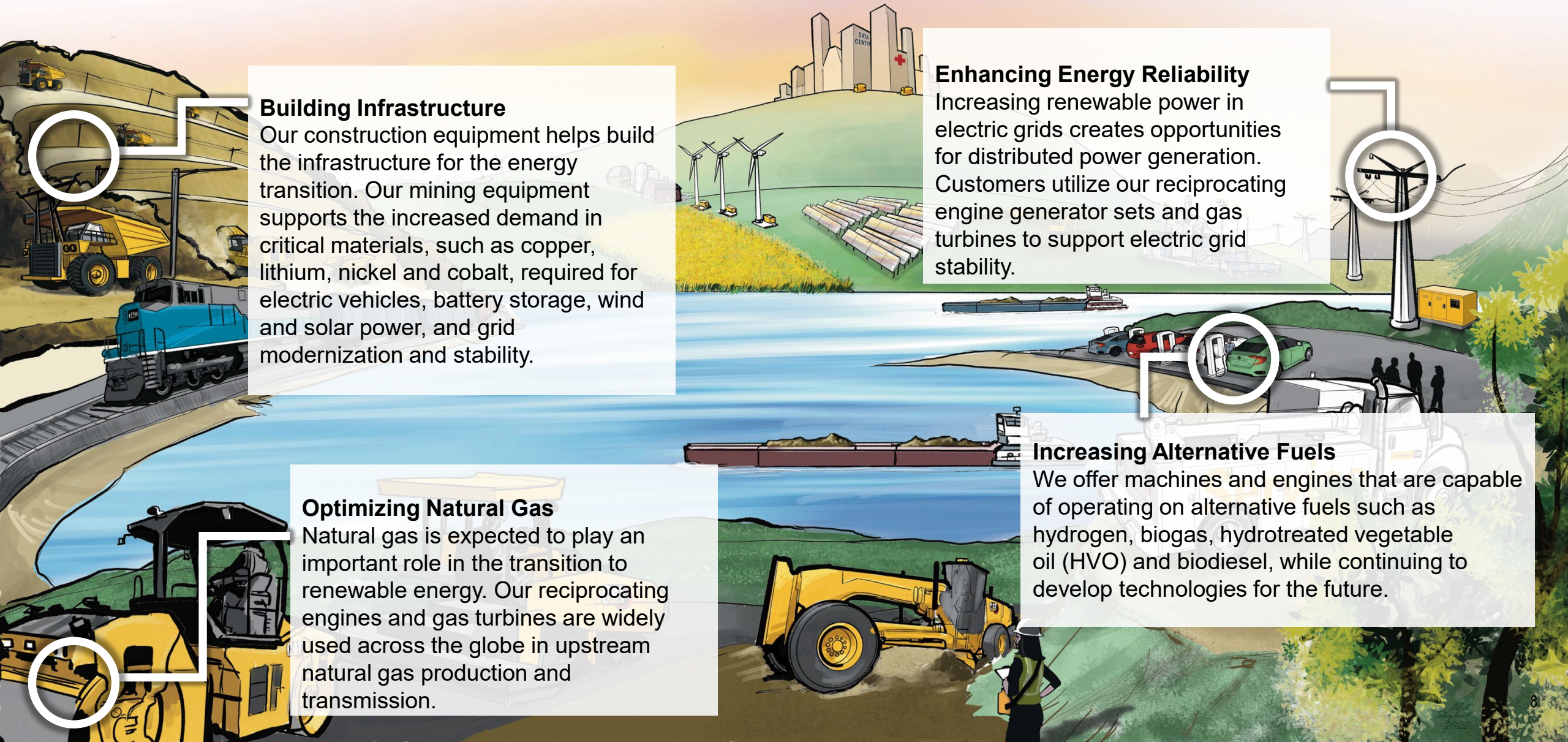
Natural gas is expected to play an important role in the transition to renewable energy. Our reciprocating engines and gas turbines are widely used across the globe in upstream natural gas production and transmission.

Enhancing Energy Reliability

Increasing renewable power in electric grids creates opportunities for distributed power generation. Customers utilize our reciprocating engine generator sets and gas turbines to support electric grid stability.

Increasing Alternative Fuels

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



2030

SUSTAINABILITY GOALS

OUR COMMITMENT TO BUILDING A BETTER, MORE SUSTAINABLE WORLD

PRODUCT EMISSIONS & ENERGY EFFICIENCY

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.



Learn more: caterpillar.com/sustainability

Caterpillar: Nonconfidential

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REMANUFACTURING

DELIVERING MULTIPLE SUSTAINABILITY BENEFITS

For 50 years, Caterpillar's remanufacturing and rebuild businesses have provided customers with quality equipment that helps deliver lower owning and operating costs. Our engineering and manufacturing expertise, field population and dealer organization make it possible for us to offer remanufactured products and components through many of our brands and rebuild options through our dealers.

REMANUFACTURING ACROSS OUR BRANDS:

- Cat® Reman
- Caterpillar Energy Solutions
- Solar Turbines
- Caterpillar Defense
- Progress Rail
- Cat Certified Rebuild



140M lbs
of material taken back through Cat Reman

2030 GOAL:

Increase sales and revenues from remanufacturing offerings by **25%** from 2018 to 2030





REDUCING CARBON IN OUR OPERATIONS

ENERGY INNOVATION IN CATERPILLAR'S LAFAYETTE FACILITY

- Using the electricity generated by the endurance test pad as supplemental energy to power the facility
- Estimated to have resulted in more than 114,000 MT of GHG emissions avoided over the last five years
- Contributing to enterprise target to reduce GHG emissions from our operations
- Saved the facility more than \$8.5 million

Read stories and learn more about how Caterpillar puts sustainability into action by visiting: caterpillar.com/sustainability

2022 SUSTAINABILITY REPORT:

Caterpillar's Environmental, Social and Governance Approach

Inside the report:

- Our Role in the Energy Transition
- Helping Our Customers Build a Better, More Sustainable World
- Supporting a Circular Economy
- Understanding Our Scope 3 Emissions
- Reducing Carbon in Our Operations
- Returning People Home Safely
- The Power of Everyone
- Our Values in Action
- Reporting

View the Sustainability Report: caterpillar.com/sustainability





AWARDS AND RECOGNITION

BUSINESS

Dow Jones Sustainability North America Indices
23 years

S&P Global
2022 Sustainability Yearbook

Newsweek
Most Responsible Companies 2023 (#293)
Most Trusted Companies (#7)

Interbrand
Best Global Brands (#83)

Wall Street Journal
Best Managed Companies of 2022

Barron's
2023 100 Most Sustainable U.S. Companies (#74)

WORKPLACE

Forbes Magazine
World's Best Employers 2022 (#116)
America's Best Employers 2022 (#289)
America's Best Employers by State 2022
Best Employers for Veterans (#83)
Global 2000, 2022 (#139)
Mexico's Best Employers (#6)

Human Rights Campaign
Corporate Equality Index 2022 (75%)
Equidad MX 2023, top major Mexican businesses
and multinationals for LGBT workplace inclusion,
Caterpillar Nuevo Laredo

Fortune Magazine
World's Most Admired Companies (#102)
Fortune 500 (#78)

Financial Times
Europe's Diversity Leaders (#610)

5 Stars Award
Best Company To Work For in Brazil,
"Large" Category

United Way Worldwide
Global Corporate Leadership Program

10+

For more than 10 years, the annual internal Sustainability Excellence Awards have engaged our employees by recognizing Caterpillar teams or individuals who develop more sustainable products, services, solutions or processes.

OUR CUSTOMERS' CLIMATE JOURNEY

With nearly a century of sustainable innovation, Caterpillar is driven to help our customers achieve their climate-related goals and to build a better, more sustainable world.

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• QUESTIONS