

THE POWER OF EVERYONE.

BUILDING A BETTER WORLD
Caterpillar Diversity and Inclusion Report



MARCH 2021

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WHY DIVERSITY AND INCLUSION MATTER AT CATERPILLAR



Women in Leadership Conference
Jim Umpleby, Chairman and Chief Executive Officer
Cheryl Johnson, Chief Human Resources Officer



A message from our Chairman and Chief Executive Officer

At Caterpillar, we are proud of our 95-year history of facing and overcoming challenges. We celebrate our global, diverse team that has built our company through hard work, innovation and an unwavering focus on helping our customers succeed.

Our first **Caterpillar Global Diversity and Inclusion Report** describes our journey to build a more globally diverse workforce and inclusive environment to support our employees and the communities where we live and work. We value diverse perspectives and strive to ensure our global team reflects the many communities and customers we serve around the world. Caterpillar welcomes people of all races, ethnic groups, genders, religions, national origins, ages, sexual orientations, levels of ability and veteran statuses.

The report includes data and insights into our U.S. racial diversity as well as our global gender diversity, and describes our journey to build a workplace where everyone can succeed.

Our commitment to diversity and inclusion starts at the top. We are proud of our progress in the diversity of our Board of Directors and executive leadership team and our programs that foster an inclusive environment and fuel innovation.

We understand meaningful work remains. Caterpillar faces every challenge with one simple response: let's do the work! We are committed to doing the important work of improving diversity at every level of our business to create positive and sustainable progress by leveraging our employees unique backgrounds and experiences.

Our increasingly diverse global team's capabilities and commitment make me confident Caterpillar's best years lie ahead.

Jim – Jim Umpleby
Chairman and Chief Executive Officer

Notable Milestones





UNITED BY OUR VALUES

Caterpillar has long drawn on the diversity of its people as a source of innovation and competitive advantage. We are proud that our people come from across the globe, with diverse backgrounds, experiences and perspectives. Despite our differences – in geography, culture, language and business – we are one Caterpillar, one company united by these common principles with a shared commitment to the highest standards of conduct.

We are committed to our purpose: Helping our customers build a better world. Our diversity and inclusion principles are embedded in **Our Values In Action**, which define what we stand for and how we conduct ourselves with our customers, partners and one another.

We are a team that shares our unique talents to help those with whom we work, live and serve. The diverse thinking and decision making of our people strengthens us. We respect and value people with different opinions, experiences and backgrounds. We know that by working together, we can produce better results than any of us can achieve alone. The full value of each individual's contribution can be realized only when we treat one another with the respect, trust and dignity we ourselves expect. Caterpillar insists on a work environment free of intimidation and harassment. As individual employees, we have the right to expect a positive working environment, along with the responsibility to speak out and ask for change if we observe conduct that runs contrary to our principles. We build and maintain a productive, motivated workforce by treating all employees fairly and equitably.

OUR DIFFERENCES MAKE US STRONGER

OUR VALUES IN ACTION

INTEGRITY

The Power of Honesty

EXCELLENCE

The Power of Quality

TEAMWORK

The Power of Working Together

COMMITMENT

The Power of Responsibility

SUSTAINABILITY

The Power of Endurance

“Caterpillar has a well-earned reputation for the best products and services; our global team of diverse and dedicated employees protects our reputation and our future by living Our Values In Action and winning the right way.”

– Suzette Long
Chief Legal Officer and General Counsel



Dow Jones Sustainability Indices, World and North America

ONE GLOBAL TEAM

97,300 Employees

76
DIFFERENT
LANGUAGES

North America

42%

Europe,
Africa,
Middle East,
Eurasia

18%

22%

Asia-Pacific

Latin America

17%

66
COUNTRIES

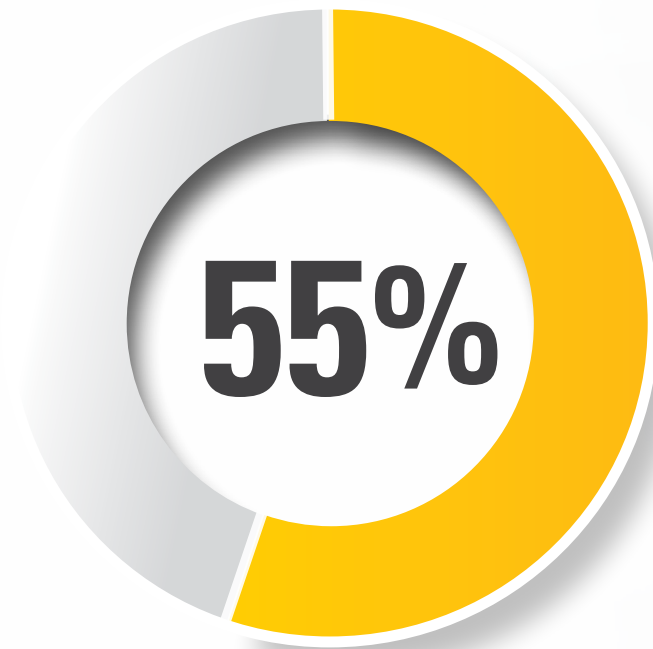
150
LOCATIONS

1.8% OTHER

*Percentages represent employees per region

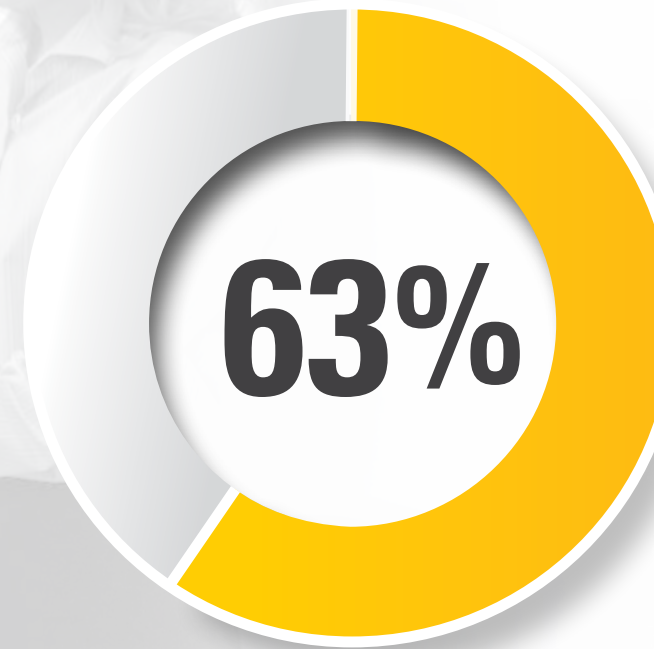
OUR BOARD OF DIRECTORS AND EXECUTIVE OFFICE

INDEPENDENT DIRECTORS OF THE BOARD



WOMEN AND/OR RACIALLY DIVERSE

CEO DIRECT REPORTS



WOMEN AND/OR RACIALLY DIVERSE

4

INDEPENDENT DIRECTORS ADDED SINCE JANUARY 2015 ARE WOMEN OR RACIALLY DIVERSE

63%

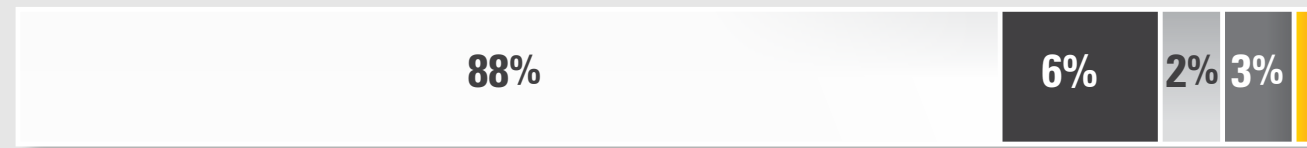
WOMEN AND/OR RACIALLY DIVERSE DIRECT REPORTS TO THE CEO FROM ZERO SINCE JANUARY 2015



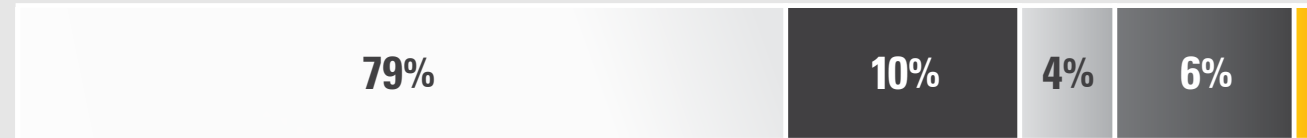
America's Best Employers for Diversity – Forbes Magazine

U.S. EMPLOYEE REPRESENTATION

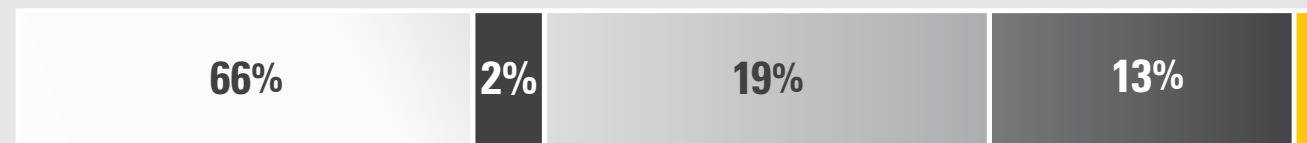
EXECUTIVES



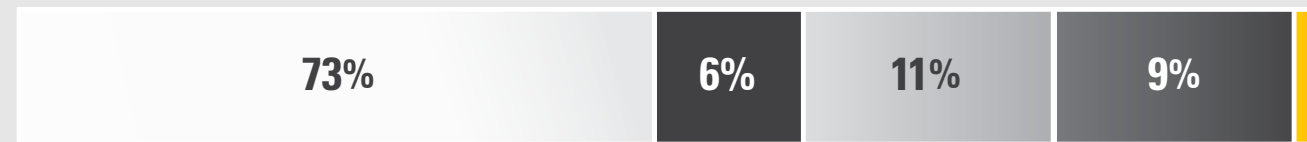
MANAGERS AND PROFESSIONALS



PRODUCTION



TOTAL U.S. WORKFORCE



50% 100%

WHITE
 ASIAN
 BLACK
 LATINX
 OTHER

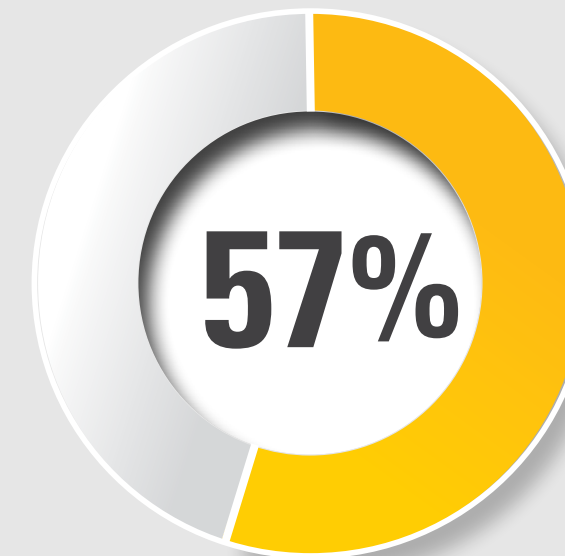
*Additional racial or ethnic groups comprise <1% of our employees.

AS OF DECEMBER 2020



OF EMPLOYEES UNDER AGE 35 ARE WOMEN AND/OR RACIALLY DIVERSE

*22% RACIALLY DIVERSE MEN, 16% WHITE WOMEN, 12% RACIALLY DIVERSE WOMEN



OF EMPLOYEES WHO WERE HIRED IN THE PAST 3 YEARS ARE WOMEN AND/OR RACIALLY DIVERSE

*26% RACIALLY DIVERSE MEN, 16% WHITE WOMEN, 15% RACIALLY DIVERSE WOMEN

7% VETERANS

3% PERSONS WITH DISABILITIES

GENDER REPRESENTATION

Since 2015, our global representation of women has increased to 20% from 18%, while the representation of women in leadership roles* has increased to 20% from 16%. We remain committed to achieving our aspirational goal of 29% global representation and 25% women in leadership roles.

Women represented in professional roles within our Legal, Finance and Human Resources corporate functions combined is 61%. We have also made important strides in technical roles in logistics, procurement, digital and IT where we are close to or exceed 30% female representation.

We continue to focus on improving representation in our manufacturing, sales, product support and engineering functions. We will achieve this through our ongoing commitment to providing development and career opportunities to retain our current talent. To help us attract and hire more women, we will also continue to foster our long-standing strategic partnerships with organizations like the Society of Women Engineers.

Supporting women with programs, role models, mentors and peers, are all ways that we are working to help attract and retain talent at Caterpillar. We provide a wide array of health, wellness and support programs that address the full employee life cycle, from early career to retirement.

Our Women's Initiative Network is an integral part of that support system. It has more than 75 chapters globally, and has experienced a 200% growth in the last 5 years. Their active involvement in the networking, mentorship and crucial professional development is an important element of what helps drive success in the development and retention of our female workforce.

* Women in leadership roles defined as women who have direct reports

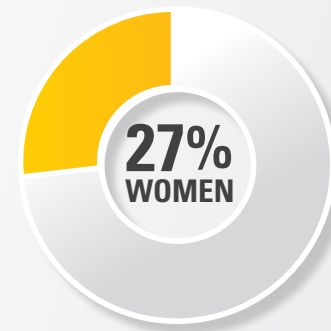
TOTAL GLOBAL WORKFORCE



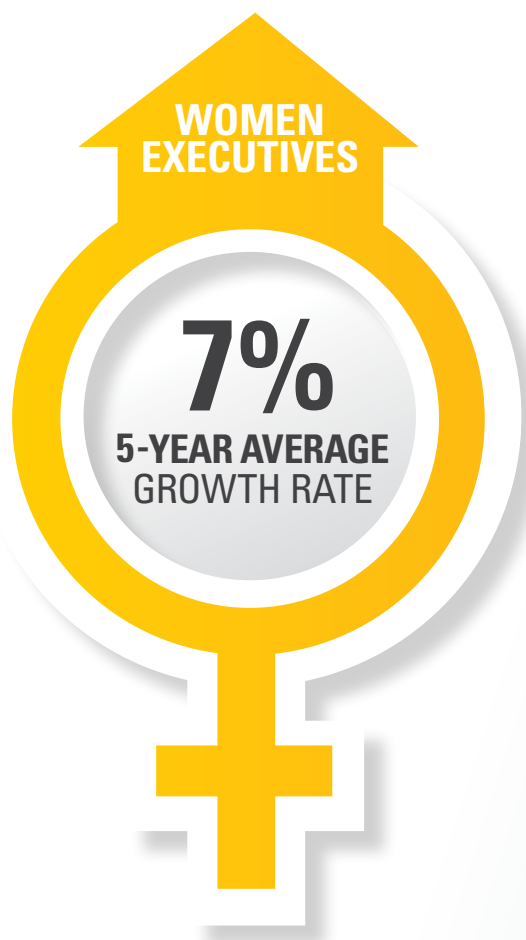
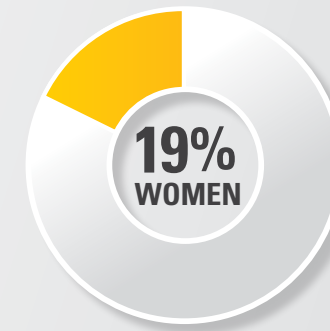
PRODUCTION



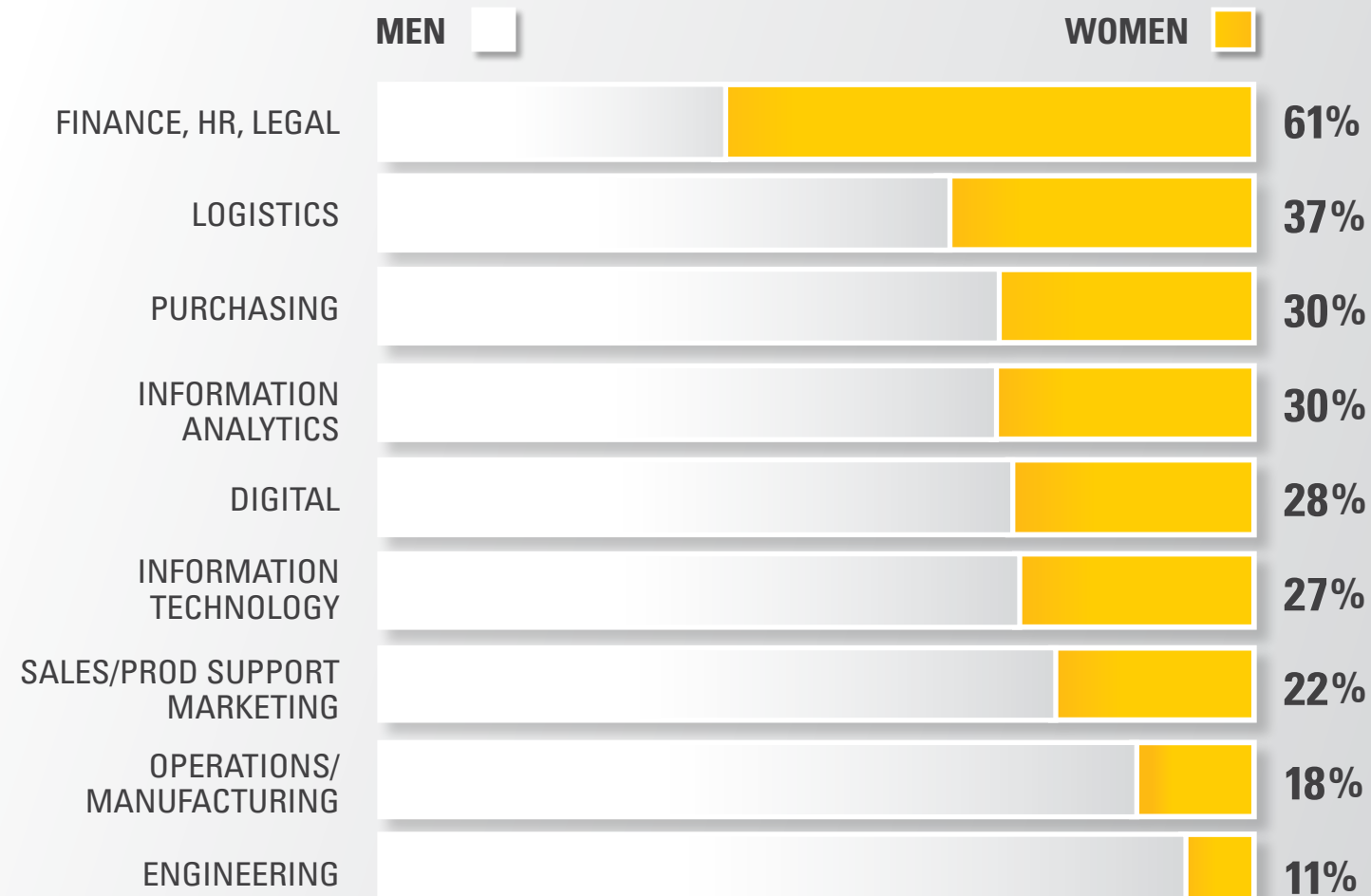
MANAGERS / PROFESSIONALS



EXECUTIVES



GENDER DIVERSITY ACROSS FUNCTIONS



Best Employers for Women – Forbes



Our female leaders Empower Women in STEM



Prathima Gollapudi is a senior design engineer who was the only female engineer on her immediate team when she joined Caterpillar in 2006. That's no longer the case as she takes an active role in inspiring other women to enter STEM professions. She is the professional development chair for the Society of Women Engineers in Tucson, Arizona, U.S., and a Caterpillar liaison for Junior Achievement, a global non-profit that fosters work-readiness, entrepreneurship and financial literacy skills.

"Being equipped with the basics of mathematics, engineering and sciences have constantly given me an edge while translating the customer needs into the technical specifications needed to define and set the new design and manufacturing parameters. We cannot afford to exclude any gender in this quest for a better tomorrow."

– **Prathima Gollapudi**
Senior Design Engineer

DEVELOPING FUTURE GENERATIONS OF WOMEN FOR STEM CAREERS

Research shows that early exposure to STEM activities helps shape children's attitudes and influences their career choices. We not only think about today's talent pipeline, but we also are actively engaged in preparing the next generation for important STEM careers. Our commitment extends beyond Caterpillar's four walls and into the communities where our employees, partners and customers live and work. We provide global informal learning environments that expose girls to a variety of STEM career options to cultivate their interest, increase their math and science literacy, inspire critical thinking and fuel the next generation of women innovators.

Girls Experience Mining Day at Tinaja Hills Demonstration & Learning Center. High school girls from underserved schools in **Tucson, Arizona, U.S.**, learned about the wide variety of career opportunities in the mining industry. The event focused on Cat® equipment demonstrations and showed how STEM skills are used to resolve mining-related challenges.

The Engine Systems & Controls Development team at **Bangalore, India**, facility hosts students teaching them how STEM skills can be applied in product development. Examples in use of augmented reality in performing virtual product design validation helps tie the virtual and physical worlds together using 21st century skills.

The Wee Caterpillar program in **Northern Ireland** encourages interest in STEM careers. Students "suit up" for a day at our facility, where they are led by female leaders and see women in technical roles.

"Our teams are passionate about STEM outreach. In 2020, nearly 1,000 Caterpillar engineers – male and female – volunteered for K-12 STEM activities like FIRST Lego League and FIRST Robotics, as well as student outreach activities through professional associations. Exposing young people to the possibilities, mentors and excitement in STEM careers, particularly girls, leads them to discover their interest in STEM fields and to visualize themselves as future engineers."

– **Lou Balmer-Millar**
General Manager, Engineering



DOING THE WORK THAT MATTERS

Investing in Working Smarter

At Caterpillar, our employees do work that matters. We have been transforming how we work, to simplify employees' routine tasks and amplify their ability to manage their careers. This includes investments that provide our employees a more contemporary work environment, creates transparency in opportunities and gives them the platform to display their skills. Our approach allows employees to continually learn. Intentional assignments to broaden functional and technical skills, formal development programs, on-demand learning, and leadership competencies are essential for the future.

Acquiring Talent

Maintaining our competitive advantage requires us to attract, recruit and retain individuals from the widest talent pool possible. At Caterpillar, we are focused on expanding our global diverse candidate pools at all levels of our organization. Our talent initiatives are aimed at improving the internal pipeline of diverse and underrepresented talent through intentional development and learning opportunities that positively impact retention. We have expanded our reach into talent markets that strengthen our pipeline's diversity through strategic talent sourcing enabled by technology. We are creating engaging, personalized experiences to attract top talent.

We are proliferating the use of diverse interview and selection teams to help provide a comprehensive perspective on the candidate's experience and skills in support of objective selection. As an added benefit, our candidates receive a more well-rounded view of our organization and have a better overall perception of Caterpillar. We also partner with not-for-profit organizations teaching and coaching potential candidates on interviewing skills as we contribute to developing the communities around us.



"It's important as leaders that we focus on building the best team, and that means we have to be more intentional about how we strengthen our talent pipeline. We are expanding the use of diverse candidate slates and diverse interview panels to gather an array of opinions that helps us get the best outcomes when selecting a candidate. Having a diverse, high-performing team results in broader perspectives, different ideas and improved decision making. That's how we bring value to our customers and help them build a better world."

– **Denise Johnson**
Group President, Resource Industries

DOING THE WORK THAT MATTERS

Leveraging Strategic Talent Partnerships

We intentionally leverage a variety of both internal and external partnerships to help increase the diversity of our talent pipelines. Our ERGs actively participate in recruiting events and make referrals to help our Human Resources and business teams identify candidates for hire. We also partner and build relationships with community leaders and other organizations to help us find and hire diverse talent. We identify, engage and partner with universities around the world to ensure we have access to underrepresented talent.



“Our longstanding relationship with Historically Black Colleges and Universities (HBCUs) has been an instrumental part in how we have attracted talented Black employees to Caterpillar. As a graduate of Southern University and scholar of the Thurgood Marshall College Fund, it has been my privilege to maintain the connection between these important educational institutions. Our employees that have joined us from HBCUs are important to our ability to innovate, problem solve and help create value for our customers.”

– **Domenic Albert**
Senior Engineer

Over the years we have built key relationships with professional membership organizations to help us attract diverse talent, share best practices and foster new ways of thinking. These organizations are:

- » **National Society of Black Engineers**
- » **Thurgood Marshall College Fund**
- » **Society of Professional Hispanic Engineers**
- » **Society of Women Engineers**



Historically Black Colleges and Universities (HBCUs) also help us gain access to a wider talent base. In 2020, our team and the Caterpillar African American Network ERG in Nashville, Tennessee, U.S. was recognized for their collaboration with Fisk University, a local HBCU. Together, they identified and placed diverse candidates from internships into our full-time finance foundational program (a 4-year rotational program) and direct hire positions in business and finance.

Our **E4Life** program connects business leaders with public schools in Peoria, Illinois, U.S. The program provides hands-on manufacturing experience to underserved and underrepresented high school students and has led to full-time employment for some participants. We partner with high schools, colleges and communities in the areas we operate. We are intentional in the ways that we foster interest in careers in our manufacturing operations by supporting and sponsoring STEM programs, and providing internships and scholarships.

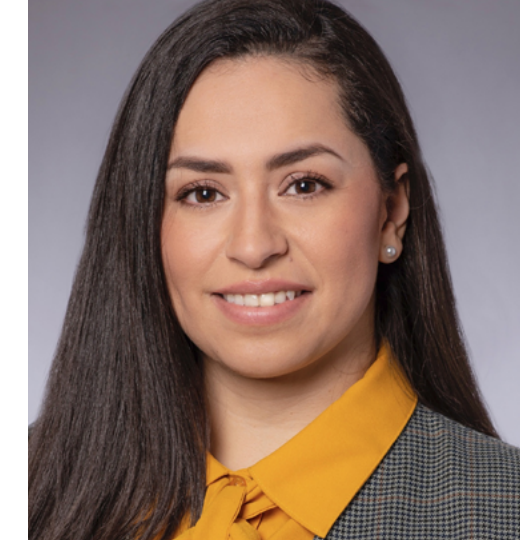
In 2020, Caterpillar joined a coalition of 36 major corporations committed to upskilling, hiring and promoting one million Black Americans over the next 10 years into family-sustaining jobs with opportunities for advancement. The coalition formed **OneTen**, an organization whose goal is to make meaningful, measureable and lasting impact on racial and economic justice.



– **LaNessa Jackson**
IT Engagement Manager
Grambling State University, 2002



DOING THE WORK THAT MATTERS



Developing Leaders

We know our employees have many choices in the market and we are proud so many have chosen careers at Caterpillar. They use their unique skills and are engaged, motivated and focused on delivering value for our customers. Their diversity brings a more comprehensive array of ideas that allow collaboration and sustains innovation. We take important steps to retain our talent.

We provide opportunities for employees to continuously develop the skills and capabilities necessary to lead formally and informally. Employees have access to on-demand learning programs on key topics ranging from emotional intelligence to building trust, enabling employees to build skills needed for professional success in current and future roles.

Our mid to senior level leadership development programs, LD300 and LD400, are formal by-invitation programs. Program participants benefit from gaining insights from executive leaders, from the experiences of their colleagues and former participants, and from passing on what they learn as developers of their teams. Since 2018, more than 50% of the over 300 participants have been gender and/or racially diverse.

In 2020, we launched the **Emerging Markets Emerging Leaders (EMEL)** program, sponsored by our Group Presidents to develop in-region future leaders and equip them with the right tools, network and capabilities to lead in an emerging market environment. Over 100 young professionals, 35% women, representing 29 different nationalities from Africa, the Middle East, Eurasia and India participated in the inaugural program.

Leaders and employees are all encouraged to have ongoing career and development discussions to stay aligned on career aspirations, development opportunities, and future roles. Most job opportunities are visible to our employees when considering their next opportunity for career growth and advancement.

"I personally needed the training, from the EMEL program – it challenged my thinking and character on how I relate with others, and how to lead with authenticity. The reflection and feedback sessions were so key for me, they provided an opportunity to step back and really think of the situation and how one would have navigated it differently. I have started practicing this and try to reflect after a day's work on how the day went, and what I could have done differently. I would definitely recommend the training to anyone who is keen on becoming a leader and individuals who are already in leadership roles."

– **Ennie Mampe Ndweni**
Digital Operations Consultant





DOING THE WORK THAT MATTERS

Experiential learning that is actively supported by engaged leaders is an important avenue for high-impact learning. Our Latino Connection ERG created our Building Diversity Corporate Achievers program (BDCA). The program is designed to connect high-performing, diverse talent with leaders who can support the employee's career goals through on-the-job project experience and leadership development. Participants complete capstone projects and provide report-outs to senior leadership. This experience provides participants increased opportunity to connect with members of senior leadership who can provide development by offering performance-enhancing feedback and career guidance.

Our skill-based programs are designed to upskill our manufacturing employees with the purpose of preparing them for future promotional opportunities. These programs are developed locally and tailored to the specific needs of the business. In China, we continue to invest in programs that encourage women to pursue engineering management and leadership roles.



"The BDCA program gave me insight on actions I can take to move my career forward, and I continue to meet with a mentor to receive feedback and track my progress. The discussions with leadership and my peers have helped me make valuable connections across the business."

– **Christopher Perez**
Product Support Operations Representative

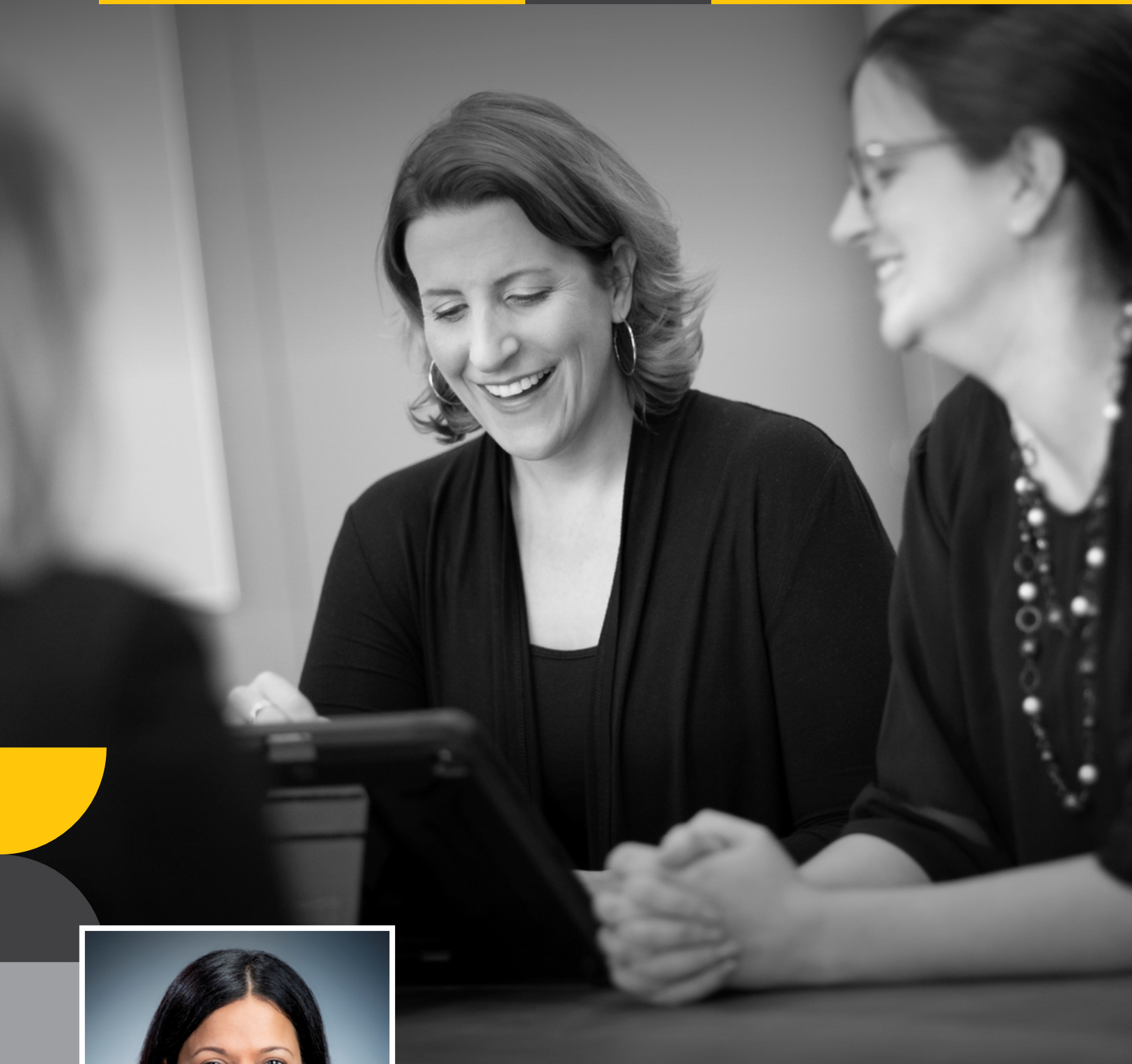
Ongoing Talent Reviews and Succession Planning

Our strategic talent review process and succession planning occur at a minimum, annually, and reflect our business needs and improve our ability to achieve our business objectives. This includes increasing the diversity of our talent pools and succession

plans for advancement of underrepresented talent. Ongoing talent discussions paired with succession planning provides our leaders with more frequent opportunities to get to know our employees, evaluate their capability, and facilitate development

moves essential for building critical experiences and deep expertise. Talent analytics support our on-ongoing talent discussions, inform decisions and help us understand future opportunities to build diverse talent pipelines.





“Solar Turbines mentoring programs provide opportunities to foster diverse talent throughout our business. By consciously including a wide cross-section of talent in our cohorts of 50+ participants each year, we are able to strengthen our pipeline of future leaders, enhance our corporate culture and drive excellent business outcomes.”

– **Aditi Salvi**
Vice President Global HR, Solar Turbines

Mentoring

Mentoring is another key to development. Building capabilities, gaining career guidance and seeking advice in addressing business challenges are all needed for professional growth. Everyone has room to grow – everyone has unique skills, talents and perspectives that can help others to grow as well. We have several distinct mentoring programs designed to reflect the specific characteristics of the cultures of the business or regions of the world. Reverse mentoring between leaders, young professionals, female and racially diverse employees provides deep insights for leaders into an employee’s specific experiences.

With recent investments, we are using technology to offer a more empowered way of connecting mentors and mentees. Our recently launched mentoring program is an open, more inclusive way of mentoring. The program encourages employees to consider what type of mentor they need to support their individual development and enables employees to seek out mentors throughout the company. Mentors and mentees are able to access on-demand learning to support them along the way.

DOING THE WORK THAT MATTERS

Retaining Talent Through Engagement

At Caterpillar, we believe people thrive when their perspectives are valued, their work has purpose and they see opportunities to grow. This is why each year we survey employees for their voluntary feedback on strategy execution, engagement and inclusion. In 2020, our **Employee Insights Survey** yielded over 80% employee participation. Employees shared more than 160,000 comments.

Our employees consistently share that our greatest strength is providing challenging and meaningful work. By incorporating our **Inclusion Index**, we also gain unique insights into how each employee segment experiences inclusion at Caterpillar. At the enterprise level in 2020, our employees across the company scored us higher on every item in our inclusion index than prior years.





CULTIVATING AN INCLUSIVE ENVIRONMENT THROUGH LEARNING

“Education is the most powerful weapon we can use to change the world,” said Nelson Mandela. At Caterpillar, diversity and inclusion training not only creates awareness of issues of bias, but also provides tools for how to take action and address them. We insist that all individuals within our work environment should expect a workplace free of intimidation and harassment. Individuals have the right to expect a positive working environment, along with the responsibility to speak out and ask for change if we observe conduct that runs contrary to this principle.

Our **Breakthrough Leadership for Women Program**, sponsored by our Women’s Initiative Network (WIN) ERG, helps women identify personal strengths and address barriers to becoming a leader. Globally, over 3,000 women have participated in this program focused on networking skills, negotiating conditions for leadership success, gender dilemmas and coaching to overcome leadership challenges. Now in its fifth year, we have also refreshed the content and extended availability to all women.

Men as Allies Program, also sponsored by WIN, was designed to provide tools that develop self-awareness of unconscious bias and how to promote a gender inclusive culture. Over 4,000 men have participated in the workshop.

Our **Safe Space Program**, sponsored by Caterpillar’s Lambda ERG, promotes LGBTIQ+ inclusion in the workplace by guiding employees on how to have effective cultural conversations through person-to-person dialogue that includes inclusive language and respect for cultural nuances.

“Going through this training as well as leading it has given me a better understanding of how people might feel like an outsider. It’s made me more deliberate in the language that I use and helps me to make sure that everyone feels as though there’s a seat for them at the table. It’s less of a skill and more of a way of thinking but I think it’s made me a better teammate.”

– **Kaila Judkins**
Remarketing & Sales Analyst and Lambda Member

Inclusion Infusion

Inclusion Infusion is an interactive forum hosted by our Global Diversity and Inclusion team, providing timely diversity and inclusion topics that include learning paths for our employees, globally. Beginning in 2016, the program covers important concepts including unconscious bias, skills for communicating across cultures and skills for inclusive conversations to help develop an understanding about why diversity and inclusion are important to our culture and our business. Over 15,000 participants have attended these sessions.

As part of our company-wide, broader learning and development strategy, we offer **My D&I Acumen**, a library of virtual resources developed for employees and leaders to help improve understanding of why diversity is important to our business, how to be inclusive of others, and how to contribute to an inclusive culture at Caterpillar. It covers topics on workplace culture, bias, allies, mental health, disability awareness and generational diversity to address how to work together effectively.

“Understanding and including different perspectives is critical to maintaining and evolving a successful corporate culture and fostering diverse talent. Having participated in the program during my time as Group President, I can confirm that Men as Allies helped enhance my understanding of gender dynamics and conscious and unconscious bias.”

– **Tom Pellette**
President, Solar Turbines



14
GROUPS

175
CHAPTERS

11,500
EMPLOYEES

“As a visible LGBTIQ leader at Caterpillar it is my hope that I can continue to inspire other LGBTIQ employees to give them confidence that career progression is possible even when Out at Caterpillar. The Lambda Network ERG provides a way for all employees to advocate on behalf of LGBTIQ employees by Being Visible on behalf of the Invisible.”

– **Phill Jones**
Lambda Network, Global Chair

EMPLOYEE RESOURCE GROUPS

For nearly 20 years, Caterpillar’s Employee Resource Groups (ERGs) have added value for our employees and businesses. Our ERGs are company sponsored and employee led, and promote the unique cultural differences representative of our global community. They build communities on common backgrounds and experiences that provide opportunities for personal and professional development, while welcoming all employees to learn, connect and foster a sense of belonging. Promoting collaboration across cultures, genders, and abilities is the strength that our ERGs’ bring.

- Africa Business Resource Group - **ABRG**
- Active Caterpillar Team - **ACTivate**
- Abled and Disabled Employees Partnering Together - **ADEPT**
- Armed Forces Support Network - **AFSN**
- Caterpillar African American Network - **CAAN**
- Caterpillar Asian Indian Community - **CAIC**
- Caterpillar Chinese Resource Group - **CCRG**
- Caterpillar Lambda Network - **Lambda**
- Caterpillar Latino Connection - **CLC**
- Experienced Professionals - **EP**
- Korean Resource Group - **KRG**
- Middle Eastern Resource Group - **MERG**
- Women’s Initiative Network - **WIN**
- Young Professionals of Caterpillar - **YP**

Caterpillar Diversity and Inclusion Excellence Award

Each year, the Excellence Awards spotlight Caterpillar teams from around the world delivering the best of the best in a wide range of categories: Innovation, Product Quality, Sustainability, Operations and Process Excellence and Diversity & Inclusion. The D&I Award recognizes actions by our business units and ERGs to improve workforce diversity, inclusion and engagement while delivering value to the business. Our annual D&I Award winner is chosen by our CEO. Since the inception of the award, the winners have become positive role models that are emulated by others in our business.



Chile’s 20 Best Places to Work for LGBTQ Equality PwC Human Rights Campaign

INCLUSION DRIVES INNOVATION

Disability inclusion is a priority. Keith Edgerton, a senior staff accountant in Victoria, Texas, is visually impaired. He asked our Abled & Disabled Employees Partnering Together ERG for help solving technical issues he was having that affected his ability to perform his job. A team of representatives from Accounting and IT joined forces to deliver innovative and inclusive solutions to improve his experience and pave the way for others with similar needs.



“At Caterpillar our approach to inclusion is not an initiative or project, it’s a continuum. When you have that approach, you are moving towards sustainable behavior.”

– **Johanna Hladun**
Executive Director of Compliance Review
Women’s Initiative Network, Global Chair



“As an ERG, we work hard not just to be visionaries, but to do real work to support our inclusive culture and make an impact for our fellow employees, dealers and customers. We are actively involved in recruiting, hiring, career planning and advancement and our goal is to ensure our efforts make a measurable and sustainable difference.”

– **Kenneth Jackson**
Quality Analyst
Caterpillar African American Network, Global Chair



“Learning and awareness has been a big part of our journey. Our learning modules help people understand that intent and impact can be very different as we all learn what inclusive behaviors look like and why having an inclusive culture is key to getting the best from our diverse, global employees.”

– **Sherilyn Weaver**
Inclusion and Diversity Lead



Best Places to Work for Disability Inclusion - Disability Equality Index

WORKING WITH OUR PARTNERS

Our Caterpillar independent dealer network* is key to helping us build and maintain close relationships with customers and gain insight into how we can improve our products and services to better suit their needs. We also partner with our dealers to make important and lasting impact in the communities in which we live and work. By building up underserved communities, empowering women and inspiring a new generation of future workers, together we make sustainable change happen.



*Caterpillar's global dealer network consists of 161 independently owned Cat dealers serving 192 countries.

Inspiring the Next Generation

The relationship between Pearl-Cohn Entertainment Magnet High School in Nashville, TN, U.S. and the Cat Financial local chapter of CAAN (Caterpillar African American Network) runs 15 years deep. With a 98% minority enrollment, Pearl-Cohn helps the local Cat dealer develop a pipeline of hard-to-find, diverse talent. In 2019, Caterpillar dealer **Thompson Machinery**, Cat Financial and Pearl-Cohn partnered to provide a "day in the life" tour for students to understand the job of a skilled technician. Following the tour, students from the school's robotics program, in which Caterpillar is a sponsor, were identified to participate in a technical college program focused on diesel technology. Today, two students are in their second year of the program.

In March 2021, Cat Financial established a scholarship with Pearl-Cohn to honor Frank Woodlee, who was instrumental in establishing the relationship with Pearl-Cohn and CAAN. "This scholarship and the opportunities it affords to our students is right in alignment to other leading school initiatives," says Dr. Harrington, Executive Principal. "We are forever grateful for the long-standing partnership with Caterpillar Financial."



Investing in Local Skill Development

The African Business Resource Group of Caterpillar leveraged their personal and professional networks in Ghana to help establish Technicians for Africa. This online program provided at no cost to participants, educates and trains aspiring African service technicians. The program is a partnership between Caterpillar, local technical institutions and independent Caterpillar dealer **Mantrac** to build a sustainable talent pool of technicians for the future. Since September 2016, more than 4,300 African service technicians have completed the program.

DEALERS EMPOWERING WOMEN AROUND THE GLOBE

Mary Katherine Harbin is the Area Manager/EEO Officer, for **Maymead**, a Caterpillar customer and asphalt construction services provider. Mary Katherine was inspired to create an all-female road paving crew after attending the Caterpillar Women In Leadership (WIL) Conference. The WIL event, launched in 2014, was designed to connect Caterpillar women leaders, peers from Caterpillar dealers and key customers for inspiration and action. Maymead was struggling to fill open paver positions. Armed with the knowledge that women make up just 2% of the employee base in "construction, Harbin began running ads geared toward women and created a hardworking team that delivers results. The creation of the team is one small step in a journey to bring more females into the industry.



"We reaffirm our commitment to offering equal opportunities, without stereotypes, promoting respect for all, and recognizing our differences. At Ferreyros, we value diversity, legacy and experience. We don't use labels – we believe and generate equal opportunities because our differences add up."

– **Mariela Garcia**
Dealer Principal, Ferreyros



At **Ferreyros**, our Cat dealer in Peru, the employee population is 13% female and growing. Their "**He for She**" Program was developed in partnership with Caterpillar and held 27 times over the past two years to show male leaders what they can do to create equitable opportunities for all employees. Other female initiatives include women's mentoring programs, workshops on unconscious bias, gender stereotypes and sexual harassment, as well as inclusive language and content in corporate communications.



In 2020, the **China Engineers Limited**, a **Sime Darby** group company and Cat dealer, hosted the third WIL conference in China. The "Power of Growth" conference was attended by more than 100 leaders from dealers and Caterpillar, and broadcast live to over 8,000 dealer employees. These dealer-led WIL conferences began in 2018 and each of the four dealers in the Greater China region took turns to host this annual event. The ultimate goal of these WIL conferences is to build a high-performing team that delivers business results and drives positive change in diversity and inclusion. Over the years, more females are in leadership and frontline roles within the dealerships.

TOGETHER, WE ARE STRONGER

Prepared For Work

We help students pursue and enter STEM careers, equipped with the right skills and knowledge to thrive. Our programs work to close the opportunity gap while improving youth employability so that nobody is left behind in the high-skilled 4.0 economy.

That's precisely what happens at the **Athens Community Career Academy (ACCA)** in Georgia, where the majority of students in the Clarke County School District represent underserved populations (49% Black, 25% Hispanic, 20% Caucasian, 4% Multi-Racial and 2% Asian). ACCA is a unique and innovative environment, providing expansive opportunities for students to achieve educational and career goals while meeting local and regional workforce needs. Through our partnership with the Athens Area Community Foundation, we helped fund a state-of-the-art welding lab for students to develop key skills and are also fostering the next generation of workers with a new advanced manufacturing and welding pathway.

Nationwide, basic digital skills are critical for individuals to meet employment criteria. Employees who lack these skills are limited in their ability to be productive, get promoted and advance. Through the Foundation's partnership with Goodwill Industries International, more than 500 individuals will receive the digital training necessary to secure and retain employment in a variety of industries. In a diverse community like Victoria, Texas – where nearly 50% of the population is Hispanic – this program levels the playing field and shrinks the digital skills gap, which not only provides economic opportunities for the individual, but also benefits the local economy.



Also, to help prepare transitioning U.S. service members, veterans, National Guard, reservists and military spouses for careers in manufacturing, we are investing \$2.25 million to expand the Manufacturing Institute's Heroes MAKE America initiative. Through this partnership, we will build connections and career pathways between the military and manufacturing communities.

Around the World

The Foundation joined forces with the **International Youth Foundation** to support **EquipYouth**, a program to provide 8,000 young people worldwide with market-relevant life skills training along with internships, on-the-job training and employment placement services. The program benefits youth in Brazil, China, India, Indonesia, Jordan, Mexico, Panama, Peru, Russia, Singapore, South Africa, and South Korea.

In Brazil, we partnered with **Associação Feminina Estudos Sociais E Universitários Arios (AFESU)** to create the **STEM Maker's Lab**. Through this program, students enhance their skills in mechanical, electrical and software engineering, as well as data science.

In Indonesia, our partner, **Mercy Corps' Empowering Women Entrepreneurs** program, has provided financial literacy and business development training to more than 500 women-led micro and small entrepreneurs. This program aims to increase financial literacy and inclusion for Indonesian women, helping to place them on a path to prosperity.

CATERPILLAR
FOUNDATION

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TOGETHER, WE ARE STRONGER

For nearly 70 years, the Caterpillar Foundation's vision has been consistent to support the communities where we live and work to be stronger, more resilient and more sustainable. Through our partnerships and initiatives, the Foundation is creating pathways for underserved and under-resourced individuals to gain 21st century jobs with workforce readiness, vocational training and STEM education.



In 2020, the **Caterpillar Foundation** announced a commitment to help fight racism and social injustice by donating \$1 million split equally between the **Equal Justice Initiative (EJI)** and the **NAACP Legal Defense and Educational Fund, Inc.** (NAACP LDF).

EJI is committed to ending mass incarceration and excessive punishment in the United States, to challenging racial and economic injustice, and to protecting basic human rights for the most vulnerable people in American society. With our support, NAACP LDF is focused on seeking structural changes to expand democracy, eliminate disparities, and achieve racial justice

in a society that fulfills the promise of equality for all Americans.

We would like to thank the Caterpillar team, employees and retirees who have submitted approximately \$14,000 in matching requests to EJI and the NAACP LDF to date since 2020. We are appreciative of their continued generosity.



"The resilience test of any community is how we lift up one another, in good times and bad. That's why we support programs and seek partners who can help do the hard work of creating more equity, inclusivity and opportunity for those in greatest need, at home and around the world."

– **Asha Varghese**
President, Caterpillar Foundation

STEM From K to Careers

We are committed to bridging the access gap in STEM education by promoting diversity, equity and inclusion in STEM within the Caterpillar communities that need it most.

In partnership with Discovery Education and the National Afterschool Association, the Foundation joined the *STEM Careers Coalition*, the first-of-its kind, national STEM initiative powered by corporate leaders to address the development of a diverse STEM workforce by bridging industry and classrooms at an unprecedented scale. The STEM Careers Coalition connects K-12 students to STEM futures through a comprehensive array of relevant and standards-aligned content. Through this initiative, over the next three years, we will stand alongside peers across industries to empower educators with the resources they need to activate STEM instruction effectively wherever learning takes place, all at no cost to any school. The Coalition fosters equitable access to quality education while building the next generation of diverse solution seekers and STEM professionals, including opportunities to connect students to Black professionals leading STEM innovations.

In celebration of Manufacturing Day 2020, we proudly supported Discovery Education in recognizing diverse educators in STEM in the United States who are committed to advancing the next generation of doers in STEM fields through the launch of the **Meet The Innovative Teachers in STEM** campaign.

Girls around the world need access to STEM training in order to compete in this increasingly STEM-focused job market. When girls have access to the knowledge and tools to support their career development, the benefits are widely felt. To address this gap, the Foundation partners with **Girl Up** – a leadership development initiative founded by the United Nations Foundation that provides girls with the skills and resources to create tangible social change – and positions girls to be global leaders in STEAM and other areas where women are underrepresented. Through our investment, we support the creation of new STEM resources, virtual STEM bootcamps, and WiSci (Women in Science) Camps – an immersive camp experience that aims to bridge the gap through access to education, mentorship opportunities and transformational leadership training for girls across the globe.





**WE ARE
COMMITTED TO
MAKING MEANINGFUL
AND INTENTIONAL
PROGRESS ALONG
THE WAY**

OUR COMMITMENT

Thank you for taking the time to read our first Diversity and Inclusion Report representing the work of our Caterpillar team. Our team creates innovative products and services so our customers can build the basic infrastructure that enables higher standards of living – providing access to water, electricity, roads, bridges, hospitals, schools and more. Our mission is to help our customers build a better world - it is the desire of our globally diverse workforce, and we are committed to making a difference.

This past year we were all confronted with unimaginable turbulence and unrelenting conflict that tested our resilience. At Caterpillar, we are emerging from 2020 stronger and resolved to live out our mission, and “Do the Work” that our customers rely on.

Innovation is one of our strengths. It requires throwing out old assumptions and self-limiting beliefs, challenging yourself to see things from a different perspective, looking for connections, and creating an environment that triggers the imagination. Diversity and inclusion are fundamental to innovation.

All races, ethnic groups, genders, religions, national origins, ages, sexual orientations, levels of ability and veteran statuses are integral to our ability to successfully innovate to meet our customers evolving needs.

We have transparently shared our diverse representation, the current work of our global employee communities, and the actions that we have taken in our journey thus far.

As we look to the future, we understand that work remains, and that additional progress must be made in diverse representation at every level of our organization reflecting the communities where we live and work. An inclusive environment where all employees feel that they belong, are heard, valued, and appreciated requires a spirit of continuous improvement. We are committed to continual learning and taking definitive actions that result in talented people choosing us as their employer, customers choosing us as their partner, and investors choosing us to provide value.

We recognize that these commitments are important building blocks in our continuing journey of building a more diverse and inclusive workplace.

– Cheryl H. Johnson
Chief Human Resources Officer



GLOSSARY OF TERMS

As a global company headquartered in the United States, Caterpillar recognizes that diversity varies among different countries and cultures. We define diverse representation in alignment with applicable law, racial and ethnic groups and military veterans (U.S. only). In the U.S. and other countries where appropriate, we provide our employees the opportunity to confidentially self disclose information such as disability, veteran's status, gender identity and race/ethnicity.

Unless otherwise noted, the data shared is representative of Caterpillar's workforce as of December 2020.

Definitions:

Race and Ethnicity

Asian: A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.

Black: A person having origins in any of the Black racial groups of Africa.

Latinx: A person of Cuban, Mexican, Puerto Rican, South or Central American or other Spanish culture or origin regardless of race.

White: A person having origins in any of the original peoples of Europe, the Middle East, or North Africa.

Additional racial or ethnic groups referenced on page 6, include: Native Hawaiian or Other Pacific Islander, a person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands; and American Indian or Native Alaskan, a person having origins in any of the original peoples of North and South America (including Central America) and who maintains tribal affiliation or community attachment.

*U.S. Census Bureau definitions

Caterpillar Employee Categories

Executives: Senior-most leaders who are accountable for company strategy. Encompasses the top 1% of all active employees.

Managers and Professionals: Non-executive managers and individual contributor professionals.

Production Employees: Hourly front-line employees who are directly involved in the manufacturing or distribution.

Total Global Workforce: Total number of Caterpillar employees worldwide.

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