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Sustainability – Why do we do what we do?

"I believe one of the primary reasons Caterpillar has thrived for 90 years is because we are a company built on values, including Sustainability"
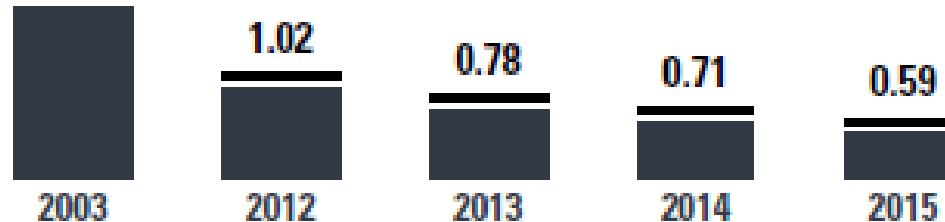- *Doug Oberhelman, Chairman and CEO*
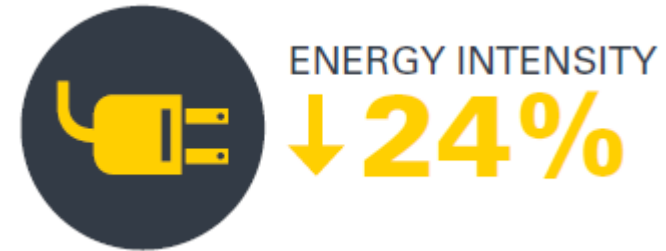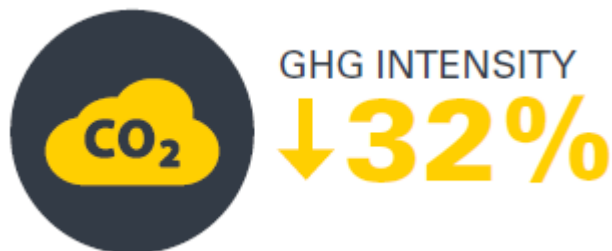

Caterpillar Values

- Integrity
- Excellence
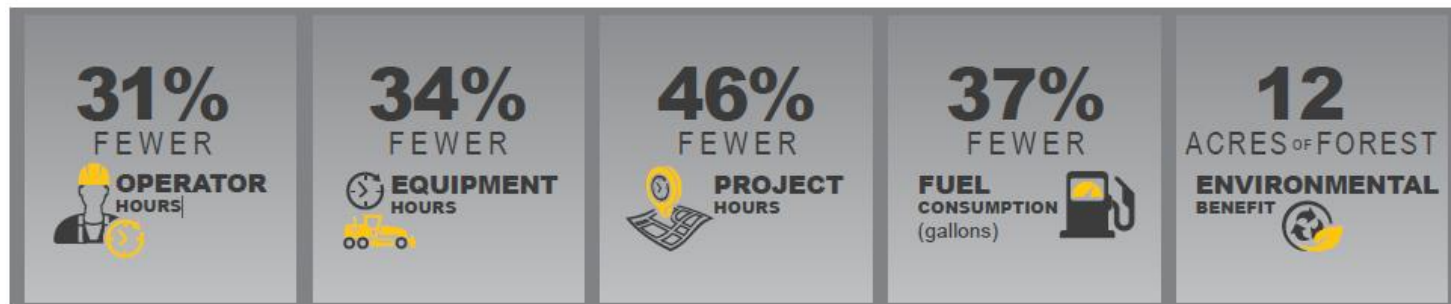- Teamwork
- Commitment
- Sustainability

Current Results

People – 90.5% reduction in recordable injury frequency rate, 93% reduction LTCFR

	1.02	0.78	0.71	0.59
2003	2012	2013	2014	2015

Planet – Energy & GHG intensity has decreased significantly

GHG INTENSITY
CO_2 ↓32%

ENERGY INTENSITY
↓24%

Product – On a 3 mile road build, compared to a non- Caterpillar Technology Job

31% FEWER OPERATOR HOURS	34% FEWER EQUIPMENT HOURS	46% FEWER PROJECT HOURS	37% FEWER FUEL CONSUMPTION (gallons)	12 ACRES OF FOREST ENVIRONMENTAL BENEFIT

Who are we at Caterpillar?

3 Million+
Products at Work Around the World

59%
Sales and Revenues Outside U.S.

105,700
Employees

● Offices
○ Facilities*

*Facilities include principal locations where manufacturing, parts distribution, rail and remanufacturing work take place. In certain geographic areas, the facility symbol may represent multiple facilities.
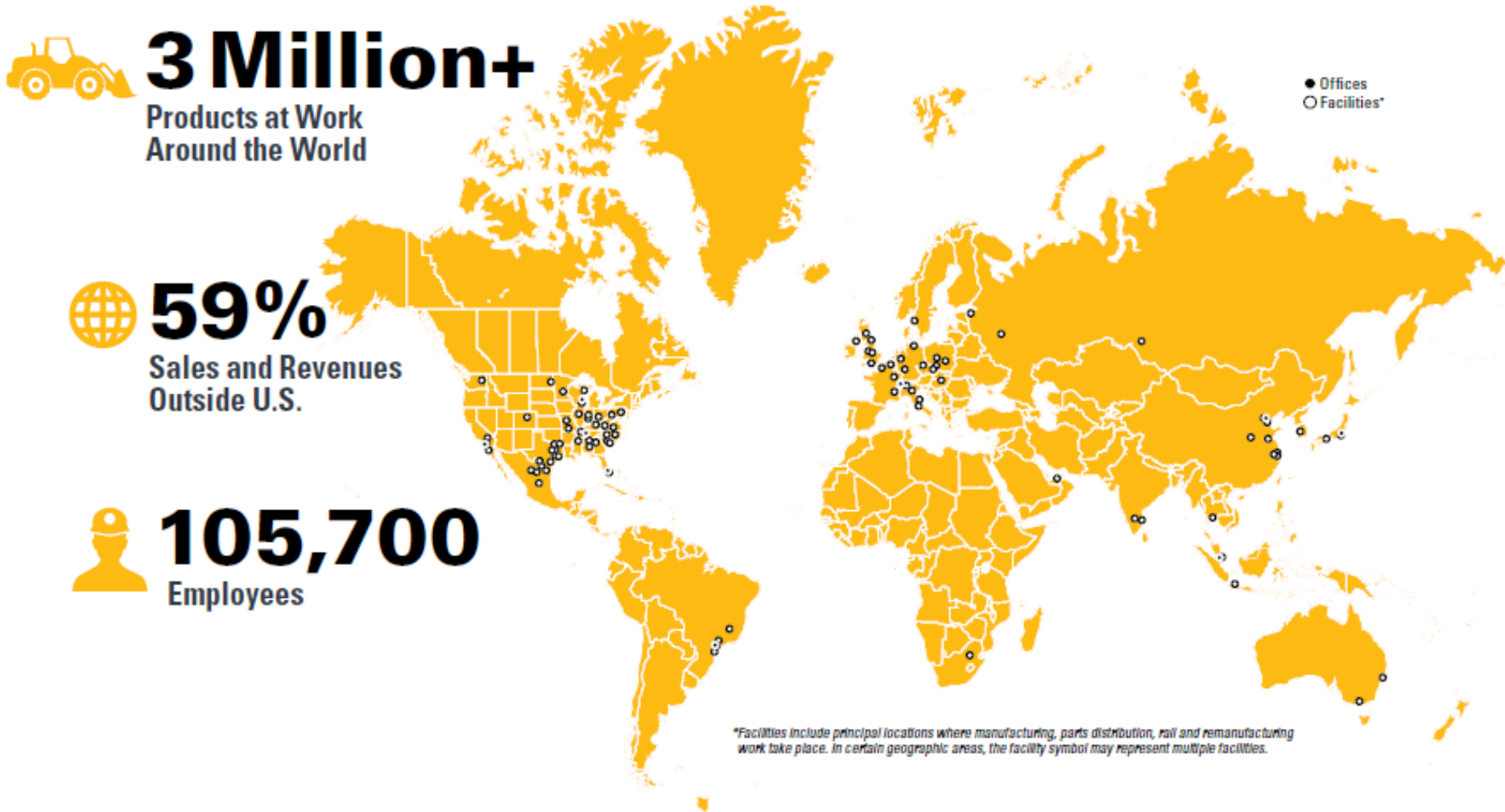
Our Journey

We started at top —CEO drove the vision, expanded our core values to include sustainability

We had to learn – A new terminology, a new process a new way of thinking. We had to define what sustainability means to us and to the world

We implemented – A new set of processes, a new set of measures and metrics and new systems

http://www.caterpillar.com/en/company/sustainability.html

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Journey of a 1,000 miles starts with one man

CHAIRMAN'S MESSAGE

What We've Built.
What We're Solving.

DOUG OBERHELMAN
Chairman & CEO, Caterpillar Inc.

In 2015, we joined an effort to focus on restoring natural infrastructure – the forests, prairies, farmlands, wetlands and coastal landscapes that play a vital role in supporting sustainable global development

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We started speaking a different terminology

People

- Safety - We protect the health and safety of ourselves and others

- Governance & Ethics - Business ethics and core values

- Community Impact – Human Rights

Planet

- Energy & Climate – Energy & climate policies & programs

- Environmental Impact – GHG, energy efficiency, water & waste

Product

- Product Stewardship - We innovate to make our customers more efficient and productive

- Value Chain – Dealer Network

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We implemented new systems & processes

If the system (process) is correct then the outcomes will be correct

- **Prevent Waste** the efficiency of inputs/outputs

- **Improve Quality** the effectivity of our inputs and our outputs

- **Develop Better Systems** that numerize inputs and outputs to measure and manage waste, quality and efficiency

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Internally, we measure and manage to specific focus areas

FOCUS AREA	"MATERIAL" ASPECTS INCLUDED WITHIN THIS FOCUS AREA
Our People	Employee occupational health & safety
Energy & Climate	Energy and climate policy and programs
Operational Environmental Impact	Energy efficiency, greenhouse gas, water and waste management
Product Stewardship	Innovation management, customer safety, energy efficiency/GHG and other air emissions and life cycle product development
Value Chain	Dealer network
Governance and Ethics	Business ethics and core values, business strategy and financial performance of the enterprise
Community Impact	Human rights

With these processes, systems and focus areas we have the infrastructure to concentrate on focus points such as zero waste

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Let's discuss some of our current zero waste initiatives

- Employee safety

- Employee wellness

- Employee growth & development

- Safety RIF, LTCFR

- Transportation mode optimization

- Transportation schedule optimization

- Transportation fuel optimization

- Reusable / Returnable packaging

- Rid expendable packaging

- Reduce material movement (propane & batteries)

- Leadership

- Metrics & Management

- Targeted projects

- Community involvement, charitable contributions & Cat Cares Teams

- Product Improvements

  - Fuel Guarentee

  - Technology improvements

  - % reuse, reman, recycle

Caterpillar: Confidential Green

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We are committed

We believe we have an opportunity to do things differently going forward. And, to do it better as we work to meet the needs of the next two billion additional people on this earth.

Karl Weiss, Vice President, Earthmoving
Caterpillar Inc.

Caterpillar: Confidential Green

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