

Independent Assurance Statement to Caterpillar Inc.

ERM Certification and Verification Services (ERM CVS) was engaged by Caterpillar Inc. (Caterpillar) to provide limited assurance in relation to specified 2020 data in the Caterpillar 2020 Sustainability Report as set out below.

Engagement summary	
Scope of our engagement	<p>Whether the Caterpillar 2020 data for the following indicators are fairly presented, in all material respects, with the reporting criteria:</p> <p>Environmental Data</p> <p><i>Absolute and intensity*</i></p> <ul style="list-style-type: none">• Scope 1 GHG emissions [million metric tons CO₂e and million metric tons CO₂e/million dollars of sales and revenues]• Scope 2 GHG emissions (by market-based method) [million metric tons CO₂e and million metric tons CO₂e/million dollars of sales and revenues]• Total GHG emissions [million metric tons CO₂e and million metric tons CO₂e/million dollars of sales and revenues]• Total energy consumption [GJ and GJ/million dollars of sales and revenues*]• Total water consumption [billion gallons and absolute thousand gallons of water/million dollars of sales and revenues] <p><i>*Sales and revenue data based on Annual 10k filing.</i></p> <p><i>Absolute only</i></p> <ul style="list-style-type: none">• Scope 2 GHG emissions (by location based method) [million metric tons CO₂e];• Total electricity [MWH]• Non-contact cooling water [billion gallons]• Water from each of the following sources [%]<ul style="list-style-type: none">• Non-contact cooling water from foundry operations• Municipal water• Groundwater• Surface water <p>Safety Indicators</p> <ul style="list-style-type: none">• Lost Time Case Frequency Rate (LTCIR);• Recordable Injury Frequency Rate (RIF) per 200,000 hours worked
Reporting criteria	The WBCSD/WRI GHG Protocol (2004, as revised January 2015) for the Scope 1 and 2 GHG emissions and Caterpillar internal reporting criteria and definitions for the other indicators.
Assurance standard	ERM CVS' assurance methodology, based on the International Standard on Assurance Engagements ISAE 3000 (Revised).
Assurance level	Limited assurance.
Respective responsibilities	<p>Caterpillar is responsible for preparing the data and for its correct presentation in reporting to third parties, including disclosure of the reporting criteria and boundary.</p> <p>ERM CVS's responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.</p>

Our conclusions

Based on our activities, nothing has come to our attention to indicate that the Caterpillar 2020 data for the indicators listed above under 'Scope of our Engagement' are not fairly presented, in all material respects, with the reporting criteria.

Our assurance activities

Our objective was to assess whether the selected data are presented in accordance with the principles of completeness, comparability (across the organization) and accuracy (including calculations, use of appropriate conversion factors and consolidation). We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusions.

A multi-disciplinary team of EHS and assurance specialists performed the following activities:

- Interviews with relevant staff to understand and evaluate the data management systems and processes used for collecting and reporting the selected data (environmental and safety);
- A review of the internal indicator definitions, reporting guidelines and emission and conversion factors;
- An analytical review of the data from all sites and a check on the completeness and accuracy of the corporate data consolidation;
- Virtual visits to one sites – Caterpillar Xuzhou Ltd. (Xuzhou, China) to review local reporting processes and consistency of reported annual data with selected underlying source data for each indicator. We interviewed relevant staff, reviewed site data capture and reporting methods, checked calculations and assessed the local internal quality assurance processes;
- Desk-based review of source data for the top contributing sites to each key corporate EHS metrics (e.g. energy, water, hours worked) including a sample of invoices and local incident logs, among others.

The limitations of our engagement

The reliability of the assured data 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.

Beth C. B. Wyke

Beth Wyke
Head of Corporate Assurance
21 April 2021

ERM CVS
Informed Assured