



**Whereas:** The increasing rate and number of climate-related disasters affecting society is causing alarms to be raised within the [executive](#), [legislative](#) and [judicial](#) branches of government, making the corporate sector’s contribution to climate mitigation a significant policy issue.

The Commodity Futures Trading Commission’s Climate Related Risk Subcommittee recently issued a [report](#) finding that climate change poses a significant risk to, and could impair the productive capacity of, the U.S. economy.

Shareholders are increasingly concerned about material climate risk to both their companies and their portfolios and seek clear and consistent disclosures from the companies in which they invest.

In response to material climate risk, the steering committee of the Climate Action 100+ initiative (CA100+), a coalition of more than 500 investors with over \$47 trillion in assets, [issued](#) a Net Zero Company Benchmark (Benchmark) calling on the largest carbon emitting companies – including our Company – to work toward reducing greenhouse gas (GHG) emissions to net zero, improving climate governance, and providing specific climate related financial disclosures.

The Net Zero Benchmark includes ten indicators of company alignment with the Paris Agreement including a statement of ambition to achieve net zero greenhouse gas emissions (“Net Zero”) by 2050 for the Company’s Scope 1, 2, and applicable scope 3 emissions in alignment with the Paris 1.5 degree goal.

Caterpillar’s [climate related targets](#) were set through the current year of 2020 and only address the companies Scope 1 and 2 emissions. This leaves significant emissions unaddressed and the company’s long term decarbonization ambition unclear. In contrast, 15 peers in the construction materials sector have set, or committed to validate, their GHG targets through the Science-Based Targets initiative.

BlackRock [notes](#) that investment flows into “sustainable” and climate aligned assets will drive [long term outperformance](#) relative to companies perceived as having weaker sustainability characteristics;

**Resolved:** Shareholders request that the Board of Directors issue a report, at reasonable expense and excluding confidential information, disclosing the Company’s climate policies, performance, and improvement targets, if any, responsive to each of the indicators set forth in the Net Zero Benchmark, or any rationale for failure to adopt such metrics.



**Supporting Statement:** Proponents suggest, at Company discretion, the report provide:

- Any Net Zero by 2050 GHG emissions reduction targets covering all relevant emissions scopes;
- Any other medium or long term GHG reduction goals;
- Any climate performance elements incorporated into executive remuneration.