



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.

In addition to environmental and social harms, climate change is creating systemic risks to the economy. [The Commodity Futures Trading Commission](#) last year underscored that climate change could impair the productive capacity of, the U.S. economy.

Shareholders are increasingly concerned about material climate risk and seek clear and consistent disclosures from the companies in which they invest, including credible climate transition plans. [BlackRock's CEO notes](#) that investment flows into climate aligned assets will drive long term outperformance and that companies should disclose plans for how their business model will be compatible with a net zero economy.

In response to material climate risk, the Climate Action 100+ initiative (CA100+), a coalition of more than 615 investors with \$60 trillion in assets, issued a Net Zero Company Benchmark (Benchmark) outlining metrics that create climate accountability for companies and transparency for shareholders. [Indicators 1 through 5 of the Benchmark](#) seek reporting on companies' net zero emissions ambitions; short, medium and long term greenhouse gas (GHG) reductions goals; and strategic actions planned to achieve decarbonization targets.

Caterpillar is a leading manufacturer of construction and mining equipment, engines, turbines, and locomotives. Our Company has not set targets to reduce GHG emissions across its entire enterprise, including supply chain emissions, or disclosed a plan for how to achieve Paris-aligned GHG emissions reductions. Caterpillar's emission reduction [targets only address Scope 1 and 2 emissions](#). In contrast, 30 peers in the construction materials sector have committed to validate their GHG targets through the Science-Based Targets initiative.

Climate-related decisions by a company have portfolio and economy-wide implications. Setting net zero GHG targets and developing a climate transition plan aligned with such goals is an important means of assuring that management is comprehensively reducing its climate contribution and taking seriously the growing risks of climate change, benefitting both the company and investors.

Caterpillar has failed to take meaningful action on this request, despite a 48 percent vote of support last year.



BE IT RESOLVED: Shareholders request that Caterpillar issue a report within a year, and annually thereafter, at reasonable expense and excluding confidential information, disclosing interim and long term greenhouse gas targets aligned with the Paris Agreement’s goal of maintaining global temperature rise at 1.5 degrees Celsius, and progress made in achieving them. This reporting should cover the Company’s full scope of operational and product related emissions.

SUPPORTING STATEMENT: Proponents suggest, at Company discretion, the report further describe:

- Caterpillar’s climate transition plan for achieving its GHG reduction goals, including aligned capital allocation where relevant;
- A rationale for any decision not to set targets aligned with the Paris Agreement’s 1.5 degree goal;
- Other information deemed appropriate.