

## Independent Assurance Statement to Caterpillar Inc.

ERM Certification and Verification Services (ERM CVS) was engaged by Caterpillar to provide limited assurance in relation to specified 2017 data in the Caterpillar Sustainability Report 2017 as set out below.

Engagement summary	
<b>Scope of our engagement</b>	<p>Whether the Caterpillar 2017 data for the following indicators are fairly presented, in all material respects, with the reporting criteria:</p> <p><b>Environmental data</b></p> <p><u>Absolute and intensity:</u></p> <ul style="list-style-type: none"> <li>• Scope 1 GHG emissions [million metric tons CO<sub>2</sub>e and million metric tons CO<sub>2</sub>e/ million dollars of revenue];</li> <li>• Scope 2 GHG emissions – market based methodology [million metric tons CO<sub>2</sub>e and million metric tons CO<sub>2</sub>e/ million dollars of revenue];</li> <li>• Total GHG emissions [million metric tons CO<sub>2</sub>e and million metric tons CO<sub>2</sub>e/ million dollars of revenue];</li> <li>• Energy intensity [GJ/ million dollars of revenue] and total 2017 consumption in GJ used to calculate this;</li> </ul> <p><u>Absolute only:</u></p> <ul style="list-style-type: none"> <li>• Scope 2 GHG emissions – location based methodology [million metric tons CO<sub>2</sub>e]</li> <li>• Total electricity [MWH];</li> <li>• Non-contact cooling water [billion gallons];</li> <li>• Water sources % (non-contact cooling water from foundry operations, municipal water, groundwater, surface water) [billion gallons];</li> <li>• Global water consumption [billion gallons];</li> </ul> <p><b>Safety data</b></p> <ul style="list-style-type: none"> <li>• Lost Time Case Frequency Rate (LTCIR);</li> <li>• Recordable Injury Frequency Rate (RIF) – per 200,000 hours worked.</li> </ul>
<b>Reporting criteria</b>	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.
<b>Assurance standard</b>	ERM CVS' assurance methodology, based on the International Standard on Assurance Engagements ISAE 3000 (Revised).
<b>Assurance level</b>	Limited assurance.
<b>Respective responsibilities</b>	<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 2017 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 (including IT systems and internal review processes) used for collecting and reporting the selected data;
- A review of the internal indicator definitions 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;
- Visits to two sites - Material Handling & Underground (East Peoria, IL, USA) and Advanced Tri-Gen Power Systems (Mossville, IL, USA) - 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 and assurance processes;
- Year-end assurance activities at corporate level including reviewing the results of internal control procedures, checking completeness of locations in the consolidation as well as the accuracy of the consolidation of the data for the selected indicators from the site data.

### 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.



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