

## **Company of Concern: Caterpillar, Inc.**

### **Executive Summary:**

Caterpillar, Inc. violates five of the seven criteria established by Portland's Socially Responsible Investment Policy. The five criteria are human rights, environmental and health concerns, unfair labor practices, and extreme tax avoidance.

**Human rights:** Caterpillar's complicity with the Israeli occupation of Palestinian lands by selling the D9 bulldozer and other heavy equipment to the Israel Defense Forces has resulted in violations of Articles 49 and 33 of the Fourth Geneva Conventions ratified by both Israel and the United States. Caterpillar bulldozers are used in the demolition of Palestinian homes and farmlands to create illegal settlements. In addition its bulldozers have been used to build a Separation Wall that has been found illegal by the International Court of Justice. Under the United Nations Guiding Principles on Business and Human Rights, Caterpillar is required to practice "due diligence" to ensure that its products are not used in human rights violations. Despite decades of efforts by religious and human rights groups to call these violations to Caterpillar's attention, the company has failed to practice due diligence.

**Environmental violations:** Caterpillar's harmful environmental practices include being one of the top 100 corporate polluters in the United States, fossil fuel extraction including fracking, and efforts to curb climate change legislation. The City Council of Portland has placed the top 200 coal and oil companies on its Do-Not-Buy list due to their role in climate change. Caterpillar belongs on this list because it is a major player in the oil and gas industry, providing oil and natural gas drilling rigs to the industry and portable generators and pumps for fracking shale oil in the Bakken Formation. Caterpillar is also one of the recipients of a \$200-million contract to build the Dakota Access Pipeline, which the City Council has condemned. Caterpillar's role in human rights and environmental violations is linked to its disregard for indigenous rights in North Dakota and elsewhere, including Guatemala, Honduras, and Palestine.

**Health concerns:** Caterpillar's environmental practices result in potential harm to human health and safety. Chemicals used in the fracking process can pollute aquifers, thus endangering human health. Volatile shale oil transported on oil trains or by pipeline represents a threat to human health and safety in the event of spills or explosions. Caterpillar and its subsidiaries have been cited frequently for violating the Occupational Health and Safety Act (OSHA). From 2013 to 2015 OSHA administrators determined that Caterpillar and its subsidiaries had violated the law on more than 30 occasions, paying more than \$100,000 in fines related to the health and safety of workers.

**Extreme tax avoidance:** A United States Senate investigation discovered that Caterpillar evaded paying \$2.4 billion in taxes over a 10-year period by diverting profits from a U.S. parts division to a subsidiary established in Switzerland solely for tax purposes.

**Unfair labor practices:** Caterpillar has been a major sponsor of the American Legislative Exchange Council (ALEC), which is notorious for sponsoring state legislation aimed at curbing workers' rights, particularly the rights of public employees. Caterpillar is also a member of the Energy Advisory Committee, which is attempting to weaken environmental and labor standards in the Trans-Pacific Partnership (TPP) trade pact.

**Description:** Caterpillar is the world's largest manufacturer of construction and mining equipment. Since 1967 Caterpillar has been supplying the Israeli military with a variety of

heavy engineering machinery, including armored excavators and several models of the D9 bulldozer used in the Occupied Palestinian Territories to destroy Palestinian homes and farmland and to help build the Separation Wall. Caterpillar is one of the major suppliers of construction equipment in the Israeli market. Caterpillar is also a major player in the global fossil fuel extraction industry, supplying both onshore and offshore drilling rigs for oil and natural gas production. Caterpillar has a Code of Worldwide Business Conduct that states: “Caterpillar accepts the responsibilities of global citizenship. Wherever we conduct business or invest our resources around the world, we know that our commitment to financial success must also take into account social priorities.” A key clause in the “commitments” section of its business code states: “Caterpillar investments must be compatible with . . . rights and properties of citizens of other nations.”

[https://en.wikipedia.org/wiki/Caterpillar\\_Inc.](https://en.wikipedia.org/wiki/Caterpillar_Inc.)

<https://ccrjustice.org/home/get-involved/tools-resources/fact-sheets-and-faqs/factsheet-home-demolitions-and-caterpillar>

<http://www.whoprofits.org/bulldozers>

<http://www.globalexchange.org/economicactivism/campaigns/caterpillar>

<https://catoilandgas.cat.com/industries>

**Human Rights Concerns:** Article 49 of the Fourth Geneva Conventions prohibits the transfer of a civilian population from an occupying power to any territory it occupies by military force. Despite this fact, Caterpillar knowingly provides its D9 bulldozers to the Israeli government for use in destroying Palestinian homes or uprooting crops and farmland owned by Palestinian farmers to clear the ground for illegal Israeli settlements. Those settlements represent the transfer of Israel’s civilian population to occupied territory. Since 1967, Caterpillar bulldozers have destroyed more than 12,000 homes and businesses in East Jerusalem, Gaza, and the West Bank, leaving more than 50,000 Palestinians homeless. The World Health Organization estimated that from 2000 to 2006 alone, the Israeli military used bulldozers to destroy nearly 1.4 million olive, date, plum, lemon, and orange trees on Palestinian land.

Moreover, Caterpillar bulldozers have been used and continue to be used to help construct a planned 400-mile-long barrier wall in the West Bank that has been found illegal by the International Court of Justice at The Hague, Netherlands. About 85 percent of the wall encroaches on Palestinian land and makes freedom of movement virtually impossible for the Palestinians affected. The barrier or separation wall cuts off access to Palestinian farmland, jobs, schools, and hospitals, forcing them to take long detours and go through military checkpoints simply to go about their daily lives. These restrictions on freedom of movement violate Article 13 (1) of the Universal Declaration of Human Rights, which is recognized as customary international law.

Article 33 of the Fourth Geneva Conventions states that **“No protected person may be punished for an offence he or she has not personally committed. Collective penalties and likewise all measures of intimidation or of terrorism are prohibited.”**

Caterpillar has ignored this provision against collective punishment by knowingly providing the Israeli military with bulldozers used in home demolitions against Palestinians accused of crimes. The demolitions result in punishment of other family members, friends, and neighbors

who have not been accused of crimes. These home demolitions are often carried out before an individual has ever been brought to trial or convicted of a crime. Moreover, according to the Israeli human rights organization B'Tselem, nearly 47% of the home demolitions affected Palestinians who were not suspected of any military activities.

Demolitions have also resulted in death and injury to Palestinians, especially since many are carried out at night and without advance notice. In April 2002 Nabila al-Shu'ba, who was seven months pregnant, and her three children were killed when a Caterpillar bulldozer demolished her home. During an Israeli military incursion into the West Bank Palestinian town of Jenin the same year, Caterpillar bulldozers buried alive many Palestinians as they leveled the Hawashin refugee camp. In March 2003 a Caterpillar D9T bulldozer was used in the death of peace activist Rachel Corrie, a U.S. citizen from Olympia, WA, who was killed when she attempted to halt the demolition of a home in Rafah, the Gaza Strip. Eyewitnesses testified that she was clearly visible to the driver of the bulldozer. At least five Palestinian families and the family of Rachel Corrie have sued Caterpillar because of its role in these and other deaths. Caterpillar continues to sell bulldozers to the IDF despite knowing that their products have been used to demolish homes unlawfully and to endanger civilians.

In addition to Article 33 of the Fourth Geneva Conventions, Article 52 (1) of the First Additional Protocol to the Geneva Conventions states that any attack on civilian property must be "strictly limited to military objectives," which is clearly not the case when a home is demolished as punishment. Article 57 also requires that "constant care shall be taken to protect the civilian population, civilians, and civilian objects."

<https://www.hrw.org/report/2004/10/17/razing-rafah/mass-home-demolitions-gaza-strip>  
<https://electronicintifada.net/content/caterpillar-making-killing-palestine/5522>  
<https://ccrjustice.org/home/get-involved/tools-resources/fact-sheets-and-faqs/factsheet-home-demolitions-and-caterpillar>  
<https://www.hrw.org/news/2004/10/28/human-rights-watch-letter-caterpillar-inc>  
<http://unispal.un.org/Unispal.Nsf/a39191b210be1d6085256da90053dee5/4b2de5243ebce35685257aa200487927?OpenDocument>  
<https://www.icrc.org/ihl/WebART/380-600038>  
<http://www.legislationline.org/topics/subtopic/44/topic/10>  
<http://www.cjpmo.org/DisplayDocument.aspx?DocumentID=1104>  
<http://www.waronwant.org/sites/default/files/Caterpillar%20-%20The%20Alternative%20Report.pdf>

Caterpillar bulldozers have also been used to create a segregated road system that denies access to Palestinians either completely or without a special license. According to the Israeli human rights organization B'Tselem, Palestinian vehicles are completely prohibited from traveling on more than 105 kilometers of roads in the West Bank. Another 180 kilometers of roads are accessible only to permitted vehicles, VIPs, and ambulances. Meanwhile, Jewish settlers enjoy unfettered access to a modern freeway system that connects the illegal settlements with Israel. More than 794 kilometers of bypass roads had been built for settlers as of August 2009.

Caterpillar equipment was also used to build a light-rail system between Tel Aviv and Jerusalem, part of which tunneled through Palestinian land without permission.

<https://wedivest.org/c/52/caterpillar#.VcuzpLJVhHx>  
[https://www.hrw.org/sites/default/files/reports/iopt1210webwcover\\_0.pdf](https://www.hrw.org/sites/default/files/reports/iopt1210webwcover_0.pdf)  
[http://thecepr.org/index.php?option=com\\_content&view=article&id=115:illegal-israeli-settlements&catid=6:memos&Itemid=34](http://thecepr.org/index.php?option=com_content&view=article&id=115:illegal-israeli-settlements&catid=6:memos&Itemid=34)

Caterpillar maintains that it does not sell militarized bulldozers to the Israeli military and that it has nothing to do with how its products are used. However, Caterpillar has confirmed that its bulldozers are sold to Israel under the U.S. Foreign Military Sales Program. Moreover, Article C, Section 3 of the United Nations' "Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights" states that it is illegal for any business to profit from violations of international law and human rights. Article E11 of the "norms" requires corporations to "ensure that the goods and services they provide will not be used to abuse human rights." As the Middle East director of Human Rights Watch put it: "Caterpillar betrays its stated values when it sells bulldozers to Israel knowing that they are being used to illegally destroy Palestinian homes. Until Israel stops these practices, Caterpillar's continued sales will make the company complicit in human rights abuses."

Caterpillar also damaged its reputation and ethical responsibilities when it refused to adhere to the principles laid out by the United Nations Special Representative on Business and Human Rights in June 2011. These principles, known as the Ruggie Principles after its author, outline a corporation's responsibility to respect human rights.

<http://www.cjpmo.org/DisplayDocument.aspx?DocumentID=1104>  
<https://www.hrw.org/news/2004/11/21/israel-caterpillar-should-suspend-bulldozer-sales>  
<http://www1.umn.edu/humanrts/business/norms-Aug2003.html>  
<http://www.waronwant.org/sites/default/files/Caterpillar%20-%20The%20Alternative%20Report.pdf>  
[http://www.sustainalytics.com/sites/default/files/ruggie\\_principles\\_and\\_human\\_rights\\_0.pdf](http://www.sustainalytics.com/sites/default/files/ruggie_principles_and_human_rights_0.pdf)

For detailed examples of how Caterpillar bulldozers have been used in human rights violations, see the compendium attached to this report.

**Environmental Concerns:** Caterpillar is a major player in the fossil fuel extraction industry, supplying both onshore and offshore drilling rigs to the oil and natural gas industry. Caterpillar boasts that it has powered the petroleum industry on land for 60 years and is now engaged in offshore oil and natural gas drilling.

Caterpillar has resisted legislation to curb fossil fuel emissions contributing to climate change. As the fossil fuel divestment movement grows, Caterpillar may become a risky investment. In a "White Paper on Fossil Fuel Divestment," Bloomberg News concluded that Caterpillar has "high exposure" due to its prominent role in the fossil fuel extraction industry.

In another environmental concern, Caterpillar has twice been forced to pay fines for violations of the Clean Air Act. Caterpillar is listed as a member of the Toxic 100, one of the 100 top

corporate polluters in the United States. Caterpillar's industrial facilities release hundreds of toxic chemicals into the air, harming human health, according to the United States Environmental Protection Agency.

Caterpillar also sells pumps and powerful portable generators for use in fracking to recover shale oil in the Bakken Formation in Montana and North Dakota. The oil trains and proposed oil train terminal in nearby Vancouver, WA, threaten to pollute the air and water along the Columbia River and pose safety and health hazards to residents of both Portland and Vancouver. The oil transported in these trains originates from the Bakken Formation. Fracking itself is a practice that threatens to pollute aquifers and has been linked to increased earthquake activity.

**Environmental destruction and indigenous rights:** Caterpillar's role in environmental and human rights violations is often linked to its role in failing to respect the rights of indigenous people around the world. When indigenous people protest against threats posed to their water, land, and treaty rights, for example, they are invariably met with repression, including assassinations and other physical violence. Caterpillar fails to practice due diligence and continues business as usual with government and corporate entities despite their role in both environmental and human rights violations.

In North Dakota, Caterpillar is one of the recipients of a \$200-million contract to build the Dakota Access Pipeline, which is facing massive protests from indigenous people living in the Standing Rock Sioux Reservation because of the threat of water contamination to the Missouri River posed by the pipeline. The pipeline carries shale oil obtained by fracking in the Bakken Formation, the same source for the volatile oil that has already exploded during an oil train derailment in Oregon along the Columbia River. The Sioux nation argues that the pipeline violates their treaty rights, and the Army Corps of Engineers has conceded that the company building the pipeline has failed to obtain easement rights. Protests against the pipeline have been met with attack dogs and pepper spray. The United Nations Permanent Forum on Indigenous Issues has backed the claim made by the Sioux nation that the failure to consult them on the pipeline's construction violates the UN's Declaration on the Rights of Indigenous People.

In Guatemala, Caterpillar supplies equipment for hauling mine deposits from the Escobal Silver mine, which also produces lead and zinc. The indigenous Xinca Parliament, which represents 20 Xinca communities in the area of the mine, opposes the project because of the contamination threat it poses to the area's water supply. Protests against the mine have resulted in numerous human rights abuses according to Amnesty International, including rubber bullets and tear gas fired at unarmed protesters and arrests of indigenous protest leaders on false charges.

In Honduras, Caterpillar bulldozers and other equipment are being used to build the Agua Zarca hydroelectric dam on land belonging to the indigenous Lenca. The dam is to be built on

the Gualcarque River, which is considered sacred to the Lenca and which is also a source of drinking water and agricultural irrigation. Following a coup that overthrew a democratically elected government, the new Honduran regime broke its promise to consult with indigenous communities and proceeded with the dam project. When protests erupted, a death squad assassinated indigenous leader Berta Caceras. Once again, Caterpillar failed to practice due diligence and continued to cooperate with the dam project.

In Palestine, the Israeli military uses Caterpillar D9 bulldozers to destroy wells, storage tanks, and water pumps, severely limiting access to water for the indigenous Palestinian people. These violations have been well documented by Amnesty International and Human Rights Watch. In 2004 the United Nations Special Rapporteur Jean Ziegler expressed concern that Caterpillar was complicit in violating Palestinians' right to food guaranteed by the International Covenant on Economic, Social, and Cultural Rights

<http://blog.amnestyusa.org/middle-east/caterpillar-incs-role-in-human-rights-violations-in-the-occupied-palestinian-territories/>

<https://electronicintifada.net/content/caterpillar-making-killing-palestine/5522>

[http://www.dapipelinefacts.com/docs-dapl/DAPL\\_Contractors\\_and\\_Vermeer\\_Release\\_922\\_Final.pdf](http://www.dapipelinefacts.com/docs-dapl/DAPL_Contractors_and_Vermeer_Release_922_Final.pdf)

<https://m.youtube.com/watch?v=kuZcx2zEo4k>

<http://oilprice.com/Latest-Energy-News/World-News/The-UN-Backs-Tribal-Opposition-To-Dakota-Access-Pipeline.html>

<http://nisgua.org/wp-content/uploads/2015/10/r77.pdf>

<http://www.amnesty.ca/blog/tahoe-agm-will-investors-reject-%E2%80%98business-as-usual%E2%80%99>

<http://www.mining-technology.com/projects/escobal-silver-mine/escobal-silver-mine3.html>

<http://www.miningweekly.com/article/escobal-mine-guatemala-2015-05-29>

<https://www.theguardian.com/global-development/2016/apr/25/berta-caceres-murder-honduras-death-threats-hitman-agua-zarca-dam>

[https://en.wikipedia.org/wiki/Caterpillar\\_Inc.#Environmental\\_stewardship](https://en.wikipedia.org/wiki/Caterpillar_Inc.#Environmental_stewardship)

[http://www.ucsusa.org/sites/default/files/legacy/assets/documents/scientific\\_integrity/corporate\\_profiles/caterpillar.pdf](http://www.ucsusa.org/sites/default/files/legacy/assets/documents/scientific_integrity/corporate_profiles/caterpillar.pdf)

[http://about.bnef.com/content/uploads/sites/4/2014/08/BNEF\\_DOC\\_2014-08-25-Fossil-Fuel-Divestment.pdf](http://about.bnef.com/content/uploads/sites/4/2014/08/BNEF_DOC_2014-08-25-Fossil-Fuel-Divestment.pdf)

<http://www.thebakken.com/articles/685/generators-evolving-with-the-bakken>

<https://catoilandgas.cat.com/industries/well-servicing>

[http://billingsgazette.com/business/bakken-play-boom-or-burden-companies-act-while-the-gettin/article\\_d220ad14-a808-11df-8041-001cc4c002e0.html](http://billingsgazette.com/business/bakken-play-boom-or-burden-companies-act-while-the-gettin/article_d220ad14-a808-11df-8041-001cc4c002e0.html)  
[https://en.m.wikipedia.org/wiki/Bakken\\_Formation](https://en.m.wikipedia.org/wiki/Bakken_Formation)  
<http://latimesblogs.latimes.com/greenspace/2011/08/caterpillar-inc-us-environmental-protection-agency-pentality-fine-clean-air-act.html>  
<http://www.infoplease.com/ipa/A0933679.html>  
<http://marjoriecohn.com/the-human-right-to-water-at-standing-rock>

**Health Concerns:** Caterpillar D9 bulldozers have damaged sewage infrastructure in Gaza causing sewage to seep into water aquifers. More than 90 percent of Gaza's water is unfit for human consumption.

Because Caterpillar is involved in the exploitation of shale oil in the Bakken Formation, it is also implicated in health hazards. Fracking can harm human health by polluting aquifers. Oil train spills and accidents resulting from the exploitation of the Bakken Formation have caused deaths and injuries and have contributed to increased air pollution, which harms human health. Diesel particulate emissions from oil trains and oil terminals are linked to increased incidences of cancer, asthma, and respiratory and cardiac conditions. Caterpillar supplies many of the portable generators used to power fracking operations that break up shale rock and recover the oil trapped within it.

As a company cited as part of the Toxic 100, one of the 100 top corporate polluters in the United States, Caterpillar's industrial facilities release hundreds of toxic chemicals into the air, harming human health, according to the United States Environmental Protection Agency.

Caterpillar has also been found negligent in lawsuits citing asbestos exposure to its products. In September 2015 an appeals court upheld an award of \$4.5 million to the widow of a worker who died from mesothelioma.

A Caterpillar executive is a board member of HR Policy Association, which opposes the Fair Pay and Safe Workplaces executive order issued in 2014 by President Barack Obama. Caterpillar and its subsidiaries have been cited frequently for violating the Occupational Health and Safety Act (OSHA). From 2013 to 2015 OSHA administrators determined that Caterpillar and its subsidiaries had violated the law on more than 30 occasions, paying more than \$100,000 in fines related to health and safety of workers

<http://columbiariverkeeper.org/wp-content/uploads/2013/07/2013.10.15-Tesoro-Savage-Fact-Sheet-for-EFSEC-Hearing.pdf>  
<http://latimesblogs.latimes.com/greenspace/2011/08/caterpillar-inc-us-environmental-protection-agency-pentality-fine-clean-air-act.html>  
<http://www.law360.com/articles/700977/caterpillar-still-on-hook-for-4-5m-in-wash-asbestos-suit>  
<http://www.waronwant.org/sites/default/files/Caterpillar%20-%20The%20Alternative%20Report.pdf>  
<http://www.infoplease.com/ipa/A0933679.html>  
<http://www.sourcewatch.org/index.php/Caterpillar>

**Extreme Tax Avoidance Concerns:** In 2014 the U.S. Senate Permanent Subcommittee on Investigation charged that Caterpillar avoided paying \$2.4 billion in U.S. taxes over a 13-year period by shifting profits from parts sales to a wholly-owned affiliate in Switzerland, where Caterpillar has only 65 workers. Caterpillar's parts sales operations were created and are managed in the United States, where more than 5,000 parts sales employees are based. This tax avoidance scheme began in 1999 and continues to this day, according to the U.S. Senate investigation. Caterpillar paid the accounting firm of PricewaterhouseCoopers \$55 million to help it devise the tax avoidance scheme after the company negotiated a lower tax rate with the Swiss government, according to U.S. Senator Carl Levin. A Caterpillar whistleblower also charged that the company used a subsidiary in Bermuda to return money to the United States without paying the required taxes. Internal company emails also disclosed that Caterpillar employees familiar with the scheme knew it to be illegal because there was no economic justification for it. Extreme tax avoidance is an issue that will continue to follow Caterpillar for some time, not just due to the U.S. Senate investigation but also because internationally the Organization for Economic Cooperation and Development and the Group of 20 nations are focusing on these tax avoidance schemes.

<http://www.forbes.com/sites/robertwood/2015/02/19/caterpillars-terrible-horrible-no-good-very-bad-day/>

<https://www.hsgac.senate.gov/subcommittees/investigations/media/subcommittee-exposes-caterpillar-offshore-profit-shifting>

[http://www.nytimes.com/2014/04/01/business/report-says-caterpillar-used-swiss-unit-to-pare-taxes.html?\\_r=0](http://www.nytimes.com/2014/04/01/business/report-says-caterpillar-used-swiss-unit-to-pare-taxes.html?_r=0)

<http://www.bloomberg.com/news/articles/2014-03-31/caterpillar-escaped-2-4-billion-tax-with-swiss-maneuver>

<http://fortune.com/2014/04/01/anatomy-of-a-tax-cheat-caterpillar-grilled-in-senate-hearing/>

**Abusive Labor Practice Concerns.** Caterpillar's ongoing, well-documented record of unfair labor practices also raises concerns. Caterpillar supports trade legislation that could harm workers belonging to U.S. trade unions. In addition to a long and bitter strike in the 1990s, during which Caterpillar attempted to break the strike by hiring nonunion labor, Caterpillar is also a member of the Energy Advisory Committee that is attempting to influence the Trans-Pacific Partnership (TPP) in ways favorable to the fossil fuel extraction industry and unfavorable to the global environmental and trade union movement. Caterpillar has also used the threat of nonunion labor to force union workers to accept lower wages. In 2014 Caterpillar asked union workers at one of its plants in Ontario, Canada, to accept a pay cut. When the workers refused, Caterpillar moved the operations of the plant to a nonunion factory in Muncie, Ind.

Caterpillar was a major "trustee" supporter of the far right-wing American Legislative Exchange Council (ALEC) in 2013 and 2014. ALEC crafts legislation aimed at "rolling back civil rights, challenging government restrictions on polluters, infringing on workers' rights, limiting government regulations of commerce, and privatizing public services," according to

Rightwingwatch.org. ALEC is heavily funded by Charles and David Koch, owners of Koch Industries, one of the largest oil refiners in the United States. The Koch brothers are major funders of efforts to prevent climate change legislation.

<http://www.rightwingwatch.org/content/american-legislative-exchange>

[https://en.wikipedia.org/wiki/Koch\\_family](https://en.wikipedia.org/wiki/Koch_family)

<http://www.usnews.com/news/blogs/at-the-edge/2015/05/20/trade-debate-illustrates-free-trade-isnt-really-free>

<http://www.wsj.com/articles/why-u-s-manufacturing-is-poised-for-a-comeback-maybe-1401475962>

<http://www.nytimes.com/1992/04/08/us/anguish-among-caterpillar-strikers-as-jobs-are-offered-to-others.html>

### **Actions and Attempts to Change Bad Behavior:**

Caterpillar has known about the use of its bulldozers to violate human rights since at least 1989 when human rights groups first began to inform Caterpillar of these violations. Numerous attempts have been made to engage with Caterpillar concerning its complicity in human rights violations. The following are some of those attempts:

The Office of the UN High Commissioner on Human Rights informed Caterpillar CEO James Owens in a letter that "allowing the delivery of your ... bulldozers to the Israeli army ... in the certain knowledge that they are being used for such action [demolishing Palestinian homes], might involve complicity or acceptance on the part of your company to actual and potential violations of human rights..."

In 2004, religious and human rights organizations asked Caterpillar to investigate how its products were being used by the Israeli military. Caterpillar refused even to carry out an investigation.

<http://www.laborrights.org/in-the-news/14-worst-corporate-evildoers>

<http://www.cjpmo.org/DisplayDocument.aspx?DocumentID=1104>

The Mission Responsibility Through Investment Committee of the Presbyterian Church USA attempted to engage with Caterpillar over its role in human rights violations in the Occupied Territories. The Committee concluded: "Company officials made it clear that the company took no responsibility for the use of its products even by its dealers (the only party considered to be a customer), had no procedure in place for monitoring or ensuring compliance with Caterpillar's stated expectations even in a situation with a documented historic pattern of the equipment being used in human rights violations, and no desire to develop such a procedure. Further, they indicated that Caterpillar, although a global company doing business in virtually every country except where prohibited by U.S. law, has not implemented any methods to

evaluate whether particular actions are in accord with human rights conventions or international humanitarian law.”

<http://unispal.un.org/Unispal.Nsf/a39191b210be1d6085256da90053dee5/4b2de5243ebce35685257aa200487927?OpenDocument>

In 2010 Amnesty International argued that the true test of whether a corporation has taken seriously its responsibilities in the human rights arena depends on whether it practices due diligence. Amnesty outlined the following as necessary to due diligence:

**“Due diligence includes all of the following:**

- **producing a statement of policy articulating the company’s commitment to respect human rights;**
- **conducting periodic assessment of actual and potential human rights impacts of company activities and relationships;**
- **integrating these commitments and assessments into internal control and oversight systems;**
- **and tracking and reporting performance.”**

Amnesty International concluded that Caterpillar had not practiced due diligence.

<http://blog.amnestyusa.org/middle-east/caterpillar-incs-role-in-human-rights-violations-in-the-occupied-palestinian-territories/>

In 2012, the United Nations Special Rapporteur on human rights in the Occupied Territories, Richard Falk, recommended to the UN General Assembly that Caterpillar should be boycotted due to its profiting from the illegal Israeli settlements. The former professor of international law at Princeton University also noted that Caterpillar was in violation of the UN Global Compact and the UN Guiding Principles on Businesses and Human Rights.

<http://www.un.org/apps/news/story.asp?NewsID=43376#.VckzeHFVhHw>

Caterpillar has long been the target of a number of successful divestment campaigns by religious and financial organizations, as well as numerous campaigns on college campuses.

- In June 2014, the General Assembly of the Presbyterian Church USA voted to divest from Caterpillar, citing eight years of unsuccessful engagement with the corporation over its involvement in home demolitions and other human rights violations in Israel/Palestine.
- In June 2015 the United Church of Christ (UCC) voted overwhelmingly to recommend that the UCC Pension Board divest from Caterpillar, citing numerous ongoing human rights violations.
- As of 2013, nine regional bodies of the [United Methodist Church](#) had passed resolutions against Caterpillar. In [2005](#), the Church began engaging with Caterpillar over its sales contracts with the Israeli military.

- In June 2012, pension fund [TIAA-CREF](#) removed [Caterpillar](#) from its Social Choice Account after Caterpillar's ESG rating was downgraded over the "use of the company's equipment in the occupied Palestinian Territories."
- In April 2012, the [Friends Fiduciary Corporation](#) (Quakers) removed Caterpillar from its list of socially responsible corporations, stating that "Caterpillar sells bulldozers to the Israeli army to be weaponized and used in the systematic demolition of Palestinian homes and civilian infrastructure."
- In 2010 The Evergreen State College student body [passed a resolution](#) declaring the school a "CAT-free Zone, prohibiting the use of Caterpillar Inc. equipment on campus," due to the company's complicity in Evergreen student Rachel Corrie's murder, as well as the deaths of Palestinian civilians, destruction of Palestinian property, and building "Israel's Annexation Wall, which was declared illegal by the International Court of Justice in 2004."
- In February 2009, the [Church of England](#) announced that it had "withdrawn its investments" in Caterpillar after the Israeli military assault on Gaza.
- [Dutch Triodos Bank](#) affirmed in 2008 that it "excludes companies that contribute to the continuation of occupation, like...Caterpillar."

#### **University student council resolutions and referendums:**

- Princeton graduate students passed a [referendum](#) in May 2015 calling on the university to divest from companies such as Caterpillar as it is "complicit in the Israeli occupation of the West Bank and blockade of the Gaza Strip."
- In May 2015 the Olgethorpe University Student Senate passed a [resolution](#) to divest from Caterpillar "based on evidence of their active role in human rights abuses in the West Bank and Gaza Strip."
- In April 2015 the Student Senate of Earlham College passed a [resolution](#) in support of divestment from "companies directly involved in the Israeli occupation of Palestine," including Caterpillar.
- Stanford University students passed a resolution in February 2015 urging [divestment](#) from Caterpillar among other "companies implicated in the Occupied Palestinian Territories, many of which facilitate parallel injury against communities of color here in the United States."
- Northwestern University students voted to divest from Caterpillar in February 2015, [citing](#) its involvement in settlement expansion.
- In February 2015 the University of California Student Association, the official governing assembly of all University of California students, [passed](#) a resolution calling for the

university to divest from companies “that violate Palestinian human rights,” specifically mentioning Caterpillar.

- In January 2015 the UC Davis student senate passed a [divestment resolution](#) urging the university to drop investments in Caterpillar because it “provides the Israeli military bulldozers used to demolish Palestinian property, including houses, refugee camps, basic infrastructure and agriculture.” The bill was later repealed based on [constitutional technicality](#).
- Students at [UC Los Angeles](#) passed a resolution to divest from Caterpillar in November 2014, for Caterpillar’s “continually providing engineering tools and bulldozers routinely used in the demolition of Palestinian homes, refugee camps, water cisterns, and agricultural fields in the West Bank and Gaza”
- A 2014 referendum passed by students at [DePaul University](#) decreed that Caterpillar “profit[s] from Israel's violation of the human rights of Palestinians and minorities within Israel.”
- [UC Riverside](#)'s undergraduate student council voted to divest in 2014 because of Caterpillar’s “providing engineering tools and bulldozers routinely used in the demolition of Palestinian homes, refugee camps, water cisterns, and agricultural fields.”
- [Loyola University](#) in Chicago passed a 2014 divestment resolution stating that “Caterpillar sustains the occupation by providing tools and bulldozers to destroy Palestinian infrastructure such as homes, neighborhoods, and agricultural fields.”
- Students at [UC Santa Cruz](#) in 2014 Caterpillar’s “tools have been used in demolitions of Palestinians' houses in the occupied territories, in the construction of the separation wall and settlements on Palestinian land, in military incursions and as weapons.”
- The [University of Michigan Dearborn](#) student senate voted in 2014 to create an advisory committee to examine Caterpillar because it “produces and sells bulldozers that the Israeli military uses to demolish Palestinian homes.”
- [Wesleyan University](#)'s student senate in 2014 voted to divest student endowment from Caterpillar “complicit in the illegal occupation of Palestine.”
- In 2014, the University of New Mexico's [Graduate and Professional Student Association](#) voted to divest from Caterpillar, because it “has...provided engineering tools and bulldozers to expand illegal settlements and construct the Separation Wall and checkpoints throughout the West Bank.”
- [UC San Diego](#)'s student senate voted to divest in March 2013, stating “Caterpillar-provided D9 bulldozers are used against Palestinian civilians and peace activists, including the murder of Evergreen College student Rachel Corrie.”
- [UC Berkeley](#), in April 2013, passed a resolution against [Caterpillar](#) because it “has helped sustain the illegal occupation by providing bulldozers and engineering tools used to destroy Palestinian homes and farmland.”

- The [Oberlin College](#) student senate voted to divest from [Caterpillar](#) in May 2013, due to “injustices perpetrated on the Palestinian people by Israel.”
- Undergraduate students at [Arizona State University](#), in June 2012, voted to divest from and blacklist Caterpillar due to its “complicit[y] in human rights abuses in the occupied Palestinian Territories.”
- In November of 2012, the Associated Students at [UC Irvine](#) voted unanimously to divest from [Caterpillar](#), citing its use of “engineering tools and bulldozers to destroy Palestinian houses, neighborhoods (in refugee camps), agriculture, and water cisterns.”
- In November 2012, the Brown University Advisory Committee on Corporate Responsibility in Investment Policies [recommended](#) that Brown divest from Caterpillar and other companies which are "profiting from the illegal occupation of Palestinian territories."
- In 2009, the Board of Trustees at [Hampshire College](#), following a two-year student campaign, approved divestment from Caterpillar due to “human rights concerns in occupied Palestine.”

<http://investigate.afsc.org/company/caterpillar-inc>

## **Caterpillar’s Involvement in Human Rights Violations: A Compendium**

Other than the D9, Caterpillar supplies a variety of heavy engineering machinery to the Israeli army: various wheel loaders; 225, 245 and 330 armored excavators; and the Front Runner – a remote controlled mini loader built on the chassis of a Caterpillar MTL 257B (also known as the MiniCat). The Front Runner is another product of the fruitful collaboration between Zoko Enterprises and the Ramta Division. According to the Israeli Engineering Corps, the armored Caterpillar excavators took part in house demolitions, in the destruction of the Mukataa in Ramallah in 2002 and in the Israeli army's 2006 raid on the Palestinian prison in Jericho. The Front Runner, which was developed for urban warfare, can also operate in the narrow alleys of Palestinian refugee camps.

The local distributor of Caterpillar equipment to the Israeli army, Zoko Enterprises, also provides the maintenance, spare parts and storage services for the machinery. Moreover, Zoko's employees function not only as civilian maintenance workers, but also as potential reserve soldiers. In 2009, the Israeli newspaper Haaretz reported about a planned contract between the army and the company, which would enable the immediate drafting of Zoko's civilian staff, in order to allow them full access to the tools on the battlefield. No information was found confirming the final signing of such a contract.

Caterpillar's engineering machinery was also used by civilian companies for the construction of a large number of settlements in the OPT, including Revava, Maskiot, Oranit, Carmel, Elkana and Beitar Illit in the West Bank and the Har Homa settlement neighborhood in East Jerusalem. Caterpillar machinery was also used in various projects serving the settlements, such as the Ariel West and Barkan industrial zones, the [Tel Aviv-Jerusalem high speed](#)

[train](#) and the headquarters of the Judea and Samaria District of the Israel Police, located in the E1 area. The models used for these tasks are: 330B, 330BL and 936.

The construction of the Separation Wall and checkpoints was also executed using Caterpillar heavy machinery. The company's loaders and excavators were documented during works on the land of the Palestinian villages of Mas'ha, Al-Walaja, Qalandiya, Jayous, Ras al-Tira, Khirbet Jbara and Wadi a-Rasha and during the construction of the Anabta and Qalandiya checkpoints. The models used for these tasks are: 330C, 330CL, 345B, 345D, 936 and D10N.

Wheel loaders manufactured by the company were used by the Israeli army for creating roadblocks or for demolishing access roads leading to Palestinian villages in the area of Qarawat Bani Hassan, Aqabah and various locations around the South Hebron Hills. The roadblocks were created using the 938G wheel loader and military loaders.

In addition, Caterpillar track excavators and wheel loaders were used for the demolition of Palestinian houses. The company's tools participated in demolitions in the Palestinian neighborhoods of Sheikh Jarrah, Beit Hanina and Tsur Baher in East Jerusalem and in the South Hebron Hills area.

As of the past several years, Caterpillar military wheel loaders are also used as a crowd control weapon in Kafr Qaddum, during the weekly demonstrations in the village.

From: <http://www.whoprofits.org/company/caterpillar>

Also See:

War on Want: <http://www.waronwant.org/sites/default/files/Caterpillar%20-%20The%20Alternative%20Report.pdf>

Amnesty International 2010 report on Caterpillar: <http://blog.amnestyusa.org/middle-east/caterpillar-incs-role-in-human-rights-violations-in-the-occupied-palestinian-territories/>

Human Rights Watch letter to Caterpillar: <https://www.hrw.org/news/2004/10/28/human-rights-watch-letter-caterpillar-inc>