



SUSTAINABILITY REPORT 2020

PUBLISHED MAY 2021







IN 2020, GATES IDENTIFIED ITS PILLARS OF SUSTAINABILITY, FOCUSED ON GOVERNANCE, TECHNOLOGY, THE ENVIRONMENT AND STEWARDSHIP (GTES).

LETTER FROM THE CEO

By all accounts, 2020 was a year of global challenge and upheaval. And, as has been the case during each of the major periods of crisis that Gates has weathered in its 110 years, the tenacity, commitment and creativity of our people sustained our organization, offering support to and setting an example for our customers and the communities around the world that we call home.

While it's actually only been seven months since the publication of our 2019 Sustainability Report, our sense of urgency for our 2020 Sustainability Report matches evolving attitudes we see around us. This unprecedented pandemic has served as a catalyst to motivate our global community to take quicker action on climate change with new and aggressive commitments from governments, corporations and institutions.

At Gates, we remain committed to do all that we can to sustain our precious environment while continuing to develop our products and serve our customers and communities across our 100 global locations.

In our 2020 Report, we introduce our pillars of sustainability - Governance, Technology, the Environment and Stewardship (GTES).

From a governance perspective, we've enhanced our disclosure metrics to align with global reporting initiatives and standards boards, employing best-practice indices year-over-year to set appropriate goals in the communities we serve. We've also created a sustainability dashboard to increase visibility into our metrics and reporting.

Through our process of eco-driven innovation, we aim to reduce the environmental impacts of our products, our operations and end-user applications. From environmental sustainability programs, to chemical management, to greenhouse gas emissions, to energy consumption and conservation, to waste and recycling - we take an integrated lifecycle approach to systematically minimize the impact of each of our products, from development to manufacturing and throughout service life.

Gates also recognizes the importance of bettering the communities in which we operate and investing in the health and well-being of our employees. I am proud of the ways in which we kept our employees safe in 2020. We adhered to and often exceeded the rapidly evolving regulations and requirements of governing bodies around the world, while also continuing to support our customers, many of whom are in essential industries. Gates employees demonstrated resilience, grit and character in the face of uncertainty and hardship. Gates employees also offered a helping hand in their communities by printing 3D face shields for hospitals and frontline workers, coordinating with other companies to support hand sanitizer production, volunteering to clean up city centers, and donating to local charities on the front lines of the fight against the virus. As a result, we exited the year stronger and with a renewed appreciation for the importance of health and humanity.

I invite you to read our 2020 Report to learn about the progress we have made, despite this most challenging of years, towards our four Environmental, Social, and Corporate Governance (ESG) pillars. Although we're still dealing with the effects of the pandemic today, I hope you join me in my optimism for a brighter future ahead.

IVO JUREK
CEO
Gates

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GATES (NYSE: GTES)

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SUSTAINABILITY AT GATES

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Though the world is not the same as it was in early 2020, the commitment and perseverance of our global team has been unwavering. Gates leaders everywhere have effectively balanced what's good for our people, our communities, our environment and our business, pivoting quickly and flexibly as the pandemic landscape has changed. This balance remains one of Gates' greatest strengths – it is what has made us successful over the past 110 years – and will carry us through another 110 years.

CRISTIN BRACKEN

Chief Legal Officer & Sustainability Committee Sponsor
Denver, CO, U.S.

”

At Gates, we remain committed to eco-driven innovation as we push the boundaries of materials science to engineer products that advance the way the world moves. Our integrated approach to sustainability is founded on the pillars of governance, technology, the environment and stewardship of our communities. We strive to increase our alignment with global reporting indices year-over-year to ensure we operate in a manner that best supports the communities and environments in which we work.

The intent of this report is to provide information for Gates Industrial Corporation plc and its subsidiaries (collectively, "Gates") from January 1, 2020 through December 31, 2020, unless otherwise stated.

SUSTAINABLY
ADVANCING THE WAY
THE WORLD MOVES



OUR APPROACH AND UNITED NATION SUSTAINABLE DEVELOPMENT GOALS ALIGNMENT

Gates aspires to align our sustainability advancements with the global efforts highlighted by the United Nation Sustainable Development Goals (shown in the colored boxes throughout the report). Our 2020 materiality assessment identified Gates areas of focus in sustainability and highlighted the opportunities for positive impact described in the information that follows.

GOVERNANCE

The foundation of our GATES pillars which focus on maintaining ethical and comprehensive corporate oversight.

TECHNOLOGY

Engineering innovative solutions that advance the way the world moves.



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- Corporate Governance
- Living Our Culture
- Compliance Commitment
- Compliance Awareness Program
- Ethical Sourcing

T

- Innovation System
- Lifecycle Management
- Eco-Driven Innovation

MAINTAINING THE HIGHEST ETHICAL AND LEGAL STANDARDS

Gates is committed to maintaining the highest ethical and legal standards. Our core values of integrity and accountability guide us in our day-to-day business activities.

INDUSTRY, INNOVATION AND INFRASTRUCTURE

We are focused on process improvements and innovations to minimize environmental impact throughout the product lifecycle.

RESPONSIBLE CONSUMPTION AND PRODUCTION

We work to improve the energy efficiency of our own operations through initiatives to curb energy and water consumption, and utilize innovative product design to minimize our footprint.

ENVIRONMENT

We are committed to continuously improving environmental sustainability.



- Greenhouse Gas Emissions
- Energy Conservation and Consumption
- Water Conservation and Consumption
- Waste Minimization

CLEAN WATER AND SANITATION

We adhere to important regulations and standards for water conservation, and monitor water withdrawal, in an effort to better use water in an efficient manner and to help conserve this valuable resource.

AFFORDABLE AND CLEAN ENERGY

Gates holds high standards in environmental stewardship, and has implemented a number of energy conservation programs to enhance the efficiency of our operations and our customers' applications with affordable and clean energy when possible.

CLIMATE ACTION

We are committed to responsible business practices and global energy efficiency program actions to help combat climate change and align to science-based targets.

LIFE BELOW WATER

Gates recognizes that water is a precious natural resource and will continue to identify processes across our organization to help reduce water withdrawal and improve water recycling.

LIFE ON LAND

We track the generation, location and disposal methods of waste throughout all of our facilities worldwide, with an ongoing goal to increase our waste diversion from landfills year-over-year.

STEWARDSHIP

Gates is dedicated to enhancing the experience of our employees and communities.



- Health and Safety
- Community Engagement
- Employee Well-being
- Diversity, Equity, Inclusion

GOOD HEALTH AND WELL-BEING

Global Health, Safety and the Environment (HSE) Standards help protect the well-being of our employees and the communities in which we operate.

GENDER EQUALITY

We remain committed to providing a diverse and inclusive work environment in which all of our employees are valued and able to contribute their best every day.

REDUCED INEQUALITIES

We believe that celebrating Gates diverse population helps us to better understand and appreciate our unique differences and our overwhelming similarities.

SUSTAINABLE COMMUNITIES

As a global business, we recognize the importance of helping to build, serve, empower and improve the communities in which we do business and seek ways to have an impact outside of our four walls.



GOVERNANCE



CORPORATE GOVERNANCE



LIVING OUR CULTURE



COMPLIANCE COMMITMENT



COMPLIANCE
AWARENESS PROGRAM



ETHICAL SOURCING

CORPORATE GOVERNANCE

CURRENT BOARD OF DIRECTORS



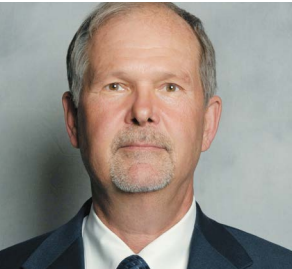
NEIL P. SIMPKINS
Chairman of the Board
Senior Managing Director
Corporate Private Equity Group
The Blackstone Group Inc.



IVO JUREK
Chief Executive Officer
Gates Industrial Corporation plc



JULIA C. KAHR
Senior Managing Director
Corporate Private Equity Group
The Blackstone Group Inc.



TERRY KLEBE
Retired Senior Vice President
& Chief Financial Officer
Cooper Industries



JAMES IRELAND, III
Retired President & Chief
Executive Officer
General Electric Africa



STEPHANIE MAINS
Chief Executive Office
LSC Communications-MCL



WILSON NEELY
Retired Partner Simpson
Thacher & Bartlet LLP



MOLLY P. ZHANG
Retired Vice President
Asset Management
Orica Ltd.



ALICIA TILLMAN
Former EVP & Global Chief
Marketing Officer SAP

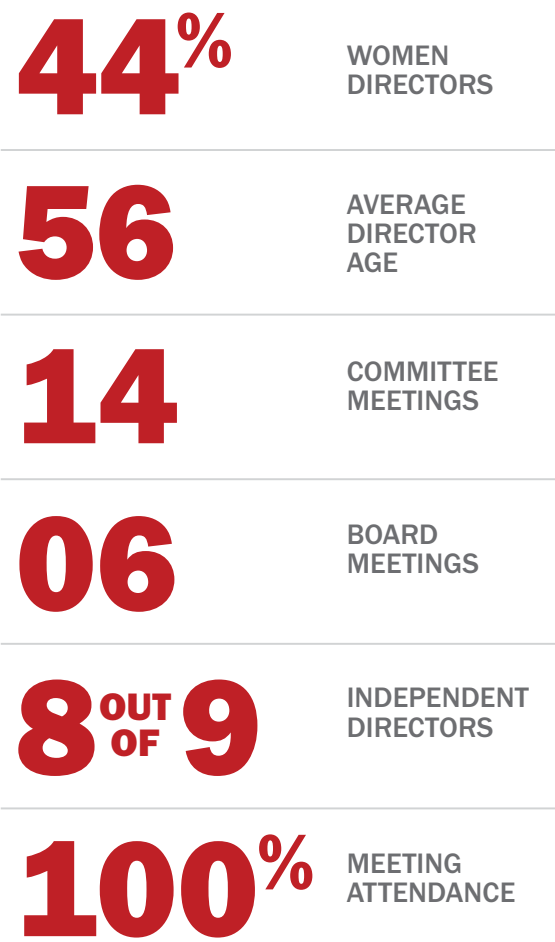
While Gates business success is important, we believe in doing business the right way. As a part of its duty to oversee our corporate strategy, Gates Board of Directors recognizes the many environmental and social factors that may impact the long-term interests of our shareholders and stakeholders. The Board believes governing Gates business responsibly is intrinsically tied to achieving operational excellence. To ensure that Gates corporate strategy aligns with its values, our Board is focused on the company’s commitment to ethics, integrity and corporate responsibility.

FRESH PERSPECTIVES FOR A 110-YEAR-OLD COMPANY

Gates is a “controlled company” within the meaning of the New York Stock Exchange (NYSE) corporate governance standards because affiliates of the Blackstone Group Inc. own more than a majority of the voting power of our ordinary shares.

Under the NYSE standards, we are exempt from certain independence requirements, including the requirement to have a majority of independent directors. However, given the importance of independent viewpoints, Gates Board of Directors, beginning in 2020, has consisted of a majority of directors who have affirmatively been determined to meet NYSE independence standards.

Gates Board of Directors is currently comprised of nine members. As a newly public company, the average tenure on the board is less than three years. We’ve added five new members since our initial public offering in January 2018. Our directors - four of whom are women - have diverse skill sets and backgrounds. As a company with a broad geographic presence, we prioritize global knowledge and experience, and have directors who have lived and worked all over the world, including in Asia, Africa, North America and Europe.



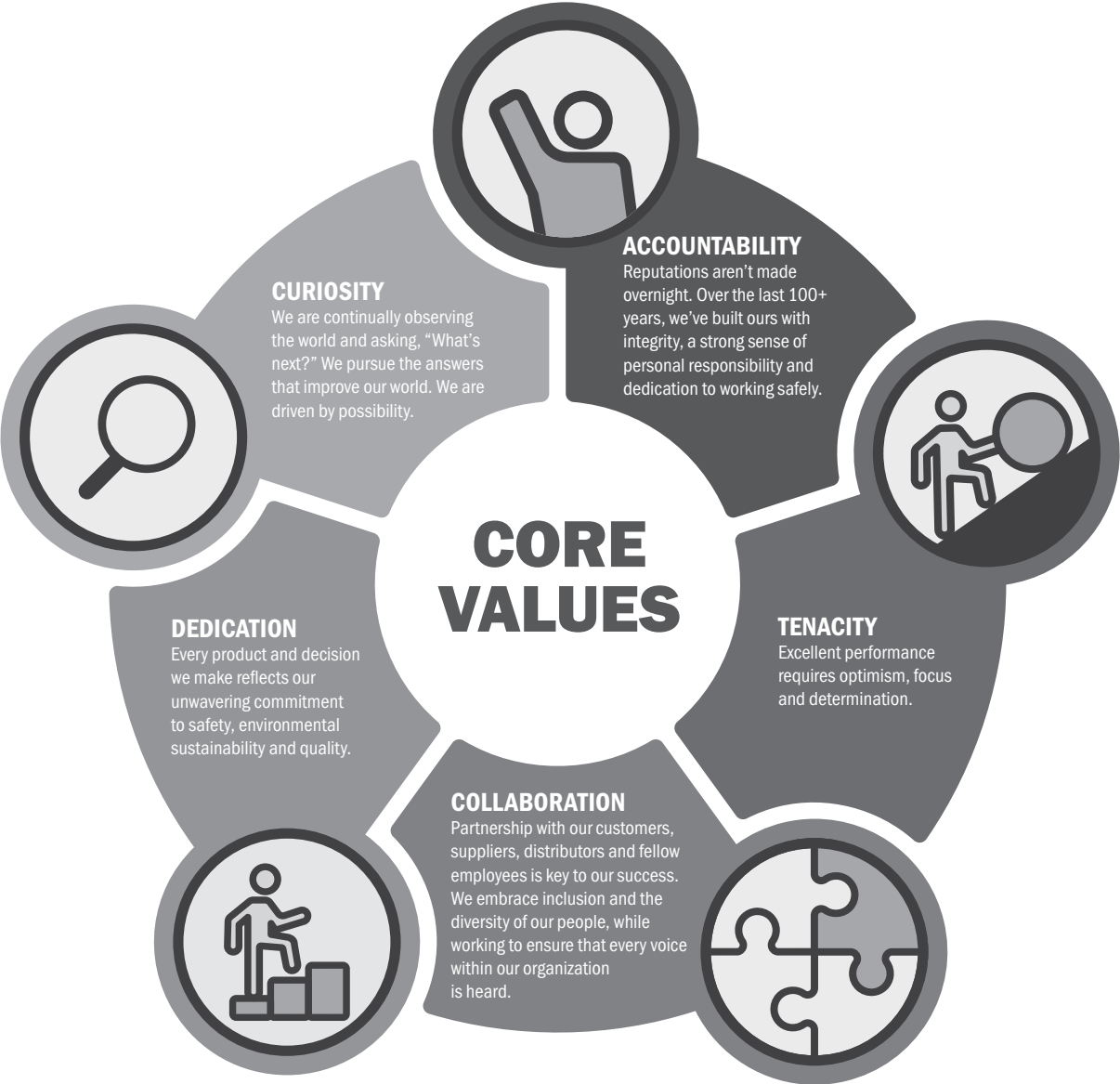


LIVING OUR CULTURE

Over the past 110 years, we’ve built our reputation as a leading, global manufacturer with integrity, a strong sense of personal responsibility, and a dedication to working safely. Our five corporate core values of accountability, tenacity, collaboration, dedication and curiosity are an integral part of how we do business. We continue to focus on the wellness of our employees, the strength of our partnerships with customers, suppliers and distributors, and the sustainability of our environment. Simultaneously, we embrace the diversity and vitality of our global communities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE OVERSIGHT

Gates Board oversees and has responsibility for environmental, social and governance issues, and is committed to integrating these principles into the company’s long-term strategic vision. Gates Board has a formal schedule for consideration of environmental, social and governance matters including the review of related metrics and ESG risks and opportunities, and is regularly briefed on emerging issues and trends as they arise. Gates is committed to integrating these principles into the company’s long-term strategic vision.





COMPLIANCE COMMITMENT

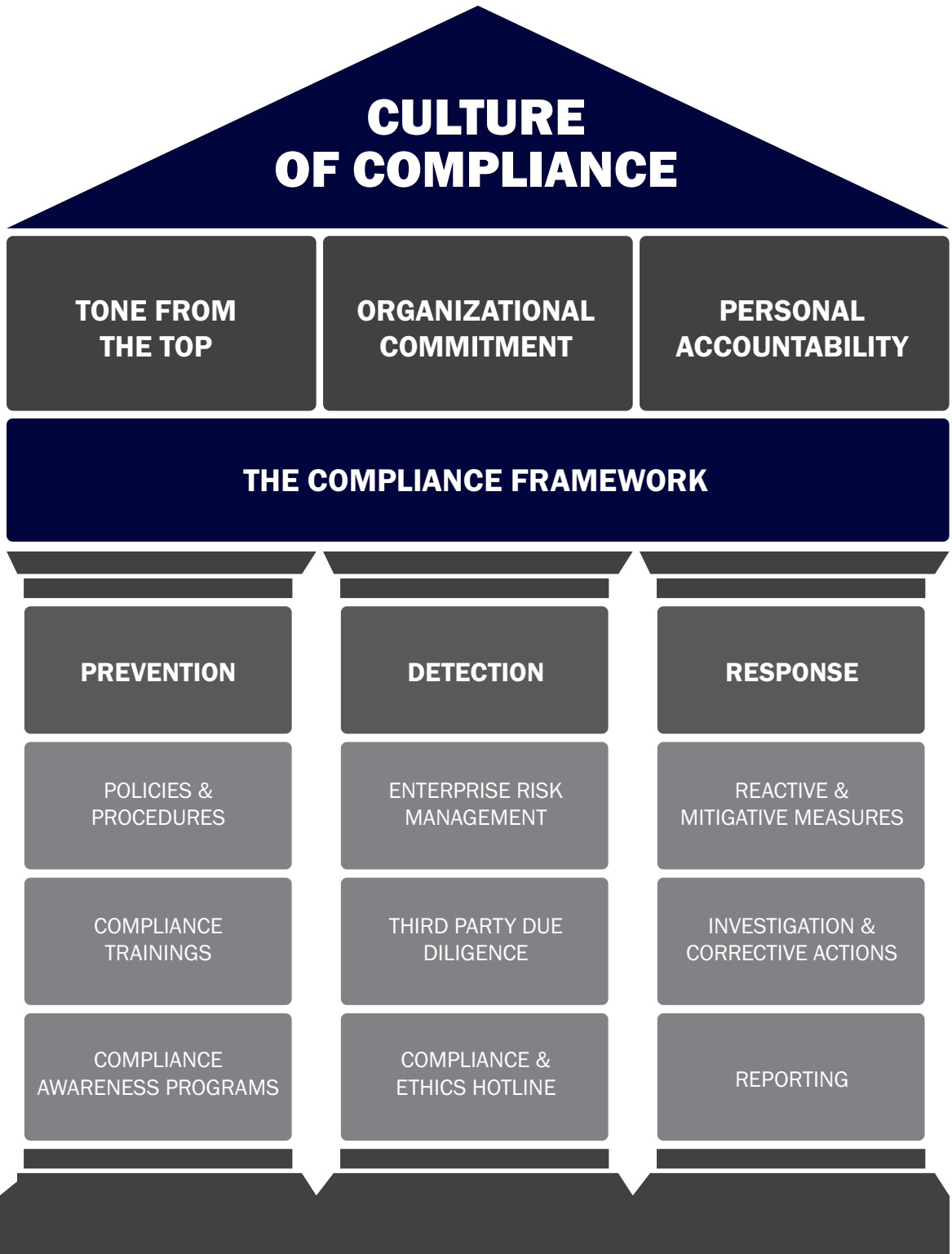
DOING BUSINESS RIGHT

We are committed to maintaining the highest ethical and legal business standards, and this guides our decision making and day-to-day activities. Compliance and ethics are deeply embedded in our culture. Gates team members and directors are expected to follow both the spirit and intent of our Code of Business Conduct and Ethics. Gates Code defines our approach to doing business the right way and provides resources to address compliance and ethics concerns.

The Code is available in multiple languages at: WWW.GATES.COM/POLICIES

Our employees are trained regularly on topics including:

- Corporate Governance Guidelines
- Code of Business Conduct and Ethics
- Human Rights Policy
- Modern Slavery Act Statement
- Whistleblower Policy
- Anti-Corruption Policy
- Health, Safety, and the Environment (HSE) Policy



COMPLIANCE AWARENESS PROGRAM



BREAK THE SILENCE

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SPEAK UP NOW AGAINST UNETHICAL ACTIVITIES

Report any violation, suspected violations or concerns, openly or anonymously.

Report without fear of retaliation.

Where and how to report:

gatescorp.ethicspoint.com



000-800-100-1071
000-800-001-6112

compliance@gates.com



Gates Industrial Corporation Plc.
Attn: VP-Compliance,
1144 Fifteenth St. Suite 1400,
Denver, Colorado 80202

Remember, you are protected by the Whistleblower Policy.



WINNING WITH INTEGRITY

Gates global compliance program spans the entire organization and results in honest, ethical and lawful business practices, utilizing a variety of channels to uphold our ethical commitments.

Employees are regularly trained on The Code and other key policies, including Gates Conflict of Interest Policy and Disclosure Procedure, which are cascaded via mandatory annual policy certifications, requiring employee acknowledgment and commitment.

Gates Compliance and Ethics Hotline is utilized for reporting conduct that is not aligned with our company’s values and policies and/or applicable laws and/or regulations. We take all such reports seriously and have robust investigation, reporting and remediation protocols.

In 2020, Gates East Asia & India launched the “Living Our Culture” Compliance Awareness Program to further region-specific, cross-functional awareness. Regional functional leaders sit on the program’s committee and Gates EVP of Global Human Resources, Roger Gaston, and Chief Legal Officer, Cristin Bracken, serve as the executive sponsors.



LIVING OUR CULTURE PROGRAM ACTIVITIES & DELIVERABLES

- Compliance survey
- Monthly leader-run meetings
- Bi-monthly case studies and Q&A forum
- Channel management framework
- Awareness posters on display in all offices and plants
- Rules of engagement pocketbook distributed to all employees

ETHICAL SOURCING

SOCIAL COMPLIANCE AND HUMAN RIGHTS

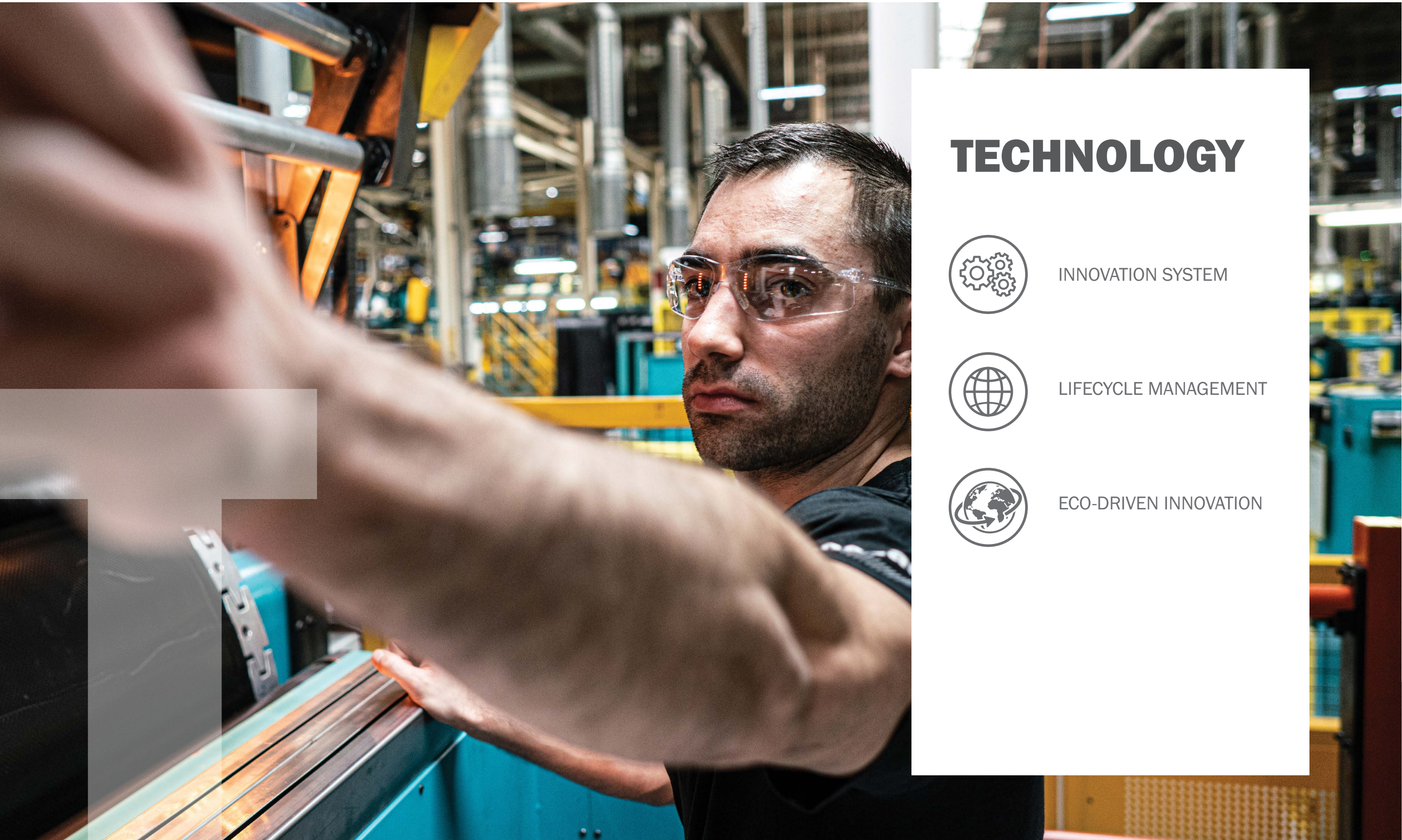


Our policies guide our interactions with suppliers, partners and customers worldwide. Adherence to ethical sourcing of material through our conflict minerals policy, and the Supplier Code of Conduct ensures that co-manufacturers and independent suppliers share our commitment to a high ethical resolve, have similar standards and policies in place, and practice our core values in their business operations. We work directly with our partners to help develop and implement the right way to do business.

These expectations are an extension of our commitment to our employees and are aligned with international principles such as the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

We strive to proactively manage salient human rights risks across our supply chain. By holding ourselves and our partners accountable, we help ensure workers enjoy safe, fair and equitable working conditions.





TECHNOLOGY



INNOVATION SYSTEM



LIFECYCLE MANAGEMENT



ECO-DRIVEN INNOVATION



GATES INNOVATION SYSTEM

“ From concept to production, every day I see Gates engineers researching ways to improve the sustainable nature of our products. They are eliminating environmentally harmful chemicals from the product composition, and they are exploring novel approaches to design and processing to minimize energy consumption in our factories. Luckily, their focus doesn’t stop at the walls of our factories! Engineers are also increasing product safety and quality to extend the customer use phase of our products’ lifecycle.

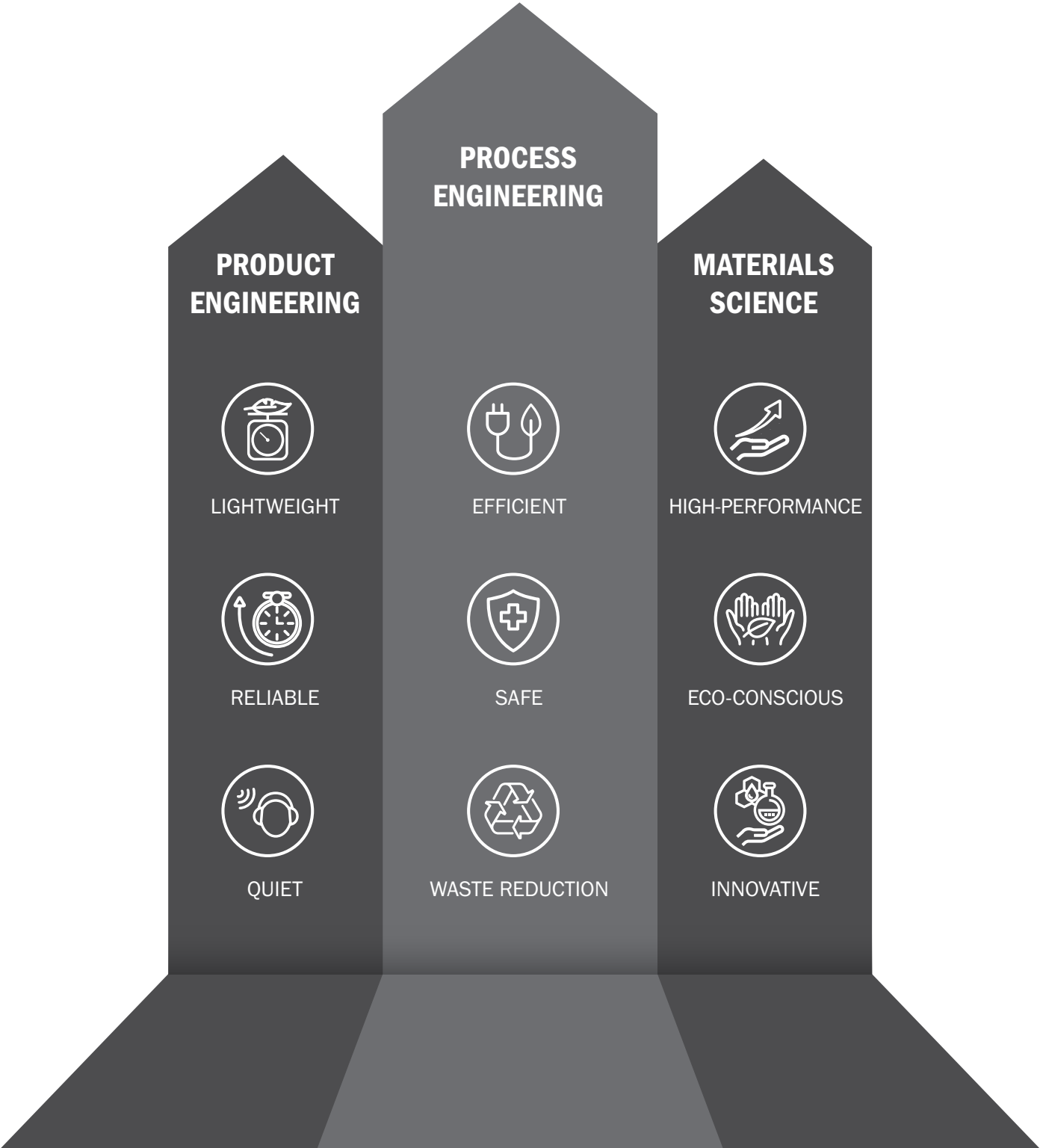
CINDY COOKSON
Vice President, Global Product
Line Management, Hydraulics
Denver, CO, U.S.

”

CHEMICAL MANAGEMENT

Our global materials database tracks the use of chemicals across all operations. It allows us to identify the use of specific materials of concern and make substitutions wherever feasible. Since 2017, chemical management has helped us to use more sustainable materials in our products and operations.

With materials science advancements, design expertise and advanced processing technologies, Gates is continually engineering products that meet and exceed the growing needs and diverse challenges of our customers. Gates eco-driven innovation aims to reduce the negative environmental impacts of our products and end-user applications, while delivering improved performance and extended product life. Gates addresses risks associated with material supply chains by focusing on utilizing recycled and renewable materials and optimizing resource efficiency during manufacturing.



LIFECYCLE MANAGEMENT

Consideration of people and planet plays an important role in the Gates product lifecycle. Our engineers are focused on process improvements and innovations to minimize environmental impact from cradle-to-grave, beginning with material selection in the design process, through product manufacturing, customer use and end-of-life.



Feb. 2020: Gates sponsored a team from Colorado State University participating in the National Fluid Power Association’s Fluid Power Vehicle Challenge as they built a bicycle powered by hydraulics. Gates VP of Global Product Line Management, Mike Haen, served as the team’s sponsor.



ECO-DRIVEN INNOVATION

OUR PRODUCTS ARE DESIGNED WITH GATES IN MIND

HIGH-PRESSURE
PERFORMANCE REDEFINED

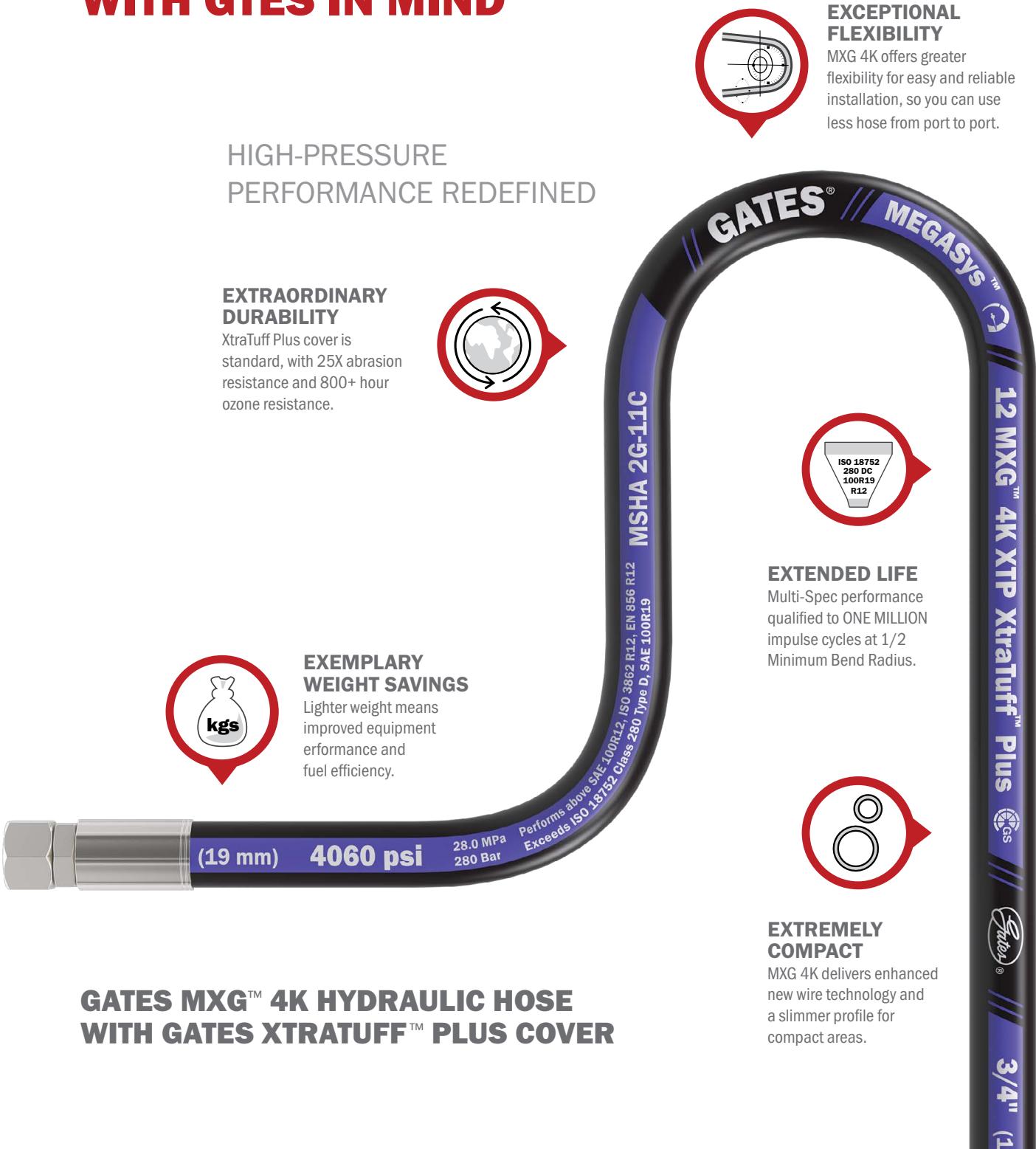
EXTRAORDINARY DURABILITY
XtraTuff Plus cover is standard, with 25X abrasion resistance and 800+ hour ozone resistance.

EXEMPLARY WEIGHT SAVINGS
Lighter weight means improved equipment performance and fuel efficiency.

EXCEPTIONAL FLEXIBILITY
MXG 4K offers greater flexibility for easy and reliable installation, so you can use less hose from port to port.

EXTENDED LIFE
Multi-Spec performance qualified to ONE MILLION impulse cycles at 1/2 Minimum Bend Radius.

EXTREMELY COMPACT
MXG 4K delivers enhanced new wire technology and a slimmer profile for compact areas.



GATES MXG™ 4K HYDRAULIC HOSE WITH GATES XTRATUFF™ PLUS COVER

GATES HYDRAULIC HOSE CASE STUDY AND ESG DESIGN CONSIDERATIONS

QUALITY AND SAFETY:

- 40% more flexible than conventional spiral hoses, reducing the amount of force needed to properly route, allowing for faster, easier and more ergonomic installation
- On average 8% more compact, providing an easier fit that also enables upsizing hose selection for increased power

LIFECYCLE MANAGEMENT:

- Exceeds industry standards for bend radius and impulse life, performing to one million impulse cycles at high temperatures (121° C/250° F); increases use-phase and reduces waste-to-landfill

ENVIRONMENTAL IMPACT:

- XtraTuff Plus cover provides enhanced ozone resistance, passing a rigorous 800-hour ozone test, reducing potential for hazardous spills, while also extending product life
- Chloroprene-free construction minimizes the use of volatile, environmentally harmful chemicals
- 30% lighter weight construction allows for increased fuel economy and weight reduction targets, while improving equipment performance

ECO-DRIVEN INNOVATION

GATES SYNCHRONOUS BELT CASE STUDY & ESG DESIGN CONSIDERATIONS

QUALITY AND SAFETY:

- Best-in-class quality offer a longer, more adroitly engineered product life cycle, that ultimately reduces overall waste to landfill
- Zero lubrication dramatically reduces operational risks, decreasing risk of slippage and falling



GATES POWERGRIP® GT® 4
AND POWERGRIP GT EXTEND™

Rebates are often offered by electrical providers and municipalities in the U.S. and other regions, to businesses that switch from chain drive units to Gates synchronous belt drive solutions. Our belts provide more consistent tension with less slip, which translates to greater energy efficiency, increased energy conservation and cost savings.



A GATES POLY CHAIN GT CARBON SYNCHRONOUS BELT DRIVE CAN OPERATE IN THE SAME SPACE AS ROLLER CHAIN IN MOST APPLICATIONS.

LIFECYCLE MANAGEMENT
AND ENVIRONMENTAL IMPACT:

- Product portfolio manufactured to reduce manufacturing waste and enable use of elastomers which are more environmentally-friendly than the chlorinated compounds frequently used in belt constructions
- Belt construction replaces chloroprene with a special ethylene elastomer (EE) formulation that delivers higher performance without the use of harmful chlorinated compounds
- Improved efficiency through conversion of roller chain to belt drive, enabling a transformation from a high-maintenance chain to a high-performance belt, improves efficiency and equates to less wasted energy and reduced energy consumption
- Belt weight is reduced by an average of 15% and results in approximately 35% lower bending stiffness, versus other belt technologies, enabling tighter pulley configurations and reduced drive bending losses, resulting in reduced energy consumption, CO2 emissions and heat generation, and improved ergonomics

ECO-DRIVEN INNOVATION

GATES HYDRAULIC CRIMPER CASE STUDY & ESG DESIGN CONSIDERATIONS

QUALITY AND SAFETY:

- Onboard training content simplifies the training of new operators producing safe hydraulics assemblies. With the addition of animations, videos, PDF documents and available remote support, users can troubleshoot, calibrate and maintain their equipment, minimizing downtime and potential safety issues
- Integrated crimp information improves quality, providing a quick and efficient way to select the right hose, coupling and die combination
- Web-enabled updates allow immediate software updates and new crimp data, enabling continuous innovation with new enhancements by Gates, and reduces the distribution footprint associated with updating catalogs
- Improved ergonomics achieved with the addition of a handle on the die cone, reducing contact with grease, making it easier to handle with less risk of strain, and LED task light improves work environment
- Optional administrator and operator profiles are available, with password-protected login for compliance with quality system standards, for added safety and control



GC20™ WITH GATES CORTEX™ INTELLIGENCE

“ I really like the handle and the light makes it easier to see what you are doing. The training video will make it easier to train new people on the crimper. ”

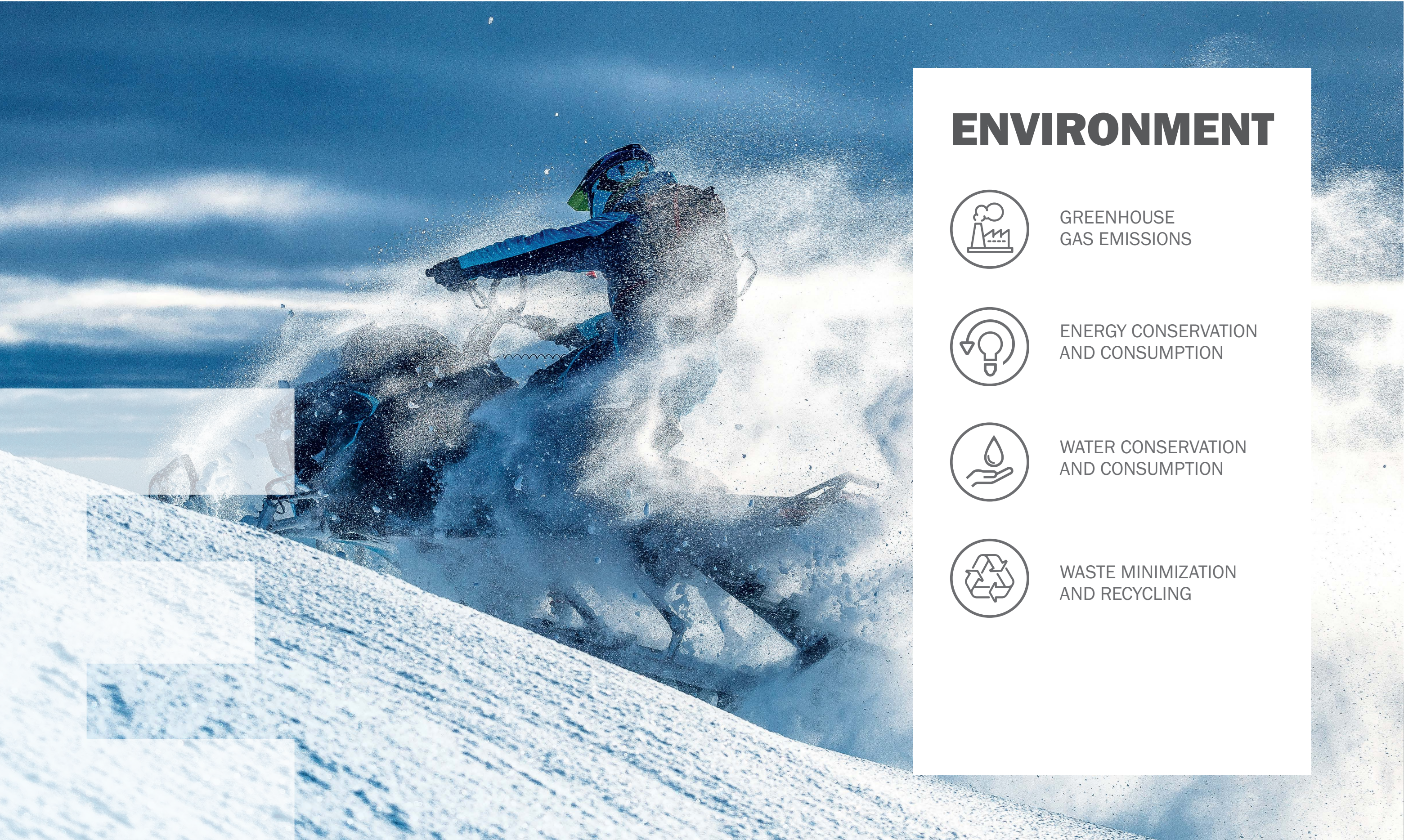
KEVIN ALBERT
Operations Manager
Hydraulic Controls, Inc.
Denver, CO, U.S.



ENVIRONMENTAL IMPACT

Gates employees worked together to revise our Carbon Drive Owner's Manual, reducing the 20-page booklet, which was wrapped in plastic for distribution, to a smaller-sized, two-page document, printed on post-consumer recycled paper. In 2020 alone, this innovative collaboration saved 250,000 sheets of paper and eliminated plastic used to wrap the booklets altogether.





ENVIRONMENT



GREENHOUSE
GAS EMISSIONS



ENERGY CONSERVATION
AND CONSUMPTION



WATER CONSERVATION
AND CONSUMPTION



WASTE MINIMIZATION
AND RECYCLING

ENVIRONMENT

Across our global footprint, Gates remains committed to conducting business with respect and consideration for the environment. As an organization, we utilize the creativity, passion and expertise of our employees around the world as we work to continually improve our manufacturing processes, optimizing resource efficiency while maintaining performance. A focus on the environment is inherent in our business practices, and solidified through the establishment, implementation and maintenance of our internal standards, which requires all facilities⁽¹⁾ to conform with ISO 14001⁽²⁾ or equivalent management system.

1 Includes all Gates manufacturing sites. Excludes distribution centers, recent acquisitions, assembly centers and oil and gas operations.
2 ISO: International Organization for Standardization

“

At Gates, we’ve made significant strides in our sustainability journey, but understand there is still a lot of work ahead. As individuals and as a company, we continue working together to reduce the impact of our global ecological footprint.

”

ELLEN HUANG
Director of Environmental Affairs
Denver, CO, U.S.



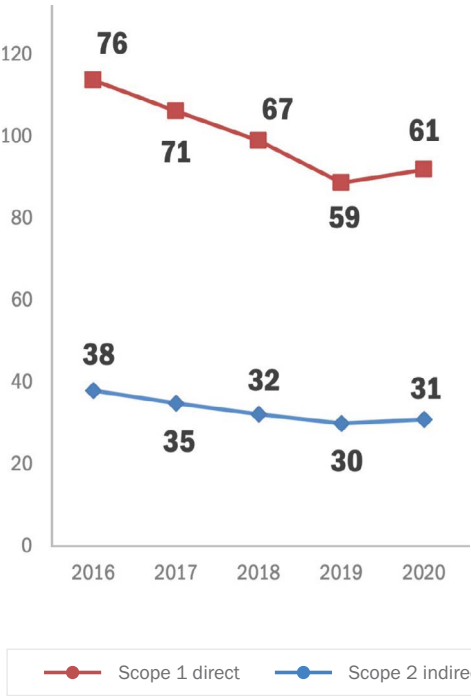
ENVIRONMENTAL SUSTAINABILITY

Gates holds high standards in environmental stewardship and has implemented a number of sustainability programs that span the lifecycle of our products. We manage key materiality concerns such as greenhouse gas emissions, energy consumption, waste generation and water consumption.

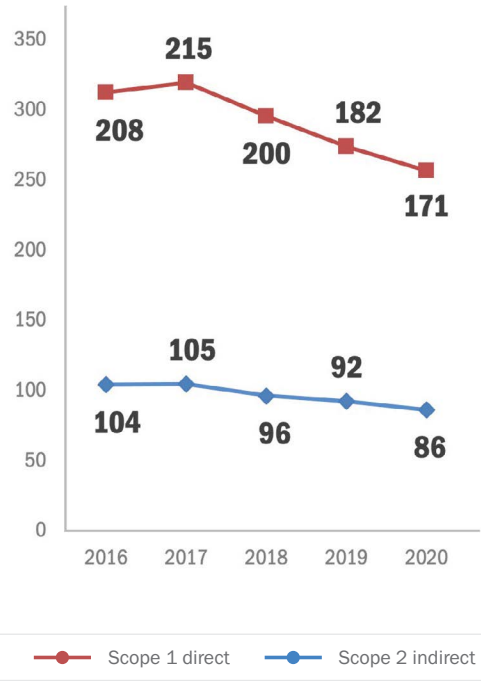
GREENHOUSE GAS EMISSIONS (GHG)

Gates is dedicated to creating and establishing business practices that have a positive impact on the global climate change crisis. We are committed to reducing our greenhouse gas emissions by 15% by 2025. Following on base line work that began in 2019, we work to continually improve and optimize our manufacturing processes, optimizing resource efficiency while maintaining performance.

GREENHOUSE GAS EMISSIONS INDEXED
Thousands of metric tons of CO₂ equivalent indexed to net sales



GREENHOUSE GAS EMISSIONS
Thousands of metric tons of CO₂ equivalent



Data for all manufacturing facilities either owned or under our operational control. Data includes recent acquisitions as of 2018. Where actual data was not available, estimates were used. For example, in cases where data is not available for a full 12-month period, available data is used to extrapolate and estimate the values for missing data. Emissions factors for greenhouse gas calculations are primarily from the U.K. Department for Environment, Food & Rural Affairs (DEFRA), the International Energy Agency, the United Nations Intergovernmental Panel on Climate Change (IPCC, AR5) and the U.S. EPA's Greenhouse Gas Emissions Factors Hub, and are adjusted where more recent country or region specific governmental factors are published. Total Scope 1 and total Scope 2 emissions data have been independently assured by Ruby Canyon Environmental, Inc. who have carried out limited assurance in accordance with the International Standard ISO 14064-3:2006 "Greenhouse gases – Part 3: Specification with guidance for the validation and verification of greenhouse has assertions".

ENERGY CONSERVATION AND CONSUMPTION

Energy efficiency is a key priority in our business operations. We’ve identified facilities and specific areas of business production that, through targeted initiatives, will help reduce our energy consumption over time. The project based initiatives allow our team the ability to use their ingenuity, creativity and sharing of best practices to help us meet our goal to reduce energy consumption by 20% by 2025.

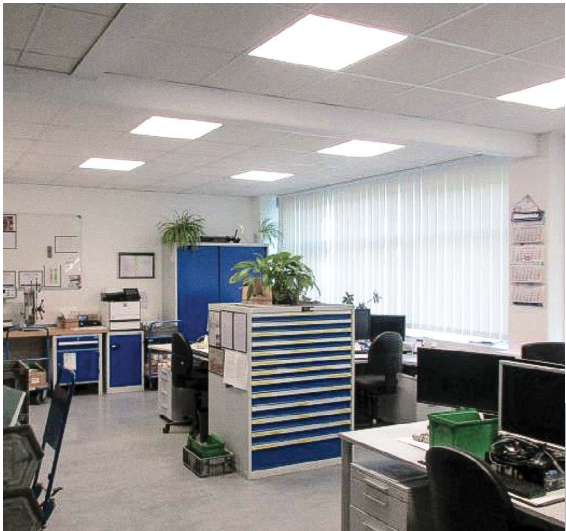
ENERGY CONSERVATION

Gates continues to focus on developing partnerships with energy providers and local governments that make use of renewable energy sources. Approximately 18% of our manufacturing sites are certified to ISO 50001 for energy management, with additional facilities currently in the process of pursuing certification.

Global programs and many other site-based projects, such as the installation of solar panels, gas, and energy-efficient equipment, allow our facilities to meet our site-based and corporate targets. Additional initiatives include an efficiency motor replacement program, LED lighting projects, and the use of biomass boilers and natural lighting. Gates has also implemented procedural and monitoring programs to curb energy use and reduce GHG emission from the facility level all the way down to individual pieces of equipment.

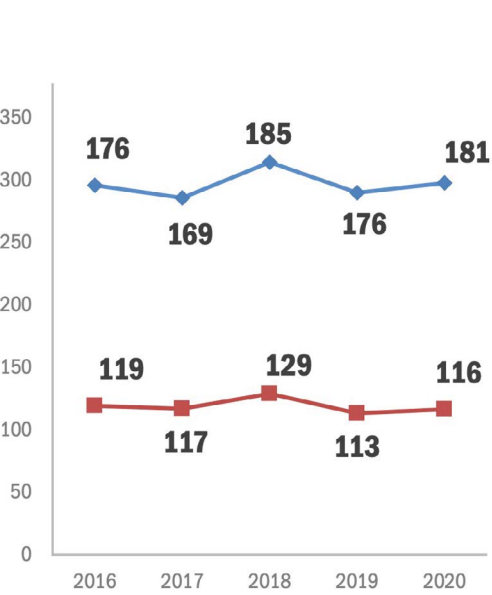
Examples of ongoing efforts include:

- Natural lighting projects
- Continuous monitoring of energy use to meet site-specific demand targets to identify inefficiencies for improvement
- Compressed air efficiency initiatives
- Natural gas efficiency initiatives
- Shutdown programs to conserve electricity when operations or machinery are not in use
- Consistent maintenance standards and practices
- Energy specifications for asset investment



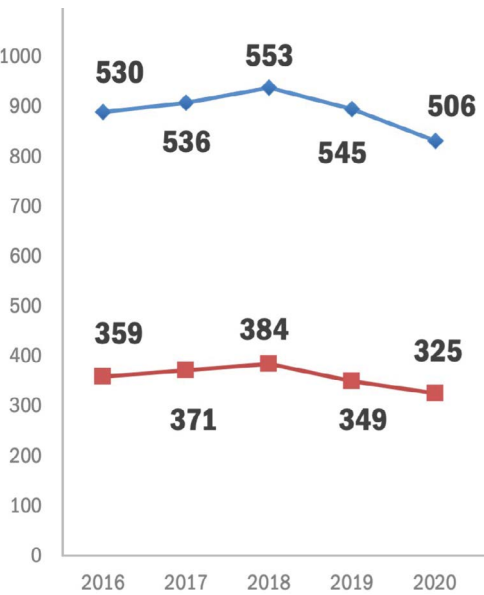
OFFICE NATURAL LIGHTING PROJECT
IN SUZHOU, CHINA

ENERGY CONSUMPTION INDEXED
Millions of Kilowatt-hours indexed to net sales



— Scope 1 Direct Energy Kilowatt hours indexed per 1000 USD net sales
— Scope 2 Indirect Energy Kilowatt hours indexed per 1000 USD net sales

ENERGY CONSUMPTION
Millions of Kilowatt-hours



— Scope 1 Direct Energy Millions of Kilowatt-hours
— Scope 2 Indirect Energy Millions of Kilowatt-hours

Data for all manufacturing facilities either owned or under our operational control. Data includes recent acquisitions as of 2018. Total Scope 1 and Total Scope 2 emissions data have been independently assured by Ruby Canyon Environmental, Inc. who have carried out limited assurance in accordance with the International Standard ISO 14064-3:2006 “Greenhouse gases – Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions”.

“Gates focus on energy efficiency and conservation not only benefits our company, but the global community as well.”

ALAN EDINGTON
Global Director Energy Efficiency & TPM
Nashville, TN, U.S.

WATER CONSERVATION AND CONSUMPTION

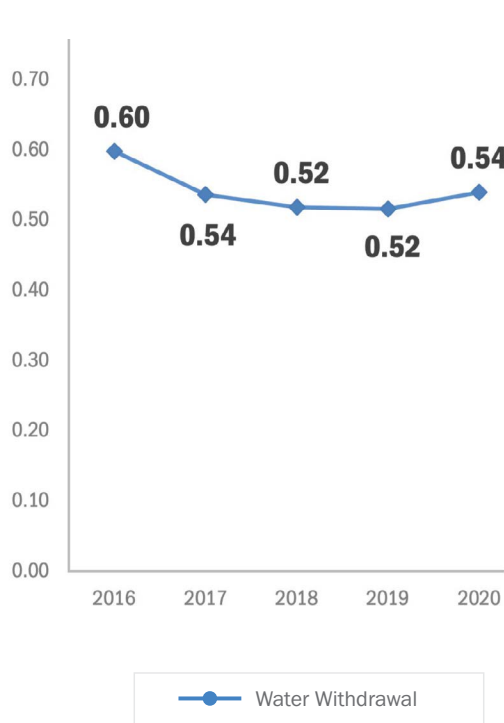
Gates operates in some water-stressed regions around the world. We therefore adhere to strict water conservation regulations and work to anticipate the needs of the communities and ecosystems in which we operate. Gates facilities monitor water withdrawal to better use water in an efficient manner and help conserve this valuable resource. In drought-prone or arid regions in which we operate, we incorporate water conservation measures into everyday processes as well. Our team continues to find innovative ways to reduce water withdrawal and improve water recycling in a collaborative effort to reduce Gates water consumption year-over-year. We have successfully seen an 11% reduction of water consumption from 2018 to 2020.

We continue to focus on:

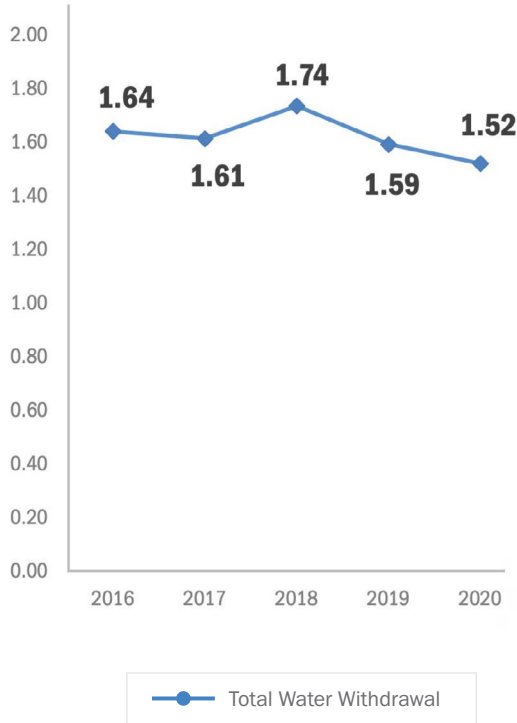
- Recycling water at Gates facilities; averaging 6% water return, we have conserved 99,000 cubic meters of water each year, the equivalent of 1.3 million 20-gallon (75 liter) fish tanks
- Monitoring water consumption programs helps identify waste and improve efficiencies to reduce water and usage
- Utilizing low-flow water fixtures across our operations

- Updating our manufacturing facilities’ water heating and cooling systems to closed-loop systems where possible, reducing water consumption on average by 63% over older systems
- General upgrades and investments including the installation of new boilers, cooling towers and water conservation processes across multiple sites

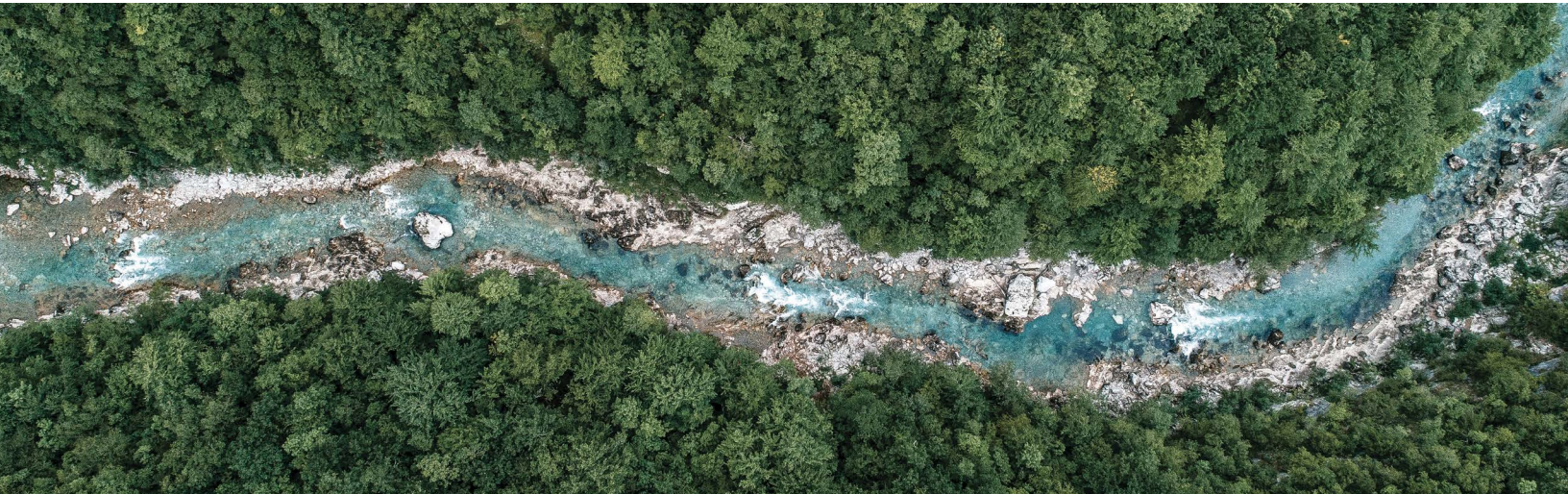
TOTAL WATER WITHDRAWAL INDEXED
Millions of cubic meters indexed to net sales



TOTAL WATER WITHDRAWAL
Millions of cubic meters



Data for all manufacturing facilities either owned or under our operational control. Data includes recent acquisitions as of 2018.



Gates rainwater collection programs in India and Thailand conserve 1,112 cubic meters of water annually. The water is then rerouted for use in bathrooms and landscaping.



WASTE MINIMIZATION AND RECYCLING

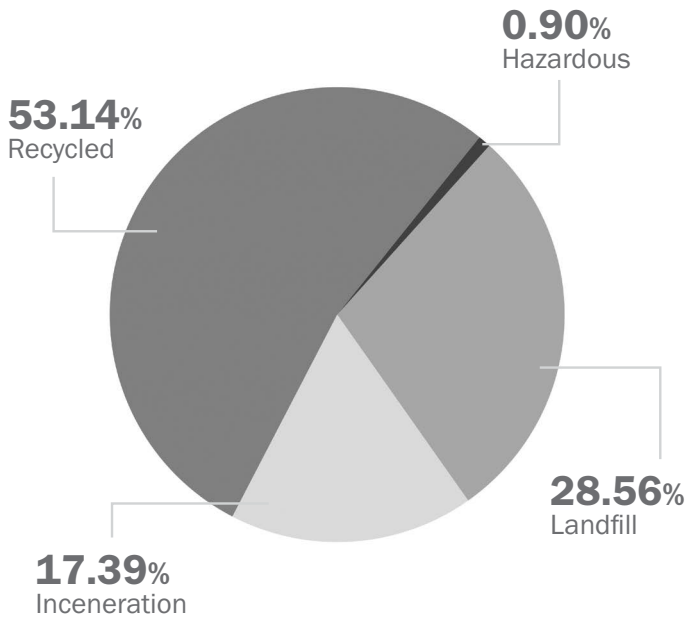
Gates continues to identify opportunities and develop solutions to address the waste produced at our sites across the world, and we work to divert waste from landfills where possible. All of our manufacturing and distribution facilities worldwide are driven to reduce scrap and uphold Gates high-quality standards to help reduce our waste global footprint.

Currently, 71% of our waste is directed to recycling and incineration facilities, an improvement of 11% over 2019, with an ongoing goal to increase our waste diversion from landfills year-over-year.

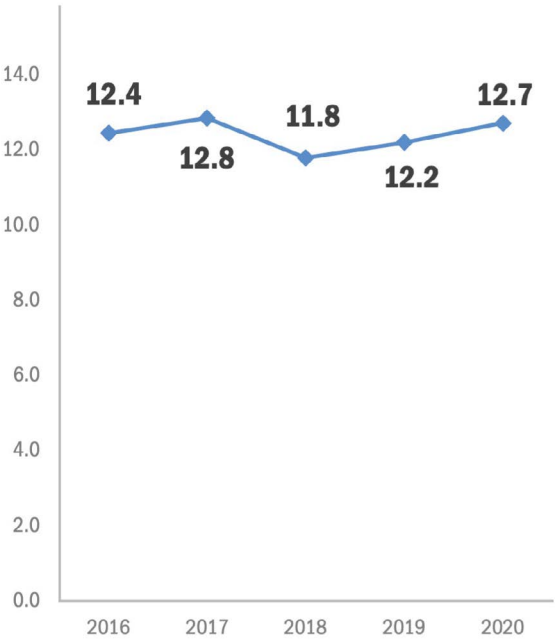
2020 WASTE DISPOSITION

By weight / metric tons

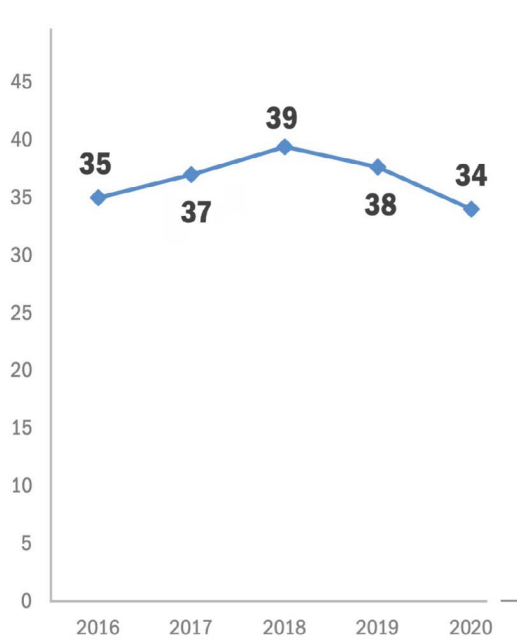
Data for all manufacturing facilities either owned or under our operational control. Data includes recent acquisitions as of 2018.



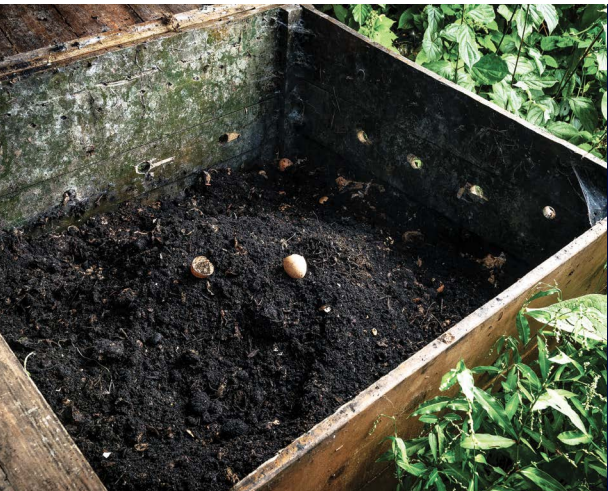
TOTAL WASTE INDEXED
Tons to total per million USD net sales



TOTAL WASTE GENERATION
Thousands of Metric tons



GATES THAILAND REUSES THE AIRBAG MOLDS FROM OUR MANUFACTURING PROCESS TO MAKE USEFUL ITEMS FOR THE SITE.



Through targeted initiatives, Gates experienced a 280% increase in composting efforts in 2020, when compared to 2019, composting 173 tons of biomaterials from our sites, equivalent to the weight of 39 Asian elephants.



ENVIRONMENTAL PERFORMANCE

		2016	2017	2018	2019	2020
GREENHOUSE GAS EMISSIONS	GHG direct scope 1 (thousands of metric tons of CO ₂ equivalent)	104.17	104.75	96.18	92.45	86.21
	GHG indirect scope 2 (thousands of metric tons of CO ₂ equivalent)	208.37	214.64	199.66	181.54	170.56
	GHG direct scope 1 indexed (metric tons of CO ₂ equivalent per million USD net sales)	37.92	34.84	32.22	29.95	30.87
	GHG indirect scope 2 indexed (metric tons of CO ₂ equivalent per million USD net sales)	75.85	71.35	66.84	58.81	61.07
ENERGY	Direct energy scope 1 (millions of kwh)	530.24	536.11	553.36	545.08	505.85
	Indirect energy scope 2 (millions of kwh)	358.70	370.74	384.17	349.36	324.91
	Direct energy scope 1 indexed (per thousand USD net sales)	193.03	178.21	185.24	176.27	181.11
	Indirect energy scope 2 indexed (per thousand USD net sales)	130.58	123.24	128.60	113.17	116.33
WASTE	Total waste (thousands of metric tons)	34.13	37.24	39.41	37.63	34
	Total waste indexed (per million USD net sales)	12.43	12.38	11.77	12.19	12.7
WATER	Total water withdrawal (millions of cubic meters)	1.64	1.61	1.74	1.59	1.5
	Water withdrawal indexed (per thousand USD net sales)	0.60	0.54	0.52	0.52	0.54
NET SALES	Million USD net sales used in indexing above metrics	2747.00	3008.30	3347.61	3087.11	2793.02



STEWARDSHIP



HEALTH AND SAFETY



COMMUNITY
ENGAGEMENT



EMPLOYEE WELL-BEING



DIVERSITY,
EQUITY, INCLUSION

HEALTH AND SAFETY

Gates remains dedicated to enhancing our employees’ health and overall safety by striving for zero injuries and an incident-free workplace. We continue to decrease recordable injuries across our global operations. This improvement has been the result of targeted risk reduction activities, improved case management, increased accountability to corrective action identification and closure, the sharing of best practices and more effective safety observation programs.

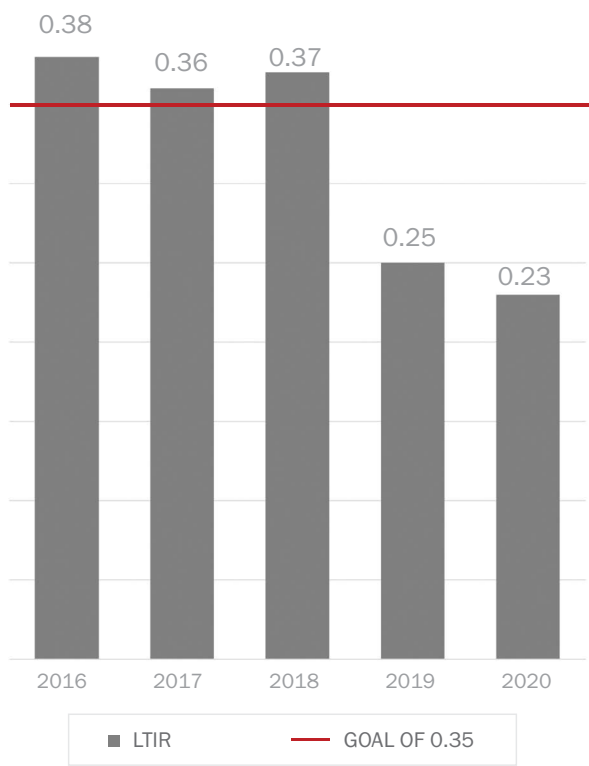
“

The health and safety of our employees is a top priority. Our dedicated HSE team continues to make significant strides in Gates HSE programs through collaboration, innovation and risk based analysis. Even in the unprecedented adversity we faced in 2020, Gates was able to adapt for the well-being of our people and to advance our safety culture.

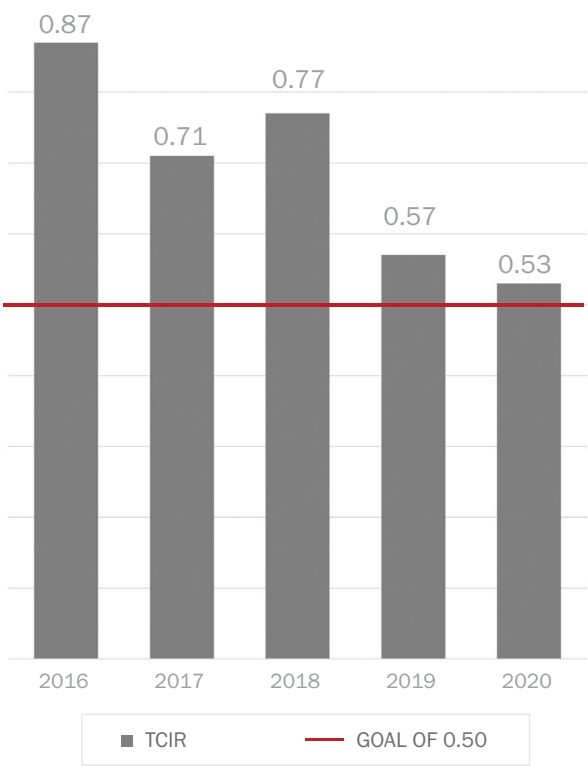
MARY O’NEILL
SVP of LEAN Manufacturing, Health & Safety
Denver, CO, U.S.

”

LOST TIME INCIDENT RATE



TOTAL CASE INCIDENT RATE



HEALTH AND SAFETY

Gates believes risk reduction, continual improvement of HSE performance and assured compliance is best achieved by integrating HSE management into each facility’s business processes, strategic direction and decision-making. These values are ingrained in Gates policies and practices through the establishment, implementation, and maintenance of the Gates Health, Safety, and Environment Global Standards Manual, which requires all facilities⁽¹⁾ to conform with ISO 45001⁽²⁾ or equivalent management systems.

1 Includes all Gates manufacturing sites. Excludes distribution centers, recent acquisitions, assembly centers and oil and gas operations.
2 ISO: International Organization for Standardization

TO SEE OUR FULL HSE POLICY, VISIT:
WWW.GATES.COM/POLICIES

DISTRIBUTION TEAM IN PERTH, AUSTRALIA DECEMBER 2020.



HSE AWARDS PROGRAM

Gates internal HSE awards program recognizes our global facilities achieving exceptional HSE performance. Together we strive to promote collaboration and risk reduction within our operations, nurture objectives to standardize methods of regulatory compliance, and implement environmental and safety initiatives to promote our employee’s health, safety and well-being.

HSE SPOTLIGHT: IOLA, KS U.S.

In 2020, the Gates Iola Distribution Center was recognized for achieving high HSE standards of excellence, such as:

- Zero recordable injuries
- 49 months injury free
- 156,000 pounds of material reclaimed via waste reduction and recycling programs
- 50% energy reduction via LED lighting project
- Multiple safety improvement projects related to ergonomics, material handling, communications, emergency preparedness and powered industrial vehicle safety



IOLA KS U.S.

“A safe working environment is an important, learned part of our culture. We all have to work together to keep everyone safe.”

RONDA TOMSON
Distribution Center Manager
Iola, KS, U.S.

“Health and safety improvements are not passive activities. The Iola Distribution Center Team works to realize year-over-year improvements that are practical, impactful and sustainable over time.”

KATE GROVER
HSE Manager
Iola, KS, U.S.

MACHINERY SAFETY TRAINING

Gates China’s Changzhou factory held a machinery safety training for employees, led by Gates Global Safety Manager, an electrical and mechanical safety expert. January 2020.

“This training program is delivering benefits by growing in-house skills and knowledge, reducing risk associated with legacy equipment through implementation of the current “state of the art” safety solutions, and ensuring that new machinery entering our company meets all necessary global safety standards.”

LEE SIMPSON
Global Safety Programs HSE Manager
Dumfries, UK



COMMUNITY ENGAGEMENT

At Gates, we foster collaboration and learning to celebrate our culture and our employees through our social and knowledge-sharing platform, Community. By connecting our locations across the globe, we create an inclusive and diverse environment that enhances our innovative and engineering spirit. Through the Community platform, our employees can share cultural traditions and stories while building relationships cross-functionally and cross-regionally. Community also serves as an internal resource hub filled with links to trainings, job aids and guides for various programs and processes. Community supports our core value of collaboration and helps bring us closer together.

In light of the social unrest in the U.S. following the death of George Floyd, Gates donated \$35,000 USD to the Equal Justice Initiative organization in a show of solidarity against racism and in support for equal rights.

More than 40 Gates employees from the Denver, CO, U.S. offices also volunteered in a physical cleanup effort following destructive protesting in the downtown Denver, CO area.



Following the earthquake that struck the Aegean Sea, causing significant damage and loss of life in Izmir, Turkey, and the Greek island of Samos, Gates donated \$50,000 USD in support of disaster relief.



THE GATES INDUSTRIAL CORPORATION FOUNDATION

The Gates Industrial Corporation Foundation (the Foundation) plays an important role in our philanthropy program and actively supports civic, community, arts, cultural, health and welfare initiatives, as well as education programs and scholarships. Charitable contributions in 2020 from the Foundation totaled \$1,088,861 USD.

In addition to the more than \$535,000 USD donations made in support of organizations responding to the COVID-19 pandemic, the Foundation also matched all U.S. employee donations of \$25 or more, dollar-for-dollar.

This resulted in an additional \$259,228.45 USD (totaling \$518,457 USD) donated to more than 271 different non-profit organizations, directly impacting a variety of important causes about which our employees are passionate.

Another 10 charitable organizations received money from the Foundation through grants. Through the National Merit Scholarship Corporation, six dependent children of Gates employees were awarded college scholarships, and Gates provided ongoing support to an additional 23 students.



COMMUNITY ENGAGEMENT

“ At Gates, we take our responsibility as a global corporate citizen very seriously, While we are an employer and an economic engine in nearly a hundred communities around the world, we are also neighbors who want to help out in the places we call home. For that reason, we’re empowering our local facility leaders and all of our employees to help us place resources where they will do the most good.

ROGER GASTON
Executive Vice President of Human Resources
Denver, CO, U.S.

”

Throughout the COVID-19 pandemic, we worked to ensure the sustainability of our business, products and services, and continued to support our customers and distributors, many of whom operate in essential industries. In light of these unprecedented times, and in support of our global communities, we also worked to extend our support to the organizations making a difference around the world.

“ It was incredibly abundant and gratifying to see the generosity of people in this time of pandemic.

SAMUEL ALVES
Product Application Engineer
Jacareí, Brazil

”

In 2020, Gates made charitable donations of more than \$535,000 USD to a variety of non-profit organizations directly responding to the COVID-19 pandemic.

Responding quickly to the global outbreak, Gates made a substantial donation of 1 million CNY(\$150,000 USD) to the Hubei Charity Federation to support the medical needs in the area where the virus is believed to have originated. The aid campaign spread globally and donations were made to chapters of large NGOs, such as the United Way and the American Red Cross, as well as local hospitals, food banks and other humanitarian organizations.



COMMUNITY ENGAGEMENT

COVID-19 RESPONSE



U.S., MEXICO, BRAZIL

Employees from the Denver, CO, U.S. offices, as well as those at the Toluca, Mexico and Jacareí, Brazil manufacturing sites, spearheaded individual, local campaigns to build plastic face shields using the company's technical knowledge and 3D printing capabilities, and delivered over 1,000 face shields to front-line workers during the height of the pandemic.



CZECH REPUBLIC

The team from Karvina, Czech Republic delivered a check to help support local COVID-19 relief efforts.



MEXICO

Gates Mexico's HSE Coordinator, Lorena Gutierrez, raised funds to purchase three-layer mouth covers and face masks from local small businesses to deliver to a nearby hospital in Toluca.



INDIA

Volunteers from Gates India partnered with local hospitals to distribute medicine in Chennai, Pune and Lalru.



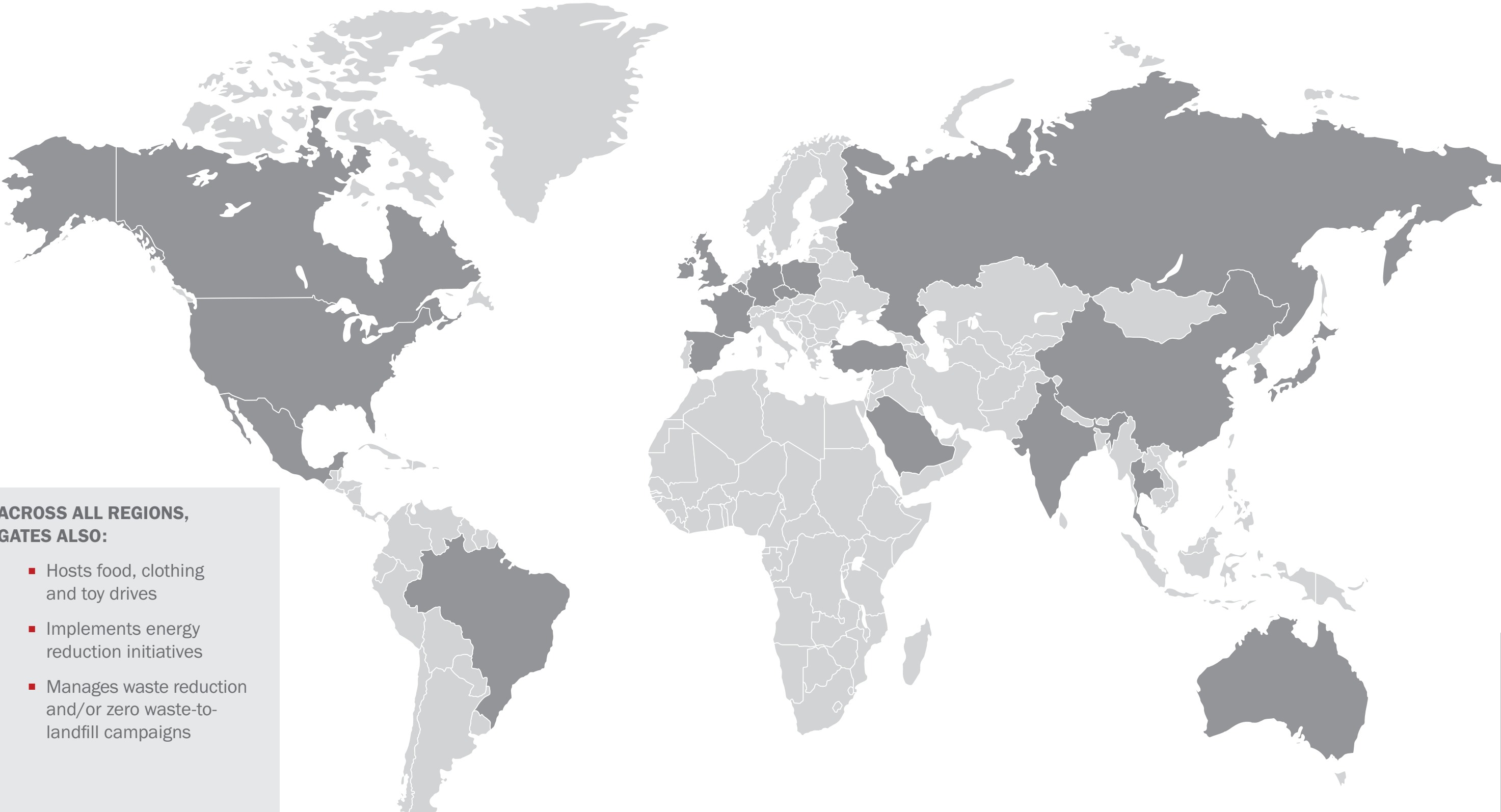
U.S.



“ We recognized that we have a unique capability with our 3D printer to make face shields for frontline workers. We saw a need in the community and did what we could to help address the problem for the betterment of the community as a whole. ”

CHRIS WILKINS P.E.
Senior Metals Development Engineer
Denver, CO, U.S.

GLOBAL COMMUNITY



- ACROSS ALL REGIONS,
GATES ALSO:**
- Hosts food, clothing and toy drives
 - Implements energy reduction initiatives
 - Manages waste reduction and/or zero waste-to-landfill campaigns



BUILD-O-RAMA

ANNUAL EMPLOYEE BIKE BUILD & GIVEAWAY EVENT

Gates annual BuildORama Employee Bike Build and Giveaway event provides bikes for underprivileged kids in the local community, and has become a much anticipated tradition for employees at the Denver, CO, U.S. offices. Although the pandemic impacted scheduling and plans, Gates adapted and adjusted, and hosted its fourth annual build and giveaway events in a modified, pandemic-safe fashion. In partnership with Wish for Wheels, a local non-profit, and Priority Bicycles, Gates employees helped build 62 bikes, all equipped with Gates Carbon Drive technology, and delivered them to the second grade class at Castro Elementary just in time for the holidays. For many of these kids, the bikes may be the first they’ve ever owned (or even ridden) and may even become their main mode of transportation to and from school each day.



EMPOWERING CREATORS

Gates Denver, CO hosted a day-long field trip for eighth-grade students to help raise interest and awareness in STEM-related careers, exposing them to a variety of critical roles in a professional manufacturing environment.

STEM GENERATION INC.

In 2020, Gates partnered with STEM Generation Inc., a Denver-based nonprofit dedicated to providing STEM learning and resources for girls and students of color. The partnership and Gates subsequent donation aims to provide improved access for thousands of students to crucial science, technology, engineering and mathematics (STEM) opportunities.

“

Research shows that kids born into poverty have significantly less access to enriched learning experiences when compared to their peers. I am proud that Gates stepped forward in the most challenging of economic times to support these students that were disproportionately impacted by the pandemic.

CAROL WEBER
PhD, PE Director Technology Development
Denver, CO, U.S.

”

EMPLOYEE WELL-BEING

Gates is committed to investing in the well-being and development of its employees, and recognizes that good health and a work-life balance is critical to the success of the organization. We monitor and base our initiatives on four key factors:

- Mental and emotional well-being
- Social support tools
- Physical wellness
- Financial wellness



Gates China’s “Well-being Activity Week” has been a successful tool to engage employees in the region. Held in the fall, employees participate in a range of activities that help foster and support physical, mental and financial well-being. More than 880 employees in the region participated. September 2020.



PROMOTING KNOWLEDGE TRANSFER ACROSS REGIONS AND FUNCTIONS

The Gates Connect Global Mentoring program has provided knowledge transfer and growth opportunities between mentors and mentees globally since 2016. The program has generated more than 1,500 pairs in the last five years, impacting employees of all levels.

Our mentors and mentees are matched based on their preferences which helps ensure intentional relationships. Our program is “mentee driven; mentor guided,” meaning the mentee is responsible for taking initiative of the relationship while the mentor provides support. Mentors and mentees attend an orientation at the beginning of the program to set expectations and share best practices. They are each provided a guide to get started and recommended monthly training through our Gates Connect Learning Community.

Gates Connect has become a staple piece of our informal development at Gates and has become an experience many of our employees look forward to each year.

We strive to provide a work environment that is both collaborative and inclusive, and employ several employee resources groups to support this focus. We also understand that organizational success is directly tied to our employees’ opportunity for development and recognize how social and societal factors impact employee well-being. At Gates, we offer the following corporate programs to further promote employee well-being:

- Gates Connect Global Mentoring Program
- Lighthouse virtual learning and development
- “Inside the Gates” global internal communication hub
- Virtual coaching series for management
- Glint employee feedback surveys
- “The Good Life” employee wellness program

WELL-BEING INITIATIVES AND ACTIVITIES

Sites are encouraged to:

- Host regular yoga/ stretching sessions
- Promote vaccination and flu shot initiatives
- Support healthy eating initiatives
- Hold blood drive events
- Recognize mental health awareness and suicide prevention campaigns
- Offer discounted gym memberships for employees and families
- Promote breast and prostate cancer awareness



HEALTHY WORKING LIVES GROUP

The Gates Healthy Working Lives Group in our Dumfries, UK office strives to foster and improve the health and well-being of our workforce. During the 2020 holiday season, they hosted a Christmas card design competition for the children of our employees - the winning entries received a pack of their cards, professionally printed.



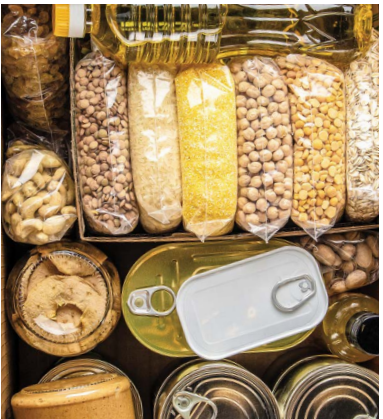
VIRTUAL EVENTS

Due to COVID-19, the annual in-person marathon near the Gates facility in Balsareny, Spain was canceled. As an alternative, 22 employees created an app to compete in a 24/7 virtual marathon together.



MENTAL HEALTH AWARENESS

In addition to Gates ongoing mental health campaigns, Lou Rosen, President of Commercial North America, hosted a special virtual staff event that included a mental health focused presentation from a Staff Sergeant and Green Beret in the United States Special Forces, followed by a panel discussion.



FREE PANTRY

The team in Shanghai and Suzhou China created a cooperative food pantry providing health food options for coworkers.



DIVERSITY, EQUITY, INCLUSION

At Gates, through our Diversity, Equity and Inclusion (DEI) efforts, we are focused on the recognition and advancement of underrepresented populations within our organization. We strive to foster a culture in which every employee has an equal opportunity to be heard and contribute, and is recognized for their individual efforts towards our collective success. While the year presented unprecedented health and social challenges, we are excited about the journey ahead as we look to further develop practices and programs that provide the best possible working environment and equal opportunity for all employees.

“

Over the last few years, I have seen our DEI initiatives continue to grow throughout the company. I am excited to see our leadership team engaged and taking action towards creating a more diverse and inclusive culture here at Gates.

CASEY HUNTOON
HR Recruiter - DEI Advocate
Denver, CO, U.S.

”

Diversity, equity and inclusion was promoted through a variety of programming, education and financial contributions in 2020, including:

- Speed coaching event, highlighting women leaders within the organization
- Virtual panel event following racial injustice protests to create space for courageous conversations and drive awareness and acceptance
- Partnership with the University of Colorado at Denver to host virtual employee workshops, including:
 - Unconscious bias
 - Micro-agression
- An Inclusive Leader Continuum event with Jennifer Brown, author of “How to Be an Inclusive Leader.” Following the event, Gates leaders joined in a panel discussion about building cultures of inclusion

AS OF 31-DEC-20	GLOBAL			U.S. ONLY		
	TOTAL	WOMEN		TOTAL	MINORITIES	
		#	%		#	%
BOARD OF DIRECTORS	8	3	38.30%	8	1	12.50%
CEO & DIRECT REPORTS	11	1	9.09%	10	2	20.0%
DIRECTORS, VPS & ABOVE	226	45	19.91%	130	17	13.08%
MANAGERS	1,219	260	21.33%	310	45	14.52%
MANAGMENT TOTAL	1,456	306	21.02%	450	64	14.22%
TOTAL (INCLUDES BOARD MEMBERS & ALL TYPES OF EMPLOYEES)	14,386	3,551	24.68%	3,668	889	24.24%



INTERNATIONAL WOMEN'S DAY 2020 WAS CELEBRATED ACROSS GATES LOCATIONS.

“

I am passionate about DEI at Gates, where every employee has equal opportunity to contribute and realize their personal career ambition. As a recruiter, I have witnessed firsthand the impact DEI cultures can have to drive employee engagement and company performance. Organizations that support and promote such cultures have proven to be more creative, innovative and successful, bringing together a collection of unique perspectives to inform strategy, enable better processes, build organizational strength and, ultimately, promote the ability to effectively compete in a dynamic global marketplace.

GREG MILLER
Senior Leadership Recruiter
& Executive DEI Steering Committee member
Denver, CO, U.S.

”

To further support our community, the DEI committee in Denver, CO, U.S. identified opportunities to support organizations who share similar values and are working to provide equal access and opportunity for all.

This included:

- Establishing a partnership with Catalyst, a global non-profit organization focused on DEI in the workplace, to develop a strategy to advance DEI at Gates, work began to create a pilot program in the U.S. and Canada locations, and an Executive Steering Committee and Diversity Leadership Council were formed to ensure alignment with Gates core values and diverse representation across our businesses
- Providing tablets to the Platte Forum group, a non-profit arts organization that supports historically under-represented youth, many of whom largely identify as LGBTQIA+
- Continued support of the LGBTQIA+ community by raising over \$8,500 USD for The Center on Colfax, a non-profit group that provides support and resources for the LGBTQIA+ community
- Participated in 8th grade Denver Public School career fair to promote Gates engineering and innovative thinking
- Sponsored emerging leaders for the Downtown Denver Partnership Leadership Program and the Colorado Women’s Chamber of Commerce Leadership Forum



CAUTIONARY STATEMENT

This Sustainability Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In some cases, you can identify these forward-looking statements by the use of words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “could,” “seeks,” “predicts,” “intends,” “trends,” “plans,” “estimates,” “anticipates” or the negative version of these words or other comparable words. We base these forward-looking statements on management’s current expectations relating to our operations and business plans. These statements include, but are not limited to, statements related to our ambitions, goals, targets, plans and objectives, as well as statements about how we run our business; expectations regarding our continued progress in the areas of sustainability, corporate governance, product innovation, health and safety and community stewardship; and our long-term plans to reduce our environmental footprint, including our commitment and efforts to decrease Greenhouse Gas emissions, reduce total energy consumption, reduce water withdrawal, and increase waste diversion from landfills. Actual results or outcomes may differ from those expressed in such statements. Forward-looking statements are subject to various risks and uncertainties, including, among others, the uncertainties relating to the impact of the COVID-19 pandemic and associated governmental measures, macroeconomic factors beyond the Company’s control, risks inherent to the manufacturing industry, our ability to forecast and meet demand, market acceptance of new products, and the significant influence of the Company’s majority shareholders, investment funds affiliated with The Blackstone Group Inc. Additional factors that could cause the Company’s results to differ materially from those described in the forward-looking statements can be found under the section entitled “Risk Factors” of the Company’s Annual Report on Form 10-K for the fiscal year ended January 2, 2021, filed with the Securities and Exchange Commission (“SEC”), as such factors may be further updated from time to time in the Company’s filings with the SEC, which are accessible on the SEC’s website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in the Company’s filings with the SEC. The Company undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law. The numbers and data contained in this Sustainability Report have not been audited.

