



DRIVEN BY POSSIBILITY™

SUSTAINABILITY REPORT OCTOBER 2019





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ON THE COVER: Located in Denver, Colorado, for more than 100 years, the Gates World Headquarters moved in 2018 to the heart of the city as a part of the 1144 Fifteenth building project. The LEED Gold Pre-Certified building integrates sustainability concepts like energy-efficient workspaces and the use of reclaimed wood into its state-of-the-art designs, winning the 2018 Downtown Denver Partnership award for its contribution to the enhancement of the city center.



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LETTER FROM OUR CEO

In 2018, we celebrated our Initial Public Offering (IPO) on the New York Stock Exchange, one of the largest industrial IPOs in over a decade. Quite a bit has changed over the past hundred years since Gates invented the first rubber and fabric v-belt that revolutionized power transmission systems, but one thing hasn't: Gates continues to push the boundaries of materials science and human ingenuity to engineer application-specific solutions that advance the way the world moves.

Today, chances are high that Gates products are part of your life—from industries such as agriculture, construction, manufacturing and energy, to everyday applications such as 3D-printers, garage door openers, bicycles and virtually every other form of light- and heavy-duty transportation, Gates is there. As we inspire solutions to power the next hundred years, we will continue to strive to be the best fluid power and power transmission company in the world. By focusing on innovation and investing in our people, Gates is engineering creative solutions that improve lives and communities around the world, guided by the following core values and the commitments articulated in our global Health, Safety & Environmental Policy.

Dedication: Every product and decision we make reflects our unwavering commitment to quality.

Tenacity: Excellent performance requires optimism, focus, and the determination to follow through.

Collaboration: Partnership with our customers, suppliers, distributors, and fellow employees is key to our success. We embrace inclusion and diversity of our people while working to ensure that every voice within the organization is heard.

Accountability: Reputations are not built overnight. Over the last 100 years, we've built ours with integrity, a strong sense of personal responsibility, and a dedication to working safely.

Curiosity: We are continually observing the world and asking, "What's next?" We pursue the answers that improve the world.

We are publishing our inaugural sustainability report because we believe how we do business is just as important as what we produce. We are excited to share with you this report on our corporate responsibility which highlights our dedication to our employees, the environment and the communities in which we operate and serve.



A handwritten signature in blue ink, appearing to read "Ivo Jurek".

Ivo Jurek
Chief Executive Officer



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GOVERNANCE

Thank you for entrusting us to oversee the long-term health and sustainability of Gates. While our business success is important, we believe in doing business the right way, not the expedient way. As a part of our duty to directly oversee Gates' corporate strategy, our board of directors also oversees how environmental and social factors may impact the long-term interests of our shareholders and stakeholders, because we believe how responsibly we run our business is intrinsically tied to achieving operational excellence.

Corporate responsibility at Gates is governed from the most senior levels down to every Gates employee. To ensure that Gates' corporate strategy aligns with our values, culture and how we run our business, our board is focused on cultivating exemplary corporate governance through our commitment to ethics, integrity and corporate responsibility.

Board of Directors, Gates Industrial Corporation plc



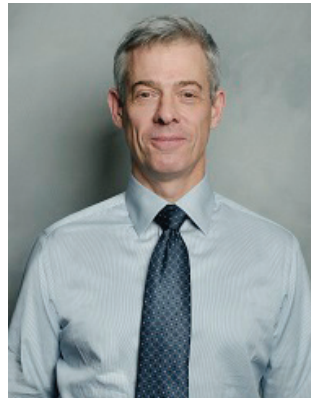
David L. Calhoun

Director, Chairman of the Board of Directors



Ivo Jurek

Chief Executive Officer and Director



Neil P. Simpkins

Director



Julia C. Kahr

Director



Terry Kiebe

Director



James W. Ireland, III

Director



Stephanie K. Mains

Director



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GOVERNANCE

Responsibility of the Board

At Gates, the primary role of the Board is to serve as the ultimate decision-making body of Gates, and exercise direct oversight of strategic risks to the company. As a part of this oversight responsibility, the Board assesses current business and sustainability risks and opportunities for the long-term interests of Gates's shareholders and stakeholders, and ensures that Gates remains an active, trusted and socially responsible community member wherever we do business.

Board Composition, Leadership & Diversity

Our Board selects nominees based on their diverse skills and experience, and routinely monitors the mix of specific experience, qualifications and skills of our directors to assure that the Board has the necessary tools to perform its oversight function effectively. David Calhoun serves as the Chairman of our Board, and Ivo Jurek serves as our CEO. In cases where the Board believes that the Chairman and CEO roles should be combined, the independent directors may elect from among themselves an individual to act as Lead Director, pursuant to our Corporate Governance Guidelines.

In its assessment of director nominees, the Nominating and Governance Committee at Gates recommends the diversity of qualities, skills and attributes desired in our directors to enable Gates' Board to oversee long-term strategic priorities of the company. Further, our entire Board believes that directors should act on behalf of all shareholders, and should reflect a diversity of gender, ethnicity, age, skills and viewpoints. Currently, two out of seven directors serving on the Board at Gates are women.

Board Effectiveness and Committee Composition

As a part of its responsibility to oversee the strategic risks of the company, the Board regularly reviews the company's significant risk exposures and how those exposures are managed. To effectively discharge these oversight responsibilities, the Board maintains three standing committees: Audit, Nominating and Governance, and Compensation. For a more detailed description of the duties and responsibilities of each individual committee, please see pages 10-11 of our 2019 Proxy Statement.

Ethics & Integrity: Gates Code of Business Conduct and Ethics

Our core values of integrity and accountability guide us in our day-to-day business activities. Though we became publicly listed in 2018, Gates established over the past hundred years a reputation for honest, ethical conduct while becoming a leading global company. To ensure our business is conducted responsibly with honesty, integrity, accountability and in compliance with applicable laws, we established our Code of Business Conduct and Ethics (Code of Conduct) that applies to every director, officer and employee. Each year, all Gates employees are required to certify that they comply with the Code of Conduct and its related policies, such as our Conflicts of Interest Policy and Anti-Corruption Policy. The Audit Committee of the Board established a robust Whistleblower Policy to set optimal procedures with regard to reports of concerns made by employees and other parties, and protect whistleblowers against harassment or retaliation.



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GOVERNANCE

At Gates, we believe that employee diversity is a key element in achieving our business objectives. To uphold our commitment to an open, inclusive, and respectful work environment, our Code of Conduct requires a firm commitment to the equitable treatment of all our employees. The culture and compliance at Gates do not tolerate discrimination or harassment of the kinds described in our Code of Conduct. To enhance their understanding of our Code of Conduct, employees participate in mandatory training on numerous subjects, including insider trading, health, safety & environment, conflicts of interest, discrimination and harassment.

Governance of Sustainability

At Gates, we set high standards for our people at all levels and strive to meet these standards consistently. As a part of this endeavor, the Board oversees the management team fulfilling responsibilities relating to sustainability and corporate social responsibility, particularly those that may affect the stakeholders and shareholders of our company, and the communities in which we operate. This includes reviewing and evaluating material information pertaining to environmental, social and regulatory trends, including oversight over sustainability objectives, as well as human and workplace rights. To summarize a few highlights from Gates' sustainability governance framework:

- 1. Human and Workplace Rights:** Gates sets high standards to uphold the human rights and working conditions of all people in our Human Rights Policy, and requires suppliers to commit to the rigorous set of guidelines in our Supplier Code of Conduct to ensure working conditions are safe, workers are treated with respect and dignity, and manufacturing processes are environmentally responsible throughout our supply chain.
- 2. Environmental Responsibility:** Gates' Conflict Minerals Policy demonstrates our commitment to conducting global operations in compliance with all applicable laws and regulations regarding conflict minerals, and we are in compliance with various regulations to identify opportunities to reduce hazardous emissions (e.g., European Union Registration, Evaluation and Authorization of Chemicals (REACH) Directive).
- 3. Social Responsibility & Employee Engagement:** The cornerstone philosophy that defines Gates' culture is articulated in our Health, Safety and Environmental Policy, which demonstrates our commitment to responsibly conduct business worldwide with care for the health, safety and wellness of all employees, and with respect for the environment and communities where we operate.

All of the policies mentioned in this section can be found under the policy section of our website.



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HEALTH, SAFETY AND ENVIRONMENTAL POLICY

Gates will conduct its business worldwide with care for the health, safety and wellness of all employees, and with respect for the environment and the communities in which we operate. We are committed to responsible business practices through the establishment, implementation and maintenance of Gates Global Health, Safety and Environmental (HSE) standards in the following areas:

- Complying with the Gates Global HSE Standards or local regulations, giving precedence to the more stringent requirement
- Engaging all employees in the identification and reduction of HSE risks, and defining opportunities to prevent HSE incidents, injuries and illnesses with a passion for zero injuries and an incident-free workplace
- Incorporating HSE considerations and resource conservation in the design of facilities, manufacturing processes, procurement of materials and the delivery of our products and services
- Encouraging our suppliers, customers and contractors to share mutual value in HSE commitments
- Reducing the life cycle environmental footprint of our products and services with an emphasis on energy efficiency and pollution prevention at the source wherever possible
- Systematically sharing performance and effective practices

All facilities will develop and operate a management system that is consistent with these commitments, with an emphasis on continuous improvement. Each Gates employee is responsible for abiding by safe operating procedures and reporting any conditions that are hazardous to people or the environment. Management regularly monitors progress and ensures the availability of information and resources to achieve HSE objectives and targets.

We are committed to remaining an active, trusted and socially responsible community member, wherever we do business.

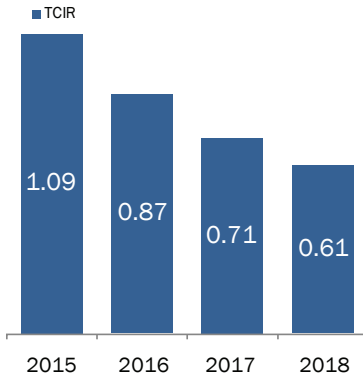


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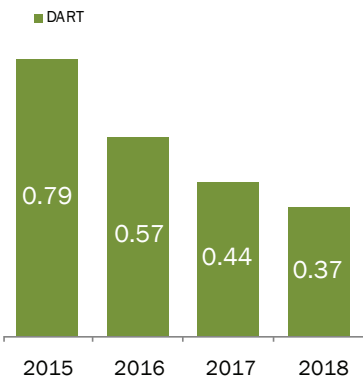
HEALTH AND SAFETY

We have a passion for zero injuries and an incident-free workplace. Since 2015, Gates has reduced recordable injuries by 30%. Our injury reductions have been primarily the result of improvements with injury case management, incident investigations and corrective action management. In 2018 we had eight sites with more than one million hours and ten sites with more than three years since their last lost time injury.

Total Case Incident Rate



Days Away Restrictions and Transfers





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ENVIRONMENTAL SUSTAINABILITY

We aim to minimize our life cycle environmental footprint by implementing Global Standards that require all operations to conform with ISO 14001 or equivalent Environmental Management Systems. Furthermore, we have initiated corporate programs to manage key material issues that include the use of chemicals and energy.

The foundation of our chemical management program is a global materials database that tracks the use of chemicals at all of our operations globally. This allows us to minimize the use of specific chemicals of concern and optimize material efficiency of our products and services wherever feasible.

From our experience, the biggest influence we can have on reducing the environmental impact in our products' life cycle is to enhance the energy and fuel efficiency of the applications in which they are used. We integrate advanced technology into our products and provide tools, such as an energy savings calculator, for our customers to estimate the potential energy and cost savings from our products.



ISO 50001 CERTIFIED DISTRIBUTION CENTER IN BELGIUM

Gates operates a distribution center in Ghent, Belgium, with 100% green electricity. The ISO 50001 certified operation runs three shifts, five days per week, using electricity generated only by certified renewable sources. We partnered with Building Energy to have 3,300 solar panels installed, managed and maintained on the roof of the 20,000 m² building for a total power of 739 kWp. In 2018, 36% of the electricity consumed was generated by solar panels and 64% by a certified CO²-neutral electricity supplier.

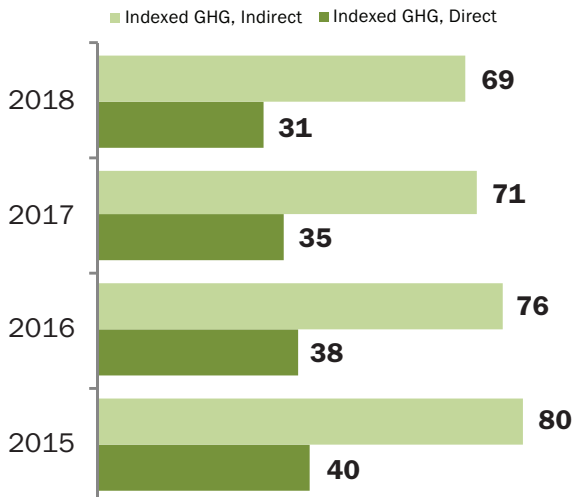


We also strive to improve the energy efficiency of our own operations through initiatives that include global LED lighting projects, compressed air, steam and boiler programs and metering with site-specific demand targets. We seek out opportunities to establish partnerships that make the use of renewable energy sources possible through installations of equipment, including a biomass boiler in Brazil and solar panels in Belgium. At the end of 2018, approximately 15% of our sites were certified to the ISO 50001 Energy Management Systems standard.

In order to identify and target opportunities for continuous improvement, we measure and trend our greenhouse gas emissions, energy consumption, water usage and waste generation. Our progress is summarized in the metrics below.

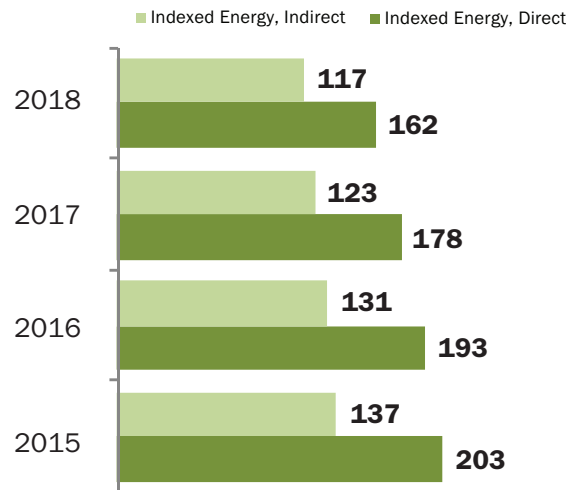
Greenhouse Gas Emissions

Metric tons of CO₂ equivalent indexed to net sales



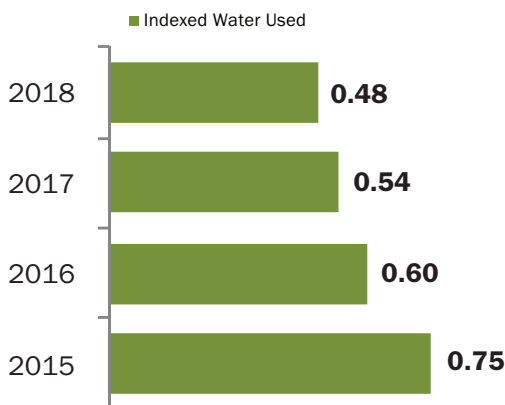
Energy Consumption

Kilowatt-hours indexed to net sales



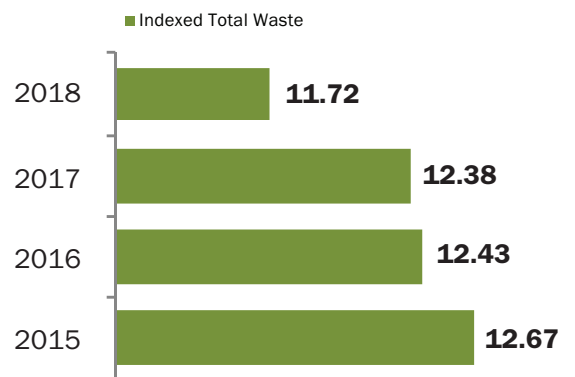
Water Usage

Cubic meters indexed to net sales



Waste Generation

Metric tons indexed to net sales



Environmental performance data included represent the majority of Gates' operations worldwide, excluding recent acquisitions and facility additions. Emissions factors used are from the UK Department for Environment, Food & Rural Affairs ("DEFRA") for Scope 1 and the International Energy Agency ("IEA") for Scope 2 to account for variations by region and specific energy sources.



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COMMUNITY INVOLVEMENT

Gates recognizes that success as a business enterprise is affected by the vitality of the communities in which our people work and live, and of the nonprofit organizations that serve the needs and interests of these communities. The Gates Industrial Corporation 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. We pursue the following objectives in carrying out our philanthropy program:

1. To manage the corporate philanthropy program with the same care that is applied to using other corporate funds.
2. To identify within the broad range of proper philanthropic activities certain priority areas for special emphasis and to specially support activities in those priority areas.
3. To encourage Gates employees, through matching gifts and other supportive contributions, to identify worthy nonprofit organizations, and to give those organizations their financial and personal support.
4. To operate the program in a flexible manner that responds to changing needs.
5. To promote a positive reputation and increase goodwill for the company.

ANNUAL EMPLOYEE BIKE-BUILD EVENT

More than 130 employees at Gates World Headquarters in Denver, CO, participated in the second annual BuildORama bike-build event – collaborating in teams to build 60 bicycles for second-grade students at a local elementary school. In partnership with Wish for Wheels, a local nonprofit, employees delivered the bicycles directly to the students, many of whom had neither owned nor ridden a bicycle.





**WE
ARE
GATES®**



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DIVERSITY AND INCLUSION

At Gates, we are driven by our global culture of diversity and inclusion. As an organization, we are committed to creating and sustaining a diverse workplace that understands and values our individual differences across demographics, experiences and perspectives, while also ensuring our business practices are both collaborative and respectful.

Diversity and inclusion helps us do business the right way, in the workplace, with our business partners and across our local communities; because through diversity and inclusion, we are Gates.

Gates Employment Diversity

| (As of May 31, 2019) | Total Global | Number of Women | Percent of Women | U.S. Total | Number of Minorities (U.S. only, includes Women) | Percentage of Minorities (U.S. only) |
|---|--------------|-----------------|------------------|------------|--|--------------------------------------|
| Board of Directors* | 7 | 2 | 28.6% | 7 | 2 | 28.6% |
| CEO and Direct Reports | 9 | 1 | 11.1% | 7 | 2 | 28.6% |
| Directors, VPs, and Above (excluding Global Leadership) | 226 | 40 | 17.7% | 131 | 49 | 37.4% |
| Managers | 1,035 | 201 | 19.4% | 342 | 67 | 19.6% |
| Management Total | 1,278 | 244 | 19.1% | 488 | 120 | 24.6% |

*Board of Directors as of July 24, 2019





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