SUSTAINABILITY REPORT

2022

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LETTER FROM THE CEO

More than a century ago, Gates operated from a single location based in Denver, Colorado. Today, we are 15,000 team members strong, serving customers in more than 130 countries. Much has changed since Gates invented the V-belt that revolutionized power transmission systems, but what has not changed is our ongoing commitment to all of our stakeholders — customers, employees, shareholders, and communities. These stakeholders are integral to what makes Gates successful, and our strategies are focused on advancing their priorities.

We view our relationships with customers as long-term partnerships, with many extending back multiple decades. We relentlessly focus on serving these customers with high-quality products built on differentiated technology to help solve their most complex problems across a wide range of mission-critical applications.

Empowered team members are the foundation of our business, delivering products to our customers, living our corporate culture daily, and driving our Diversity, Equity, and Inclusion (DEI) initiatives. In 2022, based on feedback from across our organization, we created a DEI Council that is committed to building Business Resource Groups, improving education, and supporting DEI programs. We are active participants in the communities in which we live and work, with numerous examples of our team members engaging and giving back.

Our team members also worked diligently over the past year to manage through the ongoing supply chain volatility as well as inflation that impacted nearly every input into our operations. We continued to optimize our operations for cost savings and to reduce environmental impact in the short term, while also staying committed to longer-term decarbonization and waste-reduction targets.

To further advance our sustainability efforts, we created and staffed a new role at Gates, adding a dedicated leader for Environmental, Social, and Governance (ESG) to accelerate our journey. Our Board of Directors also has newly defined oversight of all ESG matters, led by the Nominating and Governance Committee. These actions reinforce our commitment to meeting the ESG expectations of our stakeholders, and provide strong management and governance to ensure our goals are met.

On behalf of our company leadership I'd like to thank all of our stakeholders for your continued support and hope you find the details of our progress on ESG in the following pages insightful.

Sincerely,

Ivo Jurek
CEO Gates

LETTER FROM THE CSO

I am proud of our achievements over the past year and excited for our future. We made a number of step-function improvements in our focus and investment around our sustainability initiatives, which gives me further confidence in meeting our long-term objectives.

In 2023, we make continued progress on each of the four G-T-E-S pillars we laid out in 2021 — Governance, Technology, Environment, and Stewardship.

Governance: As Ivo mentioned, we invested in a focused sustainability team and formalized our Board's oversight of our ESG initiatives. Our approach is cross-functional, giving us line-of-sight to the constantly shifting expectations of our stakeholders, and allowing us to design innovative solutions that address our customers' — and the world's — most pressing needs for decarbonization, mobility, and electrification.

Technology: We continued to invest in our Eco-Innovation™ model to drive product performance and operational improvements through materials science, product design and process engineering and continued to make progress towards our mid-term goal of 25% product vitality.

Environment: We broadened how we view innovation to better support our customers on their ESG journeys. For example, Gates Carbon Drive™, the leading belt-drive solution for two-wheelers provides a cleaner, quieter, lower-maintenance, and more durable alternative to chain drives, resulting in substantial cost and greenhouse gas savings over time. These innovative mobility drive solutions are also highly aligned with the accelerating electrification trends of eBikes, eScooters, and eMotorcycles.

Stewardship: We drove increased engagement across our communities setting new expectations for leaders to get involved and give back in our communities, and with our coworkers through our newly formed DEI Council.

The progress we continue to make is not only evidence of our unique culture and values, but also proof our investments make for better products, a better bottom-line and a better way forward for the planet.

Sincerely,

Tom Pitstick
Chief Strategy Officer

GATES IN BRIEF

In 1911, Charles C. Gates acquired the Colorado Tire and Leather Company, located in Denver. A few years later, Gates invented the V-belt, which revolutionized industrial power transmission. Today, we are a global leader in a broad portfolio of power transmission and fluid power solutions, with approximately 15,000 team members and over 100 locations in 30 countries.

Gates Industrial Corporation has introduced countless other innovations in power transmission and fluid power that have impacted virtually every industry. We invest continually in research and development, so our products outperform industry standards and exceed the demanding expectations of our customers. We invest in our people, encouraging real-world experience to help solve our customers' diverse challenges of today and anticipate those of tomorrow. Whether manufacturing original equipment or products in the aftermarket, we help enable companies in every industry to be more efficient, productive, and profitable.

AT A GLANCE

GLOBAL AND AMERICAS HEADQUARTERS
DENVER, COLORADO

EUROPE, MIDDLE EAST AND AFRICA HEADQUARTERS
LUXEMBOURG CITY, LUXEMBOURG

GREATER CHINA HEADQUARTERS
SHANGHAI, CHINA

EAST ASIA AND INDIA HEADQUARTERS
SINGAPORE

GTES	$3.55B	30	100+	~15,000
NEW YORK STOCK EXCHANGE (NYSE)	2022 SALES	COUNTRIES	LOCATIONS	EMPLOYEES

OUR VALUES, MISSION, AND VISION

OUR VALUES

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 values of **accountability, collaboration, tenacity, curiosity,** and **dedication** are integral to how we do business. We continue to focus on the wellness of our team members, 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 international workforce.

OUR MISSION

Gates strives to be the best fluid power and power transmission company in the world, providing products, services, and solutions that drive endless possibilities for our customers.

OUR VISION

Gates strives to continually push the boundaries of materials science to advance the way the world moves.
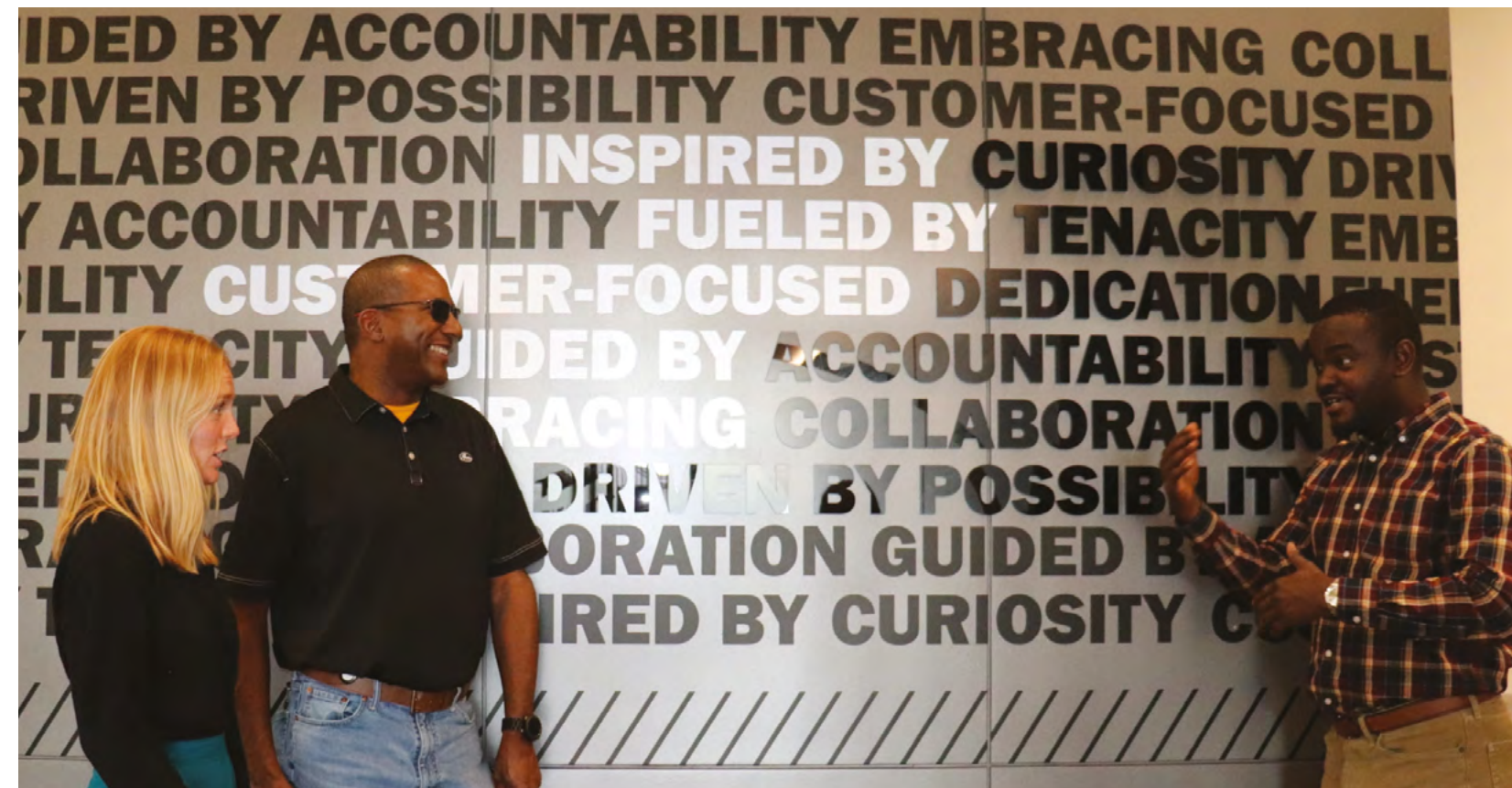
ABOUT THIS REPORT

This Sustainability Report summarizes Gates' sustainability activities and performance metrics for fiscal year 2022 (January 2, 2022 – December 31, 2022). All information has been presented at the consolidated company level unless otherwise noted. Any restatements of information from previous reporting periods are noted in this report.

This report is organized according to the Gates GTES Pillars of Stewardship, defined as:

- **GOVERNANCE:** Conduct business with integrity and maintain ethical and comprehensive corporate oversight

- **TECHNOLOGY:** Engineer products and processes that push the boundaries of innovation

- **ENVIRONMENT:** Continuously improve the environmental sustainability of our products and operations

- **STEWARDSHIP:** Empower and enhance the experience of our team members and communities

Our reporting process takes into account the standards and guidelines expressed by the International Financial Reporting Standards (IFRS) Foundation and its Sustainability Accounting Standards Board (SASB), the Task Force on Climate-related Financial Disclosures (TCFD), and widely-used reporting practices relevant to our industry and key stakeholders. Our reporting is also informed by the Global Reporting Initiative (GRI) and UN Sustainable Development Goals (SDGs) – with its set of targets and aspirations that Gates can contribute to and help achieve, working with global governments, other businesses, and civil society.

We are monitoring the developments of regulatory agencies and standards bodies, including those promulgated by the International Sustainability Standards Board (ISSB); the proposed rule by the U.S. Securities Exchange Commission (SEC) on climate change; the EU Corporate Sustainability Reporting Directive (CSRD) and Corporate Sustainability Due Diligence Directive (CSDDD); and the UK Streamlined Energy and Carbon Reporting (SECR) requirements.

Going forward, we will continue to use these frameworks and engage with our stakeholders to enhance the reporting process, advance our strategy, and improve the enterprise value we create.

ENGAGING WITH STAKEHOLDERS

At Gates, we serve a diverse community of stakeholders across the globe, such as shareholders, customers, suppliers, distributors, civil society organizations, and industry partners. We garner insights into their unique perspectives through direct interaction with our team members. These stakeholder engagements help us better understand the benefits that result from transparency and our sustainability programs, while also identifying new opportunities and emerging risks.

Our approach showcases a commitment to integrating sustainability into our corporate governance, reporting processes, and stakeholder engagements. At Gates, we believe sustainability drives value for all our stakeholders, including our shareholders.
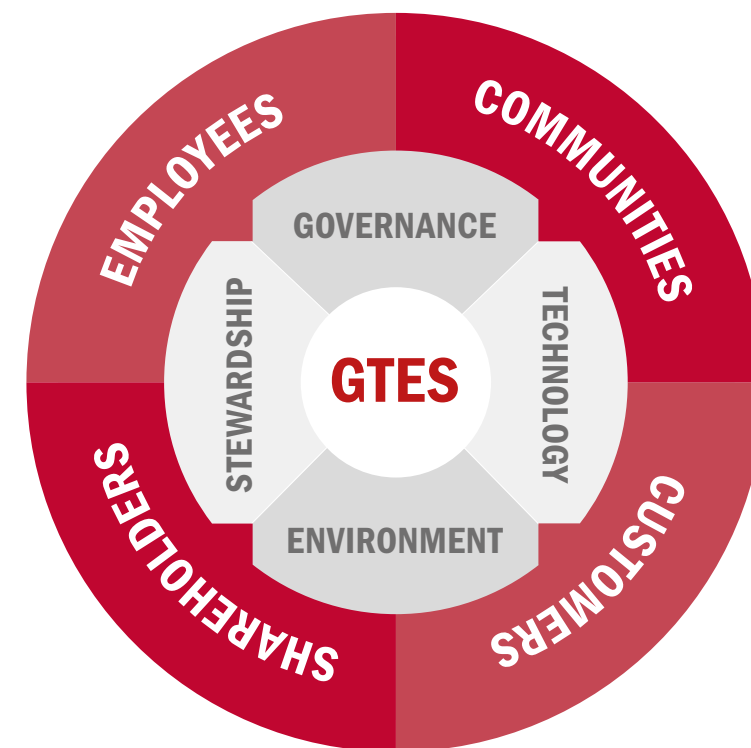
MATERIALITY

In 2021, Gates conducted an assessment to identify topics of corporate and operational priority by short- and long-term strategic importance. This initial assessment informed strategic corporate and operational priorities, including:

- Corporate Governance and Business Ethics
- Greenhouse Gasses and Air Emissions
- Energy Efficiency and Clean Energy Utilization
- Waste Management and Product Stewardship
- Environmental Policy and Management Systems
- Workforce Health and Safety
- Human Capital Management

We are supplementing these findings with additional engagements and analyses. We are working to monitor the impacts concerning climate-related risks and opportunities, energy supply, human capital management, cybersecurity, and risks inherent in our supply chains.

PROGRESS AGAINST OUR GOALS

In 2020, we established a set of targets to achieve a reduction in our overall energy consumption, our operational greenhouse gas (GHG) emissions, and our employee safety performance, using our 2019 results as a baseline.

- Reduce Total Energy Consumption 20% by 2025
- Reduce Total Operational GHG Emissions 15% by 2025
- Achieve Workforce Lost-Time Incident Rate (LTIR) of 0.25 or lower

While we are making progress against these targets, our results to date have been impacted by uncontrollable factors such as supply chain disruptions, tight labor markets, and exceptionally high energy costs. With the guidance of our new sustainability leader and Sustainability Management Committee, we plan to recalibrate our targets to address outcomes that reflect our ambition, regulatory developments, advances in technologies, as well as market expectations.
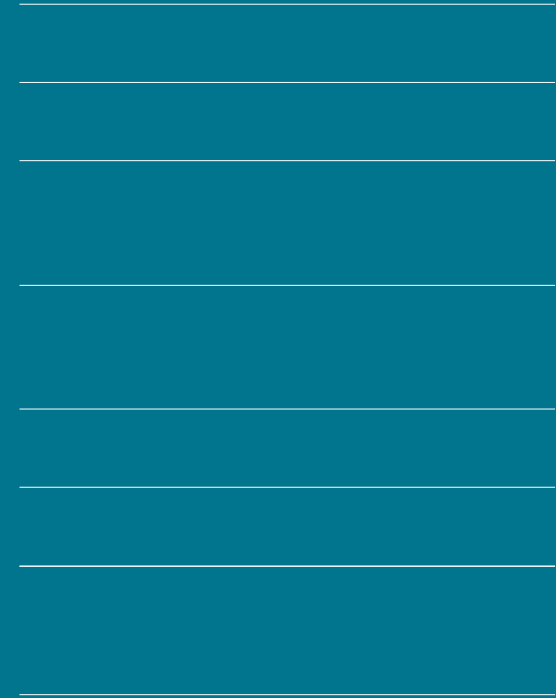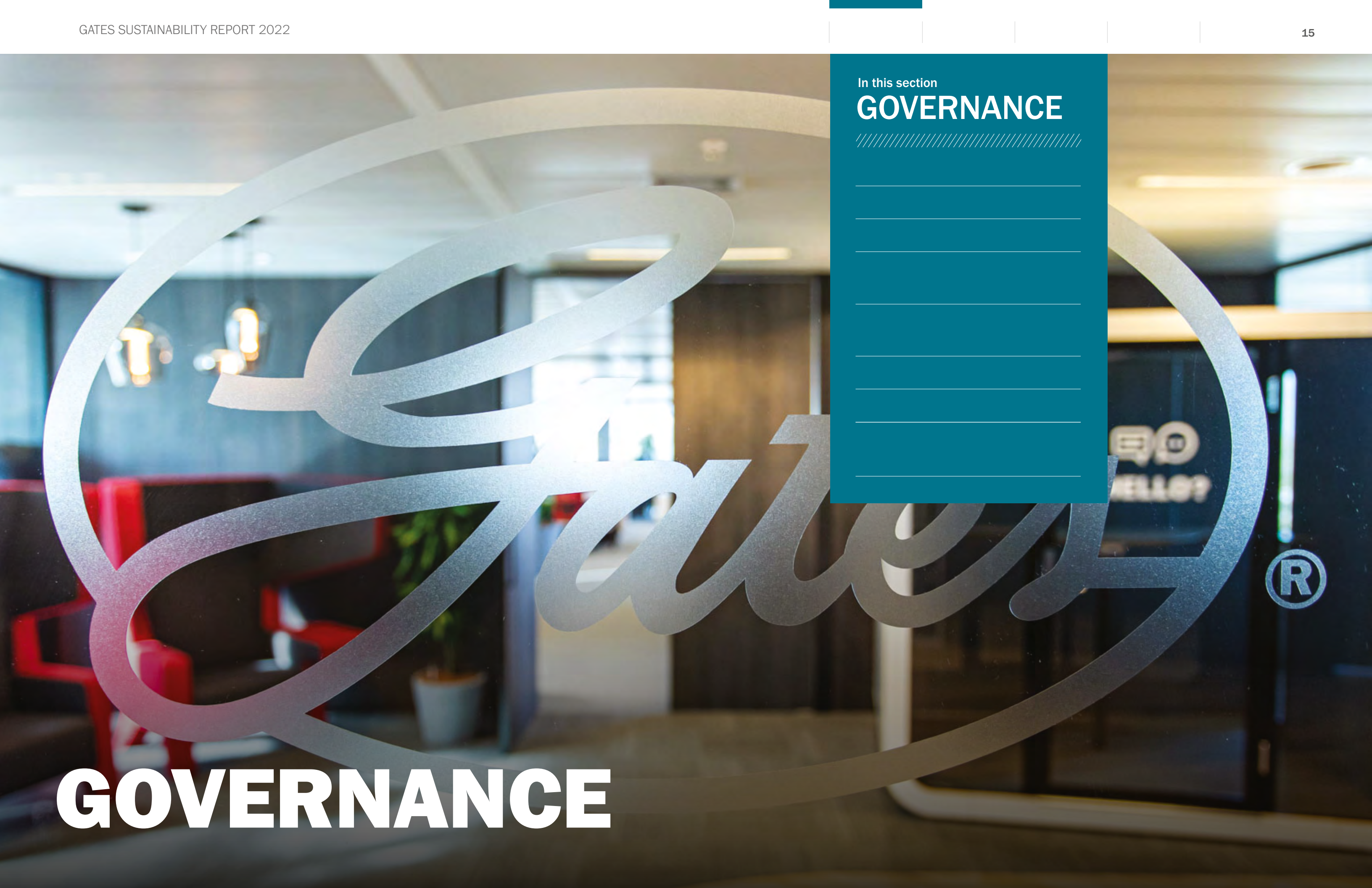
GOVERNANCE

CORPORATE GOVERNANCE

An integrity-first approach guides every level of decision-making at Gates. The Gates Board of Directors (Board) exercises direct oversight of strategic risks to the company. The Board also exercises oversight of the Company's ESG and human capital management strategies, practices and policies, including the Company's reporting on such matters. Our Board helps to ensure that our well-tested business model, built around critically important products, can continue to drive success well into the future.

 In 2022, the majority of voting power of our ordinary shares is held by investment funds affiliated with Blackstone Inc., our sponsor. As a result, until recently, Gates is considered a 'controlled company' under the New York Stock Exchange (NYSE) corporate governance standards and is exempt from certain independence requirements. Because our Board believes that independent leadership is important, it has elected not to take advantage of these independence exemptions.

Our Board is made up of nine directors, eight of whom are independent and three of whom are women.

89%
INDEPENDENT BOARD DIRECTORS

33%
WOMEN BOARD DIRECTORS

ESG AND THE BOARD

With the assistance of its three Committees – Nominating and Governance, Audit, and Compensation - our Board is responsible for overseeing ESG and human capital management strategies, practices and policies. Each Committee is governed by a written charter addressing such Committee's purpose and responsibilities and is composed of entirely independent directors.

To assist with this mission, our Board has designated our Nominating and Governance Committee to be responsible for, among other things:

- Overseeing the evaluation of the Board of Directors and its committees
- Reviewing developments in corporate governance practices and developing and recommending a set of corporate governance guidelines
- Recommending members for each committee of the Board of Directors; and
- Reviewing and monitoring the development and implementation of the goals the Company may establish with respect to ESG matters

CURRENT BOARD OF DIRECTORS
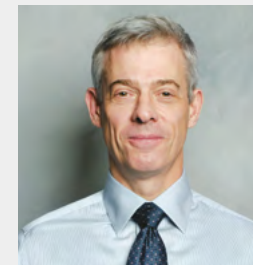
NEIL P. SIMPKINS
Chair of the Board

IVO JUREK
Chief Executive Officer

STEPHANIE K. MAINS

JAMES W. IRELAND, III

SETH A. MEISEL

WILSON S. NEELY

MOLLY P. ZHANG

ALICIA L. TILLMAN

FREDRIK ELIASSON

The Nominating and Governance Committee reviews and makes recommendations regarding the composition and size of the Board in order to ensure the Board has the requisite expertise and its membership consists of persons with sufficiently diverse and independent backgrounds. The Nominating and Governance Committee is also responsible for review and oversight of human capital management, including Gates' Diversity, Equity, and Inclusion (DEI) programs.
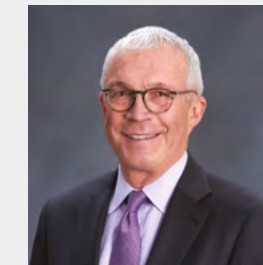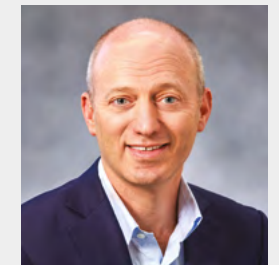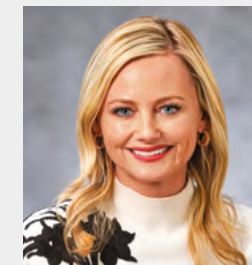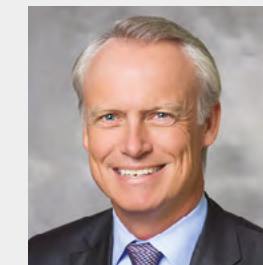
The Audit Committee provides assistance to the Board through oversight of the accounting and financial reporting processes; compliance with legal and regulatory requirements applicable to accounting and financial reporting processes and disclosures; and the company's information technology security and data privacy programs. The Audit Committee also oversees the Company's Code of Business Conduct and Ethics (Code) and material legal and regulatory policies, including the Company's Whistleblower Policy, and reviews reports and investigations of potential violations under such policies.

Leadership at the highest level has worked tirelessly to manage the ESG and economic factors that may impact the long-term interests of our employees, customers, communities and shareholders. The newly formed Sustainability Management Committee, comprised of cross-functional, senior managers, meets regularly to discuss strategic priorities, progress against our goals and commitments, and emerging sustainability topics. In 2022, leaders from the Sustainability Management Committee began meeting with and

apprising the Nominating and Governance Committee. The work of the Sustainability Management Committee also supports the Audit Committee by advising senior management on financial and regulatory-related disclosures and risk management. The Sustainability Management Committee also helps our Enterprise Risk Committee understand the company's exposure to certain climate-related risks such as current and emerging regulations, and energy transition-related risks. These risks are evaluated as part of our overall risk management processes.

GATES BOARD OF DIRECTORS

AUDIT COMMITTEE	COMPENSATION COMMITTEE	NOMINATING AND GOVERNANCE COMMITTEE
ENTERPRISE RISK COMMITTEE		SUSTAINABILITY MANAGEMENT COMMITTEE

We are routinely monitoring policies and developments concerning ESG and climate-related laws and regulations and new reporting and financial disclosure requirements including the proposed SEC Rule to Enhance and Standardize Climate-Related Disclosures and the EU's CSRD and Carbon Border Adjustment Mechanism (CBAM), among others.

RISK MANAGEMENT

Gates maintains a robust Enterprise Risk Management (ERM) program, which includes a risk assessment to identify key enterprise risks, maintaining a risk register to monitor mitigation actions in response to key risks, on-going dialogue and collaboration among management to identify emerging risks, quarterly review of mitigation actions, and periodic reports to the Audit Committee and the Board.

The ERM process is directed by a management committee called the Enterprise Risk Committee, led by the Chief Financial Officer, Chief Legal Officer, Chief Accounting Officer, Chief Information Officer, and Vice President of Global Internal Audit, in coordination with senior functional leaders across the Company. Certain sustainability-related risks are considered in Gates' ERM program.

ETHICS AND CODE OF BUSINESS CONDUCT

Compliance and ethics are deeply embedded in our business strategy. Gates team members are expected to follow both the spirit and letter of our Code. The Code defines our approach to doing business the right way and provides resources to address compliance and ethics concerns. Our Code covers a range of topics including business ethics, anti-competitive behavior and anti-corruption, gifts and entertainment, conflicts of interest, antitrust regulations, and other important governing principles.

Creating a high-integrity culture requires a consistent approach that establishes compliance as a minimum condition for business success. To support our compliance commitment, our Legal Compliance Team maintains corporate policies, oversees internal investigations, trains on compliance matters, conducts third-party due diligence, and supports Gates' adherence to export controls and sanctions. Gates continuously monitors compliance regulations and enforcement actions to build upon our existing program.

It is vital for all work to be conducted in alignment with our core values and with consideration for compliance with our Code. To aid this process, we launched the "Code on the Go" (COTG) page in our global employee resources platform for our East Asian and Indian team members. COTG helps team members quickly access important policy content, such as our Code. COTG is a gateway to all global policies, FAQs and case studies.

COTG will be launched globally to all Gates team members through 2023-24, focusing on high-risk countries first.

We empower team members to share real-life business compliance scenarios they encounter without any risk or consequences. The Ethics and Compliance Hotline provides an added safe space to report activities that are not in alignment with our core values, policies, and regulations. All incidents are taken seriously, robustly investigated, and remediated according to our standard protocols.

With exceptions for certain types of employment, 100% of global team members completed certification of reading and acknowledging compliance with the Code in 2022.

SUPPLIER CODE OF CONDUCT AND DUE DILIGENCE

Our supply chain plays an integral role in advancing our mission and our ability to deliver products that are safe, innovative, and meet the requirements of our customers. Gates is committed to high standards of product quality and business integrity in its dealings with suppliers.

We require that working conditions in the Gates' supply chain be safe, workers be treated with respect and dignity, and manufacturing processes be environmentally responsible. Our Supplier Code of Conduct, Human Rights Policy, and Modern Slavery Act Statement provide another layer of assurance that co-manufacturers and independent suppliers are committed to ethical business practices meeting our expectations. All standard purchasing agreements require suppliers to comply with applicable laws and the Supplier Code of Conduct.

Gates continually evaluates the use of alternative materials and supply chains to enhance product design – and strengthen product and business resilience - through innovation. A commitment to doing business with integrity extends to the way Gates sources raw materials. By providing tools and resources to decision makers, we help them make choices in compliance with responsible sourcing processes, especially in conflict-affected and high-risk areas. It also assists in the way we approach our Conflict Minerals Report disclosures, and due diligence processes to prevent labor and human rights risks.

More details about our supplier requirements and approaches are available in the Policies section of our website.

HUMAN RIGHTS

Gates is committed to upholding the human rights of all people and treating each individual with dignity and respect. Gates believes in the principles of equality and non-discrimination and works to use its influence and business relationships throughout our value chain to promote equal opportunity and expression of fundamental human rights. The Gates Human Rights Policy and Modern Slavery Act Statement are guided by the United Nations Guiding Principles on Business and Human Rights, the International Bill of Human Rights, and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. Gates prohibits the purchasing of goods or services from any supplier found to engage in human rights violations, including trafficking or the use of slave labor.

CONFLICT MINERALS

It is Gates' policy to refrain from knowingly purchasing "conflict minerals" - materials and metals containing tin, tantalum, tungsten or gold (known as 3TG). In accordance with the law, our sourcing and procurement processes ensure we follow reasonable practices and avoid the procurement of these minerals from conflict-affected and high-risk areas, such as the Democratic Republic of the Congo (DRC). Our Conflict Minerals Statement sets forth requirements for supplier due diligence, risk assessment exposure, and compliance. Further, Gates supports the Responsible Minerals Initiative (RMI) to help influence smelters' transparency and conformance with industry best practices.

Gates complies with applicable laws and regulations related to conflict minerals, including the SEC reporting requirements. We expect our suppliers to comply with all applicable laws and regulations related to conflict minerals.
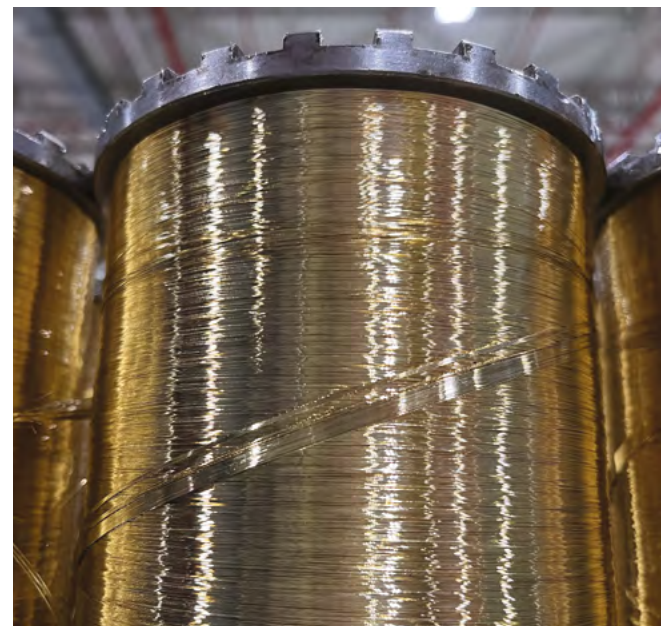
CYBERSECURITY AND IT RISK MANAGEMENT

Gates is committed to protecting our employees, customers, and suppliers against cyber threats. Leveraging industry standard risk frameworks - including the National Institute of Standards and Technology (NIST), the International Organization for Standardization (ISO), and the Trusted Information Security Assessment Exchange (TISAX) – we are focused on cybersecurity risk across the entire company.

Along with a comprehensive process to ensure the technology environment is operating and maintained, our approach to identifying and mitigating cybersecurity risks is ongoing monitoring of our technology systems and emerging threat types, including annual third-party testing. Our Audit Committee receives quarterly updates on cybersecurity risk, and action plans to prevent them.

The 24/7 dedicated cybersecurity team identifies, protects, detects, and responds to potential threats. It also takes proactive steps to strengthen our cybersecurity posture through policies and processes, and by increasing security awareness throughout the organization.

Our team members take part in mandatory internal educational programs to ensure continual awareness of new and emerging threats, including phishing simulations. In addition, computer-based training is required at the time of hire and annually thereafter. We partner with leading cybersecurity organizations and industry experts to assess, identify, and strengthen cybersecurity practices.

In this section

TECHNOLOGY

TECHNOLOGY

TECHNOLOGY AND INDUSTRY ENGAGEMENT

The power transmission industry has changed significantly since the original Gates trapezoidal pitch products in the 1940s. Advancements in materials science, belt construction, and tooth profiles have facilitated higher performing industrial drives which have proven to be solutions for more customers in a variety of applications. Gates strives to be at the forefront of innovation at each step along the way.

Engineers who design power transmission or fluid power systems for industrial equipment face an ongoing challenge – adopting new technologies while ensuring reliability, cost effectiveness, and environmental performance. From replacing outdated roller chains with maintenance-free synchronous belt drives to designing hose and hydraulic systems that reduce maintenance time and expense for endusers, Gates utilizes materials science along with process engineering to solve the toughest applications.

Commitment to our customers and distribution partners is a top priority. We value and appreciate the trust and confidence our customers have in us to help them realize their ambitious goals brought to fruition. Gates is a global leader trusted by original equipment manufacturers (OEMs) worldwide. Our engineers set the bar for reliability and quality by setting new industry standards as we exceed existing ones. Our simulation programs and rigorous testing methods help us engineer integrated and highly functional systems for OEM customers and their distributors.

As a worldwide supplier of performance fluid power and power transmission products, Gates is proud to be recognized for its strict quality standards. Our facilities achieve the ISO/TS 16949 Technical Specification, which is based on

the ISO 9001:2000 standard and defines the quality system requirements for automotive suppliers. Our responsibility towards our product quality and environmental stewardship is manifested in Gates facilities obtaining both ISO 9001 and 14001 certifications. The ISO 14001 standard establishes a coordinated framework of controls to manage environmental protection. It also covers a wide range of environmental management topics, including environmental performance evaluation and auditing.

Gates is a member of industry organizations and associations around the world to enhance our understanding of the issues and trends relevant to our products and stakeholders. We actively engage with our industry partners to learn from - and inform - best practices, and to monitor technical and performance standards. Further, we acquire knowledge from our industry associations to remain aligned with our climate-change positions and product developments.

TECHNICAL CENTERS

Gates Technical Centers support dedicated engineering teams and technicians to develop and provide best practices, materials research, and product testing support and training. Our innovations and patented intellectual properties drive competitive advantages and enable commercial success.

In July 2022, a new Gates Fluid Power Technical Center was established in Izmir, Turkey. This dedicated facility will provide innovative product solutions and engineering support for Gates thermal management hose globally, allowing us to further advance our penetration on electric vehicle platforms.

GATES ECO-INNOVATION SYSTEM

Gates is constantly pushing the boundaries of product advancement and driving innovative solutions for our customers. We innovate across four primary areas: materials science, process engineering, product engineering, and customer delivery and experience. This process delivers premium quality products that meet and exceed customer expectations in numerous mission-critical applications. Our products are designed to run longer, increase fuel and energy efficiency, minimize ecological impacts, and reduce GHG emissions.

With each new or next-generation product or process innovation, Gates aims to do more with less and increase the performance, reliability, durability, quality, and operational efficiency of legacy materials, products, and processes. Gates is also investing and growing in end markets with positive secular and sustainable trends, namely the electrification of transportation and micro-mobility.

Eco-Innovation builds on its historical foundation with the inclusion of product lifecycle considerations. Our engineers focus on process improvements and innovations to minimize environmental impact from cradle to grave: beginning with material selection in the design process, through product manufacturing, transportation, customer use, and concluding with end-of-life disposition. Each stage offers opportunities to create value upstream and downstream, helping to minimize our environmental footprint, as well as the footprints of our suppliers, customers, and end users.

Gates Eco-Innovation System is defined as innovation in materials science, process engineering, product engineering, and customer experience with consideration and improvement to one or more stages of the product lifecycle.

STAGE 1

DESIGN
Reduce or eliminate harmful materials while improving product performance, efficiency, reliability, durability, and ergonomics

STAGE 2

MANUFACTURING
Decrease energy usage, waste generation, and water consumption while improving processes and throughput

STAGE 3

TRANSPORTATION
Maximize logistics and distribution efficiency through in-region/for-region sourcing and manufacturing, lighter-weight products, and decreased packaging

STAGE 4

CUSTOMER USE
Deliver products that exceed customer expectations while helping to reduce negative impacts of product applications

STAGE 5

END-OF-LIFE
Extend useful product life and reduce waste while exploring opportunities to reuse materials

We address the carbon footprint of our products and the value chains we serve through the implementation of life-cycle assessments (LCAs). We use LCA to calculate the potential environmental impacts of a growing selection of our products. By understanding how our products are used, we can better provide a reduced carbon footprint in addition to high levels of performance and durability.
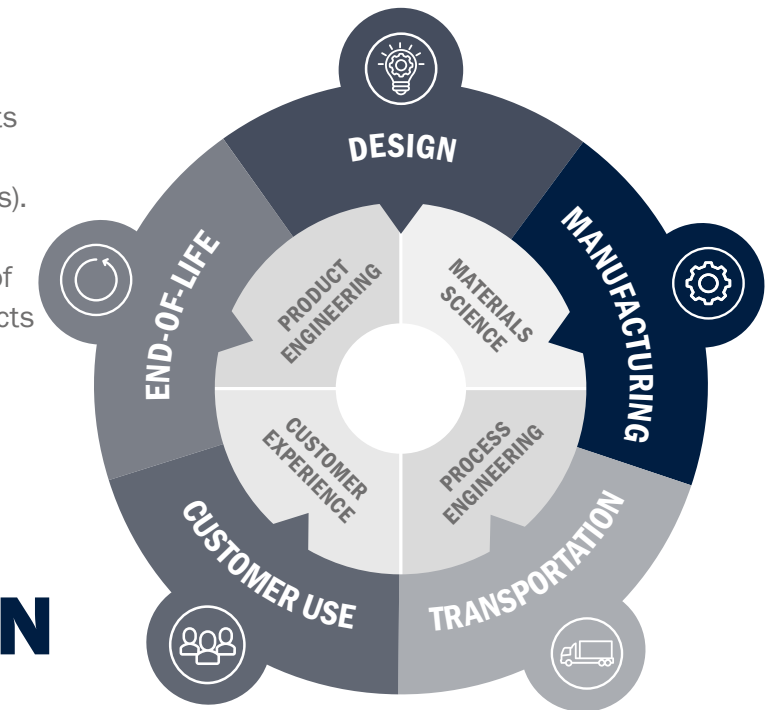
ECO-INNOVATION IN ACTION

CHAIN TO BELT

Conversion to belt drive systems and synchronous belts are steadily emerging as the new standard for power transmission as they deliver improved safety and quality performance and are cost effective. Unlike chain systems, belt drives do not require re-tensioning or petroleum-based lubrication. Users can reduce their operating costs from converting to belt systems, but also realize GHG emissions savings over the course of the belt drives' usable life.

Gates Poly Chain® belts are safer, longer-lasting, lighter and represent a step change in performance from traditional roller chains. They require no lubrication, are virtually maintenance free, deliver increased uptime and safety. The lighter weight helps improve ergonomics, reducing worker fatigue and strain. Synchronous belt drive systems also run quietly. By reducing employee exposure to loud noise, belts improve operating conditions and create a safer, more pleasant work environment.

Gates belt drive systems are used in industries such as food processing and pharmaceuticals in conveyor belts, automation for linear positioning and lifting, health sciences for fitness and health appliances and material handling in warehouses.
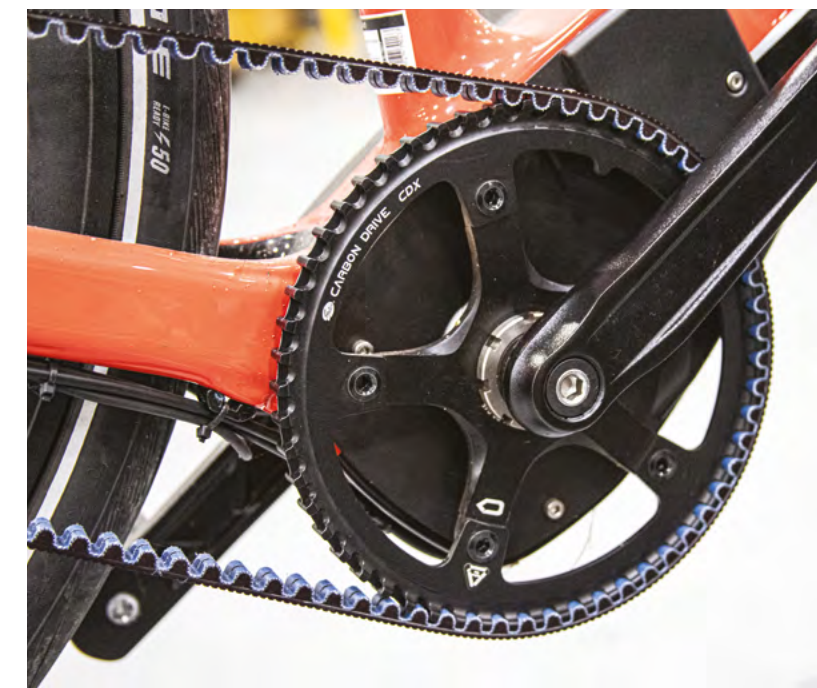
1911
FOUNDED
DENVER, CO

1942
CO-DEVELOPED
SYNTHETIC RUBBER
MASS PRODUCTION

1986
INTRODUCED
REVOLUTIONARY
POLY CHAIN
SYNCHRONOUS BELT

2010
GATES LAUNCHES
CARBON DRIVE
CENTERTRACK™

2012
GATES LAUNCHES
CARBON DRIVE
CRANKSETS

2020
GATES LAUNCHES SIDETRACK

2022
GATES CARBON DRIVE
15TH ANNIVERSARY

GATES LAUNCHES

MOTO X5
MOTO XF

Gates CARBON DRIVE™
15 YEARS
.EST 2007

1917
INVENTED
V-BELTS

1980
ENGINEERED AND
DEVELOPED BELTS
TO REPLACE CHAINS
ON MOTORCYCLES

2006
POLY CHAIN
GT CARBON
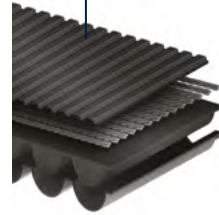
2007
GATES CARBON DRIVE
LAUNCHES FIRST BICYCLE
BELT DRIVE SYSTEM

In 2012 Frank Schneider conquers
Alpe D'huez Megavalanche Cup

2019
GATES GLOBAL MOBILITY &
G-FORCE REDLINE LAUNCH

2021
GATES MOTO X9 INTRODUCED

MOTO X9

2022
GATES
LAUNCHES CDC
CENTERTRACK
BELT

MOTO X5 BELTS

Gates belt drive systems are helping to propel a revolution in personal and micro mobility that is transforming how the world gets around on bicycles, electric bikes, electric motorcycles, electric scooters, and more. For more than 15 years, Gates Carbon Drive has been a solution for two-wheelers as a cleaner, quieter, smoother, and more durable alternative to chain drives. The new, innovative Moto X5 belt is a significant addition to the Carbon Drive portfolio, offering the core belt drive benefits but with even quieter performance than its predecessors.

Gates achieved this breakthrough in belt technology by combining a high-stiffness, long-lasting synthetic compound with proven Gates carbon-fiber cord reinforcement. The combination not only provides durability and strength but it also results in our quietest Carbon Drive belt yet. Additionally, throughout the life of the vehicle and under normal operating and maintenance conditions, Moto X5 is more energy efficient than chain, which can lead to extended vehicle range.

The Gates Carbon Drive Moto X5 product line is designed specifically for mid-motor, sit-down electric scooters and motorcycles typically found in commuting applications in rapidly urbanizing Asian markets. According to the International Energy Agency (IEA)[1], new registrations of electric two and three-wheelers reached over 10 million units in 2021. By 2030, the IEA forecasts that more than 80% of two and three-wheelers sold each year in China will be electric. As countries around the world implement sustainable transportation policies, such as further penetration of zero-emitting electric scooters, Gates solutions are there to help.

"

As the transition from internal combustion engines to electric scooters accelerates in core markets like India, Southeast Asia, and China, we expect drivetrain noise, efficiency, and durability to become more important to customers. Moto X5 is designed to meet the needs for quiet, long-lasting, low-maintenance operation. Congratulations to the efforts of our global R&D teams that made this breakthrough possible.

"

Tom Pitstick
CSO

THERMALPRO

Gates has a passion for excellence and developing high-performance parts to support the latest technology, including the electrification of mobility. Our thermal management solutions are essential to efficient functioning of low-emissions and battery electric vehicles. Our portfolio of ThermalPro electric water pumps, electric coolant valves, and thermal management hoses is the culmination of investment in electronics, software, motor design, materials science, and computational fluid dynamics.

Gates ThermalPro water pumps contain a proprietary mechanical design that isolates the electronics assembly from potential exposure to coolant fluids, improving pump reliability significantly. This technology also improves motor efficiency, which is important for fully electric platforms where water pumps can be considerable consumers of battery range.

Gates® THERMALPRO™

DIGITAL TRANSFORMATION

Gates continues to adopt new ways of utilizing digital technology to create a world class experience for our team members and customers alike. We enable efficient and touchless experiences for our customers to order products and get up-to-date information on order/shipment status. In recent years, we have made significant investments to digitize the business in areas of e-commerce, mobile apps, and the Internet of Things (IoT). Such investments support our ability to provide value when, where, and how it is needed.

GATESCONNECT ECOMMERCE

Gates continues to expand GatesConnect, which is our modern, user-friendly digital eCommerce portal offering distributors enhanced self-service capabilities. In 2022, GatesConnect was launched to our authorized distributors in Australia. Since then, we have added features to the portal so our customers in the United States and Australia can get the information they need faster and easier - with 24/7 access. Initially launched as a tool to make ordering, order tracking, and repeat purchases effortless, GatesConnect now offers open order reports, item comparisons, suggestive search, and a bulk item pricing and availability feature. We continue listen to the voice of the customer, leveraging technology and creating value.

ECRIMP AND CORTEX CRIMPER SOLUTIONS

Our hydraulic hose crimper solutions are designed to bring our customers' hose assembly fabrication into the next generation. The Gates intelligent Cortex platform combines smart crimper technology with real-time connectivity, providing up-to-date product crimp specifications, integrated Gates eCRIMP settings, and remote support for ultimate operational efficiency. Our eCRIMP website and app enables users to access assembly specifications offline and in real time, so they can deliver factory-quality hose assemblies whenever their application demands. A graphical interface ensures the selection of correct parts, and frequently-used specs can be saved for quick reference. This eliminates the need for paper, including previously printed crimp data.

Alongside these benefits, the data and alerts from the platform have created new opportunities to convert customers from older to newer hose models like MXT™ and MXG™, which are lighter weight and more efficient to produce with equal or better performance.

DESIGN POWER PLATFORM

To help our customers determine the right belt for their application, we released a new software platform offering multiple digital design tools for end-use applications. One of the Gates Design Power programs is the Design Flex Pro. It makes things easy to design belt drive systems and to compare costs. Customers can create multiple drive design options with cost and drive specifics, including the part numbers for ease of ordering from Gates or our distributors. Importantly, the results also share energy- and cost-savings calculations based on customer-configurable inputs.

> **The Gates Design Power platform allows customers and our internal experts working in collaboration with OEM partners to quickly and easily design the most accurate and robust application-specific drive systems, saving time and money.**
>
> **Tom Pitstick**
> CSO
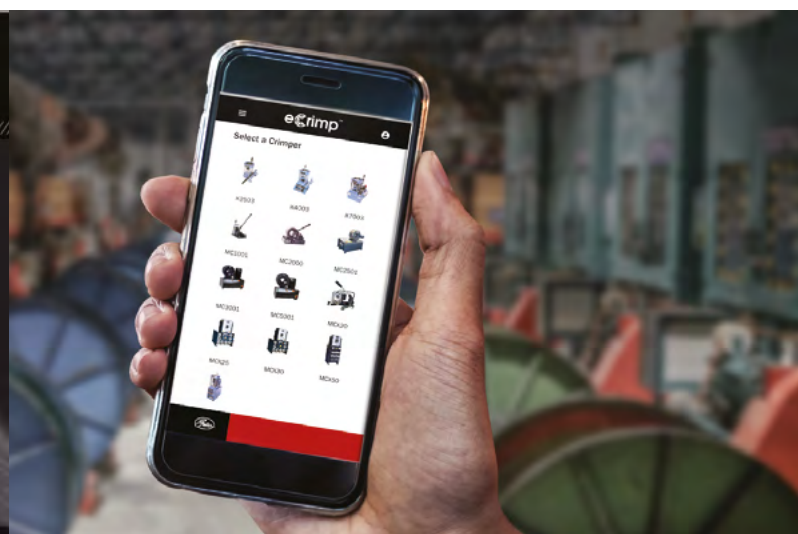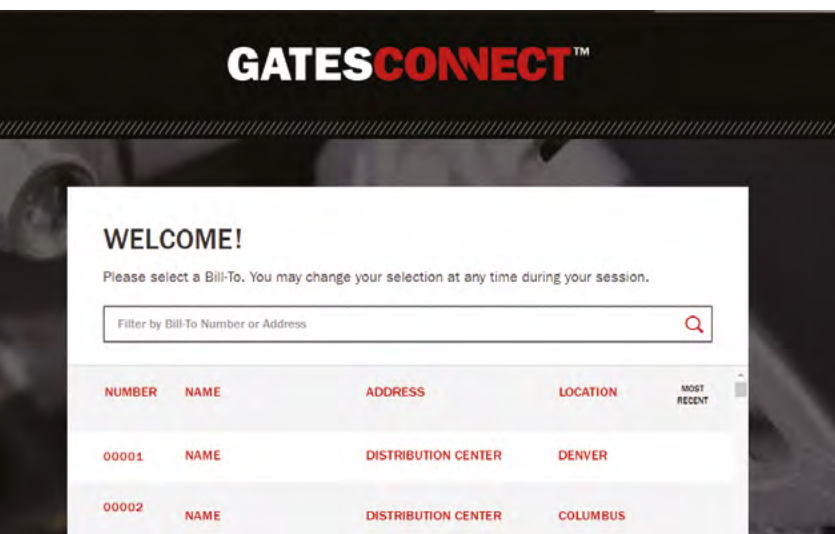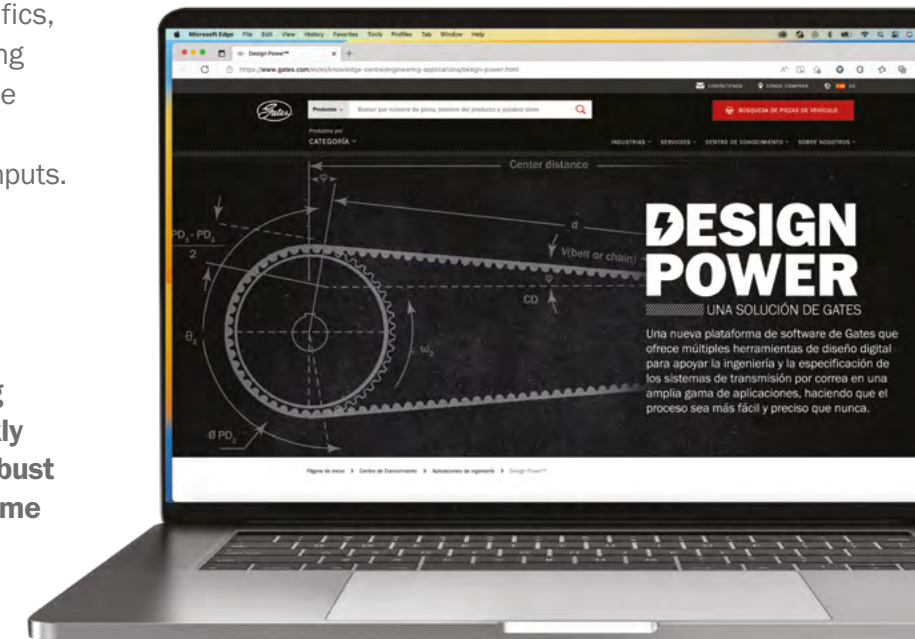
In this section
ENVIRONMENT

ENVIRONMENT

OUR POLICY AND APPROACH TO ENVIRONMENTAL SUSTAINABILITY

Our sustainability efforts are rooted in our ongoing commitment to our stakeholders and the environments in which we work and live. We revisit and refresh our policies and require all Gates facilities to follow our Global Health, Safety and Environmental (HSE) Standards and Gates HSE Policy.

We follow an Environmental Management System (EMS) in all our facilities. Our EMS - which aligns with the ISO 14001 Environmental

Management Standard - establishes clear roles and responsibilities, and requires compliance with external environmental regulations and internal standards. We conduct regular environmental assessments of our facilities to ensure compliance with our EMS and external regulations. We also track environmental incidents and performance on a range of metrics.

In 2022, we had no material environmental fines or reported violations.

CLIMATE, ENERGY, AND AIR EMISSIONS

Gates is committed to doing business with respect and consideration for the environment, including minimizing our contribution to climate change. We consider climate change issues such as regulatory changes, chronic and severe weather-related events and changing consumer behaviors in our strategy. This includes the trend towards lower carbon energy and fuel sources, the procurement of clean electricity supply, on-site renewable power generation, and the use of biomass for heat and steam.

Energy efficiency is a priority in our business operations. Through energy efficiency initiatives, we have identified facilities and manufacturing processes that will help reduce our energy

consumption. These initiatives allow our team members to use their curiosity, collaboration, and tenacity to help us meet or exceed our goal to reduce energy consumption 20% by 2025, based on a 2019 baseline.

Our strategic planning for carbon and GHG emissions extends beyond our operations. We routinely evaluate our risk management systems and processes for collecting, aggregating, and validating energy and emissions-related information across the organization. We have also broadened the scope of our reporting by including our estimated Scope 3 GHG emissions.

GREENHOUSE GAS EMISSIONS

Avoiding GHG emissions is part of our strategy for reducing our impact on climate change and maximizing the efficiency of our operations. Through disclosure, we account for our direct (Scope 1), purchased energy (Scope 2) and other upstream and downstream sources (Scope 3) of emissions using the Greenhouse Gas Protocol, unless required to use other regulatory standards and measurements.

While reducing operational emissions is one of our priorities, we are collaboratively working with suppliers and other value chain partners to reduce Scope 3 emissions and our product footprints. We are focused on the efficiency of our downstream transportation and logistics routes. We will continue to expand the capabilities of conducting LCAs, analyzing the potential cradle to grave environmental impacts of our products.

In 2020, we set a goal to reduce our total GHG emissions by 15% by 2025, based on a 2019 baseline. Compared to 2021, our 2022 direct (Scope 1) GHG emissions increased by approximately 12%, our indirect emissions (Scope 2) increased by approximately 3%. Indexed to net sales, our total operational emissions (Scope 1 + Scope 2) increased by approximately 4%.

ENERGY EFFICIENCY AND CONSUMPTION

We are committed to optimizing our energy use and continually improving the efficiency of our operations. Beyond reducing energy consumption, efficiency results in productivity improvements and extends the life of factory equipment. It also delivers significant value for our business through cost savings. Our customers benefit through innovative products with lower emissions that help meet their sustainability goals.

A variety of measures are deployed to reduce our energy consumption and GHG emissions, including LED lighting, electrical motors and variable frequency drives, high-efficiency compressors and boilers, improved heating and cooling insulation, compressed air audits and leak repairs, robust operating and maintenance standards, and upgrading process control systems. Validating our energy efficiency practices, 30% of Gates manufacturing sites have ISO 50001 certifications for energy management.

Recently, we initiated a global energy conservation program for all manufacturing sites. Some program highlights include:

- Energy reduction goals, specific to each facility

- Energy performance and efficiency metrics include total consumption and are indexed to net sales and production volume

- Process and procedural operations have been improved through the Gates Production System to optimize shut down procedures, shift and personnel planning, and equipment use

- Equipment monitoring and technologies – including energy harmonics and capacitor banks - are used to maximize energy utilization and savings

We aim to invest in both renewable and traditional energy supplies, working to improve energy efficiency and facilitate the transition to cleaner energy. In pursuit of solutions to optimize our utility services, we use low carbon fuels and renewable electricity to reduce our GHG and other air emissions, including on-site renewable power (solar) generation and biomass fueled boilers.

Roof-top solar cells power the LED lighting used at the car park at our Rayong, Thailand facility. Replacing the fluorescent lighting fixtures with LED units saves energy and costs, while enhancing brightness and safety at the parking lot.

Our Lalru, India plant uses rice husks as a biomass fuel for the on-site boilers. The steam generation process is low-carbon and sustainable as the burnt rice husk ash is reprocessed as fuel.

WATER STEWARDSHIP AND CONSERVATION

Water conservation is a key component of our sustainability philosophy. Some of our global locations operate in water-stressed regions that are susceptible to drought. While most of our facilities are supplied with water from municipal and third-party sources, a few rely on groundwater or wells. Therefore, our approach emphasizes reducing freshwater withdrawals, and recycling or reusing process water. All Gates sites monitor, report, and have site-based water initiatives aimed at achieving our goal of reducing water consumption year-over-year.

Wastewater is also a closely monitored aspect of our water stewardship. All sites monitor and treat wastewater, and comply with regulatory requirements. Sites are required to have a wastewater management plan – with an annual review, plus audits documenting water inputs as well as discharges of all water leaving the facility. Audits include an annual gap assessment, mapping process, and environmental impact evaluation.

We focus on several key areas of water conservation:

- Recycling process water

- Identifying water waste; improving efficiencies to reduce water use

- Utilizing low-flow water fixtures

- Updating water heating and cooling systems to closed-loop systems as appropriate, reducing water consumption on average by 9% over older systems

- Upgrades and investments including the installation of new boilers, cooling towers, and water conservation processes

WASTE MANAGEMENT

We believe minimizing waste is not just the right thing to do, it is smart business. We continue to identify opportunities to address and minimize waste produced at our sites, saving costs and avoiding environmental impacts from disposition. Our manufacturing and distribution facilities worldwide are driven to uphold Gates high-quality standards and to reduce scrap to help reduce our waste footprint.

We strive for zero waste to landfill in our operations. As part of our waste management plan, we monitor more than 60 waste streams along with their disposition and minimize production of hazardous waste. We prioritize recycling and composting options for many of our waste streams, including packaging and rubber manufacturing scrap.

DIGITIZING MAGAZINES IN MEXICO

In Mexico, our customers and distribution partners have a long history using printed Gates catalogues and magazines. To reduce waste to landfill, we switched to a digital format.

Going digital provides the opportunity to increase our visibility across channels, using videos and other multimedia links. Collaboration among Gates de México team members also increased, enriching the catalog and magazine content.

CIRCULARITY, REUSE, AND RECYCLING

Minimizing waste and leveraging innovation contributes to a circular economy. Circularity is a theme that spans the entire lifecycle of Gates products. We strive to reduce, reuse, and recycle, exploring ways to use less material, create less waste, and maintain durability and dependability in our manufactured goods. Beyond simply reducing packaging, we seek solutions to use reusable containers along with recycled and degradable packaging.

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STEWARDSHIP

STEWARDSHIP

Gates recognizes the importance of helping to build, serve, empower, and better the communities in which we live and work. We work together as an organization - and through a variety of local initiatives - to support community stewardship. With a focus on mental and emotional well-being, social support tools, and physical and financial wellness, we understand the importance of investing in the development of our workforce and recognize social impacts and employee well-being are critical to the success of our organization.

POLICIES AND STANDARDS OF CARE

Our team members are our greatest assets: they make Gates great. Our goal is to create a positive, healthy work environment where our people come first, and everyone thrives.

Health, safety, and well-being are communicated to all team members through the Code of Business Conduct and Ethics, the HSE Policy, and the Gates Global HSE Standard. Our team members are encouraged to take a proactive role in reporting any conditions they feel are unhealthy, unsafe, or environmentally irresponsible.

As an Equal Opportunity and Affirmative Action Employer, Gates is committed to ensuring equal employment opportunities for all job applicants and team members. Employment decisions are based upon job-related reasons regardless of gender, race, sex, color, religion, age, disability, pregnancy, citizenship, sexual orientation, gender identity, national origin, protected veteran status, marital status or any consideration defined by law. Gates does not discriminate or retaliate against applicants who inquire about, disclose, or discuss their compensation or that of other applicants. Our policies also adhere to applicable labor laws related to the freedom of association and collective bargaining, and the prohibition of all forms of forced or compulsory labor.

PRODUCT STEWARDSHIP

Gates engineers products that meet and exceed the growing needs and diverse challenges of our customers and end-users. We strive to reduce the negative environmental impacts of our products, packaging and end-user applications, while delivering improved performance and extended product life. Our products are designed with environmental sustainability and safety in mind, aimed at minimizing ecological impacts, avoidance of pollutants and harmful chemicals and reducing GHG emissions.

We and our suppliers are required to declare information related to raw materials and ingredients that are regulated under "Registration, Evaluation, Authorisation and Restriction of Chemicals" (REACH), "Restriction of Certain Hazardous Substances" (RoHS) and the Toxic Substances Control Act (TSCA).
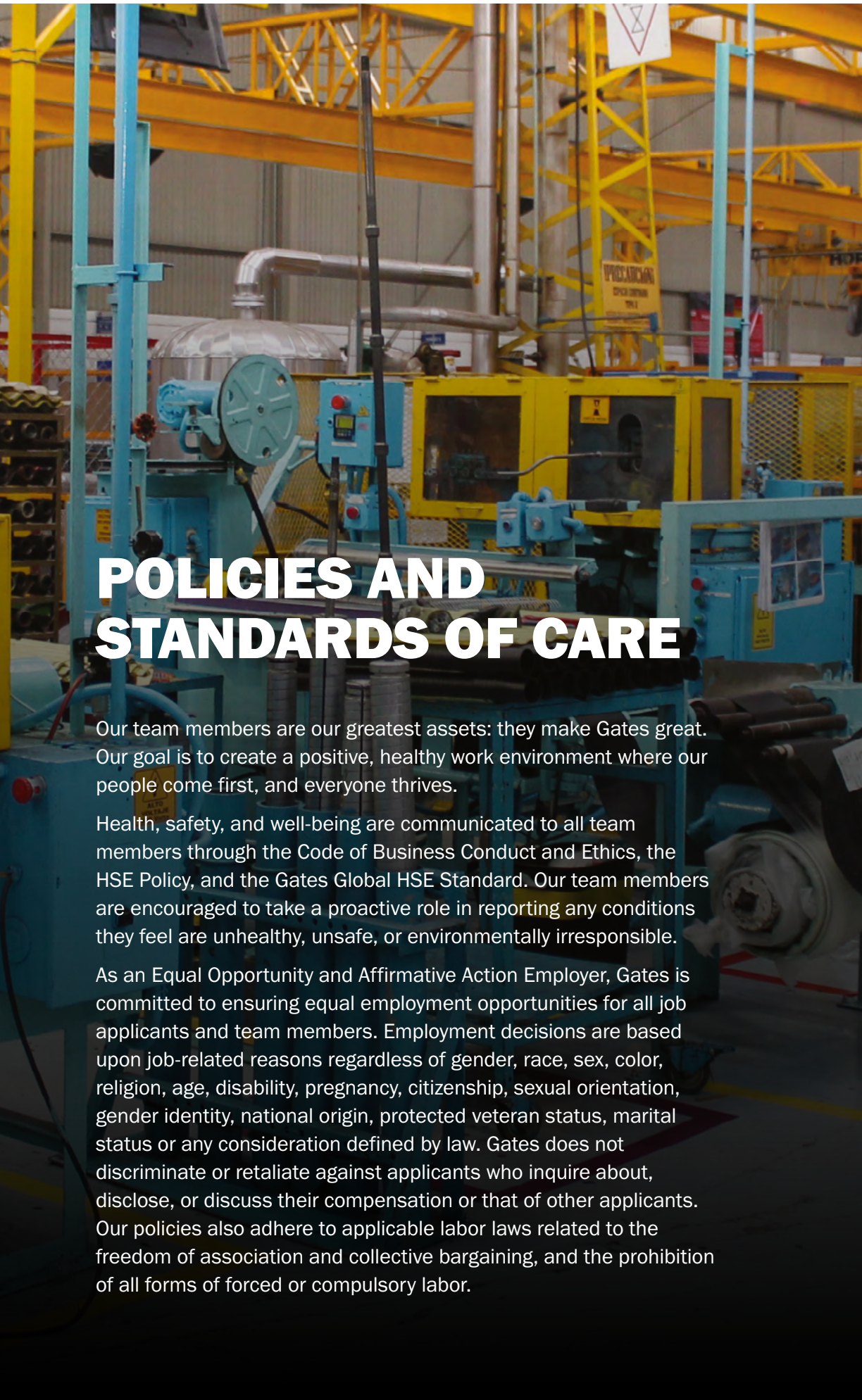
WORKFORCE HEALTH AND SAFETY

Safety is a mindset at Gates. To protect our team members, Gates is committed to continuously improving safety systems and nurturing a safety culture. We encourage our team members to play an active role in preventing and minimizing health and safety risks. Together we share a vision for zero injuries, cultivating an incident-free workplace that contributes positively to the lives and well-being of our team members.

All Gates facilities are required to comply with the Gates Global HSE Standards or local regulations, whichever is stricter. Gates Global HSE Standards are aligned with ISO 45001. Every site develops and maintains a risk reduction action plan and an emergency preparedness plan, which are regularly tested. Identified risks are evaluated and prioritized for action using globally recognized risk assessment methodologies such as ISO 12100: Safety of Machinery, Design Risk Assessment and Risk Reduction.

Gates holds a variety of trainings and communications for team members to build knowledge to reduce injuries at the facilities. Areas of training cover ergonomic risks, first aid, electrical safety, fire safety, chemical safety, and other focus areas that make team members more aware and promote a more safe and secure working environment.

We are also proactive in our efforts to ensure the safety and health of our team members, contractors, and visitors to our sites through various safety orientations. Contractors require verification through the Gates HSE Contractor Safety Policy, which outlines related site-and company-level procedures. This includes work-related hazards (e.g., working at height or proximity to hazardous energy equipment) and topics (e.g., use of personal protective equipment, or PPE), to raise awareness and reduce operational health and safety incidents.

Our key focus is always on the "proactive" reduction of risk. However, incidents do occur. In these unfortunate circumstances, we use a thorough incident investigation and analysis process to identify all root causes and contributory factors. Lessons learned are deployed globally across the company to target any similar risks and prevent reoccurrence.

Gates strives to keep its Total Case Incident Rate (TCIR) below 0.5 and Lost-Time Incident Rate (LTIR) below 0.25. Our safety, illness and incident figures are tracked and monitored for each facility: number and rate of high-consequence work-related injuries, the number and rate of recordable work-related injuries, any fatalities that may have been caused by such injuries, the main types of work-related injuries and the number of hours worked.

Our team members at the Pune, India facility achieved exemplary health and safety performance results in 2022, including:

- More than 3,000 workdays without an incident
- Zero severe and recordable injuries
- 100% compliance with Gates Global HSE Standards, and completed a Fire and Electrical Safety audit by an independent third-party

Additionally, the Pune HSE team improved ergonomic processes and handling practices, and enhanced safety hazard awareness and signage throughout the plant.

EMPLOYEE WELL-BEING

Ensuring we succeed as a business relies on keeping our team members healthy — both mentally and physically. This requires striking a good work-life balance and providing resources to maintain a high level of well-being, especially during difficult times. Many of our initiatives are structured around the following four key factors:

1 MENTAL AND EMOTIONAL WELL-BEING

2 PHYSICAL WELLNESS

3 SOCIAL SUPPORT TOOLS

4 FINANCIAL WELLNESS

Gates offers a robust Team Members Assistance Program offering a variety of wellness services, including counseling, lifestyle coaching, and financial coaching. During nationwide observances, such as Mental Health Awareness Month, we share resources that provide additional information about the importance of these events.

The Gates GoodLife program supports our team members on their well-being journey. This dedicated platform distributes information through a monthly newsletter that covers a host of topics, including the latest research on well-being, recipes for healthy eating, and recommendations for physical activities. We also offer numerous incentives such as fitness class discounts and phone service discounts.

TRAINING AND WORKFORCE DEVELOPMENT

Gates is committed to developing and unlocking the potential of our people, which is why we make investments in training and professional development. Our framework supports the development of leadership and professional skills in three ways: on-the-job; learning from others; and participating in formal training programs.

As team members work toward their career goals, we offer a global mentoring program that promotes knowledge transfer opportunities. Our early career programs develop talent, and our structured succession planning process identifies key talent. Production colleagues can also take advantage of skills-based training and certification opportunities.

TALENT DEVELOPMENT

Gates provides the tools and resources for our team members to continuously learn and grow. We have a comprehensive on-demand learning library that offers a variety of topics and courses in the areas of business, productivity, professional development, and language skills training. Additionally, our leaders work with their teams to manage career plans - collaboratively building our technical and leadership talent of the future.

SUCCESSION MANAGEMENT

The succession management program enables a holistic approach to team member development. Internal selection/promotions build pipelines of talent that can be deployed when and where needed. Ultimately, this program strengthens leadership continuity in key positions, developing and retaining intellectual capital for the future.

EAST ASIA AND INDIA MANAGER ASSIMILATION WORKSHOP

Our Manager Assimilation Workshop was conducted in connection with leadership teams across East Asia and India in 2022. Its primary aim was to educate team members on change management during the transition to a new regional organizational model. Centered on experiential learning, activities took team members through a series of subjects – from a journey of personal comfort zone awareness to a willingness to face new challenges collaboratively.

CORE VALUES WORKSHOP

The Core Values Workshop shares company beliefs (our vision and what we aspire to be), demonstrates how we conduct business properly (by ethics, compliance, and modeling our core values) and tracks results. We believe this workshop builds trust and a comprehensive learning environment that attracts, grows, retains, and rewards our talent. Utilizing interactive dialogue and a variety of experiential activities, this workshop demonstrates for our team members behaviors that embody Gates' values.

LEADERSHIP EXPEDITIONS

Throughout 2022, our Global Talent team updated the Gates competency model, then branded and built out a multi-level leadership development program to support leaders at all levels. Core elements include virtual, self-paced, instructor-led, or project-based learning, plus roundtables, mentoring, and 360-degree assessments. These programs are expected to launch globally later in 2023 as part of a phased, multi-year approach.

DISCOVER

Emerging Leaders

Discover the path to leadership

Individual contributors aspiring to become leaders

ASCEND

First Time Leaders

Equip yourself for the ascent

First time supervisors & people managers

EXPLORE

Front Line Leaders

Expand your leadership horizons

Experienced Managers with potential to advance

CLIMB

Mid-Level Leaders

Scale to the next level

Sr. Managers / First Time Directors

SOAR

Executive Leaders

Take your leadership to new heights

Directors / Sr. Directors, VPs

EXPLORE PROGRAM

Our Explore Program is designed for our frontline leaders who play an invaluable role in cultivating a high-performing, highly engaging culture at Gates. Participants learn leadership, management, and critical business skills, as well as how to prepare for the future. This is accomplished through an interactive experiential learning process that covers six distinct modules:

- Foundational leadership skills
- Managing performance skills
- Managing work skills
- Managing your environment
- Preparing for the future
- Critical business skills

GATES GLOBAL MENTORING

We believe our people produce their best work when they feel most challenged. At Gates, we seek ways to develop and grow our team members through unique training and professional development programs. Above all else, Gates empowers team members to navigate their careers.

Our mentoring program promotes a diverse and inclusive culture that provides learning, growth and knowledge transfer opportunities between our mentors and mentees. The Gates Global Mentorship Program is a 10-month mentor/mentee partnership designed to help participants cultivate a mutually beneficial relationship to accelerate their careers. Not only does the program help build new peer relationships, but it strengthens our corporate mentoring culture.

The program partners experienced Gates team members to mentees from across the globe. Pairs are created by observing what skills a mentee wants to improve and connecting them with a mentor who has an expertise in those areas. Mentees take responsibility for reaching out and continuing the relationship.

The Gates Global Mentoring Program is a great opportunity for mentors and mentees to share their wisdom, grow into better leaders, and feel fulfilled in their role. Mentees consistently report feeling more certain of their career directions, as well as more engaged at Gates because of the program. The majority of mentors reported the program increased their satisfaction at the company.

DIVERSITY, EQUITY, AND INCLUSION (DEI)

Gates is committed to a diverse and inclusive workplace. We strive to foster an environment where everyone has an equal opportunity to be heard, and where they can contribute their thoughts and be recognized for their individual efforts. Team members are engaged through a variety of partnerships and outreach programs to identify opportunities for meaningful connection. This engagement will continue in future years and serve as a model to bring positive impacts to the communities around us.

As part of our continued efforts to raise awareness on the importance of DEI, we engage team members and local communities in conversation and through trainings and sponsored activities. Our corporate policy also encourages voluntary identification of pronouns in email correspondence. We believe an equitable workplace at Gates is cultivated by empowering people and creating a culture of inclusion.

In 2022, Gates established a DEI Council for its North America workforce. Comprised of highly accomplished and collaborative team members, this Council fosters an inclusive culture that embraces unique backgrounds, talents, and perspectives. To drive a multi-year strategy – delivering awareness and best practices – it consists of three main committees: Communications, Culture and Branding; Diversity Recruitment; and Career and Leadership Development. To encourage relationship building – accepting and respecting individual attributes and experiences - three Business Resource Groups were also formed for our North American workforce: Pan-Asian Leaders; LGBTQ+; and Veterans and Veterans' Families.

EMPLOYEE ENGAGEMENT

Engaging and connecting with people at work is important. At Gates, we believe an engaged workforce is directly linked to the value we provide to customers and the connections we create in the communities where we live and operate. The value of employee engagement can result in higher productivity and retention rates, improved health and safety performance, and increased company profitability.

ENGAGING WITH OUR COMMUNITIES

Gates has a rich and unique legacy in many of the communities where we work. We engage with local governments, other companies and not-for-profit organizations that serve our communities and residents in areas such as education, health, and employment. Our corporate foundation supports a range of programs, including education (in particular, STEM education) and mobility solutions for underserved populations.

In 2022, we held a virtual Earth Week celebration covering a number of sustainability themes. Participants received a Gates branded reusable shopping bag to minimize the use of single plastic bags. Team members also received succulents to brighten up their days and work spaces.

CAREERGOAL

In 2022, Gates participated with the Denver (Colorado) Scholarship Foundation in an inaugural event called CareerGOAL. CareerGOAL brought together eighty-five 9th-11th grade students from Denver Public Schools for an immersive experience to build excitement about careers with and the different functions of a manufacturing company.

GATES GIVES BACK

Gates recognizes the importance of giving back to our communities and is proud to support a new localized charitable giving program called Gates Gives Back. Gates team members connected with their communities and nominated a local charity to receive a $10,000 donation from the Gates Industrial Corporation Foundation. As part of this program, the chosen charity and local team members will share their story of the activities supporting the local community.

RESILIENT UKRAINE

Gates hopes for a peaceful resolution between Ukraine and Russia and an immediate return to diplomacy. The safety and well-being of our team members in Ukraine, with whom we have been in regular contact, is our top priority. Our management and global workforce demonstrated empathy and support for Ukraine through humanitarian donations, direct financial assistance, and acceptance of war refugees in neighboring countries. And we continue to provide support.

A task force was established to implement the company's responses. As a first step, we provided funding to the German Red Cross to help the Ukrainian people and the refugees. The Polish government and people have been generous with food, accommodations, and other basic necessities.

Our offices in Poland have been a beacon of support for our Ukrainian colleagues and other refugee families. At the outset of the conflict, the Legnica office volunteered to support our Ukrainian workforce and their family members. Gates provided legal and immigration support. Gates provided a weekly newsletter with basic information about legal and medical resources, education for children, and practical information about living in Poland.

We established a "Gates for Ukraine" assistance program for Ukrainian family members. In total,

110 family members benefited with cash-allowances and other donations including food, bedding, clothes, soap and detergents. A "Good Start at School" drive provided backpacks filled with school supplies for 50 Ukrainian children. On the occasion of Women's Day, the Legnica office organized a cake fair, with all money collections donated to a food collective supporting Ukrainian refugees.

Numerous safe meeting places were provided for Ukrainians in Legnica, catering mostly to women with children and seniors. These meeting places offered Polish language courses, psychological support, workshops for children and adults, a café and playroom– all complimentary.

At year-end 2022, more than $32,000 in employee and company matching donations were raised for Ukrainian relief efforts.

GATES INDUSTRIAL CORPORATION FOUNDATION

Gates values community engagement and encourages team members to advocate for and participate in causes for which they are passionate. Through the Gates Industrial Corporation Foundation, we actively support civic, cultural, health and welfare initiatives, as well as education programs and scholarships. The Foundation also includes a Matching Gift Program - U.S. donations are matched dollar-for-dollar.

In 2022, donations of more than $677,000 (of which $225,000 were matched employee donations) were allocated to 154 beneficiary organizations. These included charities and foundations that support healthcare, mental health and wellness, education, social services, food banks, wildlife conservation and many other impactful causes.

- $200,000 shared by our two Giving Partners, Ronald McDonald House Charities (RMHC) Global and the Denver Scholarship Foundation
- $100,000 was given additionally to RMHC Global for assistance and relief efforts in Ukraine
- $83,020 was made available in scholarships for children of Gates team members
- $25,000 donated to Wish for Wheels

EDUCATION SCHOLARSHIPS

Gates Foundation Scholarships are awarded annually to the qualifying dependents of Gates full-time associates. Recipients receive $4,000 per year towards four years of undergraduate studies.

LOOKING AHEAD

Reflecting on our rich 112-year history, we envision what success looks like over the next century. We believe our success will depend largely on our ability to foster curiosity and tenacity to produce pioneering solutions for power transmission and fluid power. We believe Gates has significant opportunity to drive growth well into the future, with sustainability playing a key role in the way we conduct our business.

To remain a pioneer in times of increasingly dynamic and complex operating environments - with rapidly changing customer needs – we must keep progressing as a company, becoming even more innovative, collaborative and eco-efficient. Our team, customers, shareholders, and suppliers will always be central to our approach and success.

We hope to build on the progress of 2022 by identifying new ways to embed sustainability into the way we do business. We are confident that by continuing to work to integrate sustainability we will realize a wealth of opportunities to grow and strengthen Gates for years to come. We will also learn from our shortcomings. And we look forward to engaging with our team members, customers, suppliers, and investors to accomplish our goals.

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APPENDIX

APPENDIX

ANNUAL PERFORMANCE INDICATORS

GOVERNANCE

PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	2022	2021	2020	2019	SASB - IFRS METRIC CODE [1]
Board of Directors — Independence	% of total number Directors	89	89	89	88	
Board of Directors — Diversity (female)	% of total number Directors	33	44	44	38	
Board of Directors — Diversity (minority)	% of total number Directors	11	11	13	13	
Total Spend on Suppliers Sourced In-Region/For-Region [2]	% of global supplier spend (US$)	83	84	85	85	
Fines or Monetary Resolutions Associated with Anti-competitive Regulations	US$	0	0	0	0	TR-AP-520a.1

TECHNOLOGY

PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	2022	2021	2020	2019	SASB - IFRS METRIC CODE [1]
Revenues Associated with Energy Efficiency/Emissions Reductions Products [3]	% of total net sales	4.8	N.R.	N.R.	N.R.	TR-AP-410a.1
Revenues Associated with Energy Efficiency/Emissions Reductions Products [3]	US$, millions	171.6	N.R.	N.R.	N.R.	TR-AP-410a.1
Capital Investment in Property, Plant and Equipment	US$, millions	77.6	77.7	58.2	72.1	
Percentage of Input Materials from Recycled and Remanufactured Content [4]	% of total volume input materials	N.R.	N.R.	N.R.	N.R.	TR-AP-440b.2
Number of Patents Granted during Calendar Year	number	176	219	135	132	

ENVIRONMENT

PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	2022	2021	2020	2019	SASB - IFRS METRIC CODE [1]
Direct GHG Emissions (Scope 1) [5]	Thousand metric tons (TMT*) CO_2e	108.9	96.9	86.2	92.5	
Indirect GHG Emissions (Scope 2) [5]	TMT* CO_2e	164.6	158.9	170.6	181.5	
Total Operational GHG Emissions (Scope 1+2) [5]	TMT* CO_2e	273.5	255.8	256.8	274.0	
Total Operational GHG Emissions Intensity (Scope 1+2)	TMT* CO_2e/annual net sales ('000)	0.077	0.074	0.092	0.089	RT-IG-410
Total Energy Consumption (Scope 1+2) [6]	Gigawatt hours (GWh)	971.8	909.8	830.8	894.4	
Total Energy Consumption (Scope 1+2) [6]	Gigajoules (GJ)	3,498,480	3,275,280	2,990,736	3,219,840	RT-IG-130a.1 TR-AP-130a.1
Total Energy Consumption Intensity	GWh/annual net sales ('000)	0.00027	0.00026	0.00030	0.00029	
Renewable Energy Consumption	GWh	76.4	72.7	N.R.	N.R.	

EXPLANATORY NOTES:
Where data is unavailable or was not reported, 'N.R.' is shown.

[1] Gates applied the sustainability accounting metrics associated with the Industrial Machinery and Goods (RT-IG) and Auto Parts (TR-AP) sectors, as defined by the International Financial Reporting Standards (IFRS) Foundation and the Sustainability Accounting Standards Board (SASB).

[2] Categorized as direct spend.

[3] For 2022 reporting purposes, Gates interpreted the SASB Design for Fuel Efficiency metric (TR-AP-410.a1) to include our revenues associated with non-ICE end-use applications such as personal mobility (including bicycles and e-bikes), and automotive and heavy-duty EV/hybrid end-products.

[4] Certain metals used in Gates parts and products are derived from recycled content (e.g., steel and aluminium). However, Gates does not separately track recycled input materials or remanufactured content, or the revenues attributable to said content.

[5] Direct and indirect GHG emissions are qualified as either owned or under Gates operational control. Where actual data was not available, estimates were used. Estimated emissions from the combustion of fuels are based on fuel consumption data and corresponding emissions factors from: the U.K. Department for Environment, Food & Rural Affairs (DEFRA); the International Energy Agency (IEA); the United Nations Intergovernmental Panel on Climate Change (IPCC, AR5); and the U.S. Environmental Protection Agency (EPA).

[6] Total energy consumption is the sum of all fuels and biomass consumption, plus purchased power and steam.

*This document has been updated to correct a typographical error found on page 60. Previously, the text incorrectly read 'Mmt' (Thousands of metric tons) which has now been revised to TMT (Thousand metric tons).

ENVIRONMENT

PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	2022	2021	2020	2019	SASB - IFRS METRIC CODE [1]
Renewable Energy Consumption	% of total GWh	7.9	8.0	N.R.	N.R.	RT-IG-130a.1 TR-AP-130a.1
Renewable Electricity Generated	Kilowatt hours (KWh)	242,614	256,740	N.R.	N.R.	
Total Waste Volume	Mmt	43.3	37.9	34.8	37.6	TR-AP-150a.1
Total Hazardous Waste Volume	Mmt	0.99	0.73	N.R.	N.R.	TR-AP-150a.1
Waste Recycled	% of total waste volume	51.4	62.3	53.1	45	TR-AP-150a.1
Waste to Landfill	Mmt	12.7	7.3	10.1	15.1	
Total Water Withdrawals	Million cubic meters	1.82	1.51	1.53	1.59	
Total Water Withdrawals Intensity	Million cubic meters/annual net sales ('000)	0.51	0.44	0.55	0.52	
Total Wastewater Recycled	% of total water withdrawals	11.7	5.5	N.R.	N.R.	

STEWARDSHIP

PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	2022	2021	2020	2019	SASB - IFRS METRIC CODE [1]
Total Number Employees	Number of Full Time Employees (FTE)	15,036	15,077	14,300	14,717	RT-IG-000.B
Female Employees	% of FTE	25	24	24	25	
Executive/VP/Director Level Diversity, Female	%	19	21	21	18	
Number of Product Recalls Issued	number	0	0	0	0	TR-AP-250a.1
Manufacturing Sites with ISO 14001 Certification [7]	%	100	100	100	100	
Employee Voluntary Turnover Rate	%	24.1	30.2	N.R.	N.R.	
Lost Time Incident Rate (LTIR)		0.33	0.26	0.23	0.25	RT-IG-130a.1
Total Case Incident Rate (TCIR)		0.74	0.60	0.53	0.57	RT-IG-130a.1
Employee Fatalities	number	0	N.R.	N.R.	N.R.	RT-IG-130a.1
Contractor Fatalities	number	0	N.R.	N.R.	N.R.	RT-IG-130a.1
Total Corporate Income Taxes Paid	Annual US$ (millions)	117.8	83.0	60.4	108.8	
CEO Median Pay Ratio		411:1	222:1	214:1	366:1	
Median Employee Compensation	Annual US$	35,015	39,583	35,940	28,679	
Charitable Giving, Gates Industrial Corporation Foundation	Annual US$	677,725	612,677	1,084,981	621,690	

EXPLANATORY NOTES:

Where data is unavailable or was not reported, 'N.R.' is shown.

[1] Gates applied the sustainability accounting metrics associated with the Industrial Machinery and Goods (RT-IG) and Auto Parts (TR-AP) sectors, as defined by the International Financial Reporting Standards (IFRS) Foundation and the Sustainability Accounting Standards Board (SASB).

[7] All Gates manufacturing facilities have an ISO 14001 certification or conform to an equivalent standard. Of the 72 total Gates properties (manufacturing, office, distribution/warehouse), 59 have ISO or ISO-equivalent certifications or 82% total.

UN SDGs TABLE

GOVERNACE

SDG, GATES-ALIGNED TARGETS [1]

16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.1: Significantly reduce all forms of violence and related death rates, everywhere
	16.2: End abuse, exploitation, trafficking and all forms of violence against and torture of children
	16.5: Substantially reduce corruption and bribery in all their forms
	16.7: Ensure responsive, inclusive, participatory and representative decision-making at all levels
	16.10: Ensure public access to information and protect fundamental freedoms, in accordance with national and international agreements
	16.b: Promote and enforce non-discriminatory laws and policies for sustainable development
17 PARTNERSHIPS FOR THE GOALS	17.11: Significantly increase the exports of developing countries
	17.17: Encourage and promote effective public, private and civil society partnerships

TECHNOLOGY

SDG, GATES-ALIGNED TARGETS [1]

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	9.2: Promote inclusive and sustainable industrialization and significantly raise industry's share of employment and GDP
	9.4: Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency
17 PARTNERSHIPS FOR THE GOALS	17.8: Fully operationalize the technology and innovation capacity-building mechanisms and enhance the use of enabling technology

ENVIRONMENT

SDG, GATES-ALIGNED TARGETS [1]

6 CLEAN WATER AND SANITATION	6.2: Achieve access to adequate and equitable sanitation and hygiene for all
	6.3: Improve water quality by reducing pollution, eliminating dumping and minimizing the release of hazardous chemicals and materials and substantially increasing recycling and safe reuse
	6.4: Substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater
	6.5: Implement integrated water resources management
	6.6: Protect and restore water-related ecosystems
7 AFFORDABLE AND CLEAN ENERGY	7.2: Increase substantially the share of renewable energy in the global energy mix
	7.3: Double the global rate of improvement in energy efficiency
	7.b: Expand infrastructure and upgrade technology for supplying modern sustainable energy services

ENVIRONMENT

SDG, GATES-ALIGNED TARGETS [1]

12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.2: Achieve sustainable management and efficiency use of natural resources
	12.4: Achieve the environmentally sound management of chemicals and all wastes throughout their lifecycles
	12.6: Encourage companies to adopt sustainable practices and integrate sustainability reporting
	12.8: Ensure that people have the relevant information and awareness for sustainable development
13 CLIMATE ACTION	13.2: Integrate climate change measures into national policies, strategies and planning
15 LIFE ON LAND	15.1: Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems
	15.2: Promote the implementation of sustainable management of forests
	15.3: Combat desertification, restore degraded land and soil
	15.4: Ensure the conservation of mountain ecosystems
	15.5: Take urgent and significant action to reduce the degradation of natural habitats

STEWARDSHIP

SDG, GATES-ALIGNED TARGETS [1]

3 GOOD HEALTH AND WELL-BEING	3.6: Halve the number of global deaths and injuries from road traffic accidents
	3.8: Achieve universal health coverage and access to quality essential health care services
	3.9: Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination
4 QUALITY EDUCATION	4.4: Substantially increase the number of youth and adults who have relevant skills for employment
5 GENDER EQUALITY	5.1: End all forms of discrimination against all women and girls
	5.2: Eliminate all forms of violence against all women and girls, including trafficking and other types of exploitation
	5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making
10 REDUCED INEQUALITIES	10.3: Ensure equal opportunity and reduce inequalities of outcome, and promoting appropriate legislation, policies action
	10.4: Adopt policies and progressively achieve greater equality

[1] The United Nations Sustainable Development Goals (SDGs) is an aspirational framework enabling national governments, civil society and businesses to identify outcomes and opportunities for collective action, by 2030. The list of SDGs and targets are the most directly aligned to Gates' core business and impacts.

GRI CONTENT INDEX
GRI STANDARDS, 2021 UNIVERSAL STANDARD
GRI 2: GENERAL DISCLOSURES 2021

1. ORGANIZATIONAL DETAILS				
DISCLOSURE NUMBER	**DISCLOSURE TITLE**	**REPORT PAGE NUMBER**	**EXTERNAL REFERENCE**	**COMMENTS**
2-1	Name of the Organization	Report cover	gates.com/us/en/about-us.html	
2-1	Ownership and legal form		investors.gates.com/financials/ annual-reports/default.aspx	
2-1	Location of headquarters	8	gates.com/us/en/about-us/ company-overview.html	
2-1	Location of operations	8	gates.com/us/en/ customer-support/locations.html	
2-2	Boundary for inclusion	10		
2-2	Audited consolidated financial statements or financial information filed on public record		investors.gates.com/financials/ annual-reports/default.aspx	
2-3	Specify the reporting period	10	investors.gates.com/financials/ annual-reports/default.aspx	
2-3	Explanation of approach used for consolidating the financial information		investors.gates.com/financials/ annual-reports/default.aspx	
2-3	Whether financial reporting period aligns with sustainability reporting	10		Yes. Sustainability reporting aligns with the period of financial reporting for fiscal year 2022, unless otherwise noted.
2-3	Date of sustainability report	10	investors.gates.com/financials/ annual-reports/default.aspx	
2-3	Point of contact at company		investors.gates.com/investor-resources/ investor-contacts/default.aspx	
2-4	Restatement of prior period results	10		No material restatements. This report marks the first time Gates is reporting under the IFRS-SASB sector-specific indicators. Where prior years data is unavailable, none is shown.
2-5	Describe company policy and practice for seeking external assurance			
2-5	Whether company's sustainability report is externally assured	Report Appendix: Assurance Statement		Gates achieves external assurance for its GHG emissions inventory and water withdrawals data. Gates does not obtain assurance for its entire sustainability report.

2. ACTIVITIES AND WORKERS

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORT PAGE NUMBER	EXTERNAL REFERENCE	COMMENTS
2-6	Sector(s) business operates in		**gates.com/us/en/industries.html**	
2-6	Describe its value chain	**26**		
2-6	Other relevant business relationships	**26**		
2-7	Total number of employees	**8**	**gates.com/us/en/about-us/ company-overview.html**	
2-7	Total number of employees, by type, gender and location	**Report Appendix: Annual Performance Indicators**	**investors.gates.com/financials/ annual-reports/default.aspx**	
2-7	Methodologies and assumptions used to quantify employees			
2-7	Describe any fluctuation in the number of employees during the reporting period			Gates discloses the number of full-time employees as of the final day of the reporting period
2-8	Total number of workers who are not employees			
2-8	Methodologies and assumptions used to quantify non-employees			

3. GOVERNANCE

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORT PAGE NUMBER	EXTERNAL REFERENCE	COMMENTS
2-9	Governance structure, including committees of highest governance body	**18**	**investors.gates.com/governance/ governance-documents/default.aspx**	
2-9	List the committees of highest governance bodies		**investors.gates.com/governance/ governance-documents/default.aspx**	
2-9	Describe the composition of the highest governance bodies		**investors.gates.com/governance/ governance-documents/default.aspx**	
2-10	Describe the nomination and election processes for the highest governance bodies		**investors.gates.com/governance/ governance-documents/default.aspx**	
2-10	Describe the criteria for nominating and selecting highest governance bodies		**investors.gates.com/governance/ governance-documents/default.aspx**	
2-11	Chair independence		**investors.gates.com/governance/ governance-documents/default.aspx**	
2-12	Role of the highest governance body in overseeing the management of impacts		**investors.gates.com/governance/ governance-documents/default.aspx**	
2-13	Delegation of responsibility for managing impacts		**investors.gates.com/governance/ governance-documents/default.aspx**	
2-14	Role of the highest governance body in sustainability reporting		**investors.gates.com/governance/ governance-documents/default.aspx**	

3. GOVERNANCE

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORT PAGE NUMBER	EXTERNAL REFERENCE	COMMENTS
2-15	Describe the processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated		investors.gates.com/governance/governance-documents/default.aspx	
2-15	Report whether conflicts of interest are disclosed to stakeholders		investors.gates.com/governance/governance-documents/default.aspx	
2-16	Describe whether and how critical concerns are communicated to the highest governance body		investors.gates.com/governance/governance-documents/default.aspx	
2-16	Total number and the nature of critical concerns that were communicated to the highest governance body during the reporting period		investors.gates.com/governance/governance-documents/default.aspx	
2-17	Describe the collective knowledge, skills and experience of the highest governance bodies		investors.gates.com/governance/governance-documents/default.aspx	
2-18	Describe the processes for evaluating the performance of the highest governance body		investors.gates.com/governance/governance-documents/default.aspx	
2-18	Describe independence of evaluations and any actions taken in response to the evaluations		investors.gates.com/governance/governance-documents/default.aspx	
2-19	Describe the remuneration policies for members of the highest governance body and senior executives		investors.gates.com/governance/governance-documents/default.aspx	
2-20	Describe the process for designing remuneration policies		investors.gates.com/governance/governance-documents/default.aspx	
2-21	Report on the annual total compensation ratio	**Report Appendix: Annual Performance Indicators**	investors.gates.com/sec-filings/default.aspx see Proxy Filings	

4. STRATEGY, POLICIES, AND PRACTICES

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORT PAGE NUMBER	EXTERNAL REFERENCE	COMMENTS
2-22	Statement on sustainable development strategy	**12**		
2-23	Describe company's policy commitments for responsible business conduct, including human rights	**18**	gates.com/us/en/knowledge-center/resource-library/policies-and-statements.html see Gates Human Rights Policy and Modern Slavery Act Statement	
2-23	Provide links to policy commitments, if publicly available		gates.com/us/en/knowledge-center/resource-library/policies-and-statements.html	

4. STRATEGY, POLICIES, AND PRACTICES

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORT PAGE NUMBER	EXTERNAL REFERENCE	COMMENTS
2-23	Describe how policy commitments are communicated to workers, business partners, and other relevant parties		**gates.com/us/en/knowledge-center/ resource-library/policies-and-statements.html**	
2-24	Describe how company embeds each of its policy commitments throughout its activities		**gates.com/us/en/knowledge-center/ resource-library/policies-and-statements.html**	
2-25	Describe the processes to remediate negative impacts		**gates.com/us/en/knowledge-center/ resource-library/policies-and-statements.html**	
2-25	Describe the company's approach to identify and address grievances		**gates.com/us/en/knowledge-center/ resource-library/policies-and-statements.html**	
2-26	Describe the mechanisms for seeking advice on implementing policies and raising concerns about its business conduct			Gates employees and outside parties have a variety of ways to seek advice or report their concerns about unethical and unlawful behavior set forth in the Gates Whistleblower Policy. In addition, any employee may, in his or her sole discretion, confidentially report to the Audit Committee or General Counsel, openly or anonymously, any Accounting Allegation, Compliance Allegation or Retaliatory Act by accessing the web portal of Gates' third party provider at **gatescorp.ethicspoint.com**
2-27	The total number of significant instances of non-compliance with laws and regulations	**Report Appendix: Annual Performance Indicators**		Gates had no significant instances of non-compliance
2-27	The total number and value of significant fines of non-compliance with laws and regulations	**Report Appendix: Annual Performance Indicators**		Gates had no violations of or fines resultant from non-compliance
2-28	Participation in industry associations, other membership associations, and advocacy organizations	**26**		Gates does not make political donations to candidates or advocate for political causes. Gates is an active member of industry associations and professional societies.

5. STAKEHOLDER ENGAGEMENT

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORT PAGE NUMBER	EXTERNAL REFERENCE	COMMENTS
2-29	Describe the approach used to engage with stakeholders and how they are selected	**11**		
2-30	Percentage of total employees covered by collective bargaining agreements			

LRQA INDEPENDENT ASSURANCE STATEMENT

RELATING TO GATES GHG & WATER USE ASSERTION FOR THE CALENDAR YEAR 2022

This Assurance Statement has been prepared for Gates Corporation in accordance with our contract.

TERMS OF ENGAGEMENT

LRQA was commissioned by Gates Corporation (Gates) to provide independent assurance of its greenhouse gas (GHG) emissions and water inventories ("the Inventory") for the calendar year 2022 (CY 22) against the assurance criteria below to a reasonable level of assurance and materiality of 5% using LRQA's verification procedure and ISO 14064 - Part 3 for greenhouse gas emissions. LRQA's verification procedure is based on current best practise and is in accordance with ISAE 3000 and ISAE 3410.

Our assurance engagement covered Gates' global manufacturing, warehousing, and distribution center operations and activities (except offices) and specifically the following requirements:

- Verifying conformance with:

  • Gates' reporting methodologies for the selected datasets;

  • World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol: A corporate accounting and reporting standard, revised edition (otherwise referred to as the WRI/WBCSD GHG Protocol) for the GHG data[1].

- Evaluating the accuracy and reliability of data and information for only the selected indicators listed below:

  • Direct (Scope 1) and Energy Indirect (Scope 2) GHG emissions; and

  • Water withdrawn.

Our assurance engagement excluded the data and information of Gates' suppliers, contractors and any third-parties mentioned in the Inventory.

LRQA's responsibility is only to Gates. LRQA disclaims any liability or responsibility to others as explained in the end footnote. Gates' responsibility is for collecting, aggregating, analysing and presenting all the data and information within the Inventory and for maintaining effective internal controls over the systems from which the Inventory is derived. Ultimately, the Inventory has been approved by, and remains the responsibility of Gates.

[1] https://ghgprotocol.org/

LRQA'S OPINION

Based on LRQA's approach, we believe that Gates has, in all material respects:

- Met the requirements of criteria listed above; and

- Disclosed accurate and reliable performance data and information as summarized in Table 1 below.

The opinion expressed is formed on the basis of a reasonable level of assurance and at the materiality of 5%.

Table 1. Summary of Gates Key Data for CY 2022:

SCOPE	CATEGORY	QUANTITY	UNIT
Scope 1 Emissions	Direct	108,939	mt CO_2e
Scope 2 Emissions	Location-Based[1]	164,607	mt CO_2e
	Market-Based[1]	164,607	mt CO_2e
Biogenic Emissions	Direct Biogenic carbon dioxide (CO_2)	18,862	mt CO_2
Other Data	Water Withdrawn	1,816,731	cubic meter

Note 1: Scope 2, Location-based and Scope 2 Market-based are defined in the WRI/WBCSD GHG Protocol, 2015

LRQA'S APPROACH

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

- conducting site tours of the facilities and reviewing processes related to the control of GHG emissions data and records;

- interviewing relevant employees of the organization responsible for managing GHG emissions data and records;

- assessing Gates' data management systems to confirm they are designed to prevent significant errors, omissions or mis-statements in the Inventory by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal quality control; and

- verifying historical GHG emissions data and records back to source for the calendar   year 2022.

LRQA'S STANDARDS, COMPETENCE AND INDEPENDENCE

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 *Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation   or other forms of recognition* and ISO/IEC 17021 *Conformity assessment – Requirements for bodies providing audit and certification of management systems* that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management   to ensure that the approach applied is rigorous and transparent.

Signed   Dated: 05 June 2023

Kate Pagan

Kate Pagan
LRQA Lead Verifier
On behalf of LRQA, Inc.
2101 CityWest Blvd, Houston, TX 77042
LRQA reference: UQA00002225 / 5665018

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 "will," "believes," "aims," "strives," "target," "may," "will," "seeks," "trends," "plans," "estimates," "anticipates" "hopes" or similar statements or variations of such terms and other similar expressions, which generally are not historic in nature. These statements include, but are not limited to, statements related to: our ambitions, goals, targets, plans and objectives, including our plans and commitments to decrease greenhouse gas emissions, reduce total energy consumption, reduce work-force lost-time incidents, reduce water consumption and increase waste diversion from landfills; our expected or desired progress in the areas of sustainability, corporate governance, product innovation, health and safety, DEI, and community stewardship; and the expected or desired outcomes and effects of any such actions. We base these forward-looking statements on management's current expectations, however we caution that actual results or outcomes may differ from those expressed in such statements due to a variety of factors. Forward-looking statements are subject to various risks and uncertainties, including, among others, the risks and uncertainties described under the section entitled "Risk Factors" of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022, 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. Forward-looking statements contained in this report speak only of as of the date they were made, and the Company undertakes no obligation to publicly update 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. All references to "material," "materiality" or assessments related thereto should not be construed as a statement or determination that such items are material for purposes of U.S. securities laws.

LRQA

ABOUT THE COVER

To keep demonstrating our commitment with sustainability and adaptability to improve the quality of life for individuals and communities alike, we created a custom bamboo bike in collaboration with Bamboocycle, a Mexican company that sources its raw, clean and renewable materials locally. This collaboration serves as a powerful example of how we are working to show the diverse image of Gates, creating awareness on ecology, mobility, quality of life, modernity and a new perspective of the future. By working closely with creators, we can offer opportunities for them to expand their curiosity and vision, advancing the way the world moves.

Thanks to the bold and innovative thinking that has always characterized Gates, we have quickly established ourselves as one of the most exciting options among cyclists, and that's what we were looking for when we found Bamboocycle: a mobility project with the eagerness to promote new alternatives in design and materials, with products created responsibly and with passion, and overall, with people determined to transform the future into a reality.

Gates®