



SUSTAINABILITY REPORT



2023

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,” “expect,” “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 30, 2023, 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.



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LETTER FROM THE CEO

Dear Valued Stakeholders,

The landscape of global industry is shifting, with emerging markets and technologies reshaping what it means to be at the forefront of the manufacturing sector. Sustainability is one of the drivers of that movement, and as the world evolves, so do the expectations of our customers, shareholders, employees and the communities we serve. We are at a pivotal moment where the demand for more efficient and sustainable technologies is not just growing — it is essential. Our products play a critical role in many of the systems necessary to support this transformation and are enabling legacy applications to become more sustainable as well as supporting the development of “new-economy” applications and markets.

Demand for more efficient and environmentally friendly technologies is accelerating as diverse markets embrace sustainability goals around the globe. Whether it’s improving the operational efficiency of factories through industrial automation, supporting the electrification of mobility, or the mining of raw materials that are critical to this transformation, Gates is there. We are also expanding our aperture to new applications such as data center thermal management through the partnership we recently announced with CoolIT Systems to supply advanced solutions to support the needs of liquid cooled data centers which are scaling rapidly in response to AI.

We continue to invest in our product portfolio with a focus on sustainability through our Eco-Innovation process. In the past five years, Gates’ percentage of sales from new products (vitality) has grown steadily across our portfolio, driven by our materials science, process engineering and product design innovations. Through these efforts, we are continuously exploring new methods and materials for ways to reduce our environmental footprint while enhancing the quality and performance of our products.

In 2023, we also hired a new director of health, safety, and environment (HSE), who revamped our training programs and energized our facilities’ 10,000-plus workforce around a shared goal of achieving best-in-class safety ratings. These actions are having an early impact and resulted in a global zero injury rate for the month of December, with multiple facilities reporting both a zero-injury rate and a zero-incident rate for the entire year.

We are excited about the opportunities that lie ahead and are committed to making a positive impact on the world through our actions. This journey is not one we undertake alone. It requires collaboration with our partners, openness with our stakeholders, and a commitment from every member of our Gates team. We understand the responsibility we bear in shaping a sustainable tomorrow, and, together, we are paving the way toward a more sustainable, prosperous, and inclusive future for all.

Warm regards,



IVO JUREK,
Chief Executive Officer



GATES IN BRIEF



Gates Industrial Corporation is a global leader in power transmission and fluid power products and services. We serve customers across industries, bringing relentless innovation and uncompromising quality to every product we make. Our reputation is built on over a century of experience, but everything we do is geared toward powering the future.

In 1911, Charles Gates Sr. acquired the Colorado Tire and Leather Company in Denver, Colorado. A few years later, Gates invented the V-belt, which revolutionized industrial power transmission. Since then, Gates has innovated numerous fluid power and power transmission products for first-fit and replacement markets, impacting virtually every industry around the globe.

Through continuous investment in research and development, Gates solutions meet or exceed industry standards and the demanding expectations of customers regarding performance, cost, and impact. We engineer and design products that help solve today's challenges and anticipate those of tomorrow. Whether manufacturing original equipment or maintaining products in the aftermarket, we enable our customers to meet their goals more

**EFFICIENTLY,
PROFITABLY,
AND SUSTAINABLY**

for success into the future.



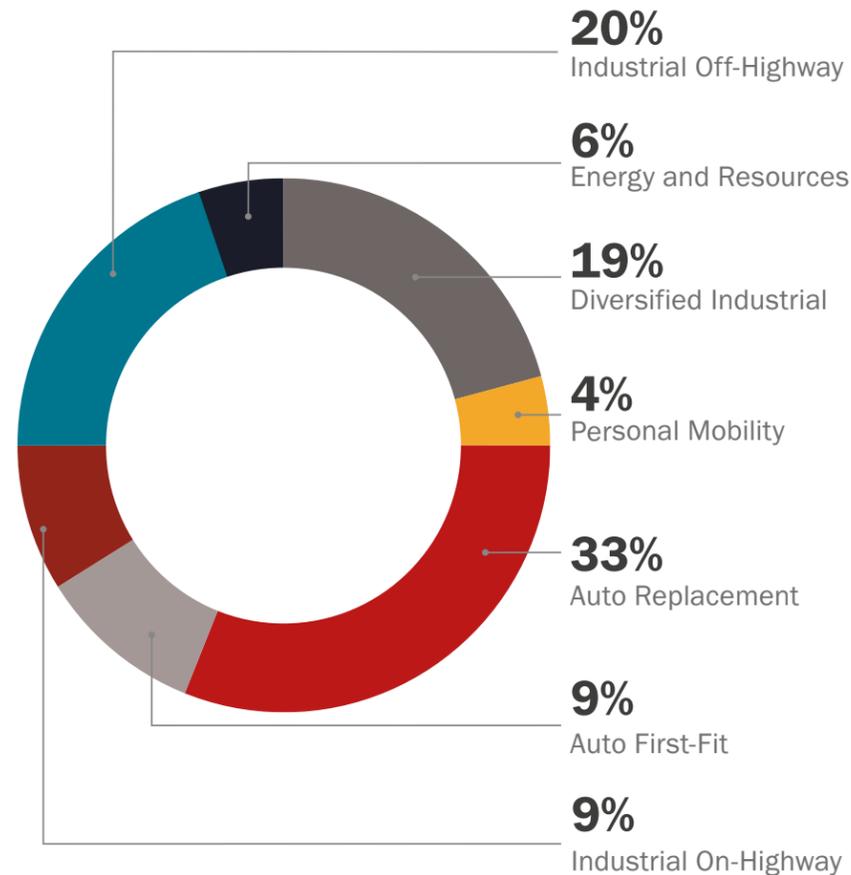
2023 AT A GLANCE

GATES NEW YORK STOCK EXCHANGE (NYSE)	 30 COUNTRIES	≈15,000 EMPLOYEES 
	120+ LOCATIONS 	750+ ENGINEERS 
\$3.6B SALES 	100,000+ DISTRIBUTOR LOCATIONS	

GATES PRODUCT LINES

- Hydraulic Hose & Couplings
- Hydraulic Tubing
- Water Pumps
- Automotive Accessories
- Industrial Hose
- Engine Hose
- High Pressure Oilfield Hose
- Micro-V Belts
- Engine Synchronous Belts
- Industrial Synchronous Belts
- V-Belts
- Engine Synchronous Belts
- TPU Belts
- Tensioners & Idlers
- Sprockets & Sheaves

GATES CORE MARKETS



OUR MISSION, VISION, AND VALUES

OUR MISSION

We strive 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

Continually push the boundaries of materials science to advance the way the world moves.

OUR VALUES

-  **ACCOUNTABILITY**
-  **COLLABORATION**
-  **TENACITY**
-  **CURIOSITY**
-  **DEDICATION**

GEOGRAPHY



ADMINISTRATIVE



MAJOR R&D CENTERS



MANUFACTURING



WAREHOUSE



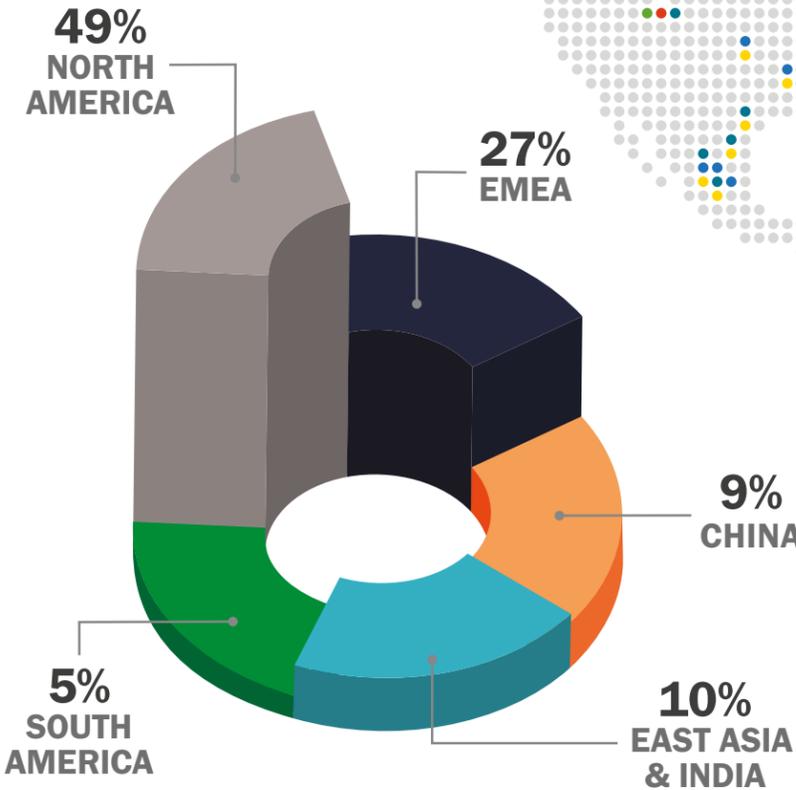
SALES

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



Net sales as a % of total company sales by region.

METHODOLOGY

This report addresses Gates business for the 2023 calendar year and encompasses all of Gates headquarters, operations, and facilities. This is our seventh report on our environmental, social, and governance (ESG) and sustainability programs. All information has been presented at the global company level unless otherwise noted. Any restatements of information from previous reporting periods are noted in this report.

Gates calculated emissions and carbon footprint reductions from a 2019 baseline year. Unless otherwise noted, disclosed deductions in emissions are based on metered site data and equipment specifications and use Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) emissions factors.

We produced this disclosure in alignment with the standards and guidelines published by the International Financial Reporting Standards (IFRS) Foundation and its Sustainability Accounting Standards Board (SASB).

Our reporting is also informed by the Global Reporting Initiative (GRI) and U.N. Sustainable Development Goals (SDGs). We embrace opportunities to contribute to broader global sustainability and societal goals and have identified twelve primary SDGs on which our work supports.



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

SUSTAINABILITY STRATEGY

At Gates, we believe sustainability is the responsibility of everyone across the company, and we are committed to an approach that leverages environmental stewardship and social impact to drive technological innovations that advance our industry. We are a Company built on values, a great place to work, and a brand of which our people can be proud.

THIS REPORT IS ORGANIZED ACCORDING TO THE GATES PILLARS, DEFINED AS:

Conduct business with integrity and maintain ethical and comprehensive corporate oversight. We serve a diverse community of stakeholders across the globe including shareholders, customers, suppliers, distributors, and industry partners.

Innovate products and processes that push the boundaries of what's possible. We embrace opportunities to contribute to broader global sustainability goals through the materials in our products, the functionality we intentionally engineer into them, and the markets for which we design them.

Empower and enhance the experience of our team members and communities. Our Company's excellence is a direct result of our workforce. We believe in caring for our people's physical and mental health, and creating an inclusive workplace that both celebrates and learns from the diversity of our team members' backgrounds, experiences, and cultures.

Continuously improve the environmental sustainability, health and safety of our operations. We are actively working to reduce our footprint, and are committed to investing in strategies that reduce energy and water use, and which further the transition to renewable power.



ENGAGING WITH STAKEHOLDERS

Gates serves diverse stakeholders, including investors, customers, suppliers, distributors, industry partners, and our own team members. We use a combination of benchmarking, discussions, and surveys annually to collect feedback and understand our stakeholders' priorities and goals. These stakeholder engagements help us better understand the benefits that result from our sustainability programs, while also identifying new opportunities and emerging risks.

Our approach showcases Gates commitment to integrating sustainability into corporate governance and reporting processes. We believe sustainability drives value for all of our stakeholders.

MATERIALITY

In 2021, Gates assessed corporate and operational priorities by short- and long-term strategic importance. This assessment identified the following material topics:

- 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

OUR PRIORITIES

We are proud to share our commitments and goals, as well as the many initiatives in which we have already invested that advance positive environmental and social impacts.

In 2019, we announced targets to reduce our overall energy consumption, operational greenhouse gas (GHG) emissions, and workforce safety performance.

In order to continue to drive progress against our goals we are actively investing in the resources, systems, and technologies that support our ambition.

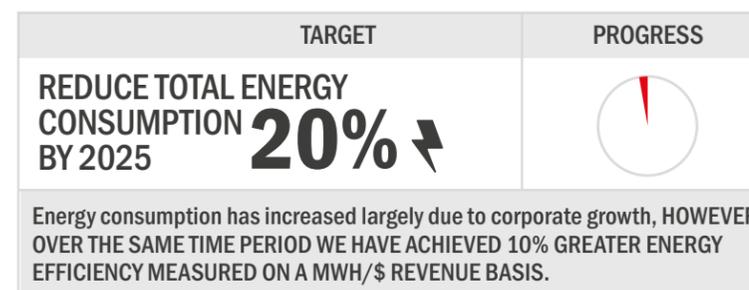
Since we began reporting in 2019, we have expanded our data from 87% coverage of our facilities to 97%. This has allowed us to report more comprehensively on our results.

In 2023 we on-boarded a data management system focused on our sustainability KPIs which has added additional validation and real-time visibility into our progress.

Also in 2023, we hired two full time leaders in sustainability and HSE to manage related strategies and initiatives.

As the Company continues to gain a deeper understanding of sustainability related risks and opportunities, Gates plans to assess and refine our targets to appropriately monitor and manage relevant risks.

This report highlights best practices from across our company, reflecting our commitment to ongoing progress. We share these insights through periodic internal reviews, identifying strategies appropriate for broader adoption across the organization.



WHAT WE HAVE DONE

IMPLEMENTED ROBUST MANAGEMENT SYSTEM WITH AUDITABILITY TO CAPTURE ENVIRONMENTAL AND SOCIAL IMPACT DATA



BROUGHT **818,000** KILOWATT-HOURS OF NEW SOLAR ENERGY ONLINE

REDUCED **202,089** CUBIC METERS OF WATER CONSUMPTION COMPARED TO 2022



INITIATED INFRASTRUCTURE PROJECTS TO REDUCE **18,247,899 kWh** NATURAL GAS AND **7,550,270 kWh** ELECTRICITY

NOTED **71%** OF OUR TOP-TIER SUPPLIERS BY SPEND ARE MEASURING AND PUBLICLY REPORTING CERTAIN CATEGORIES OF THEIR EMISSIONS



ESTABLISHED FORMAL SUSTAINABILITY OVERSIGHT COMMITTEE STRUCTURE

In this section

GOVERNANCE

ESG



CORPORATE GOVERNANCE

An integrity-first approach guides every level of decision making at Gates. Our Board of Directors (Board) helps to ensure that our well-tested business model can continue to drive success well into the future.

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



Our Board has established **THREE STANDING COMMITTEES**

- 1 THE NOMINATING AND GOVERNANCE COMMITTEE
 - 2 THE AUDIT COMMITTEE
 - 3 THE COMPENSATION COMMITTEE
- each of which is composed entirely of **INDEPENDENT DIRECTORS**

ESG AND THE BOARD

With the assistance of its three committees, our Board is responsible for overseeing ESG strategies, practices, and policies, including those related to human capital management, and the Company's reporting on such matters. Each committee is governed by a written charter addressing its purpose and responsibilities.

NOMINATING AND GOVERNANCE COMMITTEE

focuses on ESG matters that may impact the long-term interests of our employees, customers, communities, and shareholders. The Committee also monitors policies and developments concerning ESG and climate-related laws and regulations, including the proposed SEC Rules to Enhance and Standardize Climate-Related Disclosures and the EU's CSRD and Carbon Border Adjustment Mechanism (CBAM), among others.

Our Sustainability strategy and priorities are directed by our cross-functional Sustainability Management Committee which includes members from:



In addition, the Committee regularly discusses ESG and sustainability matters, strategies, and progress towards goals with the Nominating and Governance Committee. We are also working to better understand the Company's exposure to certain climate-related risks to further inform our overall risk management processes.

THE NOMINATING AND GOVERNANCE COMMITTEE IS ALSO RESPONSIBLE FOR

OVERSEEING the evaluation of the Board 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
MONITORING the development and implementation of the strategies and goals the Company may establish with respect to ESG and sustainability matters	EVALUATING programs and risks associated with: Board organization, membership and structure; corporate governance; and risks and responsibilities related to ESG and sustainability programs, as the committee deems appropriate or as instructed by the Board or Audit Committee	ASSESSING the qualifications of potential director candidates and recommending to the Board those candidates to be nominated for election to the Board, considering all relevant factors, including diversity of viewpoints, background and experiences

CURRENT BOARD OF DIRECTORS



NEIL P. SIMPKINS
Chair of the Board



IVO JUREK
Chief Executive Officer



FREDRIK ELIASSON



JAMES W. IRELAND III



STEPHANIE K. MAINS



SETH A. MEISEL



WILSON S. NEELY



ALICIA L. TILLMAN



MOLLY P. ZHANG

RISK MANAGEMENT

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; risk management practices; and the Company’s network security and data privacy programs. The Audit Committee also oversees the Company’s Code of Business Conduct and Ethics and other material policies, including the Company’s Whistleblower Policy, and reviews reports and investigations of potential violations under such policies.

THE COMPENSATION COMMITTEE

is responsible for oversight and monitoring of human capital management policies and practices, including Gates Diversity, Equity, and Inclusion (DEI) programs.

Gates maintains a robust **Enterprise Risk Management (ERM)** program, which includes risk assessments to identify key enterprise risks, maintaining a risk register to monitor mitigation actions in response to key risks, ongoing 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:



Certain sustainability-related risks are considered in Gates ERM program, and in 2024 we worked with a third party to further analyze climate-related risks to our Company and prepare a Climate Related Financial Disclosure (CFD).



CODE OF BUSINESS CONDUCT AND ETHICS



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 of Business Conduct and Ethics. 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 ANTICORRUPTION

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 support this alignment, we launched new outreach initiatives in 2023 to increase awareness of our Code and of the importance of conducting business with integrity. These included quarterly “Compliance Check” presentations at regular global meetings among senior leaders at Gates to highlight timely compliance topics, an in-person review of compliance programs at our Global Leadership Meeting in August 2023, and in-person trainings at locations globally, including live training with leaders at sites around the world. Required trainings cover labor and human rights, DEI and anti-harassment, anti-competitive practices, and information security, among other topics.

The Ethics and Compliance Hotline remains an important safe space for team members and third parties to report activities that are not in alignment with our core values, policies, and regulations. All incidents are taken seriously, investigated, and remediated according to our standard protocols.

100% OF REQUIRED GLOBAL TEAM MEMBERS COMPLETED CERTIFICATION ACKNOWLEDGING COMPLIANCE WITH THE CODE IN 2023.

SUPPLIER CODE OF CONDUCT AND DUE DILIGENCE

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

We require that working conditions within 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 all of our co-manufacturers and independent suppliers are committed to ethical business practices meeting our expectations. Our standard purchasing agreements require suppliers to comply with applicable laws and the Supplier Code of Conduct.

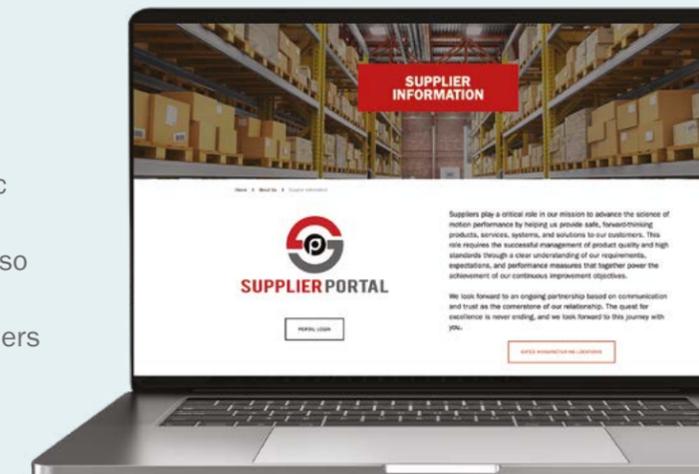
Our commitment to doing business with integrity extends to the way Gates sources raw materials. 100% of suppliers sign our contracts requiring adherence to environmental, labor and human rights practices. We perform due diligence processes to prevent labor and human rights risks.

We also declare information related to raw materials and ingredients that are regulated under the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), the Restriction of Certain Hazardous Substances (RoHS), and the Toxic Substances Control Act (TSCA).



GATES SUPPLIER PORTAL

Gates launched a new supplier portal in 2023 to support the smooth flow of communication with our suppliers. The portal standardizes the way we do business and provides systematic processes that make interfacing with one another easier and quicker, across multiple languages and regions. The portal also provides a single source for information which can be sorted, analyzed, and shared internally on demand. We require suppliers to register in the portal, and to maintain their Company's information, including their profile, contact information, valid copies of their quality certifications, and any relevant environmental and chemical compliance information.



CONFLICT MINERALS

Gates does not knowingly purchase materials or metals regulated by the EU Conflict Minerals Regulation and Dodd-Frank Act. Our policy on conflict minerals requires us to conduct supplier due diligence, risk assessment exposure, and compliance reporting. We survey suppliers annually on their purchase of regulated metals and require all relevant suppliers to complete the **Responsible Minerals Initiative (RMI) Conflict Minerals Reporting Template (CMRT)**. We post our own CMRT on our website and provide it to customers on request.



HUMAN RIGHTS

Gates is committed to upholding the human rights of all people and to 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 its value chain to promote equal opportunity and the maintenance 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 purchase of goods or services from any supplier found to engage in human rights violations, including trafficking or the use of slave labor.



CYBERSECURITY AND IT RISK MANAGEMENT

Gates is committed to protecting our employees, customers, and suppliers against cyber threats. Utilizing 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 and take proactive steps to strengthen our cybersecurity program.

Along with our comprehensive process designed to ensure the technology environment is operating and maintained in accordance with best practices, our approach to identifying, assessing and managing cybersecurity risks includes:



A 24-hour cybersecurity team to continuously monitor our technology systems and emerging threat types and to respond to identified vulnerabilities



A variety of defenses, including automatic blocking of potential cybersecurity threats



System scanning tools and cybersecurity threat intelligence reports to assist our monitoring efforts



Annual third-party testing, the results of which are discussed with the Audit Committee



Table-top exercises and gap assessments



We believe increasing cybersecurity awareness through our organization is important. Our team members take part in mandatory internal educational programs to ensure continual awareness of new and emerging threats, including phishing simulations. This includes required courses at the time of hire and annually thereafter, as well as microlearning courses throughout the year. In addition, we have adopted various information technology policies applicable to our employees and contractors to support this mission.

Our Board takes cybersecurity risks seriously. Our Chief Information Officer annually reports to our Board on our cybersecurity programs and strategies and reports at least quarterly to our Audit Committee on cybersecurity risks and mitigation activities. We continue to make investments to enhance the protection of our information technology systems and our business from cybersecurity incidents.

In this section

TECHNOLOGY

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TECHNOLOGY AND INDUSTRY ENGAGEMENT

Gates is the **#1 GLOBAL SUPPLIER OF POWER TRANSMISSION PRODUCTS¹** | **TOP-THREE PROVIDER OF FLUID POWER PRODUCTS¹**

We solve tough challenges across mission-critical applications using materials science and process engineering. From replacing outdated roller chains with maintenance-free synchronous belt drives to designing hydraulic systems, our solutions reduce maintenance time and expense for end users. To remain at the forefront of innovation at each step along the way, we aim to adopt new technologies while ensuring reliability, cost-effectiveness, and environmental performance.

Trusted by customers and distribution partners worldwide, we are proud to be recognized for our demanding quality control. Our simulation programs and rigorous testing methods allow us to engineer

solutions for our customers. 94% of relevant facilities achieve International Automotive Task Force (IATF) 16949 technical specification, which is based on the ISO 9001:2000 standard and defines the quality requirements for design, development, manufacturing, installation, and servicing of automotive-related products.

We are a founding member of the European Forum on Automotive Aftermarket Sustainability (FAAS), which has grown to represent 30-plus distributors, manufacturers, and suppliers. This esteemed organization allows us to share with industry partners emerging issues and trends relevant to our products and stakeholders. We can also learn from our peers' best practices, and monitor technical and performance standards related to environmental stewardship.

RESEARCH AND DEVELOPMENT CENTERS

Gates houses 14 dedicated engineering and technical teams in **Major R&D Centers located in every region of the world.** These centers work on materials research, product design and testing as well and process engineering. Each of our sites has a specialty, ranging from hydraulic, industrial and thermal management hoses, and fittings to belts, tensioners, and pulleys.

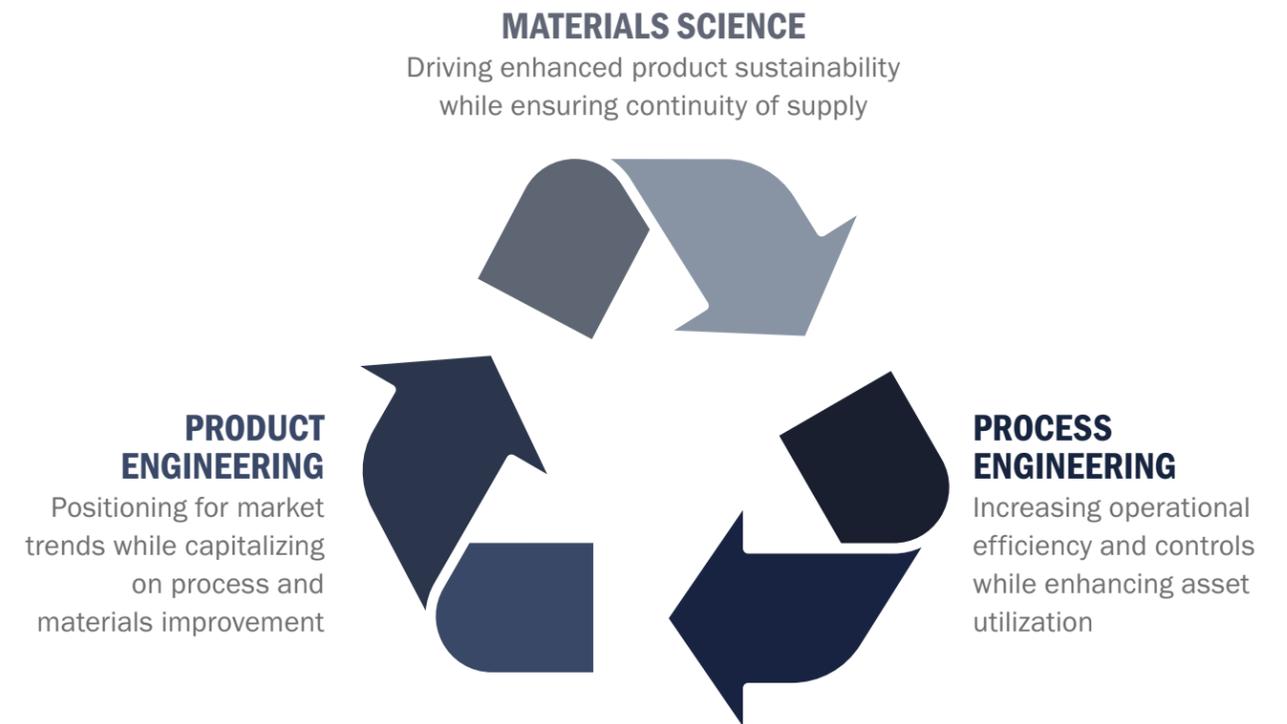


¹Market position based on Total Addressable Market based on management estimates.

GATES ECO-INNOVATION SYSTEM

Gates is always looking for opportunities to create the next generation of products that drive innovative solutions for our customers.

WE INNOVATE ACROSS THREE PRIMARY AREAS:



THE GATES ECO-INNOVATION SYSTEM IS A HOLISTIC APPROACH

ECO-INNOVATION IN ACTION

Eco-Innovation considers improvements to one or more stages of the product lifecycle. This system articulates our goal of delivering enhanced value to our customers across the globe.

Operationally, Eco-Innovation focuses on advanced materials, product design, and process engineering. The results we focus on include product platform consolidation, higher output-per-unit footprint, improved quality, reduced scrap and waste, and lower GHG, water, and energy consumption.

This approach delivers premium quality products to meet and exceed customer expectations in a wide range of critical applications and demanding operating environments.

With each **INNOVATION**, Gates aims to increase



of **materials, products, and processes.**

Our engineers focus on improvements that minimize environmental impact from cradle to grave: beginning with material selection, then through manufacturing, transportation, customer use, and end-of-life disposition. Each stage offers opportunities to create value upstream and downstream, helping minimize our environmental footprint and the footprints of our suppliers, customers, and end users.

Gates also invests in improving end market sustainability by improving manufacturing efficiencies, and by investing in emerging markets that are promoting a more sustainable world, such as personal micromobility.

PRODUCT HIGHLIGHTS

Eco-Innovation leverages environmental stewardship and social impact in product design and development to drive technological advancements that move the industry forward.

OUR ECO-INNOVATION PRODUCTS ARE DESIGNED TO:

- Be lightweight, flexible, or compact**
- Support electrification of the equipment into which they are built**
- Be multipurpose, extending their usefulness**



SINCE 2019, GATES HAS LAUNCHED OVER 60 INNOVATIVE NEW PRODUCT PLATFORMS, DRIVING PORTFOLIO VITALITY (PERCENT OF TOTAL SALES FROM NEW PRODUCT LAUNCHES).

<p>SELECT PRODUCT LINE 5-YEAR VITALITY INDICES</p>	<p> C2B BELTS ~20%</p>	<p> PERSONAL MOBILITY ~50%</p>	<p> GLOBAL AUTO REPL. ~20%</p>	<p> WIRE BRAID HYD. HOSE ~30%</p>
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ENHANCED WIRE TECHNOLOGY

This innovative, industry-leading, patented wire technology allows us to produce hoses more efficiently, using less energy and resources. It also uses less materials, and makes our hoses lighter weight and more flexible. In turn, this improves ease of installation and handling, and is more ergonomic to install. This technology enabled multiple new product platforms for Gates in both our hydraulic and fluid power product families:

- ProXT™
- ProV™
- ProFlex™
- MXT™
- MXT-XTP™
- MXG™ 4K/5K
- Clean Master™



Gates enhanced wire technology and wire braid pack density sets new standards for hydraulic solutions and have been embraced by the market.

94%
OF OUR HYDRAULIC
VITALITY SALES

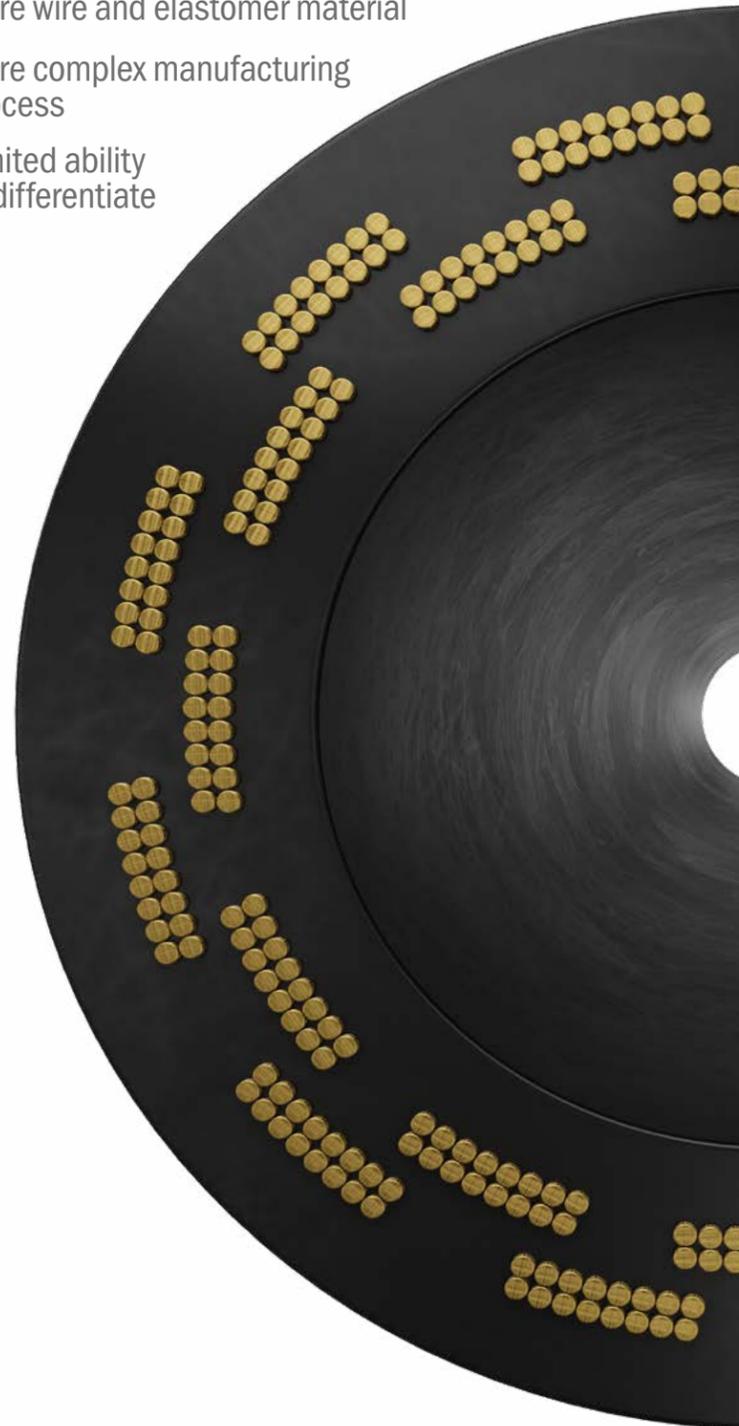
21%
OF OUR HOSE
PRODUCTION

**UTILIZE INNOVATIVE TECHNOLOGIES
DESIGNED BY OUR MATERIALS
SCIENTISTS TO IMPROVE
ENVIRONMENTAL IMPACT AND SAFETY.**

TRADITIONAL TWO-WIRED BRAID



- Conventional wire-braid technology
- More wire and elastomer material
- More complex manufacturing process
- Limited ability to differentiate



REVOLUTIONARY INTEGRATED TWO-WIRE BRAID



- Proprietary design and process
 - Higher-density wire pack
 - Higher tensile strength
- Exceeds industry standards
 - Lighter weight
 - More flexible
 - Lower profile
- Patent granted in 2021



MXT/MXT-XTP

THE GATES MXT ECO-INNOVATION FOCUSES ON MATERIALS EFFICIENCY, ENERGY AND EMISSIONS REDUCTIONS, AND IMPROVED ERGONOMICS.

MXT is **30%** LIGHTER WEIGHT THAN COMPARABLE HOSES



By using less material, which in turn requires less energy to process and less waste generated through production, we have achieved a savings of **2.3 MILLION POUNDS** (about 1,043,261 kg) of materials in 2023 and **9.6 MILLION POUNDS** (about 4,354,483 kg) since product launch in 2018

IMPORTANTLY

MXT PRODUCTION REDUCES CO₂ EMISSIONS WHEN COMPARED TO LEGACY PRODUCTS, RESULTING IN SAVINGS OF

338,000 KILOWATT-HOURS in 2023

291,000 POUNDS (about 131,995 kg) OF CO₂e of materials in 2023 and **1.2 MILLION POUNDS** (about 544,310 kg) OF CO₂e since product launch in 2018

This design improves ergonomics in repetitive lifting and installation tasks for our production teams and all end users, drives down shipping costs, and improves fuel efficiency.

MXT is **40%** MORE FLEXIBLE THAN OTHER HOSES, resulting in easier routing and safer installation in congested hydraulic systems.



OPERATIONS DEMAND EFFICIENCY
Faster routings, lower material handling costs, and reduced hose lengths.



PERFORMANCE WINS
Lighter weight means improved equipment performance and fuel efficiency.



YOUR PEOPLE MATTER
More ergonomic installation and easier lifting for the people you rely on to make business happen.



LIGHTER WEIGHT AND MORE FLEXIBLE
Materials and process expertise deliver a lighter and more flexible product.



IMPROVE INVENTORY COSTS
Consolidate inventory, save floor space, and simplify hose selection with a multi-purpose hydraulic hose.



SIMPLIFIES AND EXCEEDS SPECS
MXT not only meets but exceeds multiple industry specifications with one hose.

MXG 4K AND MXG 5K

These Gates hoses are designed to be **20% LIGHTER*** using less material and energy in their fabrication.



Production requires **56% LESS ENERGY*** = Savings of **32,000 kg OF CO₂e PER YEAR**

They also require a **25% LOWER FORCE-TO-BEND RATIO FOR FASTER** more ergonomic installation and improved safety.

*Compared with legacy products in the market.



Our XtraTuff Plus cover offers 25 times the abrasion resistance of standard covers, as well as impressive ozone resistance. It delivers exceptional durability in extreme operating conditions, extending the life of the product.

1 million impulse cycles is 2x the industry average = fewer replacement cycles so less waste to landfill **SAVED OVER 68,000 KILOGRAMS OF WEIGHT**



5% MORE COMPACT VS. INDUSTRY STANDARD SPIRAL HOSE



25x MORE ABRASION-RESISTANCE THAN GATES STANDARD COVERS

POWER TRANSMISSION BELTS

Gates Poly Chain® belts are designed for the future. In retrofit applications they are safer, longer lasting, lighter, and represent a step change in performance from traditional roller chains. They require no lubrication, are virtually maintenance-free, and deliver increased uptime and safety.

By prolonging the life of the sprockets, Gates belts reduce carbon footprint. The lighter weight improves ergonomics, reducing worker fatigue and strain during installation. Our 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. Additionally, they do not require re-tensioning, and maintain their functionality and performance over time.

APPLICATIONS INCLUDE:

- 
CHAIN-TO-BELT
 Retrofitting industrial power transmission applications traditionally served by chains and other technologies
- 
PRECISION MOTION CONTROL
 In light industrial automation, conveyance, and positioning applications
- 
PERSONAL MOBILITY AND VEHICLE ELECTRIFICATION
 From scooters and bikes to automotive and heavy-duty vehicles

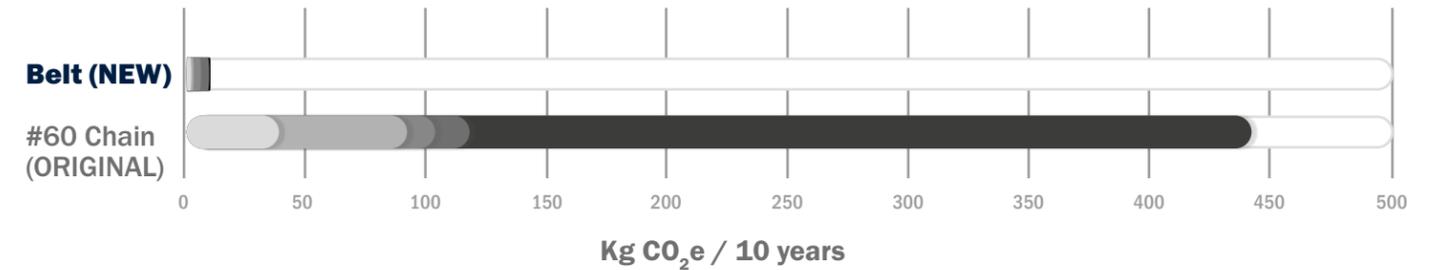
BENEFITS INCLUDE:

- 
3X BELT LIFE VS ROLLER CHAIN
- 
10X SPROCKET LIFE VS ROLLER CHAIN METAL
- 
100% MAINTENANCE FREE VS ROLLER CHAIN
- 
96% WEIGHT SAVINGS OVER ROLLER CHAIN while delivering equivalent load carrying capacity

CHAIN TO BELT (C2B) CARBON FOOTPRINT

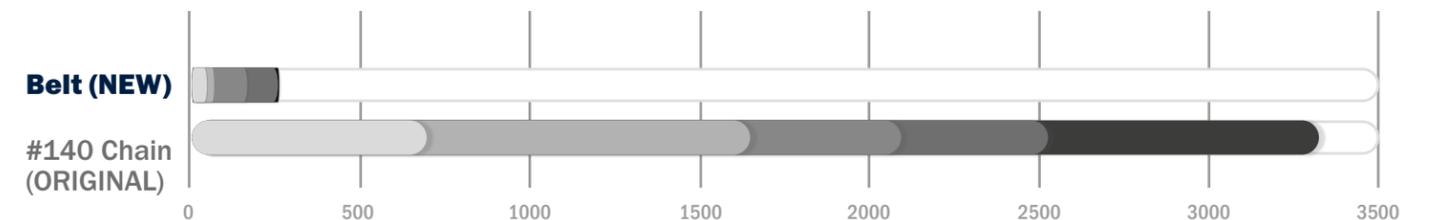
#60 VS. 8MM PITCH X 21MM WIDE POLY CHAIN GT CARBON FOOTPRINT REDUCTION

~97%



#140.2 ROLLER CHAIN VS 14MM PITCH X 90MM WIDE POLY CHAIN GT CARBON FOOTPRINT REDUCTION

~90%



Production of materials for belt/chain
 Production of materials for sprockets
 Production of oil
 Manufacturing of belt/chain
 Manufacturing of sprockets
 Disposal



80/20 PROGRAM

The Gates 80/20 program leverages the Eco-Innovation process to simplify manufacturing, distribution and logistics, consolidate product construction, and improve efficiency through standardization and automation. A focus on demand planning to drive short- and long-term improvements in fill rate, while at the same time delivering manufacturing efficiencies and reducing transportation miles.

As part of 80/20, we have used Eco-Innovation to consolidate materials on our largest product line (Micro-V Belts). In North America, we reduced the number of construction materials from 14 to 6 (60% reduction). This made our manufacturing process more efficient, eliminated waste, and improved consistency. We also eliminated one process step in manufacturing leading to improved output in our process.



QUALITY

Gates is known for the quality and reliability of our products. We strive to continuously improve our results for our customers and are proud of the work we have done to ensure customer satisfaction.



Reduced Customer Incident Rate 37%

81%
IMPROVEMENT IN
TIME TO RESOLVE
CUSTOMER
QUESTIONS

3%
DECREASE IN
VOLUME OF
CUSTOMER
RETURNS

0 CUSTOMER
DEFECT RATE
PPM ON VITALITY
PRODUCTS

CIRCULARITY, REUSE, AND RECYCLING

Circularity is a theme that spans the entire lifecycle of Gates products. From our purchasing strategies and material choices, to our manufacturing techniques, we focus on eliminating waste:



OVER 75%
of spend sourced in-region/for-region
to reduce logistics



455,452 LBS
of product diverted from landfill through
Gates global Refurb program for unsold, new
in box product



1,069,482 LBS
of fiber is sourced from recycled nylon and
polyester from re-used tirecord trim and fabric
trims, and denim scrap from recycled blue jeans



5%
of Gates products sold in North America use
remanufactured fiber **REPRESENTING 21%**
OF NORTH AMERICA REVENUE IN 2023

DIGITAL TRANSFORMATION

Investing in digitization and technology enhances our efforts to promote sustainable solutions and ensure customers understand the benefits of different products available to them. We are committed to improving the customer experience, demand generation, and sales effectiveness through tools that better help our customers.

"With the launch of Design Power Mobile, we're demonstrating our ongoing commitment to accelerate the conversion of legacy drive technologies to clean, quiet, low-maintenance Gates belt drives. These powerful new tools enable machine design engineers and factory operations teams to design drives in the field or on the shop floor, making it easier for them to realize all of the performance improvements our solutions bring."

Tom Pitstick,
President APAC and Global Strategy

CASE MANAGEMENT

The Gates global expansion of our case management platform is unifying customer experience under a single ticketing system. Gates case management tools allow us to provide customers with a single point of contact. Intelligent routing and queue-based systems get the right work to the right agent, so as to quickly service the customer. Our platform also provides customer experience leadership, with in-depth dashboards and metrics. Since initiating this platform, we have improved our response times from 6.5 days to 0.9 days for original equipment manufacturers (OEMs), and from 12.5 days to 3.2 days for replacement parts.



BOTH GATES DESIGN POWER APPLICATIONS ARE AVAILABLE GLOBALLY AS FREE DOWNLOADS IN



15 DIFFERENT LANGUAGES

CONTACT CENTER PLATFORM

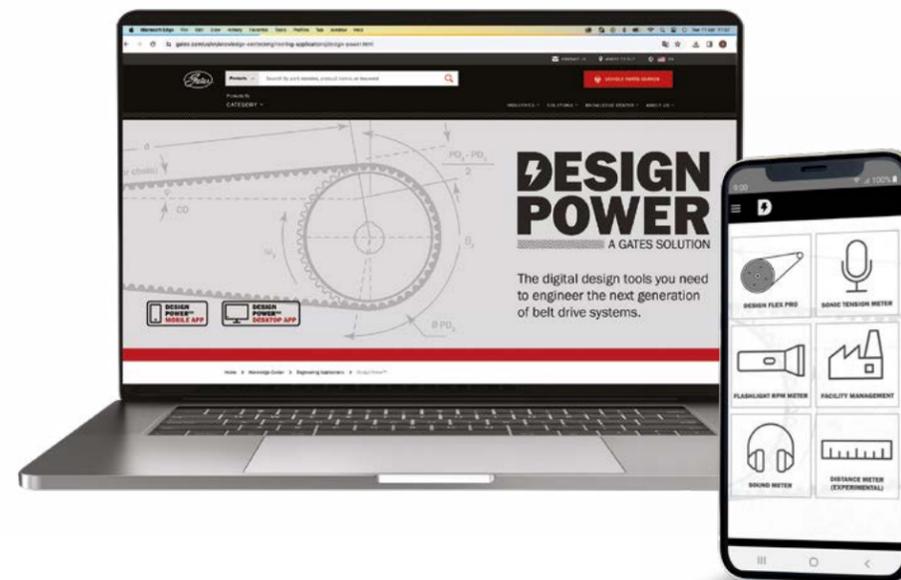
With the implementation of our Contact Center platform in Europe and North America, our Customer Experience (CX) teams can do what they do best — serve our internal and external customers, now with the help of state-of-the-art technology. This system incorporates intelligent routing designed to connect a customer inquiry with the most available and skilled agent to handle the call.

After launching in Europe, we immediately began a Phase II expansion of this technology for North America. Overnight, we saw a swift and significant decline in our average hold times, and the abandoned call rate dropped a full 66%. Phase III of the project includes a more comprehensive quality assurance assessment. It also provides the ability to connect multiple Gates systems for a 360-degree view of each customer's profile, allowing for a more tailored customer experience.

DESIGN POWER™ MOBILE

Gates industrial belts are applied across an incredibly diverse range of markets and in countless varieties of applications. To help understand which belt is right for a specific installation, we developed Design Power — a leading design software in the industry. Backed by highly sophisticated belt lifetime models, Design Power not only helps determine the right belt for the application, but has expanded functionality to calculate energy and labor savings.

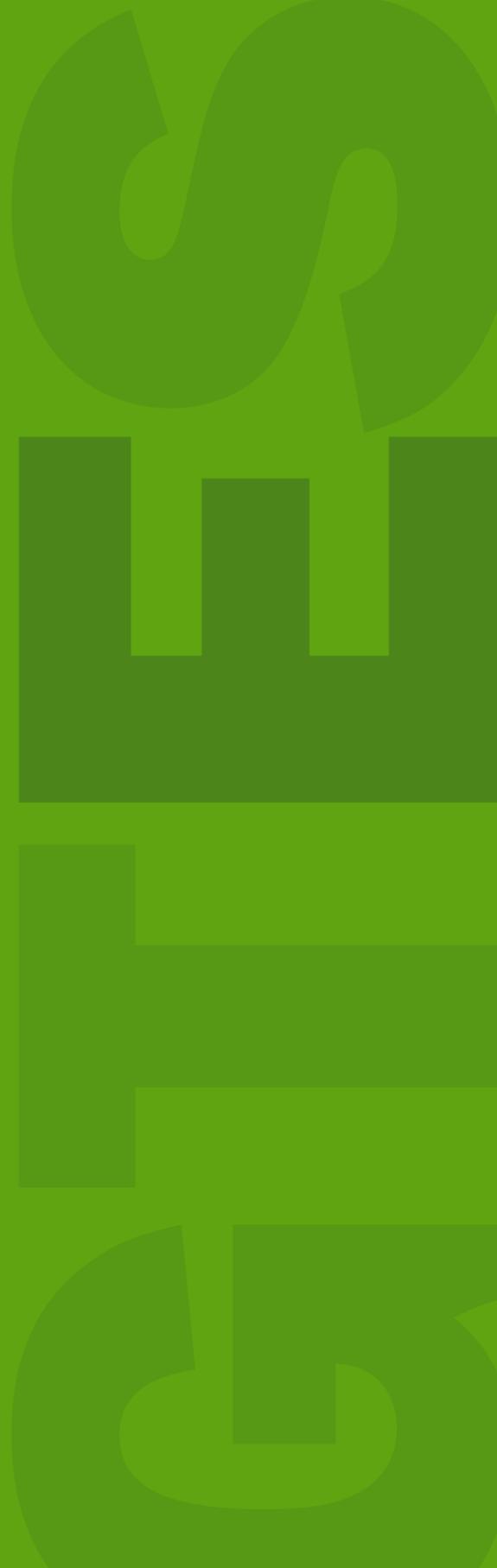
Launched in 2023, our LEAP Award-winning Design Power Mobile App took the Gates Design Power platform to the next level. This powerful software, combined with the ability to take this technology on the go for use with a phone or tablet, means users can design solutions whenever they need to and wherever their job takes them: in the field, in the factory, at the office, on the road, or on-site at a customer's location.



The app's extended support tools — Facility Management, Sonic Tension Meter, Flashlight RPM Meter, Sound Meter, and Distance Measurement — round out the experience via the device's existing camera and microphone. This equips users with the power to store complex data, determine the speed of a drive, and measure tension levels of belts. Gates is continually innovating to support the evolution of our customers' business.

In this section

ENVIRONMENT, HEALTH, AND SAFETY (EHS)



OUR PRIORITIES

Gates is committed to living a world-class safety culture for the protection of our team members, contractors, and the environment through hazard elimination, EHS awareness, employee engagement, leadership involvement, and personal accountability. In 2023, we had no material EHS fines or violations.

WE MEASURE OUR SUCCESS AGAINST:

-  Improved safety performance
-  Reduced GHG emissions
-  Increased energy efficiency
-  Minimized waste

2023 ACCOMPLISHMENTS COMPARED WITH 2022			
 <p>IMPROVED SAFETY PERFORMANCE</p> <p>0.60 TOTAL RECORDABLE INCIDENT RATE</p> <p>15% REDUCTION IN SEVERE INJURIES</p> <p>0.33 LOST TIME INCIDENT RATE</p>	 <p>INCREASED ENERGY EFFICIENCY</p> <p>5.6% ABSOLUTE REDUCTION IN ENERGY</p> <p>1.3% SCOPE 1 7.6% SCOPE 2 ABSOLUTE REDUCTION IN ENERGY</p> <p>5.7% RENEWABLE ENERGY SCOPE 1 (INCLUDES BIOMASS AND SOLAR)</p>	 <p>REDUCED GHG EMISSIONS</p> <p>4.8% ABSOLUTE REDUCTION IN SCOPE 1 & 2 EMISSIONS</p> <p>73 ACTIVE GHG REDUCTION PROJECTS</p>	 <p>MINIMIZED WASTE</p> <p>14% HAZARDOUS WASTE REDUCTION</p> <p>10% LANDFILL REDUCTION</p>

100% OF OUR FACILITIES MEET GATES ENVIRONMENTAL MANAGEMENT SYSTEM (EMS) STANDARDS.

In 2023, 25% OF ALL SITES = **5+** ISO CERTIFICATIONS | **87%** = **2+** ISO CERTIFICATIONS

 <p>82% OF FACILITIES CARRY ISO 14001 CERTIFICATION</p>	 <p>76% OF FACILITIES CARRY ISO 45001 CERTIFICATION</p>	 <p>76% OF FACILITIES CARRY ISO 9001 CERTIFICATION</p>	 <p>83% OF RELEVANT FACILITIES CARRY API CERTIFICATION</p>	 <p>94% OF RELEVANT FACILITIES CARRY IATF CERTIFICATION</p>
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WORKFORCE HEALTH AND SAFETY



LEADERSHIP INVOLVEMENT



EMPLOYEE ENGAGEMENT



PERSONAL ACCOUNTABILITY



HAZARD ELIMINATION



EMPLOYEE AWARENESS

At the heart of our commitment to our team members and partners are the Gates HSE Global Standards and the Gates HSE Policy. All sites follow these policies and standards, which align with ISO standards, to understand and manage our safety risks and compliance obligations. Our compliance assurance process is composed of three parts:

- 1 **An annual self-assessment by each facility**
- 2 **A corporate assessment every three to five years**
- 3 **An independent ISO audit in accordance with ISO requirements**

Gates HSE Global Standards are based on the pillars of Leadership Involvement, Employee Engagement, Personal Accountability, Hazard Elimination, and Employee Awareness. Every site develops an inventory of safety hazards and risks by process, maintaining proactive risk reduction action plans and work instructions to pursue our vision for zero injuries. **An example of a globally recognized risk assessment methodology is ISO 12100:2010 for achieving safety in the design of machinery.**

Our Life Critical Requirements program focuses on the elimination of risks. And we supply additional levels of training and communications to help team members understand the hazards and safe-work practices at their respective facilities. Topics include ergonomics, machine safety, electrical safety, fire safety, chemical safety, and first aid.

Gates priority is the well-being of our entire workforce. We provide orientations to make sure our contractors and visitors understand safety expectations. Contractors are verified through the Gates HSE Contractor Safety Policy, which outlines related site- and Company-level procedures.

Our key focus is on the proactive reduction of risk. **The Gates incident investigation process emphasizes learning.** After identifying root causes and contributory factors when accidents happen, we feed those lessons back into continuous improvement. Lessons learned are deployed globally across the Company to target any similar risks and prevent recurrence.



2023 GOT US BACK ON TRACK FROM THE DISRUPTIVE IMPACTS OF COVID-19

While the industry as a whole experienced an increase in reported injuries during the post-Covid recovery period, our work on internal communications and HSE training — such as routine audits and daily reviews — has had a measurable impact, we are seeing our numbers come back down.

Total Case Incident Rate



CHENNAI, INDIA: SAFETY EXCELLENCE AWARDS

In 2023, **this facility had zero severe injuries, zero recordable injuries**, and crossed 6.82 million hours without a single lost time injury (LTI). On top of those major achievements, its **safety risk profile was reduced from 29.91 to 1.39** thanks to the implementation of several significant projects. This focus on leadership, commitment, and continual improvement was recognized by the World Safety Organization (WSO), which awarded the Gates facility a **Gold 4-Star trophy** and certificate for outstanding occupational health and safety and protection of the environment (OSH&E). The Chennai team also won two trophies for best safety performance at the Confederation of Indian Industry (CII) International Competitiveness & Cluster Summit.

SAFETY IS A MINDSET AT GATES

To protect our team members, Gates is committed to a safety culture in which we are continuously looking for safety hazards and finding ways to eliminate or control them. We encourage all Gates team members to play an active role in this process. 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.

Gates utilizes Occupational Safety and Health Administration (OSHA) standards to not only define recordable and lost-time incidents but also to track our progress toward zero incidents indexed to a rate of 100 employees based on hours worked.

OSHA
Occupational Safety and Health Administration

CLIMATE, ENERGY, AND AIR EMISSIONS

Gates is committed to energy conservation and reducing the carbon footprint of our operations. This approach to business is aligned with our values. It also allows us to respond to changing regulations, customer trends, and market conditions, including the trend toward lower carbon energy and fuel sources, the procurement of clean electricity supply, the development of on-site renewable power generation, and the use of biomass for heat and steam.

Energy efficiency and GHG reductions are priorities for Gates, and we cascade our published corporate goals throughout our operations. Each region leverages local opportunities, conditions, and partnerships to design initiatives that contribute to those corporate goals. These include facilities investments, manufacturing, and process engineering.

Gates manages energy projects locally, with each facility identifying its own annual improvement plan to align with corporate goals. Facilities submit project plans to a shared tracker and report on progress through weekly and quarterly updates. A global team including members of our HSE, Energy Management, Environmental Management, Sustainability, and Operations functions supports implementation and cross-regional coordination.

WE DEPLOY A VARIETY OF MEASURES TO REDUCE OUR ENERGY CONSUMPTION, INCLUDING:

-  **Energy reduction goals**
-  **Energy performance and efficiency metrics, such as total consumption and indexing to net sales**
-  **Equipment monitoring and technologies, such as energy harmonics and capacitor banks to maximize energy utilization and savings**



This information is reported by facilities based on data monitored and collected at the site level.



IN 2020 WE SET A GOAL TO REDUCE GHG EMISSIONS BY 15% COMPARED TO A 2019 BASELINE.*

SCOPE	DELTA FROM 2022 TO 2023
Scope 1+2 absolute GHG emissions	4.8% REDUCTION
Scope 1+2 GHG emissions indexed to net sales	5.3% REDUCTION

*In 2023, we updated our organizational boundaries in energy and GHG reporting to include more sources and categories related to emissions, and to report smaller sites. In addition, we updated our emissions factors from EFRAG to IPCC to reflect the global scope of our reporting. Baseline and prior year data, and targets for the affected metrics were re-aligned and updated to reflect these changes.

SOLAR PROCUREMENT PROGRAM

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 – including on-site renewable power (solar) generation and biomass fueled boilers – to reduce our GHGs and other air emissions.

In 2023, Gates approved a new solar project at our factory in Balsareny, Spain. Once fully operational, this project is expected to bring **818,000 KILOWATT HOURS** of solar production online, representing **225 METRIC TONS (MT) CO₂e** and **12%** of current purchased energy.



WATER STEWARDSHIP AND CONSERVATION

Gates manages water regionally, with each facility setting its own annual improvement plans in line with corporate targets and local conditions.

Most of our facilities are supplied with water from municipal and third-party sources, while a few are connected to groundwater or wells. Our approach emphasizes reducing freshwater withdrawals, and recycling or reusing water where possible. All Gates facilities monitor, report, and have site-based water initiatives aimed at achieving our goal of reducing water consumption year-over-year.

We also closely monitor and treat wastewater. Every Gates site has a wastewater management plan with an annual review, plus audits documenting water inputs and discharges of all water leaving the facility. Audits include an annual gap assessment, mapping process, and environmental impact evaluation.



LERMA, MÉXICO:

By installing a recirculation system to pump water used to cool hoses after vulcanization, the facility has been able to reduce water use by **13% PER YEAR.**

SUSTAINABLE PACKAGING INITIATIVE

OUR 2023 INITIATIVES FOCUSED ON TWO MAIN PRIORITIES.



1

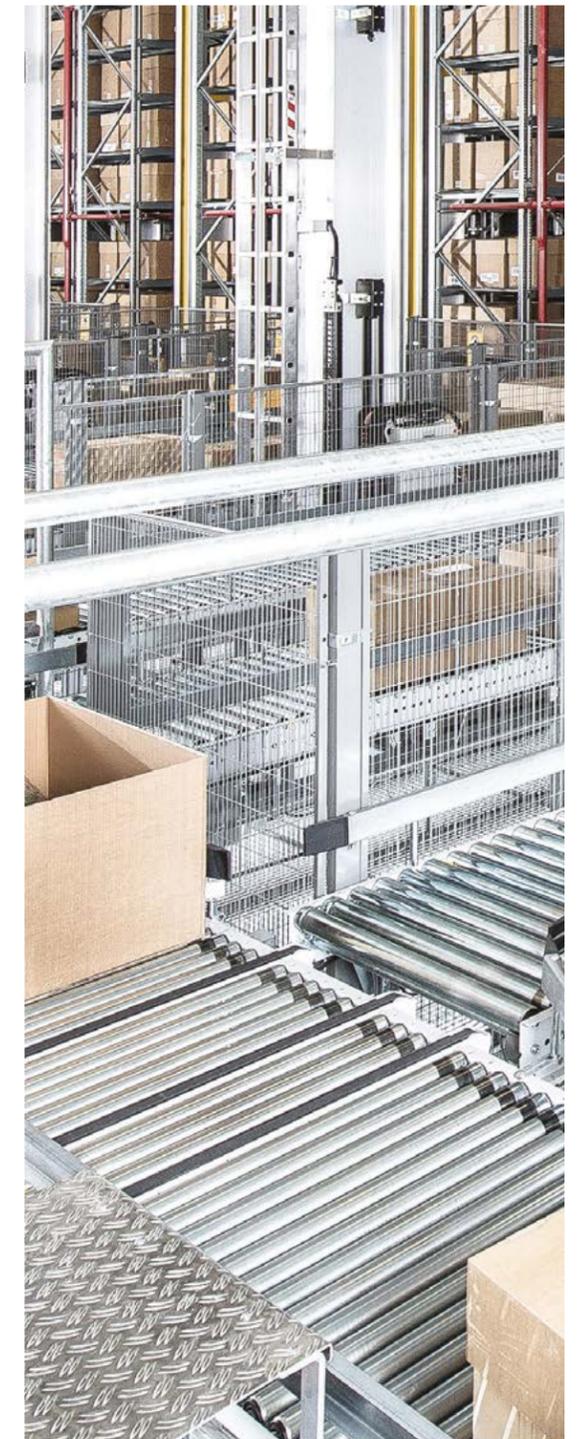
REDUCING MATERIAL USE:

We reengineered our triple walled corrugated cardboard boxes to double wall, achieving **68% material reduction and 50% weight reduction** per box. Those savings translate into transportation costs and emissions savings.

2

REDUCING TRANSPORTATION MILES:

We co-located packaging suppliers for couplings from Illinois to be close to production and distribution facilities in Mexico, reducing transit by **2,785 miles** per shipment and eliminating **21 metric tons** of CO₂e annually.



WASTE MANAGEMENT

Gates has **23** ZERO WASTE TO LANDFILL SITES IN 12 COUNTRIES



As part of our waste management plan, we monitor more than 60 waste streams, including rubber, wood, paper, metals, plastics, effluent, and organic material. We work to reduce the amount of waste generated and identify the best treatment option for each type, including recycling, composting, coprocessing, energy reuse, recovery, and landfill when no other option is available.

LEGNICA REPURPOSE-WASTE INITIATIVE:

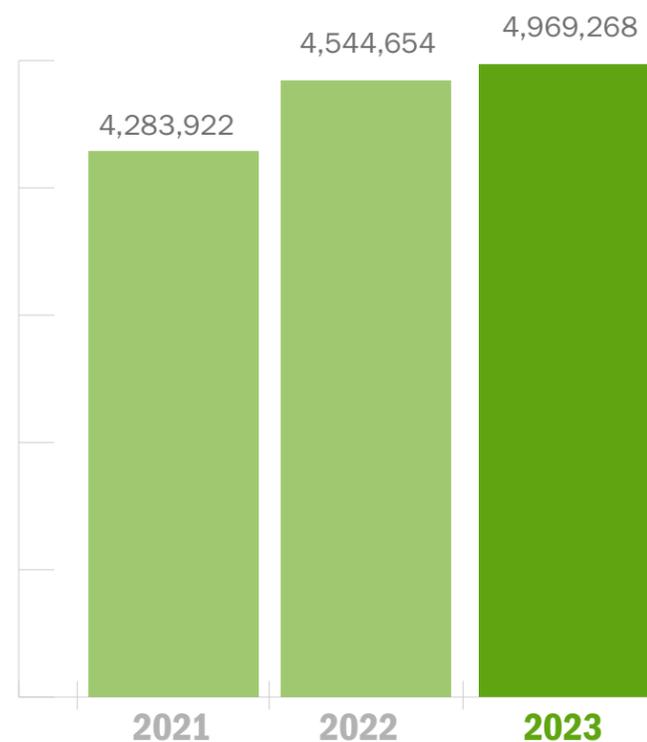
Our Legnica, Poland site identified an opportunity to repurpose waste from cardboard boxes as carton filler. This allowed the facility to stop purchasing new wrapping paper that was crumpled for use in shipments. In addition, there was no more need to transport cardboard waste offsite. These measures streamlined processes, reducing the time required to break down and manage empty boxes.

LEGNICA REDUCED WASTE BY OVER THREE TONS AND DEMAND FOR NEW PAPER BY OVER THREE TONS, RESULTING IN A NET SAVINGS OF MORE THAN SEVEN TONS OF PAPER ANNUALLY.

BRAZIL ZERO-WASTE INITIATIVE:

Landfill Free for 3 consecutive years. Each year, the facility also increases the amount of material it sends for recycling.

GATES BRAZIL - KG RECYCLED



DUMFRIES ZERO-WASTE INITIATIVE:

Our Dumfries, United Kingdom, site achieved the target of zero inert waste to landfill as of May 2023. In partnership with Oakbank Waste Management Ltd. – a local family-owned business focused on diversion and recycling – Dumfries completed the project in just five months, delivering positive environmental, and financial returns:

532 TONS

of waste diverted from landfill to incineration

16%

reduction in cost

SUPPORT OF LOCAL

community, and economy



GLOBAL GREEN IT INITIATIVE

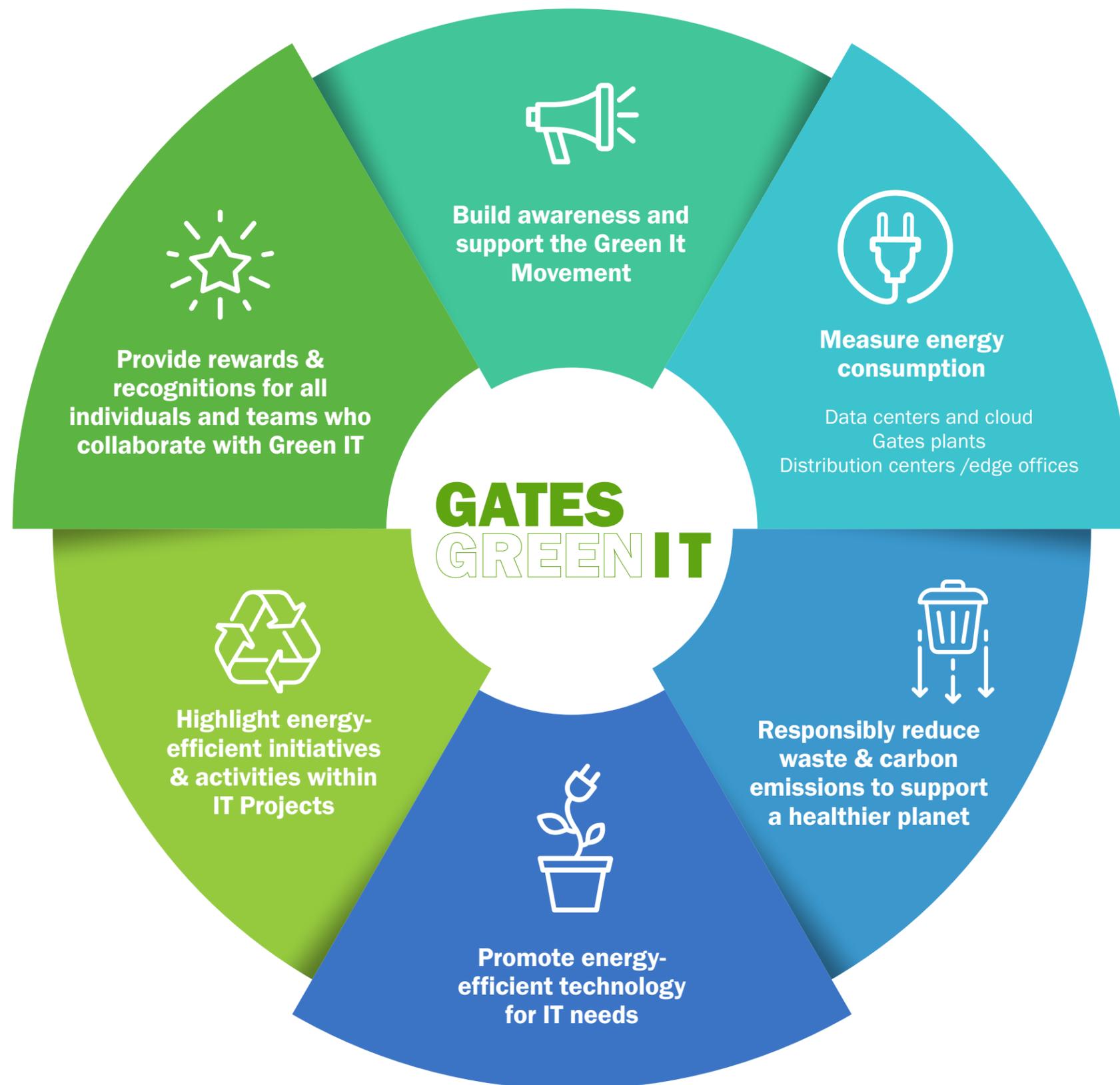
The primary goal of our IT infrastructure sustainability program (Green IT) is to lower carbon emissions associated with Gates IT operations globally. This includes optimizing energy efficiency, minimizing e-waste, and promoting sustainable procurement practices. One of the key strategies for 2023 was to reduce the total number of IT assets used to run our infrastructure and offices around the world.

DECOMMISSIONING OLD, BULKY, POWER-HUNGRY ASSETS

After assessing all IT infrastructure assets, Green IT invested in newer, more efficient servers to replace those at the end of their useful life. We took power consumption measurements prior to removing and replacing those assets to verify a positive outcome. **From the program's inception, we have reduced more than 290 physical servers and 576 PCs, eliminating 2,862,648 kilograms of CO₂e.¹**

TRANSFORMING TRADITIONAL TELEPHONE SYSTEM

Coinciding with the server asset refresh and reduction initiative, Green IT took measures to upgrade the Gates phone setup to a newer, more application-oriented digital voice solution. Moving to Microsoft Teams Voice within our Americas region, we eliminated **1,130 physical handsets and decreased CO₂e by 14,175 kilograms.¹** This ongoing project is rolling out globally in 2024.



¹These metrics are based on Life Cycle Analysis (LCA) data published by Dell Technologies in 2021.

In this section

STEWARDSHIP



POLICIES AND STANDARDS OF CARE

Our team members are our greatest assets. They make Gates extraordinary. **Our goal is to create a positive, healthy work environment in which our people come first, and everyone thrives.**

We train all team members in health and safety matters through the

Gates Code of Business Conduct and Ethics

Gates HSE Policy

Gates HSE Global Standards

Our culture encourages team members to take a proactive role.

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 on 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.

In 2023, approximately 68% of our global work force consisted of production employees. Gates employs agency contractors, temporary employees and contract employees as a relatively small percentage of our workforce. Some of our employees are members of labor unions. The number of associates in these categories typically varies with demand on our factories and distribution centers. Approximately 24% of our global workforce was female and 76% male in 2023.



EMPLOYEE WELL-BEING

Gates recognizes the importance of helping to build, serve, empower, and better the communities in which we live and work. With a focus on mental and emotional well-being, social support tools, and physical and financial wellness, investing in the development of our workforce is critical to the success of our organization.

Our approach is structured around the following four key factors:



MENTAL AND EMOTIONAL WELL-BEING



SOCIAL SUPPORT TOOLS



PHYSICAL WELLNESS



FINANCIAL WELLNESS

As a global Company Gates suite of benefits is tailored to each location in which we work. This ensures that we provide our team mates with meaningful benefits that are competitive and attract top talent.

In North America, 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.

Our Gates GoodLife program supports team members on their well-being journey. This platform distributes

information through a monthly newsletter that covers many topics, including the latest research on well-being, recipes for healthy eating, and recommendations for physical activities.

We also offer numerous incentives through discounts and partnerships designed to encourage our workforce to invest in their physical health. For the past three years, Gates has partnered with several bicycle brands that integrate our innovative Gates Carbon Drive™ System and offer Gates team members discounts to encourage them to be more active. Since the launch of the program in 2020, Gates employees in North America have purchased more than 60 Peloton and Priority bicycles.

TALENT DEVELOPMENT

Gates is committed to developing and unlocking the potential of our people, which is why we make it a point to invest in training and professional development. Our framework supports the advancement of leadership and professional skills in three ways:

-  **Gaining on-the-job experience**
-  **Learning from others**
-  **Participating in formal training programs**

From day one, 100% of our team members embark on a learning journey designed to help them:

- **MASTER THEIR CRAFT**
Gain hands-on experience and learn from seasoned professionals through targeted training and mentorship programs
- **GROW THEIR SKILLSET**
Develop in-demand leadership and professional skills through real-world projects and challenges
- **SHAPE THEIR FUTURE**
Collaborate with leaders to build a personalized career path that aligns with aspirations and which includes regular performance and career development reviews

Our commitment to team member success extends beyond formal programs to include a suite of initiatives designed to accelerate careers, increase belonging, and transfer knowledge within the Company:

- **MENTORSHIP THAT MATTERS**
The Gates Global Mentoring Program helps connect people with experienced colleagues who both share knowledge and support their coworkers' development
- **EARLY CAREER PROGRAMS**
We help launch careers with customized training and opportunities designed to help people thrive
- **CONTINUOUS LEARNING IS AT THE HEART OF OUR CULTURE**
Our on-demand learning library allows people to explore a vast variety of courses and resources concerning business, productivity, personal development, and even language skills



EAST ASIA AND INDIA “INCLUSION: BUILD EMPATHY” WORKSHOP

In 2023, Gates Human Resources (HR) organized an “Inclusion: Build Empathy” workshop for managers in Singapore. Managers walked through the importance of creating an inclusive workplace, and how to create a psychological safety net to foster ideas and opinions from their teams.



HR IMPROVEMENT PROCESSES

Aimed at identifying the primary factors impacting employee retention, HR leadership conducted focus groups at multiple U.S. sites in 2023 to provide team members with an opportunity to voice their opinions and concerns. HR used insights gained from these sessions to identify high impact solutions. Measures implemented included improving leadership communication, modifying the attendance policy and enhancing the tobacco-use policy. Additional initiatives under review for future phases include enhancements to new hire onboarding and training, skills-based pay, and leadership development. To support continuous improvement, HR continues to periodically conduct focus groups.



LEADERSHIP EXPEDITIONS

Throughout 2023, our Global Talent team partnered with certified facilitators across the business to conduct multi-level leadership development programs. These programs launched globally in 2022 as part of a phased, multi-year approach that included roundtables, mentoring, and 360-degree assessments. Core elements utilized virtual, self-paced, instructor-led, and project-based learning.

In 2023, we expanded our offerings to include the Ascend Program for first-time leaders, the Climb Program for senior managers and directors, and the Soar Program for directors and senior directors.

As a Company founded in Colorado, one of America's outdoor playgrounds, we felt compelled to name our programs after expeditions where participants are challenged, build comraderie, and grow together.

 <p>ASCEND PROGRAM</p>	<p>Our Ascend Program is a 90-day, self-paced journey that guides first-time Gates people managers through basic management skills, competencies, and tools to support them in a successful transition. This is accomplished through online content accessed at any time. 2023 was the first year this program was offered, with 66 leaders completing the program.</p>
 <p>EXPLORE PROGRAM</p>	<p>Our Explore Program is designed for 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, and how to prepare for the future. This is accomplished through an interactive experiential learning process that covers six distinct modules. 2023 saw a continuation of this program, graduating 80 leaders in 14 countries.</p>
 <p>CLIMB PROGRAM</p>	<p>Our Climb Program is designed for senior managers and directors at Gates. Participants are provided with a 360-degree assessment to start the five-month program. They learn about partnerships, innovation, data-driven decisions, and more. 2023 was the first year Climb was offered, with 20 leaders from the US and EMEA achieving new heights of success through the program.</p>
 <p>SOAR PROGRAM</p>	<p>Our Soar Program debuted in 2023 and focused on Gates directors and senior directors. The Soar cohort focused on a combination of in-person, instructor-led training, individualized coaching sessions, virtual training, and concluded with a six-month capstone project. 2023 was the inaugural year for Soar, with 14 leaders — representing 7 countries and 9 functional areas.</p>

<p>DEVELOPING LEADERS</p> <p>198%</p> <p>Increase of leadership development participation with expansion of Regional Cohorts</p> 	<p>PROGRAM EXPANSION</p> <p>16X</p> <p>Increase of leadership development participation with introduction of 3 new programs, Ascend, Climb, and Soar</p> 	<p>TALENT PLACEMENT</p> <p>29%</p> <p>Of current graduates¹ identified as high potential in the 2023 talent review process</p> 	<p>PROMOTION</p> <p>12%</p> <p>Of current graduates¹ earned an internal promotion</p> 	<p>RETENTION</p> <p>89%</p> <p>Retention of program graduates¹ since 2018 inception of leadership development programs</p> 
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¹Still employed with Gates

EMPLOYEE RECOGNITION

At Gates, we celebrate the passion and innovation our teams bring to improve the teammate experience and impact across the organization.

The HR Excellence Awards, started in 2022, is aimed at recognizing HR employees that make a significant impact to support Gates and demonstrate our core values of **Dedication, Curiosity, Collaboration, Accountability, and Tenacity**.



Each year, awards are presented to individuals and HR project teams that have completed a project within the calendar year, driving significant change and/or impact.

NOMINATIONS ARE SUBMITTED BY TEAM MEMBERS AND FALL UNDER THE FOLLOWING CATEGORIES:



Innovation in HR

Focused on unique approaches to drive innovative HR practice, project or program



Driving Change

Focused on valuable ideas to develop new/improved processes, systems or programs



Collaboration

Focused in embracing partnership and collaboration when working with other teams, co-workers and/or the business

Gates Australia L.E.A.D.E.R Awards recognize employees who demonstrate our core values every day. Both peers and customers vote on the nominations quarterly. In addition, two team members received the 2023 Annual L.E.A.D.E.R Awards in the Operations and Office categories.



The Gates Fire Brigade began May 17th, 1917 as an initiative by employees to provide emergency services and promote safety within the company and the surrounding community. Over time the brigade grew into an employee volunteer organization reflecting Gates commitment to employee safety and community involvement. The annual Fire Brigade Chiefs award recognizes a member who has made the greatest contributions to the organizations mission.



The Gates CIO Awards, started in 2021, focus on recognizing IT employees that have demonstrated excellence and embody our values. Annual awards are presented to individuals and IT project teams that have made a significant impact during the year.

NOMINATIONS ARE SUBMITTED BY TEAM MEMBERS AND RECOGNIZE THOSE WHO HAVE:



Helped drive IT transformation



Collaborated across teams throughout the globe



Drove impactful change



Challenged the status-quo



Took risks that resulted in positive impacts

Since the introduction of the CIO Awards, nominations have increased year over year.



GATES GLOBAL MENTORING PROGRAM

Is a 10-month partnership designed to help participants learn, grow, and accelerate their careers.



COLLABORATIVE ALLIANCE

A mentor-guided, mentee-driven program, where mentees take responsibility for their part in the collaborative alliance and are leaders of the relationship.



UNLOCK POTENTIAL

Opportunity for both parties to benefit by gaining new skills and knowledge that can help advance careers and unlock potential.



CAREER ACCELERATION

Mentorship provides access to seasoned guidance, navigating career obstacles, refining skills, and building confidence. This equips members to reach their full potential and have career movement within Gates, showcasing diverse talent and leadership pipelines.



INCREASED BELONGING

Matching members with mentors fosters cross-cultural understanding, breaks down silos, and strengthens the entire Gates fabric. This builds a sense of belonging for members, combating insolation, and boosting inclusivity.



KNOWLEDGE TRANSFER

Mentorship creates a valuable channel for sharing unique experiences and perspectives. This knowledge transfer enriches the Company's understanding of its diverse workforce, informing policies and practices that better serve and retain talent.



GLOBAL MENTORING PROGRAM

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.

93% INCREASE IN PARTICIPATION FROM 2022 TO 2023



DIVERSITY, EQUITY, AND INCLUSION (DEI)

Gates is committed to a diverse and inclusive workplace, and we know how important it is to foster a welcoming environment where current and future employees treat each other with fairness and respect. We value fresh perspectives, ideas, and differences. Our team members have access to a variety of partnerships and outreach programs through which they can identify opportunities for meaningful connection. These engagements will continue into the future and serve as a model to bring positive impacts to the communities around us.

As part of our continued efforts to raise awareness of the importance of DEI, we engage team members and local communities in conversation and through sponsored activities. By working together, we champion policies, practices, and behaviors to drive innovation and strategies to further support our talent strategy.

In 2023, **WE DEVELOPED INTERNAL BRANDING:**

to connect and distinguish the various DEI initiatives, conferred with two Minority Serving Institutions (MSIs), refreshed the Gates Global Mentoring Program, and enhanced our internal DEI website. In addition, we drove awareness and participation across our three Business Resource Groups



GATES BUSINESS RESOURCE GROUPS (BRGS)



OUT FRONT
LGBTQ+ & ALLIES



PALS
PAN-ASIAN LEADERSHIP



VETERANS
REMEMBER & HONOR

AN ENGAGED AND CONNECTED WORKFORCE

At Gates, we believe that an engaged workforce is directly linked to the value we provide to customers and the connections we create in the communities in which we live and operate. Highly engaged employees can result in higher productivity and retention rates, improved health and safety performance, and increased Company profitability. As a global Company, we recognize and celebrate local, relevant, and meaningful events that allow colleagues to share their expertise and cultures with one another. Highlights from 2023 include:



Gates global DEI workshop led by The Center on Colfax, in partnership for National Coming Out Day

This all-hands session highlighted best practices in hiring and managing a diverse workforce, including the necessity for discussions, and addressing the ways unconscious biases and misconceptions negatively impact the LGBTQ+ community.



Independence Day of India

Gates India celebrated the country's 76th Independence Day with a regional celebration organized around the concept of "new beginnings," and trainings on Diversity in Action.



Gates Greater China workshop for working mothers

"How Working Mothers Can Have a Better Work-Life Balance" brought female colleagues together to share challenges and strategies for how to best care for their families and pursue career development.



COMMUNITY PARTNERSHIPS

Gates has a rich and unique legacy in many of the communities in which 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. In 2023, Gates team members contributed volunteer hours across every region of the globe in which we have operations.

U.S. GATES COMMUNITY ENGAGEMENT

9/11 DAY OF SERVICE

Gates team members volunteered 320 hours to pack over 400 meals for individuals and families facing food insecurity in Colorado.



BUILD-O-RAMA

Partnering with Wish for Wheels and Priority Bicycles, Gates team members volunteered to build 60 brand-new bikes for distribution to Denver area youth from under-resourced neighborhoods.



PLACE BRIDGE ACADEMY

Volunteers from Gates headquarters and the Gates Customer Solutions Center (CSC) provided expert feedback to students working on their interview skills. PBA focuses on the children of families resettled from their home countries, and more than 65 native languages are represented among the student body.

CSC SUSTAINABILITY COMMITTEE

The Customer Solutions Center launched mixed recycling to reduce waste-to-landfill. In combination with this, they supplied the cafe with compostable plates, bowls and silverware, and held a mug and utensil drive. By the end of 2023 they had achieved a 90% transition to compostable materials, and fully eliminated single use cups. In addition, they installed EV charging stations which are used daily.



TOY DRIVE

Gates Elizabethtown location participated in the Toys for Tots toy drive raising over \$3,300 worth of gifts for Helping Hand, a local nonprofit that provides gifts for the holidays to families in need.

CANADA ANIMAL SHELTER FUNDRAISER

Team members at the Gates Brantford facility raised \$800 Canadian — in addition to a generous amount of pet toys and food — for the Brant County Society for the Prevention of Cruelty to Animals (SPCA).



POLAND 5K CHARITY RUN

Members of Gates Business Services Europe (GBSE) and the Gates Legnica facility participated in the Bieg Firmowy 2023 charity relay race. Each participant ran 5 kilometers, raising funds to support the Everest Foundation's work with children with disabilities.



INDIA WINTER CLOTHING DRIVE

The Gates Gurgaon corporate office clothing drive collected stay-warm outerwear items donated by team members in the Gurgaon, Lalru, and Faridabad locations for "Goonj," a non-profit that supports families in need.



INDONESIA FOOD BANK VOLUNTEERISM

A team from Gates Singapore volunteered with Food Bank charity operations, sorting and packing incoming donations for local families in need due to a series of earthquakes and aftershocks hitting the region throughout the month of August.



MEXICO REFORESTATION PROJECT

Gates Atacomulco facility carried out a reforestation project in an area near the plant that had previously burned in a forest fire. Gates colleagues, family members, and friends, planted more than 500 pine, white cedar, willow, black acacia, and patula trees.



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 support civic, cultural, health, and welfare initiatives, in addition to education programs and scholarships. The Foundation also includes a Matching Gift Program – U.S. donations to eligible not-for-profit 501(c)(3) charities are matched dollar-for-dollar.

In 2023, the Gates Foundation made donations of more than

\$699,965

TO 113 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® Global and the Denver Scholarship Foundation

\$25,000 donated to Wish for Wheels

\$277,440 matching gifts to nonprofits supported by 153 employee donations

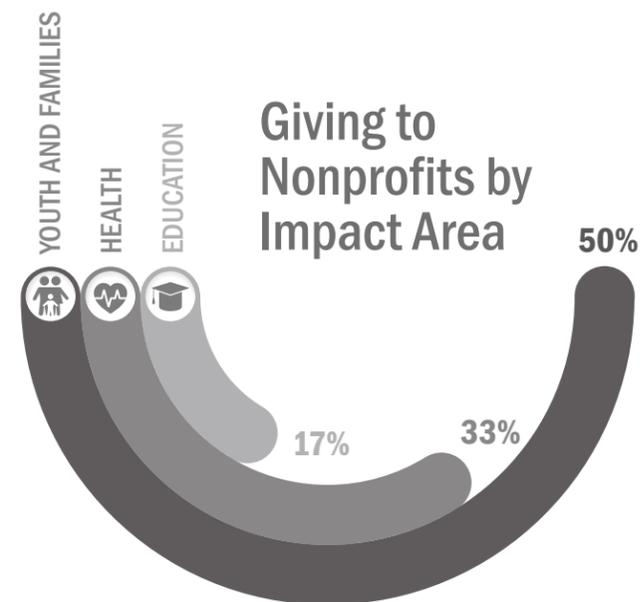
GATES GIVES BACK

We believe in living generously, sharing our success, and growing together. **Gates Gives Back allocates up to \$10,000 to each plant and distribution center across the U.S. to be donated to a local charity of their choice.** Gates recognizes that local communities are the backbone of our organization. Giving each facility the opportunity to select a charity is motivating for our team members and the communities in which we live and work.

In 2023, 12 sites participated in Gates Gives Back, donating

\$110,000

TO LOCAL NONPROFITS.



GIVING PARTNERS

Gates believes that by selecting a few, focused, long-term partnerships we have the potential to achieve ambitious outcomes. To this end, we are currently in the third year of a three-year commitment with two powerful, wide-reaching nonprofits.

RONALD MCDONALD HOUSE CHARITIES (RMHC®) Global is working to ensure families everywhere have access to the care and resources they need when they have a sick child.

In addition to a **\$450,000** three-year financial commitment from the Gates Foundation, our team members participated in annual fundraising programs, such as contributing cash donations with matching gifts, or collecting day-to-day household supplies to support local chapters. On multiple occasions, Gates groups volunteered at Ronald McDonald Houses to prepare and serve dinner to families.



DENVER SCHOLARSHIP FOUNDATION (DSF) is collaborating with Denver Public School students and families to increase access and completion of post-high-school learning, while expanding generational exposure to career and entrepreneurial opportunities.

The **\$150,000** three-year financial commitment from Gates helps to support the 14 DSF Future Centers and scholarships for dozens of Denver Public School students attending colleges and universities in Colorado. In addition to providing financial support, Gates team members participated in multiple events to prepare students for the future. **During a Career Showcase, 85 students learned about the five key business processes for building a product.** And DSF Speed-Networking opportunities allowed our members to share career knowledge and experiences.



INTERNATIONAL RELIEF

Gates provides international emergency aid in countries facing natural disasters and experiencing major humanitarian crises through Red Cross International and Ronald McDonald House Charities.

In 2023, Gates Foundation, along with matching gifts from employees, donated

\$25,653

TO THE RED CROSS DISASTER RELIEF FUND

to help support those urgently working to rescue survivors from the devastating 7.8 magnitude earthquake in Turkey and Syria in February 2023.



EDUCATION SCHOLARSHIPS

Each year, the Gates Foundation awards up to 10 scholarships – through a competitive application process – to qualifying dependent children of our full-time team members. Recipients receive \$4,000 annually for four years of undergraduate studies.

For 2023,

5 NEW SCHOLARSHIPS

WERE AWARDED TO DEPENDENT CHILDREN OF OUR TEAM MEMBERS

in Siloam Springs, Arkansas; Rochester Hills, Michigan; Iola, Kansas; and, Denver and Englewood, Colorado. In all, the Foundation contributed a total of \$96,000 in educational grants in 2023.

With every scholarship awarded, the Gates Foundation also donates to the National Merit Scholarship program. In 2023, an additional \$6,345 was contributed to the National Merit Scholarship Fund.

DRIVEN BY POSSIBILITY

ANNOUNCING THE 2025 GATES INDUSTRIAL CORPORATION FOUNDATION SCHOLARSHIP PROGRAM

For Parents of High School Juniors (11th grade/third year) who will be completing or leaving high school and entering college in the fall of 2025

Online entry submissions accepted through March 31, 2024.

This scholarship program was established by Gates Industrial Corporation Foundation for the children of U.S. employees of Gates Industrial Corporation and its subsidiaries.

To enter your child into the 2025 Gates Industrial Corporation Foundation Scholarship Program (for students who will complete high school and enter college in 2025), use the link or QR code below and complete the following steps of the Entry Form process:

- 1. Read the scholarship program brochure in its entirety** (confirm that you have read and understand the program procedures by marking the check box at the bottom of the page).
- 2. Confirm that your child meets all participation requirements** for the 2025 competition by marking the appropriate check boxes.
- 3. Complete the online 2025 Gates Industrial Corporation Foundation Scholarship Program Entry Form.**
- 4. Review the Entry Form** for completeness and accuracy, read the Submission Agreement, and submit your child's Entry Form for the 2025 competition.
- 5. Print and retain a copy** of the "Submission Confirmation" for your records.

USE THE LINK BELOW TO BEGIN THE 2025 ENTRY FORM PROCESS
<http://programentry.nationalmerit.org/gates-2025>

In this section

APPENDIX

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ANNUAL PERFORMANCE INDICATORS

GOVERNANCE								
	PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	2023 ¹	2022	2021	2020	2019	SASB - IFRS METRIC CODE ²
Board of Directors	Independence	% of total number Directors	89	89	89	89	88	
	Diversity (female)	% of total number Directors	33	33	44	44	38	
	Diversity (minority)	% of total number Directors	11	11	11	13	13	
Total Spend on Suppliers Sourced In-Region/For-Region ³		% of global supplier spend (US\$)	82	80	83	82	84	
Fines or Monetary Resolutions Associated with Anti-competitive Regulations		US\$	0	0	0	0	0	TR-AP-520a.1
Materials Sourcing		Discussion and Analysis	-	-	-	-	-	RT-IG-440a.1

TECHNOLOGY								
	PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	2023	2022	2021	2020	2019	SASB - IFRS METRIC CODE ²
	Revenues Associated with Energy Efficiency/Emissions Reductions Products (non-combustion mobility)	% of total net sales	4.8	4.8	-	-	-	TR-AP-410a.1
	Revenues Associated with Gates Eco-Innovation Products	US\$, millions	171.3	172.2	-	-	-	
	Capital Investment in Property, Plant and Equipment	US\$, millions	61.2	77.6	77.7	58.2	72.1	
	Percentage of Input Materials from Recycled and Remanufactured Content ⁴	% of total volume input materials	-	-	-	-	-	TR-AP-440b.2
	Number of Patents Granted during Calendar Year	number	193	176	219	135	132	

ENVIRONMENT								
	PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	2023	2022	2021	2020	2019	SASB - IFRS METRIC CODE ²
	Direct GHG Emissions (Scope 1) ⁵	Thousand metric tons (Mmt) CO ₂ e	127.3 [^]	128.9	129.1	112.9	109.7	
	Indirect GHG Emissions (Scope 2) ⁵	Mmt CO ₂ e	150.6 [^]	163	179.2	170.3	172.6	
	Total Operational GHG Emissions (Scope 1+2) ⁵	Mmt CO ₂ e	277.8	291.9	308.3	283.2	282.2	
	Biogenic Emissions	Mmt CO ₂	19.9 [^]	21.1	19.4	17	19.8	

Explanatory Notes:

*Includes solar and biomass

[^] 2023 metrics reviewed as part of ERM CVS' reasonable assurance process for this report.

Note: RT-IG-410a.1-4 does not apply to Gates business model, thus the topic and its associated metrics have been omitted based on the lack of applicability.

¹ Reporting period - The reporting period used for this information is January 1, 2023, to December 31, 2023.

² Gates applies 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 Standard (IFRS) Foundation and the Sustainability Standards Accounting Board (SASB).

³ Categorized as direct spend

⁴ Certain metals used in Gates parts and products are derived from recycled content (e.g., steel and aluminium) as are some of the fibers we use. However, Gates does not account for recycled input materials or remanufactured content, or the revenues attributable to said content. See p. 22 for more on our work to repurpose fiber scrap and remanufacture it into new products.

⁵ Boundary summary - All manufacturing facilities Gates owns or operationally controls were included, except as noted in the exclusions below.

Data Methodology - Gates adheres to the World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol: A corporate accounting and reporting standard, revised edition (WRI/WBCSD GHG Protocol), to calculate GHG emission Invoices and measurements were

collected for relevant energy and emission sources material to each site which may include electricity, natural gas, steam, hot water, diesel fuel, liquid petroleum gas, gasoline, light fuel oil, wood biomass and rice husk. Monthly data is captured in a dedicated software platform and external third-party invoice collection service and is checked for accuracy and timeliness per Gates internal standards. Where actual data was not available, estimates were used. For example, in cases where data is not available for a full 12-month period, available data is used to extrapolate and estimate the values for missing data. Gates will continue to track our emissions and refine our process with an aim to reach our goal to reduce our total GHG emissions by 15% by 2025, based on a 2019 baseline.

Emission factors: Scope 1 emission factors used are primarily from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5). Residual emission factors for biomass combustion are sourced from the U.S. EPA's Greenhouse Gas Emissions Factors Hub and include emissions from methane (CH₄) and nitrous oxide (N₂O). Location based scope 2 emissions factors for the U.S. are from the US EPA's eGRID Power Profiler tool and non-US sites are primarily from the International Energy Agency (IEA (2022), GHG Emissions from Energy), adjusted where more recent country or region-specific governmental factors are published. Emissions are converted to carbon dioxide-equivalents (CO₂e) using Global Warming Potentials from the United Nations Intergovernmental Panel on Climate Change Fifth Assessment (IPCC AR5) Report.

Materiality threshold - Materiality for Gates is set at 5% of total emissions with all facilities estimated to contribute >1% of total emissions included.

Exclusions:

- Most commercial and sales offices, whose impacts are anticipated to be below the materiality threshold
- Gates reports Scope 2 location-based GHG emissions
- Scope 3 indirect emissions

ENVIRONMENT

PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	2023	2022	2021	2020	2019	SASB - IFRS METRIC CODE ²
Total Operational GHG Emissions Intensity (Scope 1+2)	Mmt CO2e/annual net sales ('000)	0.07	0.08	0.09	0.1	0.07	RT-IG-410
Total Energy Consumption (Scope 1+2) ⁶	Gigajoules (GJ)	3,489,469	3,696,305	3,725,647	3,301,107	3,439,583	RT-IG-130a.1 TR-AP-130a.1
Total Energy Consumption Intensity	GWh/annual net sales ('000)	0.27	0.29	0.3	0.31	0.3	
Percentage Grid Electricity (Scope 2)	% of GJ	32.7	32.5	32	32.7	33.7	RT-IG-130a.1
Total Absolute Value of Electricity	GJ	1,160,000	1,200,000	1,190,000	1,070,000	1,140,000	
Percentage Grid Electricity of All Energy Consumed (Scope 1 + 2)	%	33%	33%	32%	32%	33%	
Renewable Energy Generated (Scope 1)*	Gigajoules (GJ)	184,558.4	196,288.8	181,468.9	158,020.7	183,795.1	TR-AP-150a.1
Percent Renewable Energy Generated (Scope 1)	% of total GWh	8.5	8.6	7.9	7.9	8.9	RT-IG-130a.1
Total Waste Volume ⁷	Thousand metric tons	39^	39	39	32	33	TR-AP-150a.1
Total Hazardous Waste Volume	Thousand metric tons	1.06^	1.24	.75	NR	NR	TR-AP-150a.1
Waste Recycled	% of total waste volume	51.5^	48.1	55.9	55.9	53.6	TR-AP-150a.1
Waste to Landfill	Thousand metric tons	11.2^	12.3	9.3	8.2	9.2	
Total Water Withdrawals ⁸	Million cubic meters	1.8^	1.9	1.9	1.7	1.8	
Total Water Withdrawals Intensity	Million cubic meters/annual net sales ('000)	0.49	0.55	0.56	0.58	0.57	
Total Wastewater Recycled ⁹	% of total water withdrawals	0.2	0.21	0.08	-	-	
Total Water Consumption	Million cubic meters	0.64	0.70	0.78	0.61	0.68	
Number of Product Recalls Issued	number	0	0	0	0	0	TR-AP-250a.1

STEWARDSHIP

PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	2023	2022	2021	2020	2019	SASB - IFRS METRIC CODE ²
Total Number Employees	Number of Full Time Employees (FTE)	14,929	15,236	15,077	14,300	14,700	RT-IG-000.B
Female Employees	% of FTE	24	25	24	24	-	
Executive/VP/Director Level Diversity, Gender	% of FTE	20	19	21	21	-	
Lost Time Incident Rate (LTIR)	rate	0.33	0.33	0.26	0.23	0.25	RT-IG-130a.1
Total Case Incident Rate (TCIR)	rate	0.59	0.74	0.60	0.53	0.57	RT-IG-130a.1
Employee Fatalities	rate	0	0	-	-	-	RT-IG-130a.1
Contractor Fatalities	rate	0	0	-	-	-	RT-IG-130a.1
Total Corporate Income Taxes Paid	Annual US\$ (millions)	110.5	117.8	83.0	60.4	108.8	
CEO Median Pay Ratio	rate	368:1	411:1	214:1	214:1	366:1	
Median Employee Compensation	Annual US\$	26,423	35,015	35,940	35,940	28,679	
Charitable Giving, Gates Industrial Corporation Foundation	Annual US\$	699,965	677,725	612,677	1,084,981	621,690	

Explanatory Notes:

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

⁷ Gates waste includes hazardous and non-hazardous waste which are grouped and totaled by waste materials that include industrial, metals, rubber process waste, general waste, and paper/cardboard. Waste is also categorized by disposition defined as recycled, composting, landfill, and incineration with and without energy recovery.

⁸ Gates sources of water withdrawal reported includes water from municipal supply and ground water sources.

⁹ Data includes condensate, rainwater capture, reverse osmosis, and closed loop systems with 40% of manufacturing sites reporting.

UN SDGs TABLE

GOVERNANCE	
SDG, GATES-ALIGNED TARGETS ¹	
	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
	17.11: Significantly increase the exports of developing countries
	7.1.7: Encourage and promote effective public, private and civil society partnerships
TECHNOLOGY	
SDG, GATES-ALIGNED TARGETS ¹	
	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
	17.8: Fully operationalize the technology and innovation capacity-building mechanisms and enhance the use of enabling technology
ENVIRONMENT	
SDG, GATES-ALIGNED TARGETS ¹	
	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
	7.2: Increase substantially the share of renewable energy in 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	
	12.2: 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
	13.2: Integrate climate change measures into national policies, strategies and planning
	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	
	3.6: 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
	4.4: Substantially increase the number of youth and adults who have relevant skills for employment
	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
	10.3: 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. This 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	<u>Report cover</u>	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	<u>6</u>	gates.com/us/en/about-us/company-overview.html	
2-1	Location of operations	<u>6</u>	gates.com/us/en/customer-support/locations.html	
2-2	Boundary for inclusion	<u>10</u>		
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	<u>8</u>	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			Yes. Sustainability reporting aligns with the period of financial reporting for fiscal year 2023, unless otherwise noted.
2-3	Date of sustainability report	<u>Report cover</u>	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	<u>9</u>		We continue to improve our data collection efforts and methodologies. In 2022, Scope 1 emission factors used were primarily from the UK Department for Environment, Food & Rural Affairs ("DEFRA"). In an effort to better align with international standards for 2023 data, Scope 1 emission factors used are primarily from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5). In addition, we made progress on data completeness and accuracy, which we applied to the prior year data. Accordingly, the numbers reflected above are different than those that were previously reported.
2-5	Describe Company policy and practice for seeking external assurance	<u>49</u>		
2-5	Whether Company's sustainability report is externally assured	<u>Report Appendix: Assurance Statement</u>		Gates achieves external reasonable assurance for its Scope 1 and Scope 2 (location-based) GHG emissions inventory and water withdrawals data, and limited assurance for select waste metrics. 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	<u>6</u>	gates.com/us/en/industries.html	
2-6	Describe its value chain	<u>6</u>		
2-6	Other relevant business relationships	Does not apply		
2-7	Total number of employees	<u>6</u>	gates.com/us/en/about-us/company-overview.html	
2-7	Total number of employees, by type, gender and location	<u>Report Appendix: Annual Performance Indicators</u>	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	<u>11</u>	investors.gates.com/governance/governance-documents/default.aspx	
2-9	List the committees of highest governance bodies	<u>11</u>	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	8		
2-23	Describe Company's policy commitments for responsible business conduct, including human rights	13-14	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 Chief Legal Officer, 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			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	9		
2-30	Percentage of total employees covered by collective bargaining agreements			



INDEPENDENT ASSURANCE REPORT TO GATES CORPORATION

ERM Certification & Verification Services Incorporated (“ERM CVS”) was engaged by Gates Corporation (“Gates”) to provide assurance in relation to the selected information set out below and presented in the Gates 2023 Sustainability Report (the “Report”).

ENGAGEMENT SUMMARY	
Scope of our assurance engagement	<p>Whether the 2023 data for the following selected disclosures are fairly presented in the Report, in all material respects, in accordance with the reporting criteria.</p> <p>REASONABLE ASSURANCE OF 2023 GHG EMISSION AND WATER INDICATORS GHG Emissions:</p> <ul style="list-style-type: none"> • Scope 1 GHG emissions [Mmt CO₂e] • Scope 2 GHG emissions (location-based) [Mmt CO₂e] • Biogenic emissions [Mmt CO₂e] <p>Water:</p> <ul style="list-style-type: none"> • Water Withdrawn [million cubic meters] <p>LIMITED ASSURANCE OF 2023 WASTE INDICATORS Waste:</p> <ul style="list-style-type: none"> • Total Waste Volume (thousand metric tons) • Total Hazardous Waste Volume (thousand metric tons) • Waste Recycled % of total waste volume (percent) • Waste to Landfill (thousand metric tons) <p>Our assurance engagement does not extend to information in respect of earlier periods or to any other information included in the Report.</p>
Reporting periods	January 1, 2023 – December 31, 2023
Reporting criteria	<ul style="list-style-type: none"> • WBCSD/WRI GHG Protocol: A Corporate Accounting Standard (2004, as updated January 2015) • Gates internal reporting criteria and definitions
Assurance standard and level of assurance	<p>We performed a combination reasonable and limited assurance engagement for the scope as identified above, in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) ‘Assurance Engagements other than Audits or Reviews of Historical Financial Information’ issued by the International Auditing and Assurance Standards Board.</p> <p>The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.</p>
Respective responsibilities	<p>Gates is responsible for the preparation, collection and presentation of the selected information in accordance with the reporting criteria, and for determining that the reporting criteria are suitable for the legitimate information needs of its stakeholders. Furthermore, Gates is responsible for designing, implementing and maintaining governance oversight and internal controls to enable reporting that is free from material misstatement.</p> <p>ERM CVS’ responsibility is to provide an opinion to the Directors of Gates on the agreed scope based on our engagement terms with Gates, the assurance activities performed and exercising our professional judgement. Our procedures aimed at obtaining reasonable assurance have been performed with a high, but not absolute, level of assurance which means we may not detect all material errors.</p>

OUR REASONABLE ASSURANCE OPINION

In our opinion, the selected 2023 GHG Emission and Water indicators, as described under ‘Scope’ above, are prepared, in all material respects, in accordance with the reporting criteria.

OUR LIMITED ASSURANCE OPINION

Based on our activities, as described below, nothing has come to our attention to indicate that the 2023 Waste indicators, for the disclosures listed under ‘Scope’ above, are not fairly presented in the Report, in all material respects, in accordance with the reporting criteria.

OUR ASSURANCE ACTIVITIES

Considering the risk of material misstatement in the selected information a multi-disciplinary team of sustainability and assurance specialists performed a range of procedures that included, but was not restricted to, the following:

- Evaluating the appropriateness of the reporting criteria used for the selected information;
- Interviewing senior management representatives responsible for managing the selected issues;
- Evaluating relevant reporting systems and processes (including internal control processes);
- Conducting a review at corporate level of qualitative and quantitative evidence supporting the reported information;
- Evaluating the conversion and emission factors and assumptions used;
- Conducting an analytical review = of the data included in the consolidated 2023 group data for the selected disclosures, which included testing the completeness and mathematical accuracy of conversions and calculations, and consolidation in line with the stated reporting boundary;
- Conducting in-person visits to a risk-based selection of Gates facilities/production sites to review local reporting systems/controls and source data;
- Reviewing the presentation of the assured information to ensure consistency with our findings.

THE LIMITATIONS OF OUR ENGAGEMENT

The reliability of the assured information is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

OUR INDEPENDENCE, INTEGRITY AND QUALITY CONTROL

ERM CVS is an independent certification and verification body accredited by UKAS to ISO 17021:2015. Accordingly we maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our quality management system is at least as demanding as the relevant sections of ISQM-1 and ISQM-2 (2022).

ERM CVS applies a Code of Conduct and related policies to ensure that its employees maintain integrity, objectivity, professional competence and high ethical standards in their work. Our processes are designed and implemented to ensure that the work we undertake is objective, impartial and free from bias and conflict of interest. Our certified management system covers independence and ethical requirements that are at least as demanding as the relevant sections of the IESBA Code relating to assurance engagements.

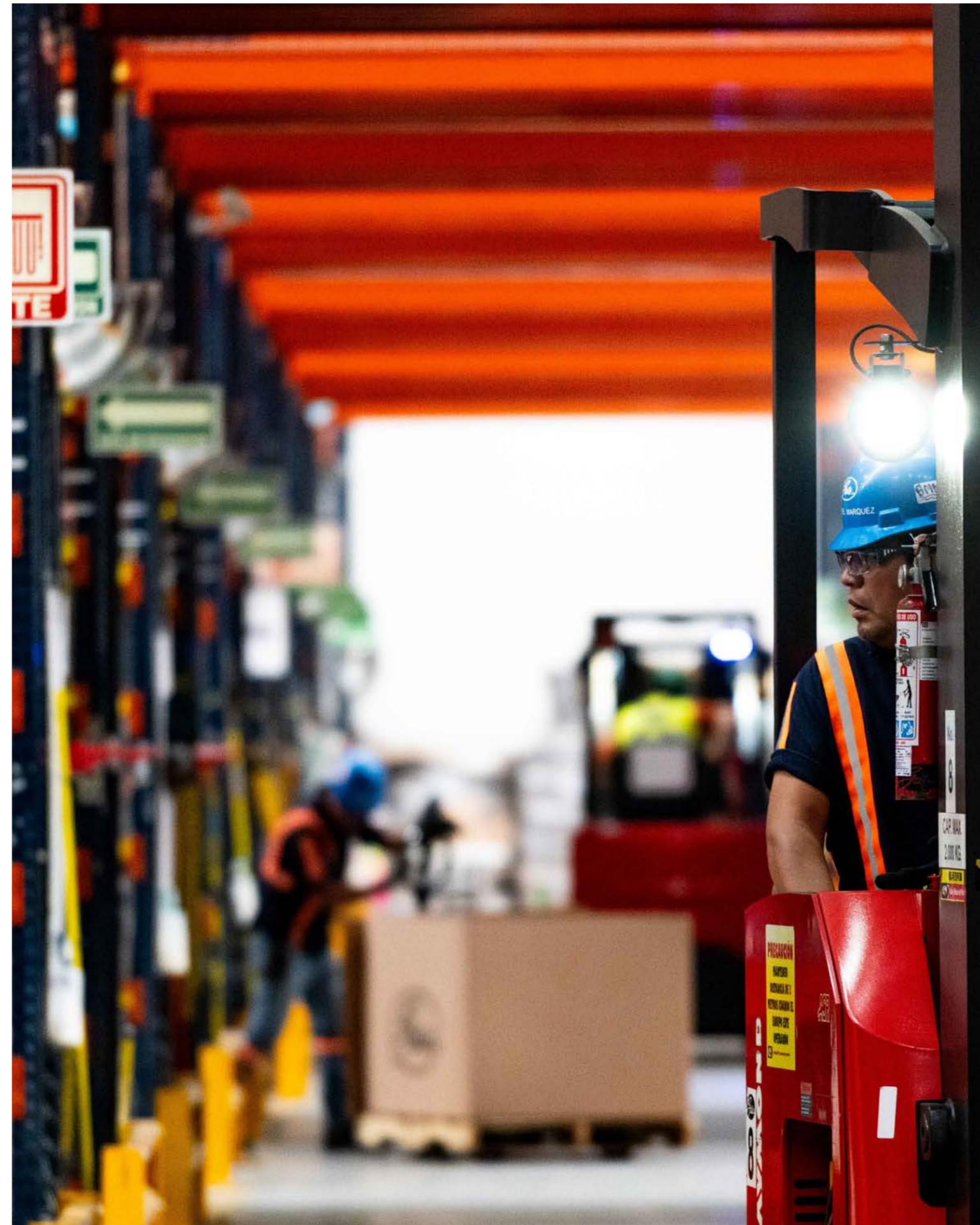
ERM CVS has extensive experience in conducting assurance on environmental, social, ethical and health and safety information, systems and processes, and provides no consultancy related services to Gates in any respect.



Heather Moore
Partner, Corporate Assurance Services
Malvern, PA

May 20, 2024

ERM Certification & Verification Services Incorporated
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ABOUT THE COVER

Gates products enable our customers to create end user applications that are building a more sustainable and smarter future for us all. From industrial, to automotive, to urban mobility and powersports, our solutions are integral to the systems that empower communities and industries to evolve. Gates is committed to continuous improvement and innovation which leverages sustainability into products that use less material, are more energy efficient, and last longer. From our design and procurement strategies, to our manufacturing processes, to the wide range of ways our products are used, Gates is helping realize a world driven by possibility.

