



2020 SUSTAINABILITY REPORT

We create a better tomorrow by efficiently converting power into motion

ISSUED SEPTEMBER 2020

AT REGAL, WE ARE COMMITTED TO INCREASING THE IMPACT OF OUR HANDPRINT AND REDUCING THE IMPACT OF OUR FOOTPRINT. Our

handprint represents the benefits to our customers and society from our products and the contributions we make in our local communities. Our footprint represents the way we produce our products and the impact that has on our environment. We make this promise because it's the right thing to do for all of our stakeholders. We live our sustainability promise every day, creating a better tomorrow for the world around us.



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Having recently visited our associates at Regal sites around the world and worked with our segment and corporate leaders through our annual strategic review process, I can say with confidence that sustainability, including environmental stewardship, corporate social responsibility, and strong corporate governance are resonating as core values at Regal and underpin our strategic vision. Indeed, we believe there are meaningful synergies between improving the environment, helping our customers meet their own environmental objectives, supporting our associates and the communities in which we live and work, and achieving best-in-class outcomes for our shareholders.

With the experiences of the global COVID-19 pandemic fresh in mind, now, as always, the health and safety of our associates remains our top priority. Proactively, we have taken numerous measures across our organization to keep our associates safe, and, in the spirit of being a learning organization, we continue to audit and refine these practices.

One example of the progress we've made as we battle the effects of the pandemic is government officials from a number of countries contacting us earlier this year, requesting we share our best practices. We proudly opened our plants and shared key learnings and enhancements that could serve the wider manufacturing community.

At Regal, we have worked tirelessly through the pandemic to meet the dual objectives of keeping our associates safe, while producing essential products—indoor air quality products used in hospitals, homes, and senior living facilities; industrial products that support food & beverage and pharmaceutical production; and conveying equipment and components that help warehouses function—to name just a few.

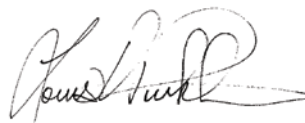
Many of our products also help our customers reduce energy consumption to meet increasingly stringent energy efficiency regulations around the world, lower operating costs, and meet sustainability goals.

Other products, such as our ModSort® high-precision warehouse conveying system, are helping customers keep their employees safer by lowering risk of injury and helping meet social distancing objectives.

I'm pleased with how our efforts around sustainability, governance, and social responsibility have been advancing. But, I also know that we can—and will—do more. I see our organization on a sustainability journey. So, we're challenging our associates to collaborate more with our customers to help them meet environmental goals, while thoughtfully leveraging "80/20" efficiency principles and continuous improvement to reduce our manufacturing footprint, and make more products with fewer physical resources.

To keep our ESG goals properly aligned with the objectives of our various stakeholders, I've asked our business leaders to further refine their sustainability metrics and create more specific roadmaps for driving to year-over-year improvement on a select few metrics. In the future, we plan to share more about Regal's performance, as seen through the lens of these metrics. In the meantime, we hope readers of this year's report will benefit from our already significantly enhanced disclosures; we've added many new qualitative and quantitative metrics as we continue to build on past successes.

On behalf of our entire organization, I welcome you to follow our sustainability journey and thank you for your interest in Regal.



Louis Pinkham
Chief Executive Officer



CORPORATE STRATEGY

Provide differentiated energy efficient
PRODUCTS AND SOLUTIONS
to solve our customers' challenging application needs

Drive **SUSTAINABILITY** through footprint consolidation
and energy efficient products and solutions

Diversify our **CUSTOMER BASE** by focusing on smaller OEMs and the
distribution channel, while providing superior service to our large OEMs

Ensure **EASE OF DOING BUSINESS** with Regal, from order
placement to shipment to service, with the strongest channel to market
and an effective e-commerce approach

Guided by **80/20 METHODOLOGIES**,
improve customer and product mix, simplify our
product offering, and deploy lean principles

Generating improving
RETURNS and strong
FREE CASH FLOW

Effectively managing our
portfolio both organically and
through acquisitions to **DRIVE**
PROFITABLE GROWTH

GLOBAL PRESENCE

Our products are sold across six continents. Regal has 58 principal manufacturing facilities around the globe that are well positioned to serve customers worldwide. Countries in which we have significant operations include the U.S.A., China, Mexico, India and various other countries in Europe and southeast Asia.

65 FACILITIES IN
THE AMERICAS

31 FACILITIES
IN EUROPE

55 FACILITIES
IN ASIA



167 TOTAL
FACILITIES

7 FACILITIES IN THE
REST OF THE WORLD

9 FACILITIES IN
AUSTRALIA

From Our Annual Customer Survey, Regal is Recognized for:

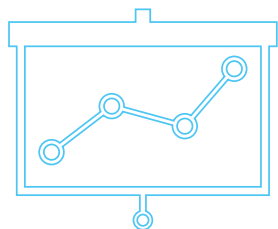
*High Quality Products, Strong Brands, Great Customer Service,
Knowledgeable Field Sales Support, and Accurate and Quick Responses*

REGAL BY THE NUMBERS

Regal Beloit Corporation (NYSE: RBC), based in Beloit, Wisconsin (U.S.A.), is a leading manufacturer of electric motors, electrical motion controls, power generation and power transmission products serving markets throughout the world.

REGAL IS COMPRISED OF FOUR OPERATING SEGMENTS:

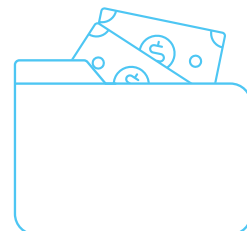
Commercial Systems, Industrial Systems, Climate Solutions, and Power Transmission Solutions



NET SALES
\$3.2 Billion



**NET DEBT TO
CAPITALIZATION**
1.7x



**MARKET
CAPITALIZATION**
\$4.1 Billion



FREE CASH FLOW
\$316.1 Million



R&D EXPENSE*
\$64.6 Million



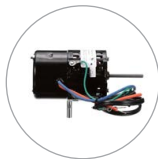
NUMBER OF ASSOCIATES
19,560

Financial data presented in this report are from fiscal year 2019 (U.S.A. GAAP).
Market Capitalization was calculated as of September 1, 2020.

*Reflects R&D and engineering expense.

Climate SOLUTIONS

The Climate Solutions segment produces small motors, electronic variable speed controls, and air moving solutions serving markets including residential and light commercial HVAC, water heaters, and commercial refrigeration.



Fractional
HP Motors



Small Fans
and Blowers

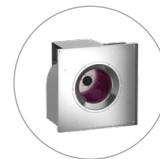


Commercial SYSTEMS

The Commercial Systems segment produces fractional to approximately 5 horsepower AC and DC motors, electronic variable speed controls, fans, and blowers for commercial applications. These products serve markets including commercial building ventilation and HVAC, pool and spa, irrigation, dewatering, agriculture, and general commercial equipment.



Fractional to
5 HP Motors



Fans and Blowers



Hermetic Motors
5 to 3,000 HP



Power Transmission SOLUTIONS

The Power Transmission Solutions segment produces, sells, and services belt and chain drives, helical and worm gearing, mounted and unmounted bearings, couplings, modular plastic belts, conveying chains and components, hydraulic pump drives, large open gearing and specialty mechanical products serving markets including beverage, bulk handling, metals, special machinery, energy, aerospace, and general industrial.



Mounted and
Unmounted Bearings



Drives, Gearboxes
and Gearing Sets



High Performance
Couplings



Conveying Products
and Components

Browning®

McGILL®

GROVE GEAR®

SEALMASTER®

JAURE

**SYSTEM
PLAST®**

KOP-FLEX®

Industrial SYSTEMS

The Industrial Systems segment produces integral motors, generators, alternators, and switchgear for industrial applications, along with aftermarket parts and kits to support such products. These products serve markets including agriculture, marine, mining, oil and gas, food and beverage, data centers, healthcare, prime and standby power, and general industrial equipment.



Motors from
3 to 12,000 HP



Alternators from
5 to 4,000 Kilowatts



Automatic Transfer
Switches & Paralleling
Switchgear

cemp®
Flameproof
Motors

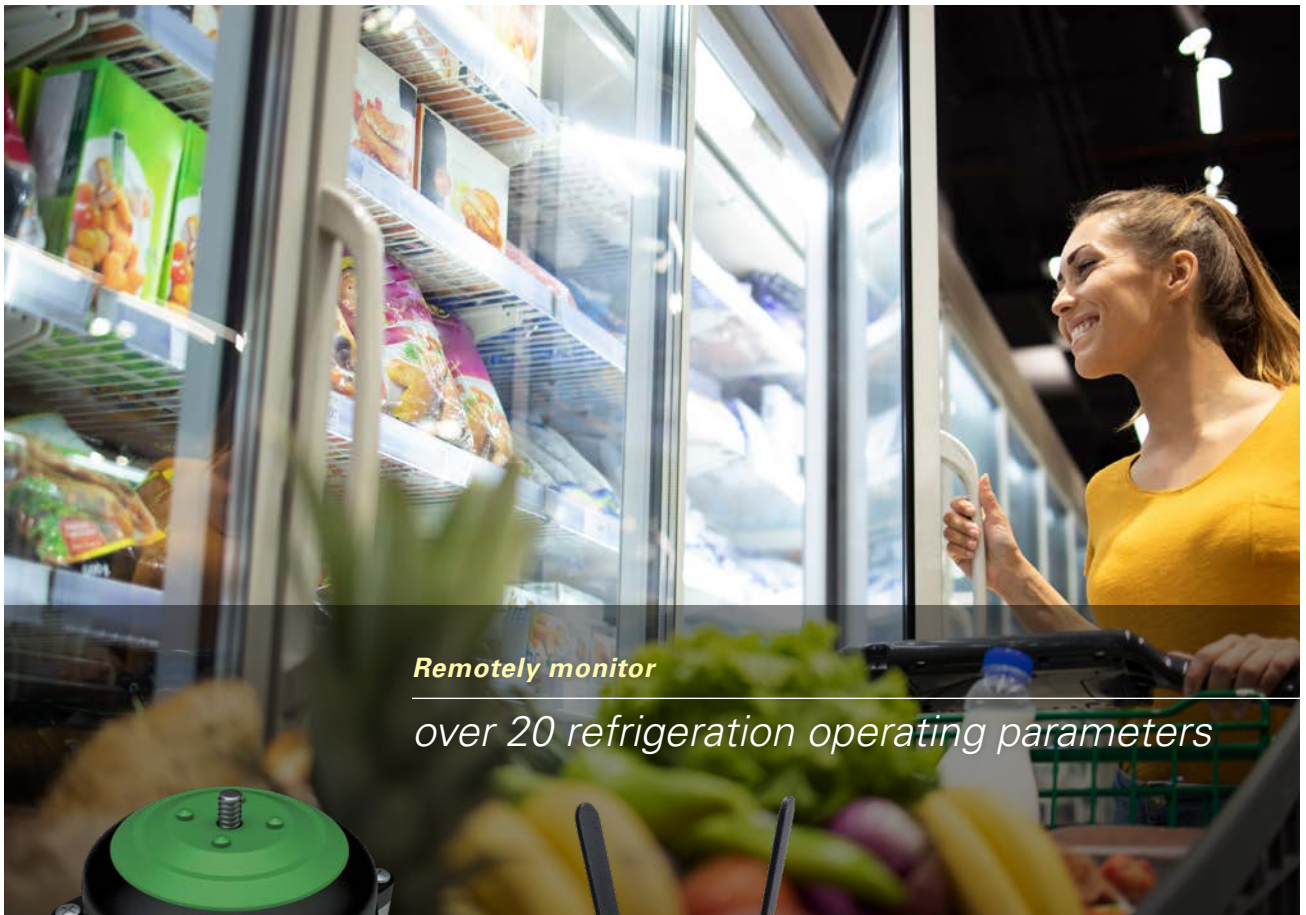
marathon®

rotor nl®

THOMSON™
POWER SYSTEMS

GENTEQ® Scandia™ System

Regal's Scandia system is helping the grocery industry reduce food spoilage and save energy. By connecting our designed-for-cold, Genteq EC IoT-enabled "smart" motors to the cloud, store owners can remotely monitor over 20 operating parameters in their refrigeration systems, receive alerts when performance deteriorates, and correct malfunctions quickly—or even eliminate down time altogether—avoiding wasteful food spoilage. An upgrade to Genteq EC motors can also achieve up to 60% greater energy savings versus standard efficiency motors. Integrating our EC motors with prognostics, in an industry-tailored solution, makes Regal's Scandia system unique, and is helping bring some "green" to grocers' refrigerated food aisles.



Remotely monitor

over 20 refrigeration operating parameters



GENTEQ® High Efficiency Blower (HEB)

Regal's HEB—DEC Star® blower allows our Commercial and Residential HVAC OEM customers to realize stronger, and more uniform air flow, while reducing energy usage by 10–35%—reflected in higher “SEER” energy efficiency ratings. The product is also lighter than comparable offerings from competitors, making it more environmentally friendly to ship. The system accomplishes all this with a unique, patented housing shape, and by working in combination with Regal's patented, high-efficiency, extended-blade impellers. These attributes also mean the HEB—DEC Star blower can play an important role as end users look to raise the bar on indoor air quality—where stronger air flow and lowering energy consumption are key considerations.



NICOTRA GEBHARDT® MultiEvo Fan

Regal's RQM MultiEvo plug fan is the highest efficiency air moving solution on the market today, providing up to 15% greater efficiency than competing plug fans in commercial air handling and air conditioning applications. The patented MultiEvo technology combines a high-efficiency electric motor and variable frequency drive with a unique, "multiple discharge blower housing," allowing customers to reach desired performance levels with a smaller motor power rating or a smaller fan.



↑ *Gain up to 15%
more efficiency than competing plug fans*

MARATHON® SyMAX®-i Motor

Regal's SyMAX-i motor enables commercial HVAC and refrigeration customers to improve motor/drive system efficiency by up to 23% and exceed the upcoming DOE efficiency regulations. Energy savings are enhanced by Regal's unique design and form factor, which enable more efficient air flow versus competing products.

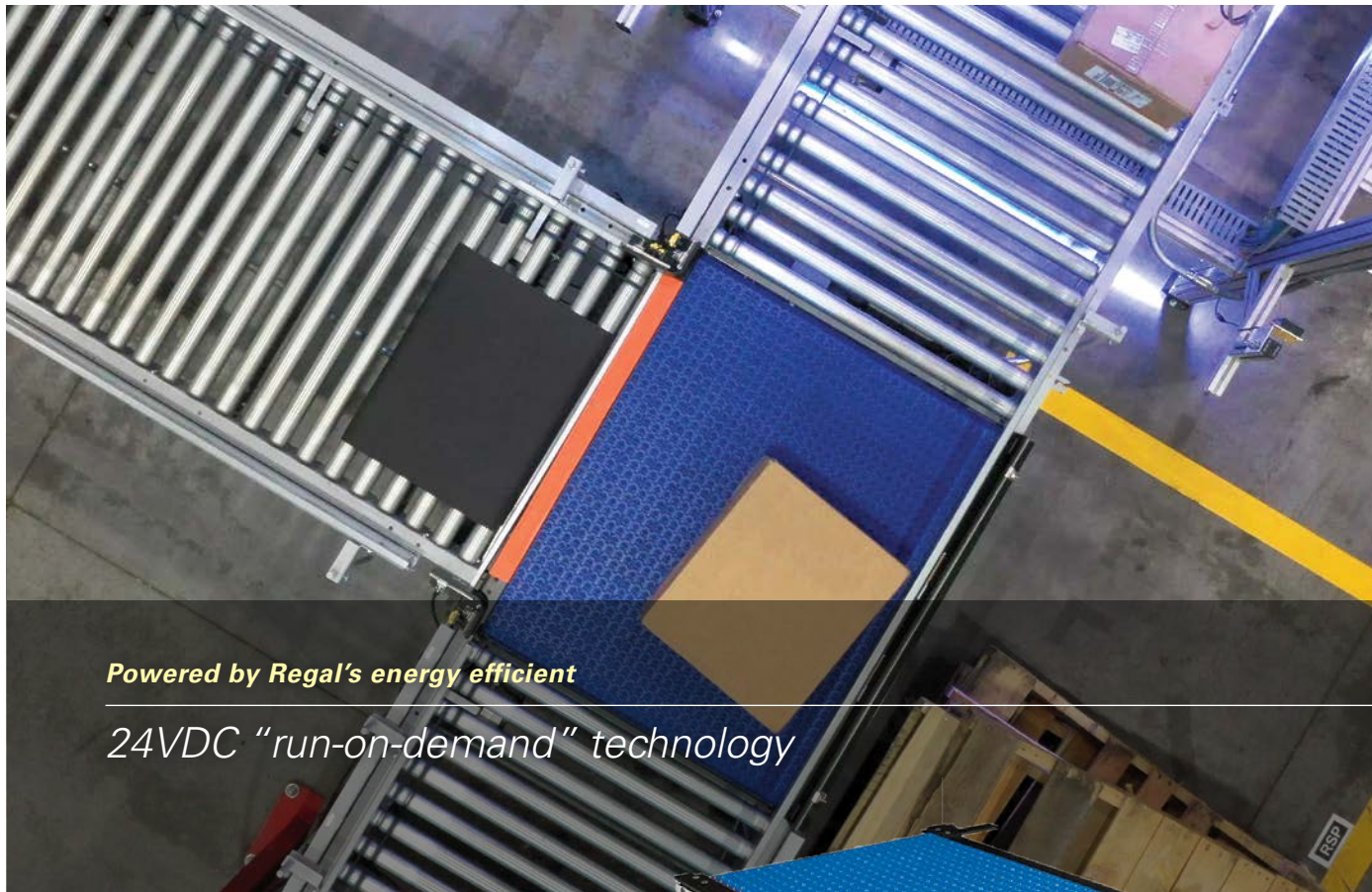


↑ Improve system efficiency by
up to 23% Exceed upcoming DOE regulations

marathon®

SYSTEM PLAST® ModSort® Module

Regal's patented System Plast ModSort module is a scalable transfer and divert station (conveyor system) that efficiently handles a wide variety of packages, including polybags. By providing unlimited motion control, powered by Regal's unique, energy-efficient, 24VDC "run on demand" technology, items ranging from large packages to small envelopes are moved through warehouses and sorting facilities with less damage, more quietly, more safely, and with less maintenance-related downtime versus competing alternatives. In the face of COVID-19, Regal's ModSort module is helping customers meet social distancing objectives quickly in crowded sorting applications, because it easily integrates with new or existing systems.



Powered by Regal's energy efficient

24VDC "run-on-demand" technology



**SYSTEM
PLAST®**

HUB CITY® HERA® Gear Drive

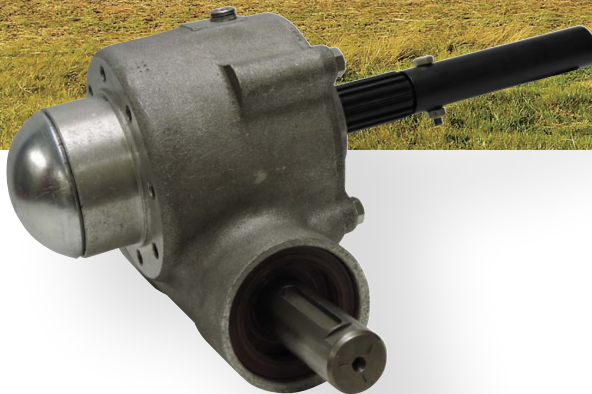
Regal's Hub City HERA gear drive is a critical mechanical component used to run food processing and other process industry manufacturing operations. The HERA gear drive is a power-dense, high-efficiency alternative to traditional industrial gear reducers that offers up to 40% energy savings, while also supporting 200% more rotational force than incumbent products. Regal's patented construction, which elegantly combines gearing and mounting provisions, makes the HERA gear drive an easy, drop-in replacement, so even legacy installations can easily realize its benefits of lower energy usage, improved service life, lower maintenance, and reduced stock room spare parts inventories.



GROVE GEAR® Gearbox for Solar Panel “Tracker”

Regal Gearboxes are mission critical components in utility-scale, single-axis tracking solar farms, which allow solar panels to follow the sun throughout the day—generating 15–25% more power than fixed-tilt installations. Regal’s gearing products currently support over 20GW of solar-generated electricity, saving over 30 megatons of CO₂ every year. And unlike alternative gearing solutions for the solar tracking market, Regal’s products are so durable they can provide maintenance-free service for the life of an average solar farm.

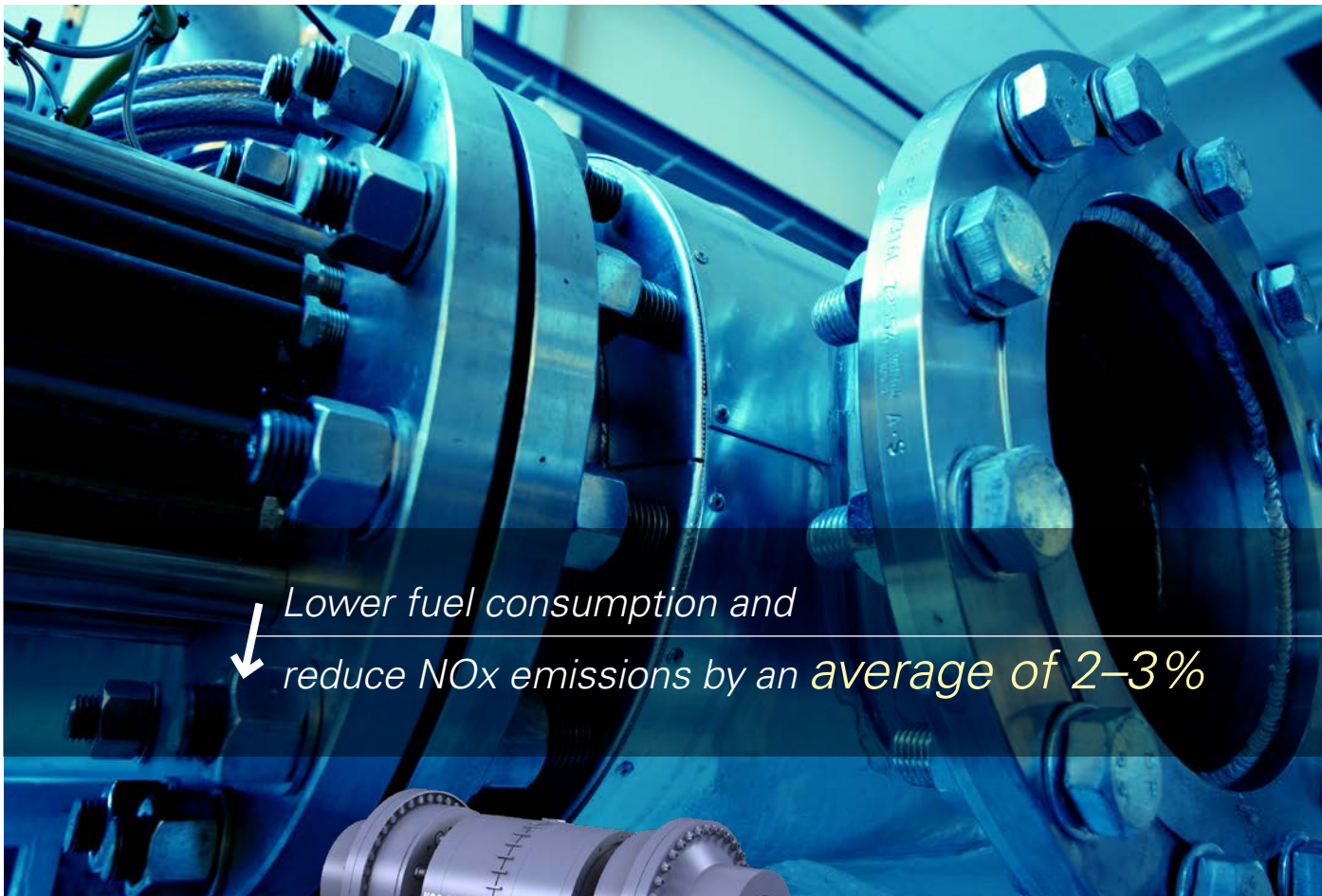
↑ *Tracking capability helps generate
15–25% more power than fixed-tilt solar installations*



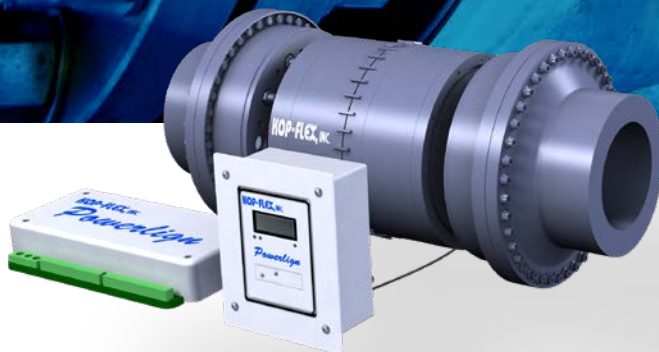
GROVE GEAR®

KOP-FLEX® Torque Monitoring System

Regal's patented Kop-Flex Powerlign® torque monitoring system allows operators of gas turbines—the engines at the heart of power plants—to detect performance problems, such as blade fouling and increased frictional drag. With industry-leading accuracy of $\pm 1\%$, the Powerlign® system can alert operators to even slight declines in performance that, once addressed, can lower fuel consumption and reduce NOx emissions—by an average of 2–3% for the average plant operator—while also driving tens of thousands of dollars in annual savings. As the most reliable, accurate, and integrated coupling and torque-meter available today, the Powerlign® torque monitoring system provides best-in-class performance enhancement, cost savings, and environmental gains.



Lower fuel consumption and
reduce NOx emissions by an *average of 2–3%*

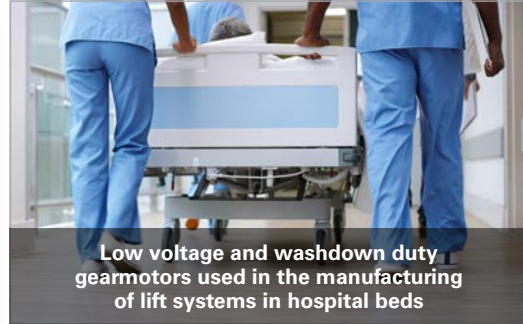


KOP-FLEX®

PRODUCTS THAT TOUCH EVERY PART OF LIFE. Regal provides essential products and solutions that keep our society functioning. Our products help keep systems running in mission-critical applications worldwide.



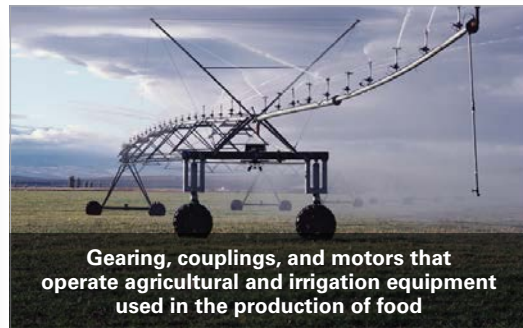
Refrigeration motors to ensure food safety at the grocery store and in the transportation of food



Low voltage and washdown duty gearmotors used in the manufacturing of lift systems in hospital beds



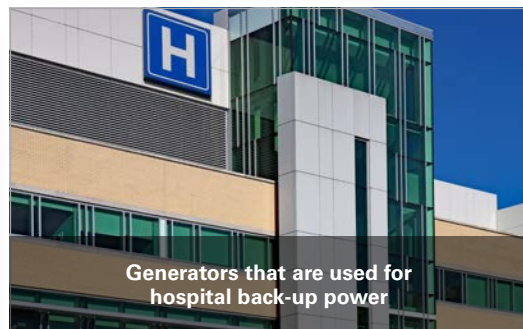
Motors and blowers to support heating, cooling, and improved air quality in homes, hospitals, and elder care facilities



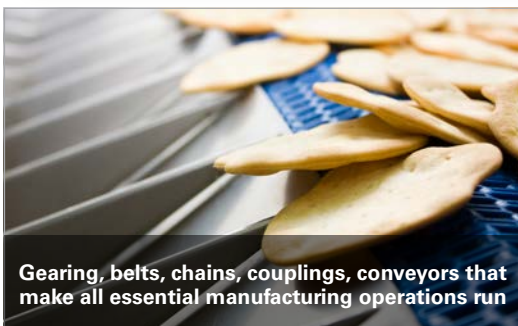
Gearing, couplings, and motors that operate agricultural and irrigation equipment used in the production of food



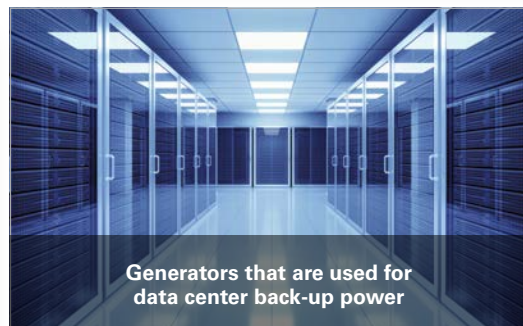
Motors that are on production lines used to process food



Generators that are used for hospital back-up power



Gearing, belts, chains, couplings, conveyors that make all essential manufacturing operations run



Generators that are used for data center back-up power

THE FOLLOWING STATEMENTS DESCRIBE OUR BUSINESS PURPOSE
AND REPRESENT OUR VALUES FOR ALL OF OUR STAKEHOLDERS.

OUR BUSINESS PURPOSE:

We create a better tomorrow by efficiently converting power into motion

What to expect from us

INTEGRITY

RESPONSIBILITY

Safety
Sustainability
Community

DIVERSITY & INCLUSION

Engaged Associates
Talent Development
One Team

CUSTOMER SUCCESS

INNOVATION WITH PURPOSE

CONTINUOUS IMPROVEMENT

PERFORMANCE

Transparency
Data Driven Decisions
Accountability

PASSION TO WIN

...ALL WITH A SENSE OF URGENCY

The Regal Business System is our enterprise-wide framework for continuous improvement. With the Regal Values as its foundation, the Regal Business System enables effective goal alignment, collaborative problem-solving, and sharing of best practices, tools, skills and expertise to achieve our objectives.

Through the relentless commitment to continuous improvement, we strive to elevate the safety, quality, delivery, cost and growth performance of the business to exceed the expectations of our customers, our associates and our shareholders.

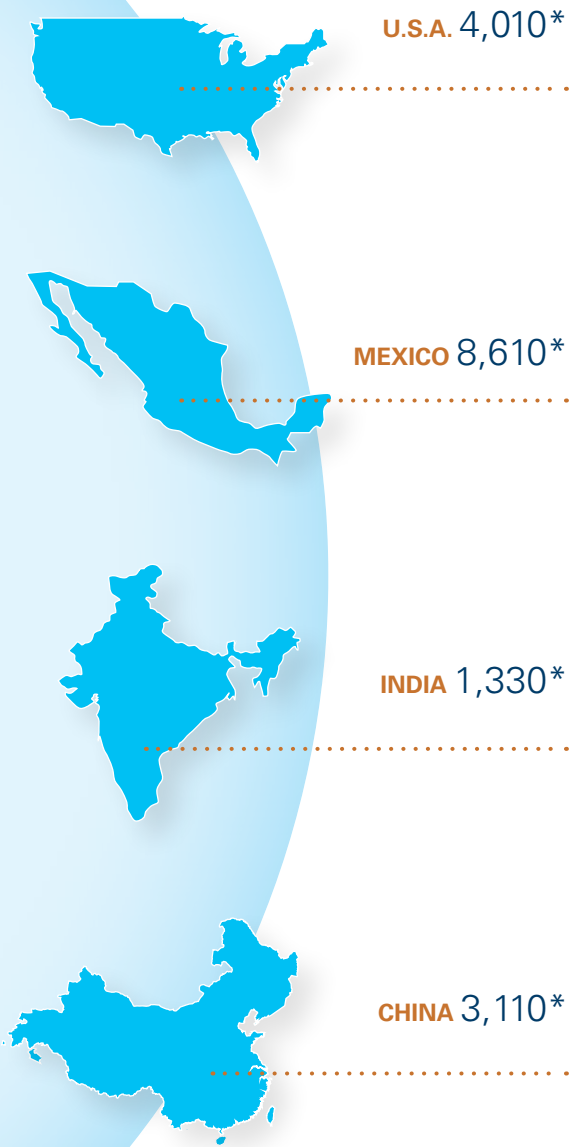


THE REGAL COMPLIANCE CITIZENSHIP REVIEW

(CCR) is our semi-annual evaluation of each Regal facility's environmental, health, safety, and sustainability performance. The CCR process scores each facility on performance and predictive indicators in areas such as compliance, safety, environmental impact, associate training, sustainability, and community service. The scores are tracked for cycle to cycle improvement,

and we recognize the highest performers, drawing and sharing best practices across the organization. For example, facilities with outstanding performance against the highest of safety standards are eligible for the annual Regal Safety Awareness for Employees (SAFE) award.

REGAL EMPLOYS APPROXIMATELY 19,560
TALENTED TEAM MEMBERS



2,500* ASSOCIATES IN
OTHER COUNTRIES

*Numbers are approximate

OUR ASSOCIATES

Regal's associates are our most valuable assets. Our objective is to create a high performing organization by attracting and retaining high quality, diverse talent and creating an environment in which all associates have the opportunity to reach their full potential.

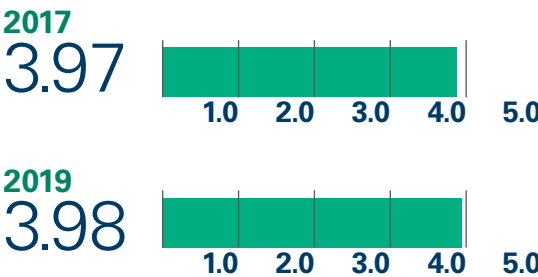
ASSOCIATE ENGAGEMENT

Associate engagement is a Regal Value that is influenced by creating a work environment in which all associates feel welcomed, have a voice and are able to contribute to Regal's success. Regal strives to achieve this by providing coaching and development to accelerate our associate's capabilities and performance. Regal feels that by measuring associate engagement, via a global survey, we are able to gain deeper insights as to how associates feel about being a part of the Regal team, their relationship with their manager, and their ability to have a voice and contribute in a meaningful way. This important feedback allows Regal to continuously evolve our work environment to meet the needs of our associates while achieving our business results.

ASSOCIATE ENGAGEMENT SURVEY
PARTICIPATION RATE**

2017	2019
91%	89%

EMPLOYEE ENGAGEMENT INDEX (EEI)**



**Regal did not conduct a full associate engagement survey in 2018. EEI is calculated using data received from the associate engagement survey.

ASSOCIATE PERFORMANCE

At the core of Regal's Performance Management process is a high performing organization that is positioned to achieve our business objectives. Creating a high performing organization requires associates and managers to exhibit transparency in their day-to-day interactions, and use data to drive decision making and accountability. Regal's Performance Management process enables associates and managers to gain alignment by cascading our strategy, setting annual goals, and engaging in ongoing monitoring and coaching throughout the year, concluding with an annual performance assessment that provides a direct link to the associate's pay and performance.



This is our performance management cycle or
"leader standard of work" for managing talent at Regal.

Beyond our commitment to workplace safety, Regal is **COMMITTED TO IMPROVING THE HEALTH AND WELL-BEING OF OUR ASSOCIATES.**

Regal's U.S.A. wellness program was established in 2008 and is continuously evolving to better educate, motivate and reward our associates for maintaining and achieving healthy measures. We are actively working to expand this program into other countries, starting with Mexico.

Today more than 66% of our U.S.A. associates participate in wellness activities, education and preventive exams that reward them with wellness points that equate to a discount in their annual medical premiums. Of these associates, 35% participate in the on-site biometric screening that provides them with key health metrics such as BMI, blood pressure, and triglyceride, cholesterol and blood glucose levels. These data empower each associate to develop a plan that addresses their personal health needs.

To support the evolving medical needs of our U.S.A. associates and their families, Regal provides on-demand virtual access around the clock to a national network of U.S.A. board-certified doctors who are available to assist and resolve many medical issues, avoiding the need to physically visit a doctor's office or medical center.



66%
OF U.S.A.
ASSOCIATES
PARTICIPATE IN
**WELLNESS
ACTIVITIES**

35%
PARTICIPATE
IN ON-SITE
**BIOMETRIC
SCREENING**

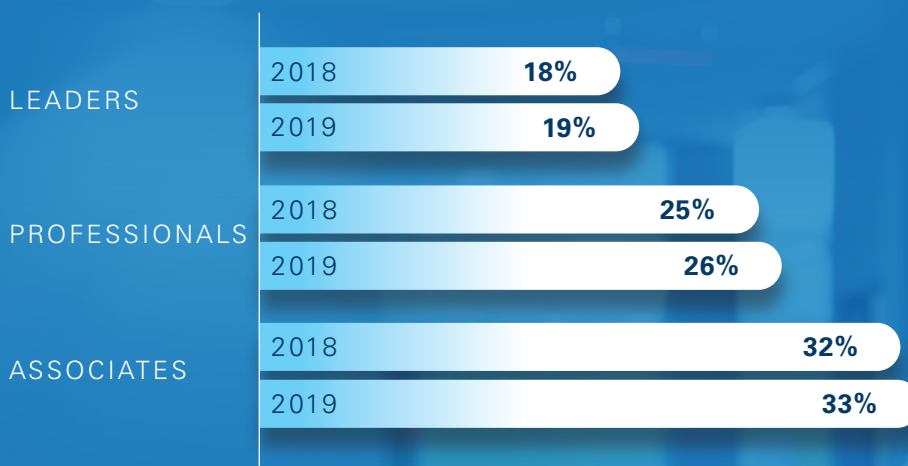
Regal provides 24/7 virtual access to a network of U.S.A. board-certified doctors

DIVERSITY & INCLUSION

Rooted in our Regal Values is Diversity & Inclusion. We believe that we are at our best when we bring to bear the unique perspectives, experiences, backgrounds and ideas of our associates. We seek a workforce that reflects the communities in which we operate. We strive to create diverse, equal and inclusive workplaces where all Regal associates have the opportunity to achieve their full potential.

We are committed to increasing the diversity of our workforce. Within the U.S.A., we measure diversity by gender and ethnicity. Outside of the U.S.A., we measure diversity by gender.

WOMEN DIVERSITY



U.S.A. DIVERSITY



AT REGAL, WE EMBRACE ALL FORMS OF DIVERSITY.

Our goal is to create an inclusive work environment that enables our associates to contribute their best work. We strive to create a work environment that allows all associates to feel valued for their unique backgrounds, perspectives and experiences, while also having a strong sense of belonging as a key member of our team.

CELEBRATING INTERNATIONAL WOMEN'S DAY

On March 8, the world celebrates International Women's Day and so does Regal.

On this day, we celebrate the social, economic, cultural and political achievements & advancements of women. The day reminds us of the continued call to action for accelerating women's equality and achieving gender equity. Approximately 33% of our associates are women.



OUR WOMEN'S INITIATIVE NETWORK (WIN)

provides skills and leadership development sessions to assist our female associates with preparing for future internal career opportunities.



COMMEMORATING JUNETEENTH IN THE U.S.A.

As Regal continues our Diversity & Inclusion journey, we are fundamentally committed to creating an inclusive culture at Regal. We believe part of that process involves better understanding our history, and leaning into experiences and stories that can make us more aware of our biases and prejudices. For example, this year Regal celebrated Juneteenth with a message from our VP of People, Culture and Performance to the global workforce regarding the importance of observing the oldest known celebration of the end of slavery in the United States. Associates were reminded of Regal's Value of embracing Diversity & Inclusion and enabling an environment in which all are welcomed, valued and able to perform to the best of their abilities. This day provided an opportunity for associates of all races, ethnicities and nationalities to seek a better understanding of the impact of racial discrimination—including how their behavior may be shaped by what are often unconscious biases.

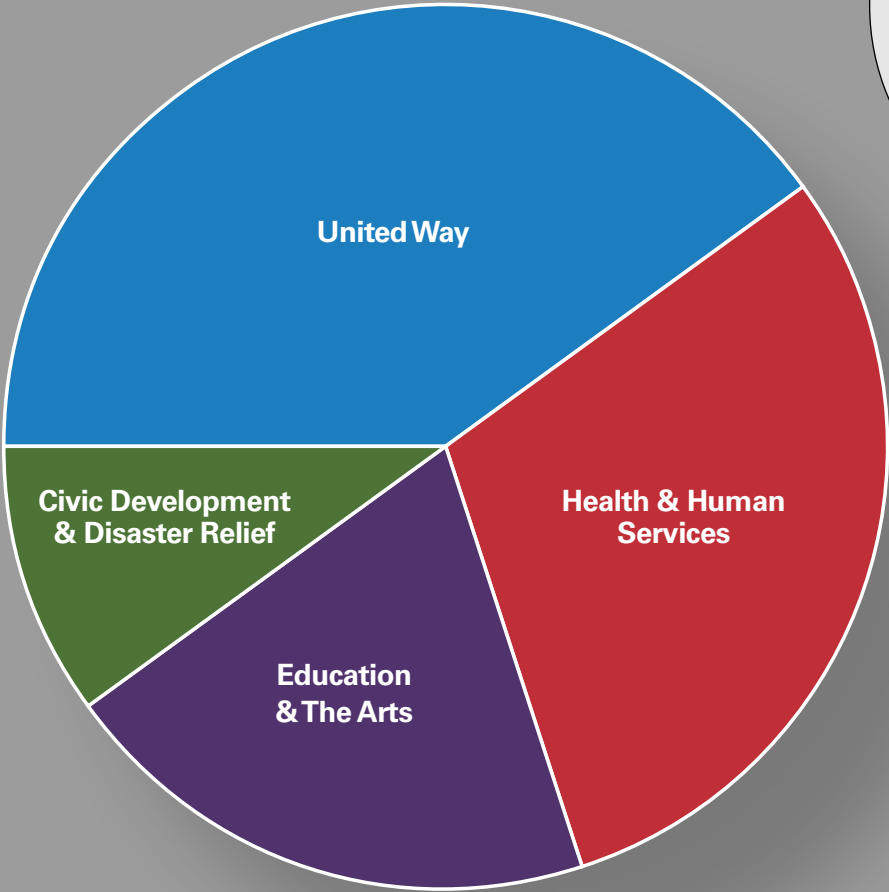


WE ALL SHARE THIS WORLD TOGETHER. Regal is committed to deeper learning, being respectful, and appreciating our differences; differences that can allow us to build a stronger Regal—for all of our stakeholders.

REGAL HAS AN ESTABLISHED REGAL CHARITABLE FOUNDATION

which is governed by a Charity Advisory Board comprised of Regal associates. The mission of the Regal Charitable Foundation is to create a better tomorrow in the communities where our associates live and work. Monetary and time contributions are focused on four main categories including: Health and Human Services, Civic Development and Disaster Relief, Education and the Arts, and United Way. Our associates are able to make a request to the Regal Charity Advisory Board for support. Each request is considered based on our mission and categories of support. In the last two years, Regal has donated to over 200 charitable organizations where associates live and work.

SPENDING BY SUPPORT AREAS



REGAL
DONATED OVER
\$683,300
TO VARIOUS CHARITIES
that support the communities
where we live and work.
The Regal Foundation
is always at work.

Regal's Charitable Foundation does not support political organizations, religious organizations or organizations that discriminate based on a person's race, color, religion, national or ethnic origin, sex, sexual orientation, gender identity or expression, age, disability, veteran status or other characteristic(s) protected by law.

JUAREZ, MEXICO GIVES HOLIDAY CHEER TO CHILDREN AT SHELTER

Associates from one of Regal's Juarez facilities were proud to give holiday cheer to the children at the "El refugio" children's shelter. Clothes and toys were distributed to the children and Regal associates were able to share a meal and play games with them to brighten their day.



HYDERABAD, INDIA HELPS CHILDREN AT CSS

SPARSH, a voluntary group of Regal Hyderabad associates working towards Corporate Social Responsibility, organized a charitable activity at the Center for Social Service (CSS).

SPARSH has been committed to sponsoring education and improving the lives of the primary school age children at CSS. Twelve volunteers from the Hyderabad facility visited the organization and conducted team building activities, a quiz competition, and games for children at the center.

All of the Regal volunteers and the girls of CSS had an amazing time and everybody enjoyed the activities.





MANILA, PHILIPPINES HELPS THOSE AFFECTED BY VOLCANO ERUPTION

A day after the eruption of Taal Volcano in January 2020, Regal Manila initiated a call for donations for the families affected in the province of Batangas, Philippines. Our Regal Manila associates responded to the call by donating canned goods, instant noodles, coffee, toiletries and clothes for the affected families in need.

The Philippine National Red Cross helped deliver donations to the affected families.



BLACK RIVER FALLS, U.S.A. RAISES FUNDS FOR ST. JUDE CHILDREN'S RESEARCH HOSPITAL

The Sunshine Club of Regal Black River Falls (BRF)—an associate-driven committee committed to helping co-workers and community members in need—hosted a fundraiser to support St. Jude Children's Research Hospital. For the past several years, the Club has proudly raised funds for this cause, and each year, aims to raise just a little more. With a goal of \$1,000 this year, Regal BRF associates showed their giving spirit to surpass that goal, and total donations came in at \$1,095.

AS A GLOBAL EMPLOYER OF APPROXIMATELY 19,560

ASSOCIATES, we are committed to providing market competitive compensation and benefits, maintaining and ensuring a work environment that reflects our Regal Values and culture everywhere we operate.

While specific compensation and benefits vary worldwide and are based on regional practices, we offer market competitive compensation and benefits in order to attract and retain high quality talent. In the U.S.A., where we employ approximately 4,010 associates, we focus on providing a comprehensive, competitive benefits package that supports our associate's health, wellness, educational endeavors and financial stability.

Wherever we operate, employment is not forced or compulsory. Child labor is absolutely not tolerated. We believe associates have the freedom of choice when it comes to where they work, and we strive to make our facilities among the best places to work in the world.

WE
STRIVE TO MAKE
OUR FACILITIES
**AMONG THE BEST
PLACES TO
WORK**

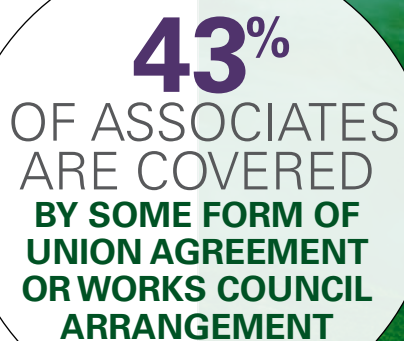


COLLECTIVE BARGAINING AGREEMENTS

Approximately 43% of Regal's associate population is covered by some form of union agreement or works council arrangement. Regal acknowledges the associates' right to collectively bargain. However, regardless of this relationship, Regal provides safe working conditions for all associates and provides local market competitive wage and benefit programs to its associates.

MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES

Regal will always comply with all governmental regulations and notification requirements for notifying an associate of operational changes. However, in living the Regal Values (see page 16), Regal will strive to be transparent and exceed those notice periods when there are significant operational changes which will impact our associates. Regal will provide as much detail as soon as possible depending on the unique circumstances of each operational situation. If a union contract or other form of labor agreement applies, Regal will provide as much advance notice as the contract or agreement requires.



43%
OF ASSOCIATES
ARE COVERED
BY SOME FORM OF
UNION AGREEMENT
OR WORKS COUNCIL
ARRANGEMENT



OUR GOAL IS ZERO ACCIDENTS

The welfare of our associates and their families starts with our commitment to personal safety. Our expectation is that everyone—including associates, visitors, customers, and contractors—must demonstrate a commitment to safety.

Our success on safety comes directly from engaged associates who help identify and reduce safety risks. We continually encourage all associates to actively participate in our safety programs. Our initiatives will work to eliminate risk of injury and improve the work environment.

Yueyang, China Celebrates World Day for Safety and Health at Work



SAFETY RECOGNITION

Regal's Monticello, U.S.A. facility has been certified in the Indiana Safety and Health Achievement Recognition Program (INSHARP). INSHARP recognizes employers that are working toward exemplary health and safety management systems.

Our Kolkata and Faridabad, India teams were presented National Safety Awards by the Ministry of Labour & Employment Department. This prestigious award recognizes good safety performance on the part of industrial establishments, and also helps keep management and associates engaged in accident prevention and safety programs.

REGAL MEASURES SAFETY WORLDWIDE USING DART AND TRR*

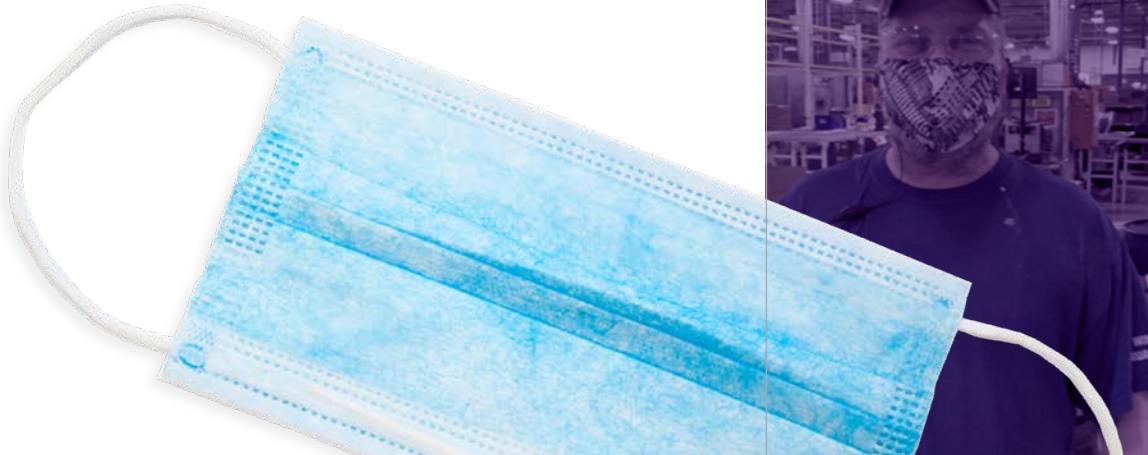
Regal performs in the top quartile of U.S.A. manufacturing companies for safety. We will not be satisfied until we achieve zero accidents every year.

	2017	2018	2019
TRR	0.92	0.86	0.73
DART	0.52	0.52	0.47
	Zero Fatalities	Zero Fatalities	Zero Fatalities

*DART—Days Away Restricted or Transferred Rate
TRR—Total Recordable Rate

IN THE FACE OF THE COVID-19 PANDEMIC, OUR FIRST PRIORITY IS THE HEALTH AND SAFETY OF OUR ASSOCIATES. Regal implemented a host of measures to help our associates stay safe—measures that have been enhanced and refined as impacts from the virus grew, and as our knowledge about how to enhance their effectiveness improved. Today, Regal believes that many of its COVID-19-related safety practices are best in class and in some cases have been recognized by local and regional governments as such. Our teams quickly implemented preventive measures to ensure the safety of our associates during the pandemic as our number one priority.

Regal performs in the **TOP QUARTILE** of U.S.A. manufacturing companies for safety



WE'RE USING LESS—AND USING IT SMARTER.

As responsible citizens, we are committed to being leaders in protecting the environment. Through our stewardship we create value for all stakeholders and preserve opportunities for generations to follow. Within our Compliance Citizenship Review, we continually monitor environmental law, establish Regal's environmental policies, and ultimately determine if the products we make and the materials we use meet our environmental policies. The CCR leadership team establishes our annual environmental objectives and tracks performance to determine if our measurable targets are being met.

ASSOCIATE-LED TEAMS at our facilities have specific goals to reduce energy consumption, greenhouse gas emissions, water usage, and waste. Progress is reviewed at each site at least two times per year. At one site, leadership upgraded HVAC systems and installed LED lighting, integrated lighting movement sensors, and a variable speed compressor, which will reduce its annual electrical energy consumption by approximately 821,000 Kilowatt hours.

2025 Reduction Target

23% square feet of building space



► **Associate-led teams** have specific goals to reduce energy consumption, greenhouse gas emissions, water usage, and waste.

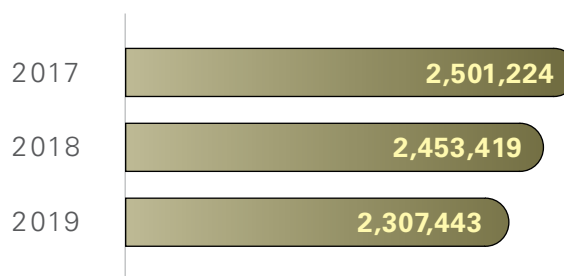
PROGRESS IS REVIEWED AT EACH SITE AT LEAST TWO TIMES PER YEAR.

ENERGY CONSUMPTION WITHIN ORGANIZATION (GIGAJOULES)









	2017	2018	2019
TOTAL FUEL CONSUMPTION NON-RENEWABLE SOURCES	1,324,083	1,288,182	1,289,825
TOTAL FUEL CONSUMPTION RENEWABLE SOURCES	1,982	3,675	9,761
TOTAL ELECTRICITY CONSUMPTION INCLUDING HEATING AND COOLING	1,175,159	1,161,562	1,007,857
TOTAL ENERGY CONSUMED (SEE CHART BELOW)	2,501,224	2,453,419	2,307,443
TOTAL ENERGY SOLD	0	0	0
PERCENTAGE GRID ELECTRICITY	47%	47%	44%
PERCENT RENEWABLE	0.08%	0.15%	0.42%
SOLAR ELECTRICITY GENERATED BY REGAL	0.00%	0.00%	0.04%
NATURAL GAS CONSUMED	1,244,857	1,209,853	1,228,975
PROPANE CONSUMED	23,446	21,181	22,399

TOTAL ENERGY CONSUMED (GIGAJOULES)

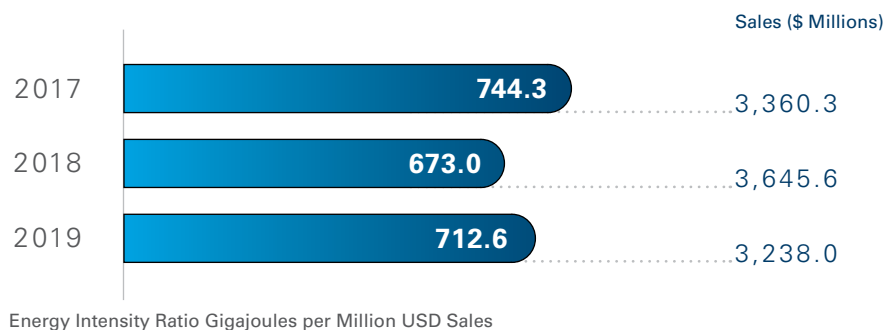
Since 2017 Regal has reduced energy consumption by **7%**



ENERGY CONSUMED (GIGAJOULES)

		2017	2018	2019
	AUSTRALIA	9,094	7,555	6,652
	CANADA	18,669	21,466	19,792
	CHINA	190,167	202,884	186,805
	EU	85,922	85,510	70,169
	INDIA	57,281	87,714	82,617
	MEXICO	1,024,823	919,334	929,665
	U.S.A.	1,076,803	1,090,440	971,482
	REST OF WORLD	38,466	38,518	40,261
TOTAL ENERGY CONSUMED		2,501,224	2,453,419	2,307,443

ENERGY INTENSITY (GIGAJOULES PER \$M SALES)



2025 Reduction Target

 10% gigajoules of energy consumed per \$M sales

CO₂ EMISSIONS (METRIC TONS)

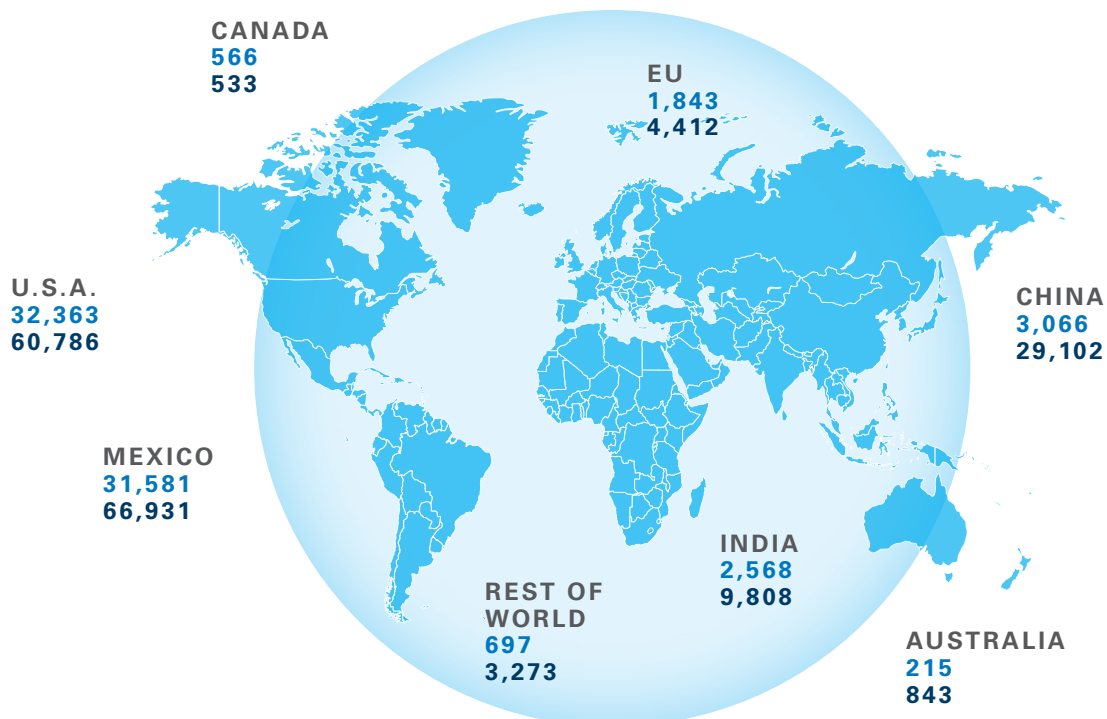
	2017	2018	2019
CO ₂ SCOPE 1	75,041	73,033	72,900
CO ₂ SCOPE 1: PER MILLION \$ SALES	22.3	20.0	22.5
CO ₂ SCOPE 2	204,754	202,298	175,690
CO ₂ SCOPE 2: PER MILLION \$ SALES	60.9	55.5	54.3
TOTAL CO₂	279,795	275,331	248,590
TOTAL CO₂ PER MILLION \$ SALES	83.3	75.5	76.8

2025 Reduction Target

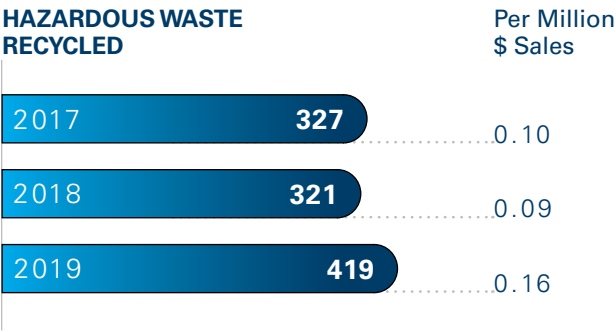
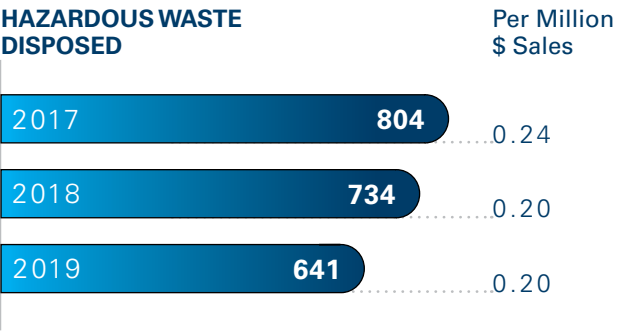
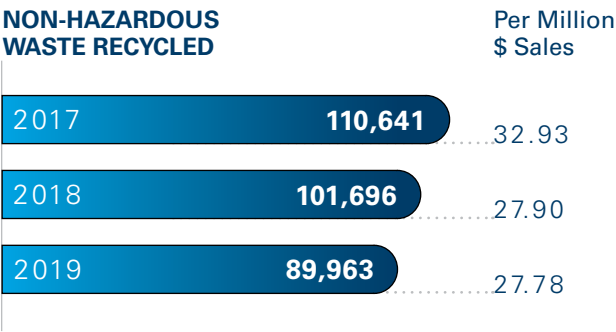
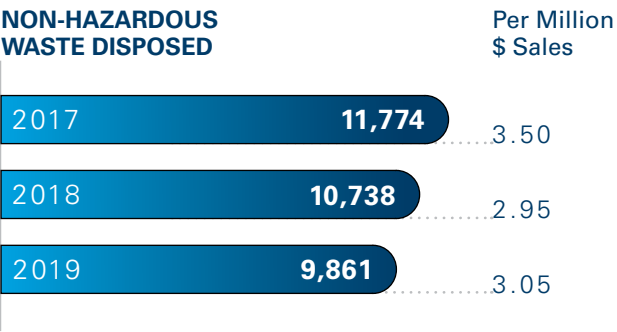
10% metric tons CO₂ equivalent per \$M sales

- **SCOPE 1: CO₂ EMISSIONS (METRIC TONS)**
- **SCOPE 2: CO₂ EMISSIONS (METRIC TONS)**

Regal has submitted our climate emission data to the CDP (formerly the Carbon Disclosure Project) annually since 2015.



NON-HAZARDOUS / HAZARDOUS WASTE (METRIC TONS PER \$M SALES)



2025 Reduction Target
10% metric tons non-hazardous waste per \$M sales



WATER CONSUMPTION (MEGALITERS)

Since 2015 Regal has reduced water consumption by 20%



PROTECTING OUR IT INFRASTRUCTURE AND DATA

IS A TOP PRIORITY. The best strategy against a cyber-attack

is the education and training of our associates. Regal utilizes

the latest security tools, techniques, and system monitoring to

assure the protection and confidentiality of our systems and

data. Maintaining the privacy of our associate, customer, and

supplier data is of utmost importance.



REPRESENTATIVE INFORMATION TECHNOLOGIES DEPLOYED

**IDENTITY AND ACCESS
MANAGEMENT**

**NETWORK
SEGMENTATION**

**DATA PRIVACY
COMMITMENT**

ENCRYPTION

**EVENT-LOG
MONITORING**

**EDUCATION
AND AWARENESS**

**MULTI-FACTOR
AUTHENTICATION**

**CONTINUOUS
AUDIT**

**INFORMATION
PROTECTION**

Every year, associates are required to acknowledge Regal's Electronic Resource and Communications Policy. Our security awareness program tests and trains associates on an ongoing basis.

A GLOBAL SUPPLY CHAIN **BUILT WITH PARTNERS COMMITTED TO SUSTAINABILITY**

Regal's promise to provide high quality, energy-efficient products increases our environmental handprint—what we give back. We're also stepping more lightly to minimize our footprint: reducing emissions, decreasing energy and water consumption, and minimizing waste production. In short, we're consuming less and leaving less behind. It's how we operate our facilities, and we expect the same from our suppliers.

A RESPONSIBLE SUPPLY BASE

Building and maintaining a robust, responsible supply base is critical to our overall sustainability efforts. Regal continually evaluates our global suppliers in order to assure compliance with REACH, RoHS, Conflict Minerals reporting, and other state and national regulations. Suppliers must meet or exceed the expectations as detailed in our Global Supplier Requirements and Expectations Manual, as well as participate in an annual compliance verification campaign.

RECYCLED AND RECLAIMED MATERIALS MAKE GOOD ENVIRONMENTAL AND BUSINESS SENSE

Recycled material accounts for 31 % of our steel consumption, an increase of 14% over last year and 51 % over the past three years. The impact of these changes contributed to 176,000 tons less CO₂ being produced for the steel that Regal has consumed since 2017.

Recycled aluminum accounts for over 78% of our usage and is 92% more energy efficient to produce than primary aluminum.

The increased use of machined castings enables suppliers to remelt and reutilize aluminum and other metals at the point of manufacture, lowering transportation costs and reducing the amount of energy required for production and transportation.

We continue to pursue freight consolidation programs, which have decreased shipments by increasing trailer utilization, further reducing the amount of fuel used and CO₂ produced in moving our product to our customers.



31%
**OF STEEL
CONSUMPTION
IS RECYCLED**

REGAL TEAM MEMBERS STRIVE TO CONDUCT BUSINESS

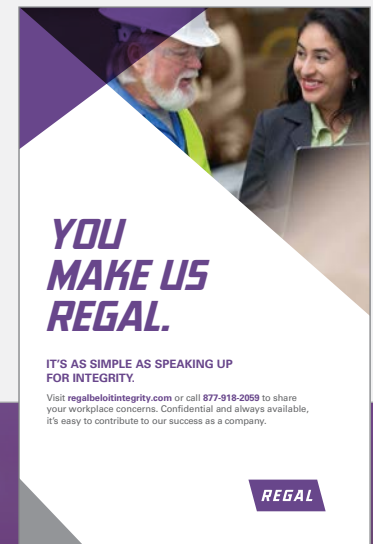
ETHICALLY, HONESTLY, AND IN FULL COMPLIANCE with all laws and regulations in every business decision, in every group, and in every location worldwide. Regal's Code of Business Conduct and Ethics makes clear our core operating principles, sets standards and behaviors, and explains how our values should guide our decisions.

Each new associate receives Code of Conduct training during the onboarding process. Annually, all associates are required to certify that they comply with Regal's Code of Conduct and its related policies, including Conflicts of Interest and Respect and Dignity. To enhance their understanding of the Code of Conduct, all associates participate in mandatory training on numerous ethics and compliance subjects. In 2019, this comprehensive training included specific modules on keeping accurate books and records, bribery and other improper payments, fair purchasing practices, speaking up and reporting concerns, and diversity, inclusion and discrimination, and, in select instances, content regarding improper gifts and entertainment, import customs procedures, sexual harassment, cyber security, and health/safety/environment. In addition, such formal training content was (and continues to be) supplemented by our CEO through his consistent emphasis and communication about the expectation of each associate to live by our values on a daily basis.

DURING 2019, Regal's internal auditors performed numerous and varied risk assessment activities including management inquiries, detailed testing, and risk control walkthroughs, among others. We reviewed 65 company locations' accounting related to approximately 85% of Regal's 2019 revenue. These reviews included testing of key processes and controls that could be considered significant risks related to corruption. Our assessments did not uncover any instances of corruption as defined by the GRI standards.

In addition, in 2019, there were no legal actions commenced nor pending against Regal related to anti-competitive behavior or anti-trust.

Annually,
all associates are
required to certify
that they comply
with Regal's Code of
Conduct and its related
policies, including
Conflicts of Interest and
Respect and Dignity.



Regal's Code of Conduct manual and Integrity Line posters are distributed in 17 languages.

AT REGAL, INTEGRITY MATTERS.

Our Code of Conduct emphasizes that integrity matters in all our endeavors. We encourage anyone with a concern about our business ethics to raise it without fear of retaliation. Numerous contacts and communication channels are available, from business leaders to the Board of Directors, to the Audit Committee, as well as anonymous reporting through our Integrity Line.

DEVELOPING LEADERS IS KEY TO OUR SUCCESS.

People with ambition, commitment, creativity, and energy flourish at Regal. Future leaders of Regal may launch their careers as part of the Regal Development Program or elevate their skills in our Executive Leadership Program. Integrity is at the heart of these and all Regal development efforts.

COMMITTED TO A DIVERSE, EQUAL AND INCLUSIVE WORKFORCE.

Regal is an Equal Opportunity and Affirmative Action Employer. Qualified applicants will receive consideration for employment without regard to race, color, religion, sexual orientation, gender identity, age, ancestry, national origin, marital status, citizenship status (unless required by the applicable law or government contract), disability, protected veteran status, or any other status or characteristic protected by law.

GLOBAL ANTI-CORRUPTION AND THIRD-PARTY ENGAGEMENT POLICIES.

Our commitment to integrity means we avoid corruption in any form. As detailed in our Global Anti-Corruption and Third-Party Engagement Policies (distributed online in multiple languages), we prohibit all forms of bribery and expect the same of our business partners. Regular audits and assessments are conducted based on management priorities, relying upon a variety of sources including associate engagement survey responses, conflict of interest certifications, related party reporting, and our Integrity Line.





AT REGAL, we rely on our values and initiatives to develop a comprehensive approach to all aspects of business operations and guide us to build a fiscally responsible, ethical and transparent organization. Our daily actions and assertions are founded on the culture created by these values and foster responsible growth by maintaining transparency, honesty, and integrity.

Regal’s approach to global taxation is founded on these same values and we strive to make our economic contribution fairly, accurately, and efficiently. During the fiscal year 2019, Regal contributed over \$100 million in various taxes paid to national and local governments including corporate income and franchise taxes, withholding taxes, employment taxes, sales taxes, excise taxes, and property taxes.

REGAL FOCUSES ON THREE PRIMARY PRINCIPLES IN OUR APPROACH TO GLOBAL TAXATION.

1. Tax planning driven by business strategy and activity

Regal is an international company serving customers in markets throughout the world. Our global footprint is driven by market demand and opportunity for profitable growth. Taxes are paid consistently based on activities of the business.

Intercompany transactions

Intercompany transactions are conducted based on guidance and legal requirements of the countries in which we transact business. Transactions between different business units are structured to reflect the terms and pricing that would be acceptable as if the transaction was occurring between independent parties. This includes setting prices at an “arm’s length” amount, establishing appropriate license fees for use of intellectual property, charging management fees for services rendered, and fairly compensating associates for services performed across legal entities. All intercompany transactions are formed on the premise of the functions, assets, and risks of the parties involved and documented according to regulations.

Investments and initiatives

Regal’s growth and development strategy demands a returns-based approach for maximizing shareholder value. Capital investment, product development, new market penetration, and M&A activity is determined based on this strategy. Tax incentive offerings and opportunities are utilized when available and in line with company strategy but do not primarily drive investments. Statutory, regulatory, and administrative requirements are adhered to when employing tax incentive benefits.

To support Regal’s efforts to pursue successful strategic business activities, the company has decentralized many of its business activities to be performed in business segment headquarter locations that align with more efficient management of marketing, branding, investing, and production planning. The proximity of these functions drives visibility and accountability throughout the business units and encourages profitable business management.

2. Tax compliance focused on transparent reporting

Regal is dedicated to maintaining a superior level of tax reporting compliance in all areas of business operation. We observe and adhere to tax law, underlying tax policy intent, and disclosure and reporting requirements in each jurisdiction.

3. Comprehensive tax oversight with an emphasis on minimizing risk

Regal manages its tax function by engaging finance professionals across the organization to understand and implement local tax laws and ensure adherence to the regulations in place in each country that business is conducted. Local country finance leaders also engage with professional services firms worldwide to ensure accurate interpretations of tax laws are being made and expert specialists are employed to facilitate in areas of high complexity and risk.

A dedicated team of Corporate tax specialists oversee global compliance of income, franchise, withholding, sales, use, and U.S.A. property tax laws and regulations. These professionals engage in external continuous education to stay up-to-date on legislative developments and consult with highly trained professional services firms to ensure accuracy in tax compliance. Teams engage regularly with finance associates around the world to understand accounting principles and review procedures for appropriate control implementation. Oversight from this tax team is focused on transparent, accurate reporting and implementation of policies to reduce tax disputes and limit risk exposure to the company.

REGAL'S
**RETURNS-BASED
GROWTH STRATEGY**
MAXIMIZES
SHAREHOLDER
VALUE

DURING
FISCAL 2019,
REGAL
CONTRIBUTED OVER
\$100M
IN VARIOUS
TAXES

THE REGAL BOARD IS COMPRISED OF NINE DIRECTORS, each of whose terms expire annually. There are eight independent directors including two women and six men. Collectively, they possess an impressive blend of personal and professional attributes.

Our Board decides whether to vest the responsibilities of the CEO and Chairman of the Board in different individuals or in the same individual based on the Board's judgment of what is in the best interests of Regal and all our stakeholders. Upon the conclusion of the 2019 annual meeting of shareholders, Rakesh Sachdev, an independent director, became the Chairman of the Board and Mr. Sachdev continues to serve in that role today.

Our Corporate Governance Guidelines and annual Proxy Statement further outline the Board leadership structure and the duties of the Chairman.

WE SEEK PERSONAL AND PROFESSIONAL DIVERSITY IN OUR BOARD

<i>Diversity of Gender, Race, Nationality, Cultural and/or Professional Experience</i>	<i>Significant International Experience</i>	<i>Experience as a Current or Former CEO or COO, or Significant Operations Experience</i>	
<i>Business Development/M&A Experience</i>	<i>Knowledge of Investment Banking and/or Capital Markets</i>		
<i>Experience as a Current or Former Chief Financial Officer</i>	<i>Expertise in Matters of Public Accounting</i>		
<i>Public Company Board Experience</i>	<i>Knowledgeable in Corporate Governance</i>		
<i>Knowledge and Experience in Our Industry</i>	<i>Current or Past Experience with Manufacturing, Including Supply Chain Management and Lean Principles</i>	<i>Experience with having Responsibility for the Profit and Loss of a Business/ Operation</i>	
<i>Experience in Driving Growth with Innovative Products, Systems or Services</i>	<i>Entrepreneurial Experience</i>	<i>Expertise in Technology, Engineering and Information Technology</i>	<i>Commercial Expertise, Including in Sales and Marketing and 80/20</i>

Regal's Corporate Governance and Director Affairs Committee recommends the qualities, skills, and attributes desired in our directors to reflect the unique challenges facing our company. Our annual Proxy Statement provides a detailed look at each director candidate's qualities, skills, and attributes.

BOARD COMMITTEES

The Board has three standing committees, which are Audit, Compensation & Human Resources, and Corporate Governance & Director Affairs. They play critical roles in decision-making on matters pertaining to economic, environmental, and social topics. These committees are appointed by and report to the Board. The charter for each committee is available on our investor website: investors.regalbeloit.com. On occasion, ad hoc committees are formed for specific Board purposes. Regular reviews of the performance of the Board, committees, and individual directors are administered by the Corporate Governance & Director Affairs Committee.

STRATEGIC DIRECTION AND EXECUTION

Our Board of Directors and management periodically set and review our strategic direction. At our Investor Day in March 2020, with Board support, Regal's executive and segment leaders publicly presented our vision of what we believe Regal will look like in five years, including key performance indicators with three-year targets. We took this opportunity to emphasize our commitment to leading with innovative products that reduce energy consumption, water usage and waste, and we shared specific and ongoing Environmental, Social and Governance progress.

Annually, our four segment leadership teams create and refine their strategic plans, which are intensively reviewed by management and our Board. We operate the company and measure performance against objectives and targets established via P&Ls at the segment and total Regal level and embodied in an annual operating plan aligned with our strategy. On occasion, our Board and management seek advice from outside consultants to get a fresh perspective on, among other things, our portfolio of businesses, our strengths, and our opportunities.

MANAGING RISK

Regal's Annual Report provides extensive information on risks and opportunities in our businesses. The Regal Board and management are responsible for operational and strategic risk management oversight. To assist in this responsibility, we formed a Risk and Compliance Committee comprised of a diverse group of Regal leaders and associates. The committee is charged with assisting in the review and updating of our risk assessments and supporting the development of mitigation strategies for significant risks that could impact Regal's ability to meet objectives and execute strategies. The committee's work helps us address risk comprehensively, giving consideration to economic, environmental, and social topics, among others. The Board regularly reviews our risk management processes and progress.

In addition, Regal has a global authorities policy which sets forth its process for delegating authority for all key decision points within the organization (including, but not limited to economic, environmental, and social topics). The policy includes a detailed authorities matrix that indicates which approvers are required for a comprehensive list of key decisions. Items that require approval by the board of directors and executive leadership are clearly denoted. Regal's authorities policy was evaluated and substantially revised in December 2019 and July 2020. These revisions will be reinforced with training for applicable employees through 2020.

CORPORATE GOVERNANCE GUIDELINES

In conjunction with the Board committee charters, our Corporate Governance Guidelines establish processes and procedures to help ensure effective and responsive governance by the Board. Our Corporate Governance Guidelines and other governance materials are available on our investor website: investors.regalbeloit.com.

Proxy advisors have consistently acknowledged that Regal has established a governance structure that enables solid risk management and performance-based focus. Highlights of Regal’s corporate governance structure, as described in our annual Proxy Statement and related SEC filings, are noted below.

BOARD ITEMS:

TOTAL DIRECTORS: 9 (including CEO)
78% of directors are male and 22% of directors are female

INDEPENDENT DIRECTORS: 2 women and 6 men

AVERAGE AGE: 60
11 % are 30–50 years old; 89% are over 50 years old

AVERAGE TENURE: 9 years

MANDATORY RETIREMENT AGE: 72

INDEPENDENT CHAIR

ALL DIRECTORS STAND FOR ANNUAL ELECTION

ANNUAL EVALUATION OF BOARD AND COMMITTEES

CYCLICAL INDIVIDUAL DIRECTOR EVALUATIONS

SHAREHOLDER INTEREST:

Majority Voting Standard	Right to call special meetings
Proxy Access	No ‘poison pill’

COMPENSATION COMMITTEE OVERSIGHT:

Pay-for-Performance Culture	Anti-Hedging and Anti-Pledging Policies
Stock Ownership Requirements	Annual and Long-Term Incentive Metrics
Clawback Policy	
Double Trigger Change-In-Control	
No Future Excise Tax Gross-Up	



PRODUCTS & INDUSTRIES

- AAAE (American Association of Airport Executives)
- ABMA (American Bearing Manufacturers Association)
- AFEC (Asociación de Fabricantes de Equipos de Climatización)
- AGMA (American Gear Manufacturing Association)
- AHRI (Air Conditioning, Heating, and Refrigeration Institute)
- AlGroup (Australian Industry Group)
- AISI (American Iron and Steel Institute)
- AIST (Association for Iron and Steel Technology)
- AMCA (Air Movement and Control Association International, Inc.)
- ANIE Federazione
- ANIMA (Associazione Nazionale Italiana Meccanica Varia)
- API (American Petroleum Institute)
- ASGE (American Society of Gas Engineers)
- ASHE (American Society for Healthcare Engineering)
- ASHRAE (American Society of Heating, Refrigerating and Air Conditioning Engineers)
- Assoclimate (Association of Manufacturers of Air Conditioning Systems)
- Assolombarda
- BISSC (Baking Industry Sanitation Standards Committee)
- BSA (Bearing Specialist Association)
- CBA (Craft Brewers Association)
- CEMA (Conveyor Equipment Manufacturers Association)
- CHES (Canadian Healthcare Engineering Society)
- China Electrical Industry Association (small to medium motor branch)
- China Electrical Industry Association (explosive motor branch)
- China Rotary Motors Standard Committee
- EASA (Electrical Apparatus Service Association)
- EGSA (Electrical Generating Systems Association)
- EHEDG (European Hygienic Engineering and Design Group)
- EPTDA (Europe Power Transmission Distributor Association)
- ESFI (Electrical Safety Foundation International)
- Eurovent (Association for Indoor Climate, Process Cooling, & Food Cold-Chain Technologies)
- EVIA (European Ventilation Industry Association)
- FMAANZ (Fan Manufacturers Association of Australia and New Zealand)
- GEAPS (Grain Elevator and Processing Society)
- GRAPES (Grid-Connected Advanced Power Electronic Systems)
- HARDI (Heating Air Conditioning Refrigeration Distributors International)
- HI (Hydraulic Institute)
- ICRERA (International Conference on Renewable Energy Research & Applications)
- IEEE (Institute of Electrical and Electronics Engineers)
- IEEMA (Indian Electrical and Electronics Manufacturers Association)
- M-WERC (Mid-West Energy Research Consortium)
- MHI (Material Handling Industry)
- MPTA (Mechanical Power Transmission Association)
- NEMA (National Electrical Manufacturers Association)
- Netherlands Maritime Technology
- NSSGA (National Sand Stone & Gravel Association)
- PHTA (Pool and Hot Tub Alliance)
- PIA (Pump Industry Association)
- PTDA (Power Transmission Distributor Association)
- SMRP (Society for Maintenance & Reliability Professionals)
- WBA (World Bearing Association)
- WIOA (Water Industry Operators Association of Australia)

STANDARDS

- ANSI (National Standards and Technology)
- ASME (American Society of Mechanical Engineers)
- CSA (Canadian Standards Association)
- DIN (Deutsches Institut für Normung e. V.)
- DOE (U.S.A. Government, Department of Energy)
- ISO (International Organization for Standardization)
- UL (Underwriters Laboratory)

COUNCILS

- 7x24 Exchange International
- Comitato Termotecnico Italiano (Italian Thermo-Technical Committee)
- GBDEC (Great Beloit Economic Development)
- KAM (Kentucky Association of Manufacturers)
- MAPI (Manufacturers Alliance for Productivity and Innovation)
- NAM (National Association of Manufacturers)
- NIST (National Institute of Standards and Technology)
- WMC (Wisconsin Manufacturers & Commerce)

REGAL BELOIT CORPORATION IS A PUBLICLY TRADED COMPANY LISTED ON THE NEW YORK STOCK EXCHANGE (NYSE: RBC) and is incorporated in the state of Wisconsin, U.S.A. Regal's financial reporting follows U.S.A. Securities and Exchange Commission (SEC) regulations, and our Annual Reports on Form 10-K are available on our corporate website. All entities included in our consolidated SEC financial statements are covered in that report.

CONTACTS REGARDING THIS REPORT

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VP Environmental, Health, Safety, & Sustainability
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The following is a cautionary statement made under the Private Securities Litigation Reform Act of 1995: With the exception of historical facts, the statements contained in this Report may be forward-looking statements, including statements relating to our compliance efforts and expected actions identified under the "Process Improvement Considerations" section of this Report. Forward-looking statements represent our management's judgment regarding future events. In many cases, you can identify forward-looking statements by terminology such as "may," "will," "expect," "intend," "estimate," "forecast," "anticipate," "believe," "should," "project," or "plan" or the negative of these terms or other similar words. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, assumptions and other factors, some of which are beyond our control, which could cause actual results to differ materially from those expressed or implied by such forward-looking statements, including but not limited to: the continued financial and operational impacts of and uncertainties relating to the COVID-19 pandemic on us and our customers and suppliers and the geographies in which we operate; uncertainties regarding our ability to execute our restructuring plans within expected costs and timing; actions taken by our competitors and our ability to effectively compete in the increasingly competitive global electric motor, drives and controls, power generation and power transmission industries; our ability to develop new products based on technological innovation, such as the Internet of Things, and marketplace acceptance of new and existing products, including products related to technology not yet adopted or utilized in certain geographic locations in which we do business; fluctuations in commodity prices and raw material costs; our dependence on significant customers; risks associated with global manufacturing, including risks associated with public health crises; issues and costs arising from the integration of acquired companies and businesses and the timing and impact of purchase accounting adjustments; our overall debt levels and our ability to repay principal and interest on our outstanding debt; prolonged declines in one or more markets we serve, such as heating, ventilation, air

conditioning, refrigeration, power generation, oil and gas, unit material handling or water heating; economic changes in global markets where we do business, such as reduced demand for the products we sell, currency exchange rates, inflation rates, interest rates, recession, government policies, including policy changes affecting taxation, trade, tariffs, immigration, customs, border actions and the like, and other external factors that we cannot control; product liability and other litigation, or claims by end users, government agencies or others that our products or our customers' applications failed to perform as anticipated, particularly in high volume applications or where such failures are alleged to be the cause of property or casualty claims; unanticipated liabilities of acquired businesses; unanticipated adverse effects or liabilities from business exits or divestitures; unanticipated costs or expenses we may incur related to product warranty issues; our dependence on key suppliers and the potential effects of supply disruptions; infringement of our intellectual property by third parties, challenges to our intellectual property, and claims of infringement by us of third party technologies; effects on earnings of any significant impairment of goodwill or intangible assets; losses from failures, breaches, attacks or disclosures involving our information technology infrastructure and data; cyclical downturns affecting the global market for capital goods; and other risks and uncertainties including but not limited to those described in "Item 1A-Risk Factors" of our Annual Report on Form 10-K filed with the U.S.A. Securities and Exchange Commission ("SEC") on February 26, 2020, and from time to time in other filed reports. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the applicable cautionary statements. The forward-looking statements included in this report are made only as of their respective dates, and we undertake no obligation to update these statements to reflect subsequent events or circumstances. This report was completed in September 2020 and relies on the Company's fiscal year 2019 results with some references to actions and developments during 2020.

Customer and associate surveys

Investor meetings and conferences

Women's Initiative Network

Investor perception studies

Customer meetings

Career development programs

Supplier summits

Town hall meetings with associates

Performance reviews with suppliers

Trade shows

Browning®

Hub City®

Morrillmotors®

Cemp®

Jaure®

Morse

Century

Kop-Flex®

Nicotra Gebhardt®

Durst®

Leeson®

Rollway®

Elco

Marathon®
Generators

Rotor

Fasco®

Marathon® Motors

Sealmaster®

Foote-Jones®

Marathon Special
Products®

System Plast®

Genteq®

McGill®

Thomson Power
Systems™

Grove Gear®

Milwaukee Gear™

This material references Consolidated Set of GRI Sustainability Reporting Standards of 2019 and the Electrical & Electronic Equipment Sustainability Accounting Standard of October 2018. See content index below.

Consolidated Set of GRI Sustainability Reporting Standards 2019

Indicator	Brief Description	Location of Information (pages of this report; other documents)
ORGANIZATIONAL PROFILE		
102-1	Name of the organization	Page 46; 2020 Proxy Statement; 2019 Annual Report
102-2	Activities, brands, products and services	Page 5–6, 48; 2019 Annual Report
102-3	Location of headquarters	Page 4; 2020 Proxy Statement; 2019 Annual Report
102-4	Location of operations	Page 3; 2019 Annual Report
102-5	Ownership and legal form	Page 46; 2020 Proxy Statement; 2019 Annual Report
102-6	Markets served	Page 5–6; 2019 Annual Report
102-7	Scale of the organization	Page 3–6, 18; 2019 Annual Report
102-8	Information on associates and other workers	Page 21–22
102-9	Supply chain	Page 37
102-10	Significant changes to the organization and its supply chain	Page 37
102-13	Membership of associations	Page 45
STRATEGY		
102-14	Statement from senior decision-maker	Page 1
102-15	Key impacts, risks, and opportunities	Page 43; 2019 Annual Report
ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behavior	Page 16; Regal Code of Conduct
102-17	Mechanisms for advice and concerns about ethics	Page 38–39; Regal Code of Conduct ; 2020 Proxy Statement
GOVERNANCE		
102-18	Governance structure	Page 42–44; 2020 Proxy Statement
102-19	Delegating authority	Page 43
102-20	Executive-level responsibility for economic, environmental, and social topics	Page 42–44, 46
102-21	Consulting stakeholders on economic, environmental, and social topics	Page 47; 2019 Annual Report
102-22	Composition of the highest governance body and its committees	Page 42–44; 2020 Proxy Statement
102-23	Chair of the highest governance body	Page 42–44; 2020 Proxy Statement
102-24	Nominating and selecting the highest governance body	Page 42–44; 2020 Proxy Statement
102-25	Conflicts of interest	Page 38, 42–44; Regal Code of Conduct; 2020 Proxy Statement
102-26	Role of highest governance body in setting purpose, values, and strategy	Page 42–44; 2020 Proxy Statement
102-27	Collective knowledge of highest governance body	Page 42–44; 2020 Proxy Statement
102-28	Evaluating the highest governance body's performance	Page 42–44; 2020 Proxy Statement
102-29	Identifying and managing economic, environmental, and social impacts	2019 Annual Report
102-30	Effectiveness of risk management processes	Page 43; 2020 Proxy Statement; 2019 Annual Report
102-31	Review of economic, environmental, and social topics	2019 Annual Report
102-32	Highest governance body's role in sustainability reporting	Page 42–44; 2020 Proxy Statement
102-33	Communicating critical concerns	Page 39; 2020 Proxy Statement

Indicator	Brief Description	Location of Information (pages of this report; other documents)
102-34	Nature and total number of critical concerns	No concerns were communicated
102-35	Remuneration policies	2020 Proxy Statement
102-36	Process for determining remuneration	2020 Proxy Statement
102-37	Stakeholders' involvement in remuneration	Page 44; 2020 Proxy Statement
102-38	Annual total compensation ratio	2020 Proxy Statement
STAKEHOLDER ENGAGEMENT		
102-39	Percentage increase in annual total compensation ratio	2020 Proxy Statement
102-40	List of stakeholder groups	Page 47
102-41	Collective bargaining agreements	Page 28, Social Accountability Policy
102-42	Identifying and selecting stakeholders	Page 47
102-43	Approach to stakeholder engagement	Page 18, 47
REPORTING PRACTICE		
102-44	Key topics and concerns raised	Page 4–5
102-45	Entities included in the consolidated financial statements	Page 46; 2019 Annual Report
102-46	Defining report content and topic boundaries	Page 46
102-47	List of material topics	Table of Contents
102-48	Restatements of information	Page 46
102-49	Changes in reporting	There are no material changes in the list of material topics and topic boundaries compared to previous reports.
102-50	Reporting period	Page 46
102-51	Date of most recent report	September 2019
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Page 46
102-54	Claims of reporting in accordance with the GRI standards	Page 49
102-55	GRI content index	Page 49–53
MANAGEMENT APPROACH		
103-1	Explanation of the material topic	2019 Annual Report
103-2	The management approach	2019 Annual Report
103-3	Evaluation of the management approach	2019 Annual Report

Economic Disclosures

ECONOMIC PERFORMANCE		
201-1	Direct economic value generated and distributed	2019 Annual Report
201-2	Financial implications and other risks and opportunities due	2019 Annual Report
201-3	Defined benefit plan obligations and other retirement plans	2020 Proxy Statement; 2019 Annual Report
PROCUREMENT PRACTICES		
103-1	Management approach—procurement practice	Page 37; Global Supplier Requirements and Expectation Manual
204	Procurement practices	Page 37; Global Supplier Requirements and Expectation Manual
ANTI-CORRUPTION		
103	Management approach—anti-corruption	Page 38–39; Regal Code of Conduct
205-1	Operations assessed for risks related to corruption	Page 38
205-2	Communications & training about anti-corruption policies & procedures	Page 38–39; Regal Code of Conduct

Indicator	Brief Description	Location of Information (pages of this report; other documents)
ANTI-COMPETITIVE BEHAVIOR		
103	Management approach—anti-competitive behavior	Page 38–39; Regal Code of Conduct
206-1	Legal actions for anti-competitive behavior, anti-trust	Page 38
TAX		
207-1	Approach to tax	Page 40–41; UK Tax Strategy
207-2	Tax governance, control, and risk management	Page 40–41; UK Tax Strategy
207-3	Stakeholder engagement and management of concerns related to tax	Page 40–41; UK Tax Strategy
Environmental Disclosures		
MATERIALS		
301-1	Materials used by weight and volume	Page 37
301-2	Recycled input materials used	Page 37
ENERGY		
103	Management approach—energy	Page 1–2, 16, 31–33, 37, 43; Environmental Sustainability Policy
302-1	Energy consumption within the organization	Page 32–33
302-2	Energy consumption outside of the organization	Page 37
302-3	Energy intensity	Page 33
302-4	Reduction of energy consumption	Page 32
302-5	Reductions in energy requirements of products and services	Page 7–13, 43
WATER		
103	Management approach—water	Page 1–2, 16, 31, 35, 37, 43; Environmental Sustainability Policy
303-1	Water withdrawal by source	Page 35
303-5	Water consumption	Page 35
EMISSIONS		
103	Management approach—emissions	Page 1–2, 16, 31, 34, 37, 43; cdp.net ; Environmental Sustainability Policy
305-1	Direct (scope 1) GHG emissions	Page 34; cdp.net
305-2	Energy indirect (scope 2) GHG emissions	Page 34; cdp.net
305-3	Other indirect (scope 3) GHG emissions	Page 37; cdp.net
305-4	GHG emission intensity	Page 34; cdp.net
305-5	Reduction of GHG emissions	Page 34; cdp.net
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Page 14; cdp.net
WASTE		
103	Management approach—effluents and waste	Page 1–2, 16, 31, 35, 37, 43; Environmental Sustainability Policy
306-2	Waste by type and disposal method	Page 35
306-3	Significant spills	2019 Result: Zero reportable spills
ENVIRONMENTAL COMPLIANCE		
307	Environmental compliance	Page 16–17, 31, 37, 43; Environmental Sustainability Policy

Indicator	Brief Description	Location of Information (pages of this report; other documents)
SUPPLIER ENVIRONMENTAL ASSESSMENT		
103	Management approach—supplier environmental assessment	Page 37; Global Supplier Requirements and Expectation Manual
308-1	New suppliers that were screened using environmental criteria	Page 37; Global Supplier Requirements and Expectation Manual
Social Disclosures		
EMPLOYMENT		
103	Management approach—employment	Page 18–28; Our Regal Code of Business Conduct and Ethics
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 27
LABOR/MANAGEMENT RELATIONS		
402-1	Minimum notice periods regarding operational changes	Page 28
OCCUPATIONAL HEALTH AND SAFETY		
103	Management approach—occupational health and safety	Page 1, 16–17, 20, 29–30; Regal Code of Business Conduct and Ethics
403-1	Occupational health and safety management system	Page 17, 29–30
403-2	Hazard identification, risk assessment, and incident investigation	Page 17, 29–30
403-3	Occupational health services	Page 17, 29–30
403-4	Worker participation, consultation, and communication on occupational health and safety	Page 17, 29–30
403-5	Worker training on occupational health and safety	Page 17, 29–30
403-6	Promotion of worker health	Page 20, 30, 32, 33
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 37; Global Supplier Requirements and Expectation Manual
403-8	Workers covered by an occupational health and safety management system	Page 1, 16–17, 20, 29–30, 38; Regal Code of Business Conduct and Ethics
403-9	Work related injuries	Page 30
TRAINING AND EDUCATION		
103	Management approach—training and education	Page 18, 27
404-2	Programs for upgrading associate skills and transition assistance programs	Page 27
DIVERSITY AND EQUAL OPPORTUNITY		
103	Management approach—diversity and equal opportunity	Page 21–23
405-1	Diversity of governance bodies and employees	Page 21–22, 44
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 28, Social Accountability Policy

Indicator	Brief Description	Location of Information (pages of this report; other documents)
CHILD LABOR		
408-1	Operations and suppliers at significant risk for incidents of child labor	Page 27, Social Accountability Policy Global Supplier Requirements and Expectations Manual Regal Code of Conduct
FORCED OR COMPULSORY LABOR		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Page 27, Social Accountability Policy Global Supplier Requirements and Expectations Manual
SECURITY PRACTICES		
410-1	Security personnel trained in human rights policies	Training security personnel in human rights policies and procedures started in 2019.
LOCAL COMMUNITIES		
103	Management approach—local communities	Page 16, 24
413-1	Operations with local community engagement, impact assessments, and development programs	Page 24–26
SUPPLIER SOCIAL ASSESSMENT		
414	New suppliers screened using social criteria	Page 37, Social Accountability Policy Global Supplier Requirements and Expectations Manual
CUSTOMER PRIVACY		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 36; No such complaints have been received—no such breach or loss.

**Sustainable Accounting Standards Board Electrical & Electronic
Equipment Sustainability Accounting Standard October 2018**

Indicator	Brief Description	Location of Information (pages of this report; other documents)
RT-EE-130a.1	Energy Management	Page 1–2, 16, 31–33, 37, 43; Environmental Sustainability Policy
RT-EE-150a.1	Hazardous Waste Management	Page 1–2, 16, 19, 31, 35, 37, 43; Environmental Sustainability Policy
RT-EE-150a.2	Number and aggregate quantity of reportable spills	2019 Result: Zero reportable spills
RT-EE-250a.2	Number of recalls issued, total units recalled	2019 Result: Zero recalls issued
RT-EE-440a.1	Description of the management of risks associated with the use of critical materials	Page 37, 43 Regal Beloit Corporation Conflict Minerals Policy
RT-EE-510a.1	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	Page 38–39; Regal Code of Conduct
RT-EE-510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	2019 Result: Zero monetary losses
RT-EE-510a.3	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	2019 Result: Zero monetary losses



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