



WE CREATE A BETTER TOMORROW BY ENERGY-EFFICIENTLY CONVERTING POWER INTO MOTION™

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Regal Rexnord Corporation (NYSE: RRX), based in Beloit, Wisconsin (U.S.A.), is a global leader in the engineering and manufacturing of industrial powertrain solutions, power transmission components, electric motors and electronic controls, air moving products, and specialty electronics, serving customers throughout the world.

REGAL REXNORD IS COMPRISED OF FOUR OPERATING SEGMENTS:

Motion Control Solutions Climate Solutions Commercial Systems Industrial Systems

\$95.0 0.1x Million NET DEBT⁽¹⁾ TO RD&E EXPENSE **~30,000**ASSOCIATES \$8.6 Billion **Regal**Rexnord MARKET CAPITALIZATION \$1.0 Billion \$4.9 Billion ADJ. EBITDA⁽¹⁾ NET SALES(1)

Financial and associate data is for fiscal year 2021 and is pro forma for the Rexnord PMC and Arrowhead transactions. Market Capitalization was calculated as of November 22, 2022. (1) Non-GAAP Financial Measurement, See Appendix For Reconciliation.



GOVERNANCE

COMMERCIAL SYSTEMS

The Commercial Systems segment designs and produces highly engineered motors and air moving sub-systems, mainly for the general commercial, commercial HVAC, and consumer end markets. The strategic focus of the product portfolio is premium efficiency motors and sub-systems, specialized fan filter systems, and high speed pump/vacuum/blower systems.



marathon®



NICOTRA Gebhardt®



INDUSTRIAL SYSTEMS

The Industrial Systems segment designs and produces integral motors, automatic transfer switches, 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.



marathon®

THOMSON





Automated Solutions Custom Conveyor

chain, Valu Guide® rail, Sealmaster® bearings, Leeson® motors and others, allowing users to move various bottles, cans, and corrugated packages

more energy-efficiently.

The Thomson Power Systems™ Switchgear product family can provide a complete integrated control and power switching solution to meet any standard and customized Power Generation System application. Switchgear systems meet the stringent performance and reliability requirements of mission critical applications such as data centers, airports, hospitals, and waste water treatment facilities.

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CLIMATE SOLUTIONS

The Climate Solutions segment designs and produces electronic variable speed motors, blowers, air moving sub-systems, and electronic drives -- mainly for applications in residential and light commercial HVAC, including heat pumps, and commercial refrigeration.

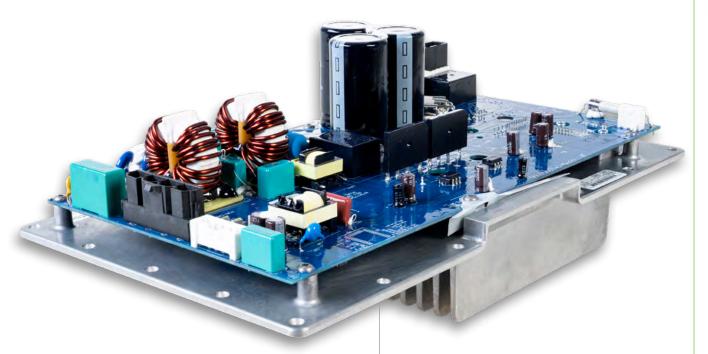












Department of Energy regulations, settings can be

simplify installation, and an easy-to-program interface simplifies the user experience.

optimized for energy savings. Direct drop-in features

Fronteer™ is a patented compressor drive and motor controller that brings Regal Rexnord's leading variable speed motor technology to residential HVAC and heat pump compressors, enabling the most efficient variable speed systems available on an efficiency gain vs. cost basis.

MOTION CONTROL SOLUTIONS

Motion Control Solutions designs and produces highly engineered power transmission components, digital condition monitoring products, and an array of sub-systems, including industrial powertrains, modular conveyors, palletizers and de-palletizers, serving the general industrial, food & beverage, alternative energy, and eCommerce end markets.























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by Perceptiv™ provides customers with the capability to reduce downtime, extend asset life and improve performance levels. The SCMS measures, records, trends, and displays drive **Systems** are designed with an optimized industrial operating conditions and alerts specified users of abnormal powertrain and innovative run dry solutions using operating conditions. Grove Gear® speed reducers, Rexnord® conveying



In a year characterized by a host of accomplishments as we continue transforming into a higher-performing enterprise, one that clearly stands out is announcing our commitment to achieve Carbon Emission Neutrality in our operations across Scopes 1 and 2 by 2032. The announcement comes on the heels of far-reaching efforts to verify our environmental data, outline a strategy to achieve our environmental impact goals, define relevant metrics to track our progress, and establish a governance structure that helps ensure accountability. It was important to me that Regal Rexnord have a discernible path to Carbon Neutrality, even if that path evolves as we progress in our efforts. I see this approach as a reflection of our commitment to a goal we believe is fully achievable.

We concurrently announced plans to achieve Net Zero across scopes 1, 2 and 3 by 2050, and to do so in alignment with science based targets. While this is a longer term goal, and somewhat harder to define, we have already started preparing our Net Zero strategy by working to quantify our Scope 3 emissions, while collaborating with relevant subject matter experts. Our associates are both excited and interested in the direction we are taking in setting these environmental impact goals – and I am proud to be leading an enterprise that is actively participating in efforts that many believe are important to the health of our planet.

Our Net Zero and Carbon Neutrality commitments are aligned with our business purpose – to create a better tomorrow by energy-efficiently converting power into motion – and are consistent with our broader ESG strategy. At Regal Rexnord, we view environmental, social and governance (or ESG) factors from two, complementary perspectives – Impact and Growth. How are ESG factors improving the impact our enterprise has on our stakeholders, and on our planet? How are ESG factors helping Regal Rexnord grow? This alignment is important, because it acknowledges the varied ESG priorities for each of our primary stakeholders – our associates, our customers and our shareholders – and by doing so, makes all our ESG efforts more durable.

Environmental factors are a critical component of Regal Rexnord's growth strategy. A consistent characteristic of the new products in our pipeline – and there are many – is improving energy efficiency. Recently launched drives in the Climate segment are helping our customers meet increasingly stringent energy efficiency regulations. New premium efficiency motors in our Commercial segment are helping our customers reduce the energy consumed by their own

products, and in their manufacturing operations. Automation products launching in our MCS segment are making our customers' products and operations safer and more efficient. Keeping factors such as safety and energy efficiency top of mind is foundational to our new product development efforts.

I am happy to report that Regal Rexnord has also been making progress advancing our efforts around social considerations. The organization is more intentional than it has ever been about building diverse teams, and then creating an environment in which associates feel comfortable leveraging their diverse backgrounds, experiences and perspectives to drive thought leadership across our business. These efforts are benefiting Regal Rexnord in many ways, but chief among them is advancing our innovation efforts – efforts that underpin doubling our new product vitality rate over the next three years – which should contribute meaningfully to accelerating profitable growth.

Viewing social factors through an impact lens, we continue to enhance our efforts for Regal Rexnord and its associates to give back in the communities in which we live and work. A great example is decentralizing our corporate giving activities. Consistent with our global footprint, our charitable funds are being targeted to certain local communities based on relative numbers of associates living and working there, and it is those associates who have the ability to nominate specific beneficiaries. Their nominations are carefully vetted by teams in each of our businesses to ensure alignment with our Regal Rexnord values, among other factors. With decisions about how to allocate our corporate gifts shifted to our local associates, we are more widely achieving a meaningful and mutually beneficial societal connection.

Turning to corporate governance, I am proud to report that Regal Rexnord continues to be consistently recognized for having top tier policies and practices. This track record is so crucial, because good governance is a cornerstone of effective risk management, which helps maximize our risk-adjusted returns, and ultimately benefits all of our key stakeholders.

Similarly, our Regal Rexnord Values provide consistent guideposts to each of our associates for how we operate our business on a daily basis: Acting with Integrity; Responsibility for the safety of our fellow associates; Having, seeking and leveraging diverse perspectives, through Diversity, Engagement, and Inclusion; Focusing on Customer Success, because if our customers are successful, Regal Rexnord will be successful; Driving Innovation with Purpose, which increasingly is

about lowering the environmental impact of our products; Having a Continuous Improvement mindset, a dedication to Performance, and a Passion to Win.

We operate in accordance with our Values, while embracing a Sense of Urgency. The fundamental characteristic that makes this execution possible is disciplined talent – our nearly 30,000 associates practicing disciplined thinking to drive disciplined action and consistently achieve superior results.

As I reflect on how far we have come with our transformation, and consider the future prospects for Regal Rexnord, I am excited. In fact, in the lead-up to publishing this year's sustainability report, we announced in late October plans to take a significant next step in our transformation journey by acquiring Altra Industrial Motion Corp. With sales of approximately \$2 billion, Altra is a global technology leader in power transmission and industrial automation. Adding Altra presents us with tremendous opportunities to create value for all our key stakeholders, by dramatically accelerating profitable growth. We will share much more on Altra as this opportunity unfolds. But know that among the many factors raising my confidence in the value-enhancement Altra can enable, are strong corporate values, similar to ours, and their great ESG strides and 'Sustainability Pillars' described in their inaugural sustainability report published earlier this year.

In so many ways, ESG factors are integral to our transformation strategy. We are addressing rising demand for more energy-efficient products and subsystems. We are leveraging the increasingly diverse perspectives and experiences of our associates to drive meaningful innovation. Our efforts rest firmly on a foundation of good governance. And so I am confident these efforts

will drive meaningful benefits – for our associates, for our customers, for our shareholders, and... consistent with our purpose...for the communities in which we live and work, and for our planet.

Thank you for your interest in Regal Rexnord.

Louis Pinkham, CEO



Integrity | Responsibility | Diversity, engagement & inclusion | Customer success | Innovation with purpose | Continuous improvement | Performance | Passion to win ... With a sense of urgency







PERFORMANCE



RESPONSIBILITY





PASSION TO WIN

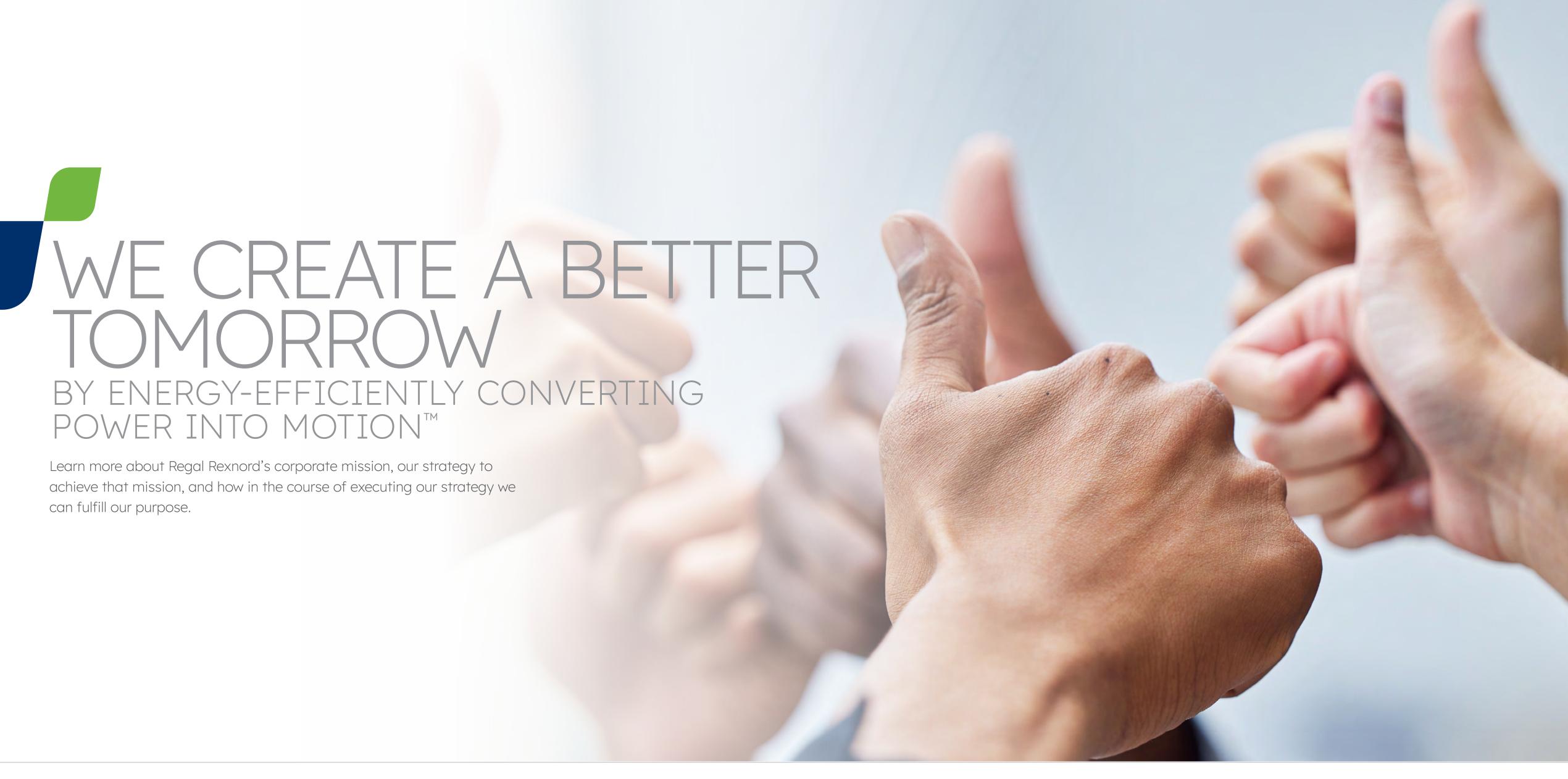


CUSTOMER SUCCESS



...WITH A SENSE OF URGENCY







MISSION

REGAL REXNORD'S MISSION IS TO BE THE MOST COMPELLING CHOICE FOR OUR KEY STAKEHOLDERS—FOR CUSTOMERS IN THE MARKETS WE SERVE, FOR CURRENT AND PROSPECTIVE ASSOCIATES, AND FOR OUR SHAREHOLDERS AND INVESTORS CONSIDERING REGAL REXNORD.

We will measure progress towards our mission on clear, quantifiable metrics—with customers, based on market share and gross margin, with associates, on retention, engagement, and performance, and with our shareholders, on achieving top quartile TSR performance versus our peers.



GOVERNANCE

STRATEGY

CREATE PRODUCTS & SOLUTIONS

OUR CUSTOMERS VALUE BY LEVERAGING REGAL REXNORD'S TECHNOLOGY LEADERSHIP AND BY MAKING STRATEGIC INVESTMENTS IN RD&E, INCLUDING DIGITAL CAPABILITIES

MAKE ENERGY EFFICIENCY,

MATERIAL CONTENT, AND THE NATURAL RESOURCES CONSUMED IN PRODUCTION KEY CONSIDERATIONS WHEN DEVELOPING ALL NEW OR RE-DESIGNED PRODUCTS

APPLY 80/20 PRINCIPLES to identify, and direct resources to our most valuable opportunities

EMPLOY LEAN TOOLS, through the Regal Rexnord Business System (RBS), to eliminate waste, variance and overburden in all processes

PURSUE STRATEGIC ACQUISITIONS that adhere to Regal Rexnord's established criteria

INVEST IN OUR ASSOCIATES because Regal Rexnord's strategy is worthless without their engagement and performance

LOOK TO OUR REGAL REXNORD VALUES as a guide for all that we do



INNOVATION WITH PURPOSE

ONE OF OUR REGAL REXNORD VALUES INTENTIONALLY ADDRESS GROWING DEMAND for

more energy-efficient products by leveraging Regal Rexnord's strong and differentiated RD&E resources.

WE CHALLENGE OURSELVES to create innovative new products and solutions that our customers value and which support our growth and profitability goals. We strive to offer the most energy-efficient products in the categories where we compete.





THE REGAL REXNORD BUSINESS SYSTEM

IS OUR ENTERPRISE-WIDE FRAMEWORK FOR 80/20 FOCUSED GROWTH & CONTINUOUS IMPROVEMENT.

With the Regal Rexnord Values at its core, the Regal Rexnord Business System enables leadership and engagement from each Regal Rexnord associate to progress 80/20 focused growth and performance excellence. The Regal Rexnord Business System, together with our management cadence, drives the achievement of our company-wide goals through facilitated and effective goal alignment, collaborative problem-solving, and sharing of best practices, tools, skills, and expertise.

Through our 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, associates, and shareholders.



BUSINESS PURPOSE

BY EXECUTING OUR STRATEGY TO ACCOMPLISH OUR MISSION, WE ALSO AIM TO ACHIEVE SOMETHING BIGGER THAN REGAL REXNORD ITSELF—TO CREATE A BETTER TOMORROW BY ENERGY-EFFICIENTLY CONVERTING POWER INTO MOTION.

This is Regal Rexnord's business purpose. Because our products and solutions are used in so many applications globally, delivering meaningful gains in their energy efficiency, and reducing the natural resources used in their production, Regal Rexnord's associates around the world can come to work each day knowing they are playing a role in making our world cleaner, healthier, and more sustainable.

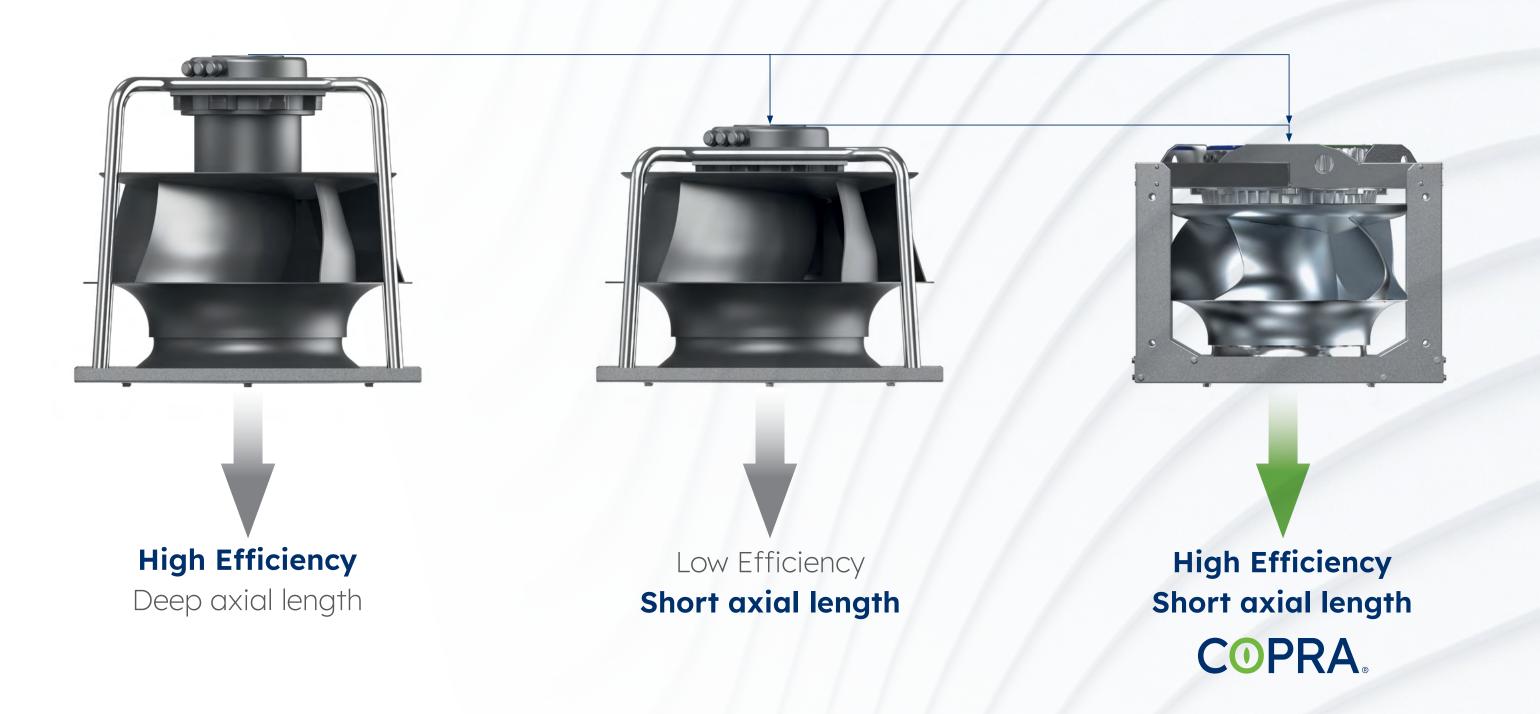




SOCIAL IMPACT

COPRA Space Saving Centrifugal Fan Sub-System





Product Overview

- High efficiency air moving sub-system
- Used in commercial HVAC, data center cooling, and wind energy applications
- Supports high pressure and high volume flow rates

Differentiated Solution

- Short axial length reduces the sub-system's footprint
- Easy to deploy in retrofit applications
- 10% less blowers needed to meet flow requirements compared to competitor products
- 10% lower energy consumption
- Fewer peripheral materials needed

Growth Opportunity

- Leveraging differentiated technology
- Form factor enables deployment in retrofit applications
- Product opens a new, \$250M market opportunity



High Speed
Permanent
Magnet Motor



Product Overview

- High speed motor technology delivers superior energy efficiency and performance
- Built-in sensors allow monitoring of critical performance data, including on mobile apps, enabling preventative maintenance and helping maximize uptime
- Applications include air compressors, vacuum pumps, large air blowers and oxygen separators for the machinery, electrical equipment and pulp/paper industries

Differentiated Solution

- 35% lower energy consumption versus current market offerings
- 50% smaller footprint and 65% lower weight raises power density and facilitates installation

Growth Opportunity

- Opens new \$300M market
- Leverages proven technology in a broad set of new applications
- Addresses demand for more energy efficient applications
- Form factor highly attractive for retrofit applications



Highly Efficient. Exceptional Performance. Versatile.

Innovative Fan Motors for Commercial Refrigeration Applications





- Integrated motor/fan sub-system
- Wide range of applications, including commercial refrigeration equipment, condensing units, medical refrigeration, ice machines, pumps, and heat pump water heaters



Differentiated Solution

- Industry-leading efficiency, versatility and reliability, including peak efficiencies approaching 80%
- Draws up to 50 less watts of energy than comparable induction (shaded pole) motors
- Superior sound performance (lower ambient noise)
- Extreme levels of surge protection (up to 5,000 volts)
- Compact design supports leading power density
- Ready for use in customer equipment using natural refrigerants
- A truly global product with universal voltage, global certifications, global manufacturing, and engineering support

Growth Opportunity

- Creates outgrowth opportunities via proprietary energy efficiency, reliability and power density benefits in core commercial refrigeration display case applications
- Expands Regal Rexnord's addressable market in the fast-growing heat pump water heater market



GOVERNANCE

Industrial Powertrain Solution - Beverage Market















Product Overview

- A holistic solution to provide a more environmentallyfriendly, and lower-maintenance approach for beverage OEMs to facilitate can and bottle movements during processing
- Solution includes Leeson® White Duck brand moisture resistant motors, Hub City® Stainless Steel High Efficiency Right Angle (HERA®) gearboxes, Rexnord® MatTop® PSX® chain (Platinum Series®), and Sealmaster® PN Gold™ Premium Stainless Steel bearings

Differentiated Solution

- Rexnord® MatTop® PSX® Run Dry conveyor chain reduces the need for lubricant, in some case by over 90%, and can lower the need for water by ~30%
- Sealmaster® PN Gold™ Mounted Ball Bearings require much less frequent re-lubrication, which can lead to 50% reductions in MRO material and labor costs
- Reductions in water and lubrication usage lowers slip-and-fall hazards, improving plant safety

Growth Opportunity

 Regal Rexnord is gaining share by engineering proprietary powertrain solutions to lower customer environmental impacts, improve plant safety, and reduce total cost of ownership

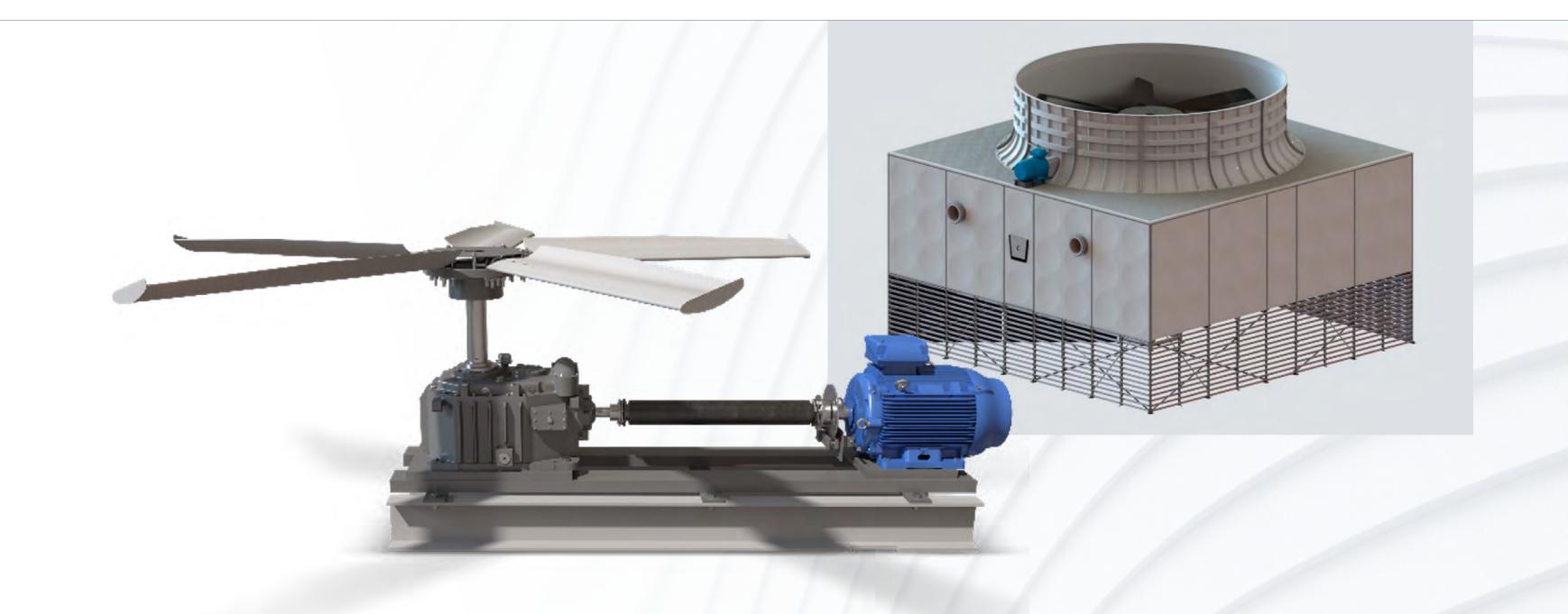


Industrial Powertrain Solution - Carbon Sequestration









Product Overview

- Complete powertrain cooling tower fan drive consisting of a high efficiency Marathon® electric motor, Addax® composite coupling, and Falk® CT-A high efficiency right angle gearbox
- Applications in cooling towers, including to enable the heat transfer and rejection processes involved in carbon capture and storage (sequestering)

Differentiated Solution

- Cooling tower drive optimized from the motor to the gearbox to maximize efficiency and reliability
- Current users are developing Direct Air Capture facilities for safe and secure CO2 storage at the highest efficiency levels possible. Individual plants aim to capture 500,000 to 1 million metric tons of CO2 per year

Growth Opportunity

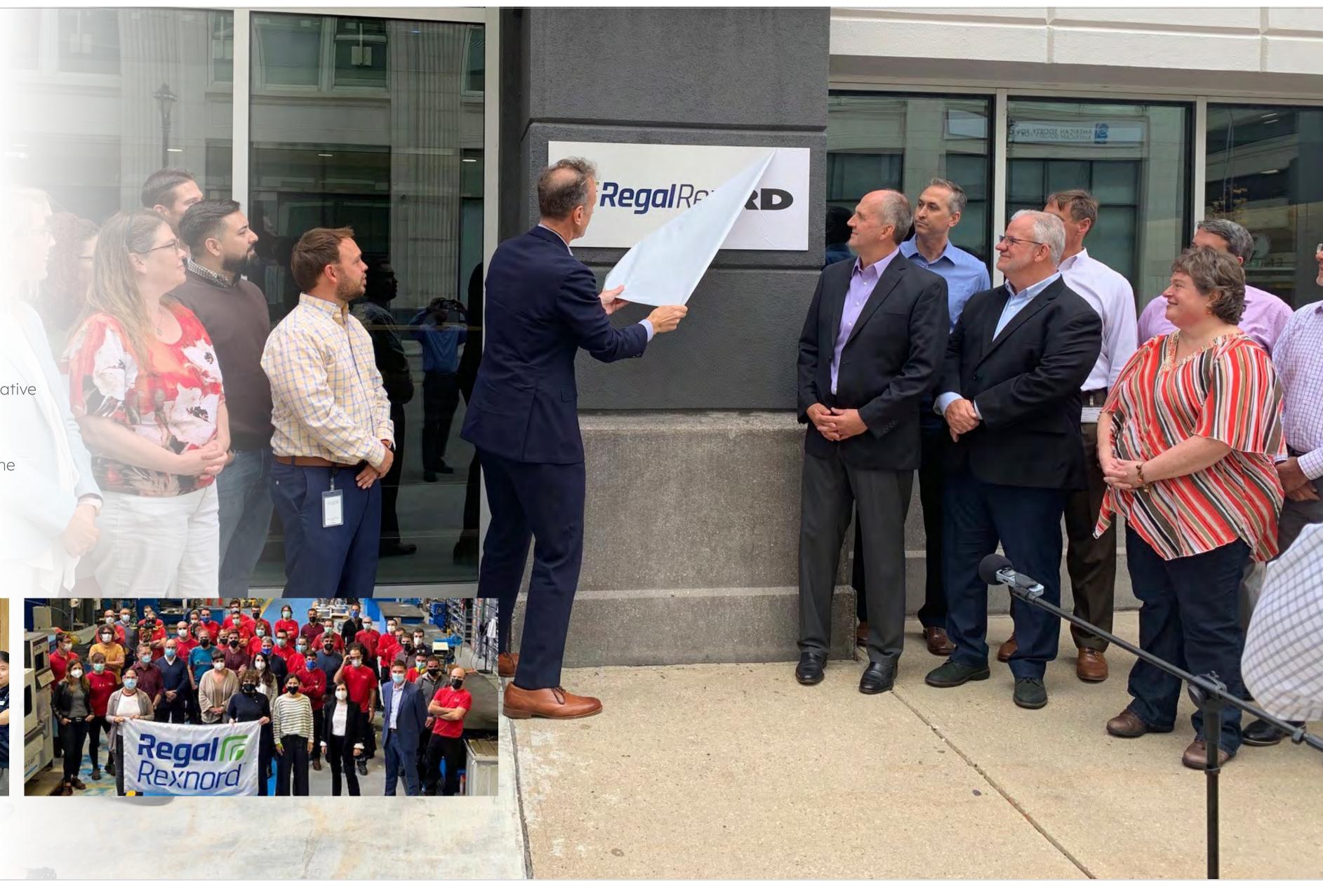
- Regal Rexnord optimized powertrains are well positioned to support growing demand for cooling towers that enable carbon sequestration
- Just one direct air capture facility can have dozens of cooling towers



IN OCTOBER 2021,
THE COMPLETION
OF OUR MERGER
WITH THE REXNORD
PMC BUSINESS
RESULTED IN A NEW
REGAL REXNORD
CORPORATION.

Updating the company name reflected the transformative nature of the merger while honoring the impressive histories of both companies. Events were held around the world on day one of our new company to share the excitement and opportunities this merger created for associates, customers, and shareholders.



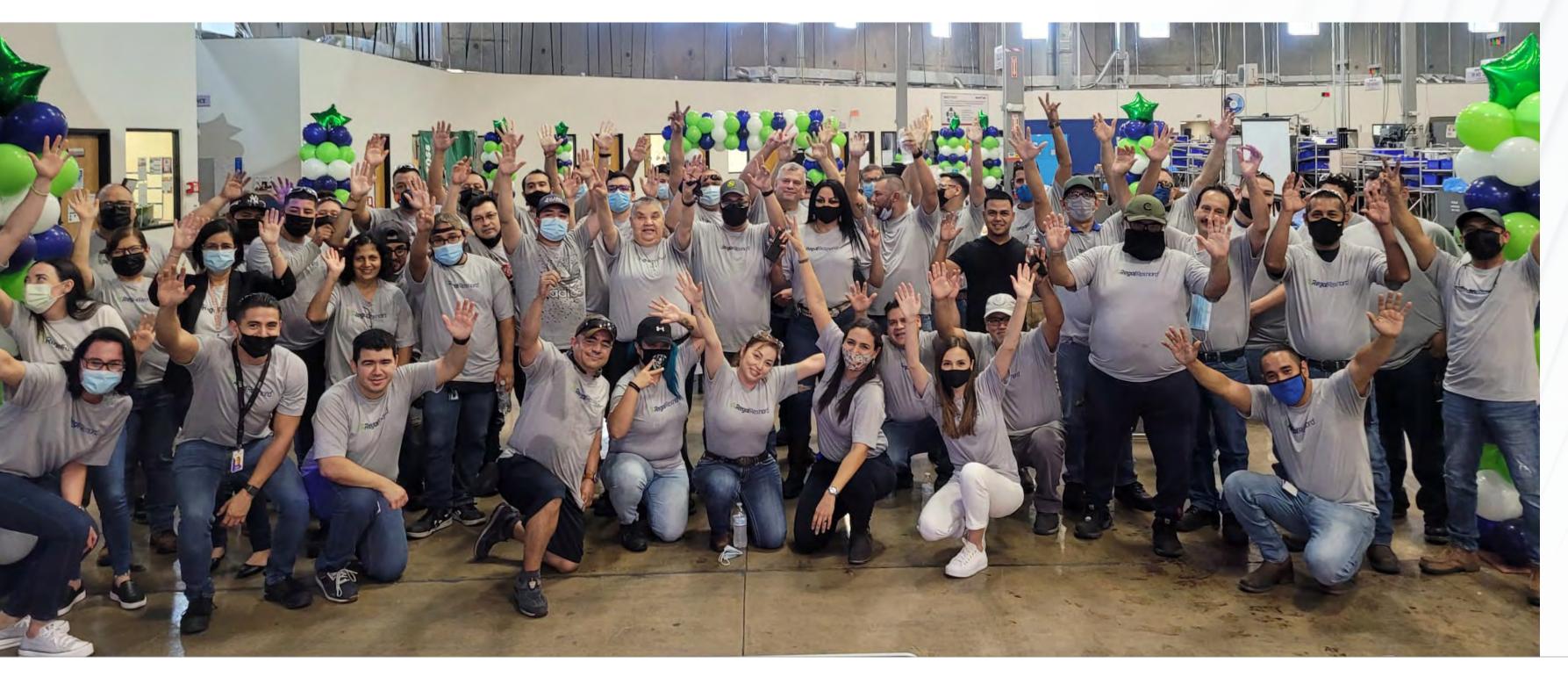




REGAL REXNORD UNDERSTANDS THE LASTING IMPACT WE HAVE ON ASSOCIATES AND THE COMMUNITIES IN WHICH WE OPERATE.

We strive to make this impact as positive as we can by engaging associates, personally and professionally, and making contributions to support our communities and our environment. We believe that talented and diverse associates drive success for our customers, and therefore, for Regal Rexnord.

The Regal Rexnord Values frame our culture—a shared understanding of how we think and act relative to our key stakeholders. As Regal Beloit and the PMC division of the Rexnord PMC business worked through merger plans, one of the big advantages we found in bringing these businesses together was the alignment of both companies' values. Our matched commitment to customers, integrity, continuous improvement, our associates, and winning in the markets we serve helped the transition to the new company.



REGAL REXNORD VALUES

INTEGRITY

RESPONSIBILITY

DIVERSITY, ENGAGEMENT & INCLUSION

CUSTOMER SUCCESS

INNOVATION WITH PURPOSE

CONTINUOUS IMPROVEMENT

PERFORMANCE

PASSION TO WIN

...WITH A SENSE OF URGENCY

ENABLING SUCCESS FOR OUR TEAMS AROUND THE WORLD.

At the end of fiscal 2021, we employed approximately 30,000 full-time associates worldwide. 13,000 in Mexico; 6,000 in the U.S.A.; 3,000 in China; 3,000 in India; and 5,000 in other countries.

To deliver business results and achieve personal success, we use various tools from our Regal Rexnord Business System to align our goals with business strategies. Our performance management process focuses associates on the 3–5 most important goals they have for the year, while tools such as continuous improvement roadmaps and daily management boards are used to focus efforts in our manufacturing facilities. These processes leverage ongoing monitoring, data analysis and feedback to keep plans on track. With continual coaching throughout the year, in addition to a regular performance review cadence, our goal is to enable the success of all of our associates, and thus, Regal Rexnord.

In addition, competitive pay practices are continuously reviewed to ensure they are aligned with the markets in which we operate.

AT REGAL REXNORD, 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. We provide numerous ways for associates to voice their concerns-from business leaders to the Board of Directors, to the Audit committee, as well as anonymous reporting through our integrity line. We are committed to thoroughly investigating issues raised and promptly addressing behavior that is not aligned with our ethical standards.

*Associate data is approximate, and is as of December 31, 2021.



REGAL REXNORD EMPLOYS approximately 30,000* talented team members INDIA CHINA MEXICO U.S.A. 6,000* 13,000* 3,000 ASSOCIATES IN OTHER COUNTRIES 5,000*

CARING FOR OUR ASSOCIATES.

As a global employer of approximately 30,000 associates, we are committed to providing market competitive compensation and benefits, and maintaining and ensuring a work environment that reflects our Regal Rexnord 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 highquality talent. In the U.S.A., where we employ approximately 6,000 associates, we focus on providing a comprehensive, competitive benefits package that supports our associates' health, wellness, educational endeavors, and financial stability. In our 401(k) plan offered to associates in the U.S.A., we match up to 4% of associate contributions to provide long-term financial security.

Wherever we operate, Employment is never forced or compulsory at Regal Rexnord, and we have the same expectation of our suppliers. In addition, child labor is absolutely not tolerated. We believe associates have the freedom of choice when it comes to employers for which they work, and we strive to make our facilities among the best places to work in the world.

REGAL REXNORD'S GLOBAL COLLECTIVE BARGAINING AGREEMENTS.

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

MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES.

Regal Rexnord will always comply with applicable governmental regulations and notification requirements for notifying our associates of operational changes. However, in living the Regal Rexnord Values, Regal Rexnord strives to be transparent and exceed those notice periods when there are significant operational changes which will impact our associates. Regal Rexnord provides 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 Rexnord provides as much advance notice as the contract or agreement requires.

REGAL REXNORD IS AN EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION EMPLOYER.

Qualified applicants receive consideration for employment without regard to race, color, religion, sexual orientation, gender identity, age, ancestry, national origin, marital status, citizenship (unless required by applicable laws or government contract), disability, protected veteran status, or any other status or characteristic protected by law. These commitments apply not only to the application process, but to all aspects of our associates employment, including recruitment, hiring, training and development, compensation, transfer, promotion, discipline, or discharge.

Regal Rexnord's commitment to diversity goes beyond ensuring fair employment practices. The next section of this report details our efforts to create an inclusive work environment for our associates.



STRATEGY

SOCIAL IMPACT

REGAL REXNORD VALUES DIVERSITY, ENGAGEMENT AND INCLUSION.

The Regal Rexnord Values always serve as the foundation of our culture. Our value of Diversity, Engagement, and Inclusion is defined by our strong belief that the more diverse minds focused on our purpose, the better the outcomes will be. We create an environment where all of our associates can bring their whole selves to work, develop and grow professionally, and work as one team to drive success for our customers, associates, and shareholders.

Diversity in perspectives expands the possibilities for problem solving, decision-making, and creativity needed to address challenges and bring innovation to our business. Engagement calls out the need for associates to be enabled, empowered, and energized around Regal Rexnord's business purpose. Inclusion recognizes that our associates deserve a work environment that embraces their uniqueness and provides equitable opportunities for everyone.

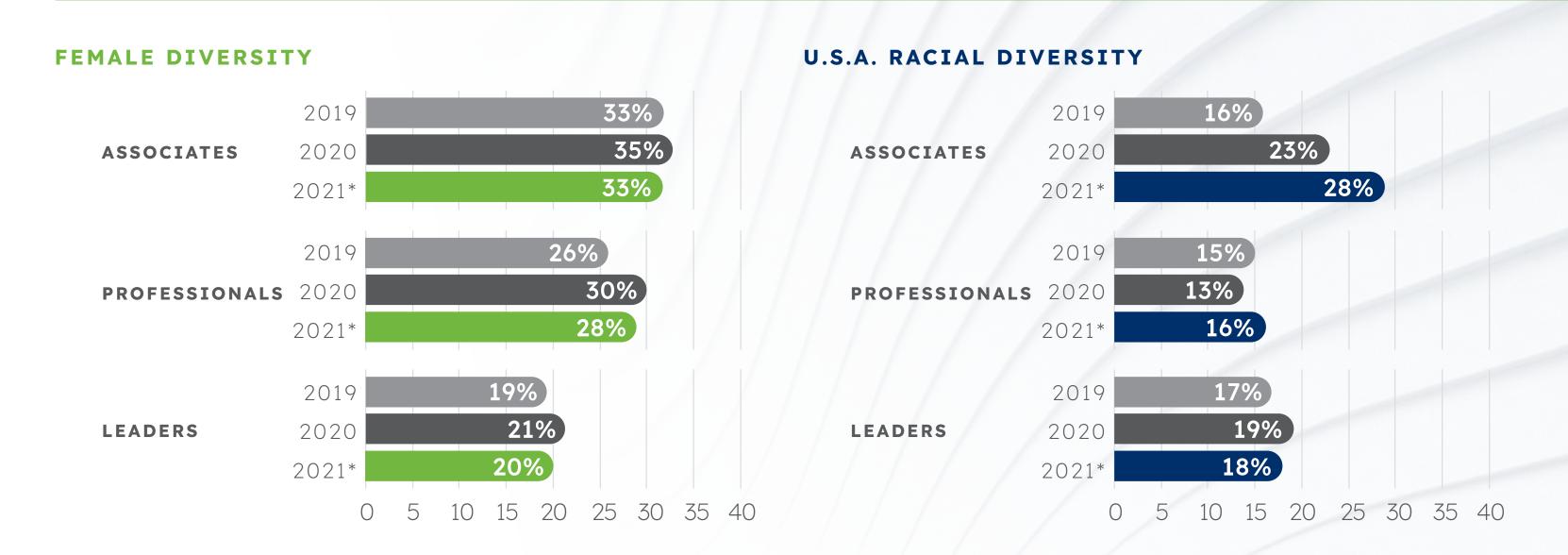
In summary, the Regal Rexnord Value of Diversity, Engagement, and Inclusion is focused on creating an environment in which associates can contribute their varying abilities towards our shared goals. We know that diverse perspectives can enable stronger performance, but only if all of our associates feel committed to Regal Rexnord's goals and that their diversity is not only welcomed, but also valued.

DIVERSITY

INCREASING DIVERSITY WITHIN OUR WORKFORCE.

Through focus and intentionality, we have made significant progress over the past three years in increasing the representation of females globally, as well as diversity among U.S.A. associates. We continue to utilize recruitment practices and partners that have the capabilities to identify high quality, diverse talent to be considered for all open positions.

Although we saw a decrease in female diversity and in the racial diversity of our leaders from 2020 to 2021 as a result of integrating new associates into the Regal Rexnord family as part of the Rexnord PMC merger and Arrowhead acquisition, we remain committed to driving further improvement across these measures as our Regal Rexnord Values become an ingrained part of the hiring and promotion practices in our newly-acquired businesses.



^{* 2021} data includes associates who joined Regal Rexnord as part of the Rexnord PMC merger and Arrowhead acquisition.

ENGAGEMENT

ENGAGED ASSOCIATES DRIVE COMPANY
PERFORMANCE BY DELIVERING IMPROVED
PRODUCTIVITY, REDUCED TURNOVER AND
ABSENTEEISM, AND BETTER CUSTOMER
SATISFACTION.

One part of our mission is to make Regal Rexnord a compelling choice for current and prospective associates, so we strive to enhance engagement in a variety of ways.

Regal Rexnord leverages planning tools from our Regal Rexnord Business System toolkit to define strategic initiatives for our businesses. Those strategic initiatives are cascaded through our performance management processes so associates know the goals of their business or function and how they contribute to achieving those goals. Through these processes, we clearly communicate the connections between Regal Rexnord's goals and our associates' individual performance goals, which enables associates to understand the impact their work has on Regal Rexnord's success. In our manufacturing facilities, tools like Gemba boards give all of our associates visibility to key metrics on a daily basis, which provides consistent feedback on performance. Kaizen (continuous improvement) events bring associates together in data-driven, teamoriented, structured problem solving sessions to create more efficient processes. In 2022, Regal Rexnord will conduct over 5,250 continuous improvement events to engage roughly 9,500 associates in our collective success.



Associates drive Continuous Improvement at a Kaizen event.



Reviewing Gemba boards to track performance daily

LEADERSHIP DEVELOPMENT

We recognize the important role that leaders play in engaging associates. To ensure they have the knowledge and skills to lead effectively, we launched training programs for our team leaders and people leaders. Through their management roles, these leaders impact a large portion of our associates. By growing the capabilities of our team and people leaders, we hope to positively impact how they drive associate engagement deeper in our organization. Further, by investing in our team and people leaders capabilities, we are positioning them for continued career growth.

INCLUSION

OUR JOURNEY TOWARDS A MORE INCLUSIVE WORKPLACE HAS STARTED WITH HELPING ASSOCIATES AT ALL LEVELS UNDERSTAND HOW UNCONSCIOUS BIASES CAN PRODUCE BEHAVIORS THAT ARE COUNTER TO OUR GOALS.



During our annual Leadership Conference, leaders of the company learned about the neuroscience behind biases and their impact on performance.

STRATEGY

GOVERNANCE

EMPLOYEE RESOURCE GROUPS (ERGs)

At Regal Rexnord, we are committed to creating an inclusive environment that fosters engaged associates and leverages diversity. We recognize that Employee Resource Groups are an effective way to foster a sense of belonging, inspire conversations, bring diverse perspectives to problem-solving, and promote innovative thinking.

REGAL REXNORD WOMEN ERG

The Regal Rexnord Women Employee Resource Group actively focuses on the growth and development of our global female associates. The ERG exists to sponsor and promote actions that enrich their leadership skills, business knowledge & practices, network, career development, and community impact.



2022 INTERNATIONAL WOMEN'S DAY

On March 8, the world celebrates International Women's Day and so does Regal Rexnord. On this day, we celebrate the social, economic, cultural and political achievements, and advancements of women. The day reminds us of the continued call to action for accelerating women's equality and achieving gender equity.

This year's campaign theme was #BreakTheBias. Whether deliberate or unconscious, bias makes it difficult for women to move ahead. Knowing that bias exists is not enough, action is needed to level the playing field. Regal Rexnord associates cross their arms to show solidarity in calling out gender bias, discrimination and stereotyping when they see it.



REGAL REXNORD AFRICAN AMERICAN ERG

At Regal Rexnord, the Regal Rexnord African American Employee Resource Group focuses on the growth and development of our African American associates. The ERG exists to sponsor and promote actions that enrich leadership skills, business knowledge & practices, network, career development, and community impact.



REGAL REXNORD'S MCS HEADQUARTERS CELEBRATES JUNETEENTH



On the third Wednesday of June, Regal Rexnord's African American Employee Resource Group lead a community engagement event in celebrating Juneteenth. Associates embarked on a stroll to visit two artworks in the downtown Milwaukee area, created and contributed to by African American artists.

STRATEGY

SOCIAL IMPACT

COMMITTED TO OUR COMMUNITIES

Our responsibility to associates does not exist only in the walls of our offices and facilities. It extends to communities in which we are located because they are an important part of associates' lives.

As a company, we believe that our value of responsibility requires community engagement, and we encourage our associates to share in our commitment to the communities where we operate. We have an established charitable foundation, which is governed by an advisory board comprised of our associates. In 2021, the Company and the Company's Charitable Foundation contributed \$1,083,100 to charitable organizations, up from \$570,481 in 2020. In 2021, the Charitable Foundation realigned its giving philosophy to support charitable organizations in more of the communities where our associates live and work globally. Whereas the Charitable Foundation previously focused primarily on supporting charitable organizations in the U.S.A., the amount we contributed internationally in 2021 (predominately in Mexico, given the high concentration of our associates there) represented approximately 40% of our overall contributions.

In addition to financial donations, we believe it is important to actively engage in activities that support our communities. Globally, Regal Rexnord supports associates' efforts to make a difference by coordinating activities or providing time away from work to do good in their communities.

STRATEGY

HUMANITARIAN CRISIS IN UKRAINE

Regal Rexnord felt it was consistent with our Values

– Integrity chief among them – to respond to the
suffering unfolding in Ukraine, and the resulting
humanitarian crisis as refugees fled Ukraine into
neighboring European countries.

Many of our associates and sites showed their caring and support for the people of Ukraine through donations of money, essential goods, or services. In addition, the Company helped provide humanitarian

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relief to the people of Ukraine by donating money to the Red Cross. In total, the Company made a donation of nearly \$75,000 to help the Red Cross respond to the humanitarian crisis in Ukraine and to other Red Cross relief efforts. This donation reflects funds contributed by our associates, our corporate match of those funds, and a direct corporate contribution of \$25,000.



SOCIAL IMPACT

FEEDING THOSE IN NEED IN OUR COMMUNITIES

Throughout our company, Regal Rexnord associates exemplify our Value of Responsibility by giving back to the communities where they live and work. To provide just a few examples of our associates' commitment to serving their communities, Tipp City, Ohio associates partnered with the Kiwanis Club of Tipp City to collect non-perishable food items for Needy Basket, a local food bank.

Regal Rexnord associates in Rowville, Australia participated in the Salvation Army Christmas Appeal. The Rowville facility collected five boxes of food to help enable families and individuals experiencing hardship and isolation to keep food on the table at Christmas.

Cambridge, Maryland associates worked with the local Salvation Army to provide needed canned, non-perishable food items. Three large boxes of food were collected for local needy families.

Our team in Singapore collaborated with a local school, Nee Soon Central GRC, NorthWest CDC and Curate Kitchen to distribute hot meals to the less-abled or elderly residents. A total of 50 pairs of parent-child volunteers distributed the meals to 30 families. Across the globe, associates at our Beloit, Wisconsin headquarters volunteer to deliver meals one week every month for Meals on Wheels, which is also an organization that distributes hot meals to elderly residents.

HELPING CHILDREN IN OUR COMMUNITIES

Associates in Cambridge, Maryland worked with Golden Hill K-8 school Guidance Counselors to assist two families in need. More than twenty employees bought gifts that were delivered to the families.

Sao Leopoldo, Brazil associates volunteered at Centro Medianeira by donating boxes of chocolates to children and teenagers, as well as participating in interactive activities with the children.

Associates in Tipp City, Ohio participated in a drive for a local nonprofit called "We Love Birthday Parties". This organization collects birthday party supplies and facilitates those parties.



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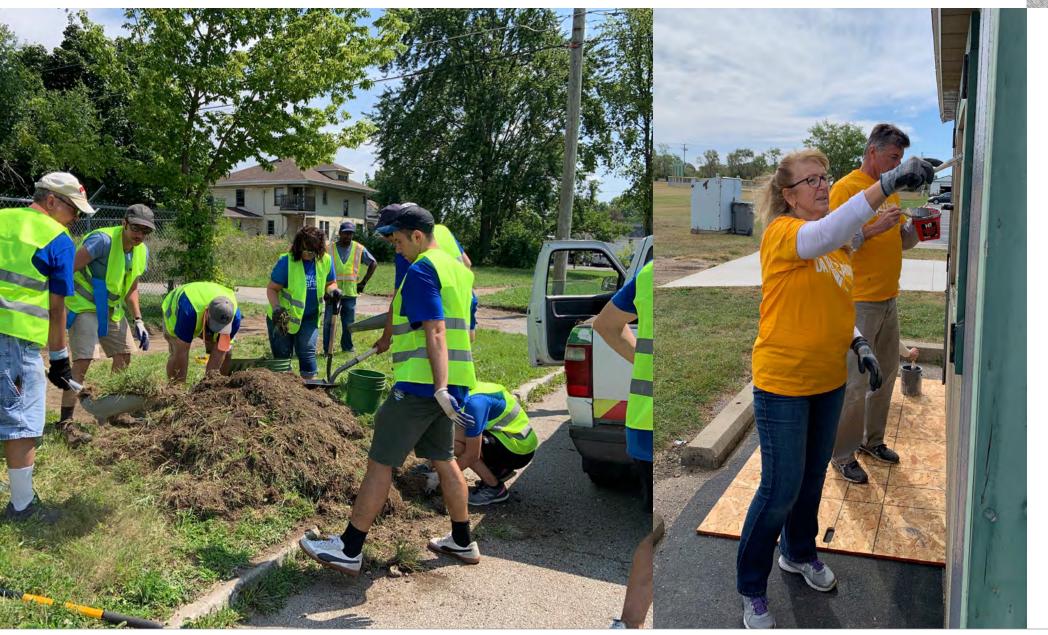
MATAMOROS, MEXICO TOY DONATIONS

Our Matamoros, Mexico facility held a toy donation campaign for Salvation Army, which was able to bring joy to 60 less-fortunate children in the community. A committee of our associates and their families delivered the toys to the children. One of our associates was so inspired by the campaign that he and his wife dressed up like superheroes for the children.



PLASTIC CAPS COLLECTION

Regal Rexnord Brazil associates collected 15.2 kg of plastic caps for donation to Associocao Forca Rosa, a charity that supports women undergoing breast cancer treatment. Associocao takes the plastic caps to a local collection center where they are financially compensated.



UNITED WAY DAY OF CARING

The United Way Blackhawk Region's "Day of Caring" was celebrated with a group of Regal Rexnord associates ready to help. Volunteers worked on various projects at two Stateline Family YMCA locations: the YMCA Youth Sports Complex in Beloit, Wisconsin and the YMCA in Roscoe, Illinois.



CARING FOR THE ENVIRONMENT

REGAL REXNORD ASSOCIATES
PARTICIPATED IN VARIOUS
EVENTS SPECIFICALLY AIMED AT
HELPING THE ENVIRONMENT.



CLEAN UP AUSTRALIA DAY

Clean Up Australia inspires and empowers communities to clean up, fix up and conserve our environment. Regal Rexnord Rowville, Austrailia associates and their families volunteered to clean up the streets surrounding our Rowville, Australia facility, which included parkland.



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WORLD ENVIRONMENT DAY

In June, Regal Rexnord Thailand associates cerebrated World Environment Day by planting 200 trees in the mangrove forest at a local conservation center.



EARTH DAY CELEBRATIONS

Teams of associates from several locations took time to celebrate Earth Day this year. Earth Day was founded in 1970 and now includes a wide range of events to demonstrate support for environmental protection.

Regal Rexnord facilities commemorated the day by distributing tree seedlings to associates, planting trees, helping clean up local parks and public spaces, and adding bio-fermented water to the community's canal to increase the rate of decomposition of organic matter in water in order to maintain water balance and aquatic ecosystems.





STRATEGY

AS THE COVID-19 PANDEMIC CONTINUED TO EVOLVE,

we re-evaluated and refined the programs we originally designed to keep both our associates safe and our operations running. Throughout the pandemic, our top priority has been the health and safety of our associates. As the situation evolved during 2021, our CEO provided routine COVID-19 updates to our global associates to promote alignment on health and safety measures. Our CEO and the rest of our leadership team also strongly encouraged all associates to get vaccinated. At many of our global sites, on-site vaccination clinics played an important role in allowing our associates and their family members to become vaccinated. Each of our global sites continues to comply with government regulations, and considers guidance from the Centers for Disease Control and the World Health Organization when making changes to our COVID-19 safety protocols. Each business segment continues to track and report COVID-19 statistics on a monthly basis.

ON-SITE VACCINATIONS

A number of our sites held on-site vaccination clinics, in order to make it easy for our associates to get the COVID-19 vaccine. For example, one of our facilities in Brazil had a mobile vaccination unit come on-site to vaccinate associates.



GEXIN CHINA ASSOCIATES HELP WITH LOCAL COVID EFFORTS

During Shanghai's lockdown in early 2022, many Gexin associates enrolled as community volunteers to scan codes for nucleic acid testing, assist in the distribution of antigen test kits, distribute grocery packs, and do express deliveries.



ON-SITE COVID TEST CENTER

Our Dohna, Germany facility operated a public test center at the plant site where Dohna associates, as well as employees of other companies in the industrial park and citizens of the city of Dohna and surrounding communities, could be tested daily free of charge. During this time, approx. 10,000 tests were carried out.





STRATEGY

MEDICAL COVERAGE AND ASSISTANCE

LIKE MANY EMPLOYERS, REGAL REXNORD OFFERS MEDICAL PLANS TO HELP ASSOCIATES WHEN THEY (OR THEIR FAMILIES) ARE SICK OR INJURED.

However, we prefer associates not get sick or injured in the first place. In the U.S.A., we offer discounted rates for our medical plans when associates monitor their potential risks and take proactive steps to maintain and improve their health. We conduct biometric health screening events in many U.S.A. locations to make it easy and convenient for associates to get critical information about various metrics such as blood pressure, cholesterol levels, and BMI.

For the wellness plan year ending 9/30/21, 45% of medical plan participants in the U.S.A. earned some level of medical premium discount effective 1/1/22 through participation in wellness programs. In other parts of the world, associates have found fun ways to be healthy while helping their communities or reaping financial benefits.

Dohna, Germany associates participated in the largest company run in the region, the REWE Team Challenge. Teams of four ran 5 km through the historic city center of Dresden.



As a health and safety initiative, Regal Rexnord Rowville had a nurse come on-site to administer flu vaccinations.



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—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. We believe that our initiatives will work to reduce the risk of injury and improve the work environment.

REGAL REXNORD MEASURES SAFETY PERFORMANCE GLOBALLY

Total Recordable Rate (TRR) and Days Away From Work, Job Restriction, or Transfer (DART) are two primary indicators that Regal Rexnord uses to measure safety performance globally. We use the current (2020) U.S. Bureau of Labor Statistics incidence rates tables in order to benchmark our performance compared with companies operating in industries we believe align closely with our core businesses – motor and power transmission product manufacturing. We proudly continue to outperform our peers in both of these industries. Despite our strong safety performance compared with our manufacturing peers, we will not be satisfied until we achieve zero accidents.

In addition to benchmarking against industry performance metrics, we track other indicators which allow us to identify improvement opportunities for our safety programs and processes. Some of those indicators include: training hours, regulatory audit findings, significant near miss reporting, and safety walks of our sites focused on identifying health and safety improvements.



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

¹The data shown in this table for 2021 reflects full year TRR and DART rates for the entire Regal Rexnord organization, including the Rexnord PMC and Arrowhead businesses we acquired in 2021.

²An independent contractor suffered a fatal electrical shock while performing maintenance in a support structure outside of a Regal Rexnord facility. Actions in response to this tragic event included (1) improving the contractor safety management system, (2) conducting independent electrical safety audits at sites globally, and (3) augmenting safety audits globally, emphasizing a "full-site" approach that encompasses the entire property, including all on-site structures, regardless of their size and function.

³2020 U.S. Bureau of Labor Statistics average incidence rates for companies operating in the Motor and Generator Manufacturing (NAICS code 335312) and Mechanical Power Transmission Equipment Manufacturing (NAICS code 333613) industries.



STRATEGY

OUR PRODUCTS ARE SOLD ACROSS SIX CONTINENTS

Regal Rexnord has 84 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.

172
TOTAL
FACILITIES

Facility counts are as of December 31, 2021, as reported in our 2021 Annual Report.



A GLOBAL SUPPLY CHAIN BUILT WITH PARTNERS COMMITTED TO SUSTAINABILITY

Regal Rexnord'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: making our operations more productive so we can reduce the size and/or number of our facilities, lower emissions, decrease energy and water consumption, and minimize production of waste through standardization and digitization. In short, we're striving to consume less and leave 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 Rexnord evaluates our global suppliers in order to assure compliance with REACH, RoHS, the EU Waste Directive, and other applicable state and national regulations, and conflict minerals reporting requirements, and to ensure that our global suppliers are employing adequate health and safety practices. We engage an outside vendor to support the extensive supplier due diligence that is required to comply with applicable regulations and requirements, under the direction of our internal materials compliance team. Assessments are completed for all new direct materials suppliers, to ensure that they meet our technical requirements.

On an ongoing basis, suppliers must meet or exceed the expectations detailed in our Supplier Code of Conduct & Global Supplier Requirements and Expectations Manual (SREM), as well as participate in our Supplier Compliance Communication Campaign (SCCC Survey). The SCCC Survey is being executed every two years and the results are audited by internal and external auditors. In addition, our Global Human Rights Policy, which prohibits the use of forced and child labor, applies to our suppliers and is incorporated by reference in our Supplier Code of Conduct. Our supply chain team delivers scorecards to suppliers at least on a quarterly cadence (more frequently in some parts of our business), and performs supplier re-assessments and on-site assessments periodically using a risk-based approach. For suppliers that interface with our CTPAT certified businesses, we perform risk assessments consistent with U.S. Customs and Border Protection recommendations.

From a strategy and planning perspective, our supply chain team engages in monthly operating reviews with the leaders of our four operating segments, monthly business unit review meetings, and undergoes an annual strategy planning process.

RECYCLED AND RECLAIMED MATERIALS MAKE GOOD ENVIRONMENTAL AND BUSINESS SENSE

With increased focus on best value country sourcing, many of the resource-consuming commodities such as castings are sourced from Asia. Foundries in India supplying to Regal Rexnord, as an example, are investing in new manufacturing technologies and automation, further improving productivity, lowering costs, and employing environmentally friendly practices such as 100% sand reclamation. Many of these foundries use renewable energy and moved from coke-based cupola melting to induction melting. Partnering with such suppliers has enabled Regal Rexnord to further its resolve to source material that has less impact on the environment.

Internally, a significant portion of our facilities participate in scrap metal and cardboard recycling programs.

ORGANIZATIONAL 80/20 FOCUS DRIVES VENDOR SIMPLIFICATION

Organization-wide, Regal Rexnord is on an 80/20 journey to simplify its product lines and reduce SKUs. For the supply chain function, these organization-wide efforts have resulted in vendor simplification. Outside of product line simplification, the supply chain team engages in an ongoing process of supplier rationalization, and ESG is one of the factors it considers when considering which vendor relationships to prune.

RESPONSE TO SUPPLY CHAIN CHALLENGES LEADS TO INCREASED SUPPLIER LOCALIZATION

Similar to other companies, Regal Rexnord faced numerous supply chain challenges during 2021 due to tariffs, COVID-19-related delays and supplier capacity constraints, and other factors. To help manage the impact of tariffs, our supply chain team relocated certain suppliers from China to India, Vietnam and Mexico. To help manage the impact of COVID-19-related delays and supplier capacity constraints, we developed new, dual-sourced, supplier relationships with a focus on localization. Where we were able to establish more localized supplier relationships, we expect that we will not only reduce delays and supplier risk, but also drive environmental benefits due to decreased transportation impact.

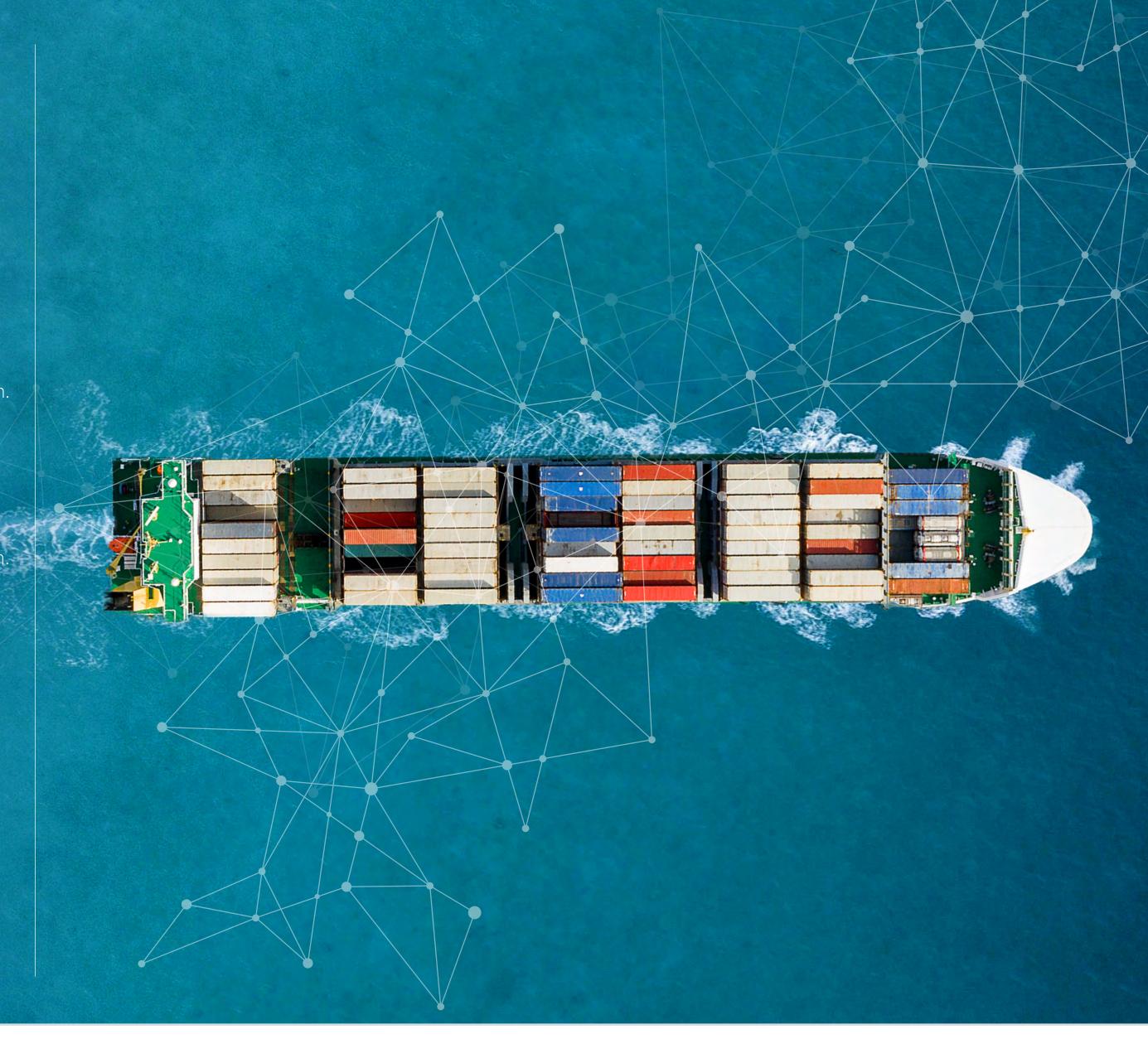


IMPROVEMENTS TO SUPPLY CHAIN INFORMATION SYSTEMS AND PROCESSES LEAD TO DECREASED SHIPPING TIMES AND IMPROVED FREIGHT UTILIZATION

Regal Rexnord has deployed several information systems, policies, and processes with the express purpose of increasing logistics agility, visibility, and utilization. The interests of our customers, shareholders, and stakeholders are all met simultaneously by driving efficiency through our entire value chain - an accomplishment underpinned by access to relevant, accurate, real-time information.

Most of Regal Rexnord's containers shipped from Asia, which average approximately 400 a month, are scheduled, tendered, and tracked through a cutting edge industrial commerce platform that provides on-demand logistics capabilities. This cloud-based application has unilaterally improved global collaboration, precision of planning, and execution accuracy. The average time on water for our entire targeted container population has reduced from 72 to 55 days as a result of this platform. We estimate that this efficiency improvement has reduced Regal Rexnord's relative contribution to nautical fuel consumption by approximately 40%.

Prior to our acquisition of the Rexnord Process & Motion Control business in 2021, Regal Rexnord used multiple transportation management systems to execute millions of our North American freight transactions across all modes. Even with all of those systems, approximately 25% of our total transactions were tendered manually via emails and phone calls. By the end of 2022, we anticipate that greater than 90% of our North America in-bound, intra-company, and outbound freight transactions will be executed in a single best-of-breed transportation management system. Our expectation is that this centralization will enable us to reduce no less than 10-15% of our total loads by increasing consolidations via milk run routes, higher shipment densities, and mode shifts. Improved freight utilization is also good for the environment, reducing the amount of fuel used and emissions produced in moving material to our plants, and product to our customers.



GOVERNANCE

THE REGAL REXNORD COMPLIANCE CITIZENSHIP REVIEW



(CCR) is our annual evaluation of each Regal Rexnord facility's environmental, health, safety, and sustainability performance. The CCR is led by the facility manager and the management staff demonstrating that environmental health and safety is the management team's collective responsibility. The review process evaluates each facility on performance and predictive indicators in areas such as compliance, safety, environmental impact, associate training, sustainability, and community service. Performance metrics are compared against the prior year which serves as a reference point for each facility to improve upon. Best practices from the highest performing facilities are shared across the business.

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 CCR process, we continually monitor environmental regulatory compliance, establish Regal Rexnord environmental policies, and ultimately determine if the products we make and the materials we use meet our environmental policies. The CCR review process is also an important way we track performance to determine if our measurable targets are being met. As we roll out our Sustainability Champion program, we will integrate it with our CCR process to ensure even stronger local ownership over plant-based environmental efficiency efforts. Each site will have a Sustainability Champion, who will leverage Regal Rexnord Business System tools to drive measurable sustainability improvements at their facility.

Even now, associate-led teams at our facilities have specific goals to reduce energy consumption, greenhouse gas emissions, water usage, and waste. During the review, the management team reports their year-over-year performance, trend analysis, and their sustainability improvement plan for the next year. We look forward to marrying these CCR strengths with our new Sustainability Champion program.

REGAL REXNORD CONTINUES TO INVEST IN ONSITE RENEWABLE ENERGY TECHNOLOGIES



Rowville, Australia Carbon Emission Offset

As of the date of this report, the Rowville site offset all 2022 Greenhouse Gas Emissions by partnering with Greenfleet. Greenfleet is a leading not-for-profit organisation, authorized climate active member and Australia's first carbon offset provider, committed to protecting our climate by restoring forests. Greenfleet plants native biodiverse forests in Australia and New Zealand to restore critical ecosystems and capture carbon emissions. As a result of this partnership and the energy generated by its 2022 solar power system installation, the Rowville site is carbon neutral (both Scopes 1 and 2) year-to-date in 2022.



Solar Power System Installations

Regal Rexnord Rowville, Australia; Ciserano, Italy and Meadowdale, South Africa all installed solar power systems in 2022.

A 230-kW system was installed at our Rowville facility and a 465-kW system was installed at our Ciserano facility. The combined annual green energy production is estimated to be 881,000 kWh, which will result in an annual reduction of 550 metric tons of greenhouse gas.

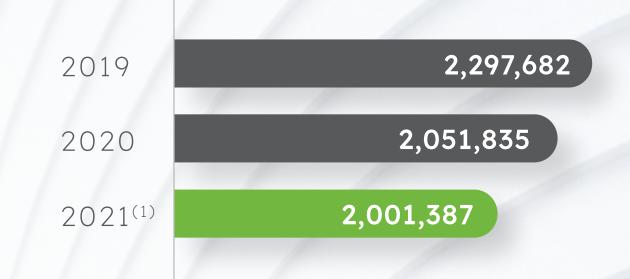
Installing the solar panel system at our Meadowdale facility not only removed the company's dependency on the electricity grid but also provided a longer term sustainable solution for the company and the environment. The system consists of 30kW Inverter, 90×330 W panels with a 29.7 Kw peak installed capacity.

ENERGY CONSUMED (GIGAJOULES)

	2019	2020	2021(1)
TOTAL ENERGY CONSUMPTION (SCOPE 1)	1,289,825	1,149,860	1,095,446
TOTAL ENERGY CONSUMPTION (SCOPE 2) EXCLUDING ONSITE RENEWABLE ENERGY	1,007,857	901,975	905,941
TOTAL ENERGY CONSUMED (SEE CHART)	2,297,682	2,051,835	2,001,387
PERCENTAGE OF GRID ELECTRICITY	44%	44%	45%
PERCENTAGE ONSITE RENEWABLE ENERGY	0.09%	0.10%	0.24%
ONSITE RENEWABLE ENERGY	867	914	2,146
NATURAL GAS CONSUMED	1,228,975	1,097,110	1,054,549
PROPANE CONSUMED	22,399	22,827	15,672

^{(1) 2021} data presented on pages 39 through 42 excludes the Rexnord PMC and Arrowhead businesses.

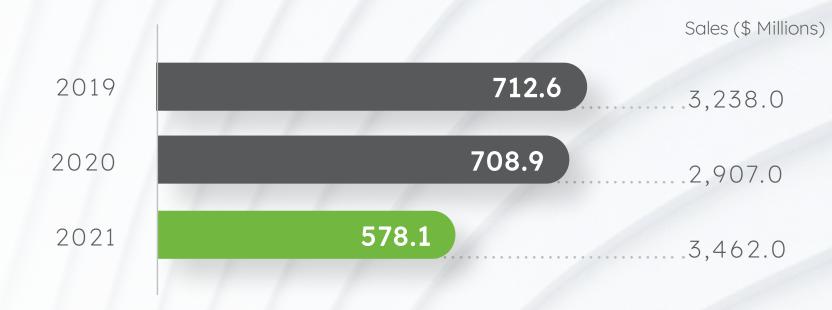
TOTAL ENERGY CONSUMED (GIGAJOULES)



ENERGY CONSUMED (GIGAJOULES)

	2019	2020	2021
AUSTRALIA	6,652	5,630	5,336
CANADA	19,792	18,314	6,995
CHINA	186,805	181,879	184,854
EU	70,169	54,573	58,408
INDIA	82,617	77,770	78,521
MEXICO	929,665	845,124	913,725
U.S.A.	961,721	827,011	703,566
REST OF WORLD	40,261	41,534	49,982
TOTAL ENERGY CONSUMED	2,297,682	2,051,835	2,001,387

ENERGY INTENSITY (GIGAJOULES PER \$M SALES)



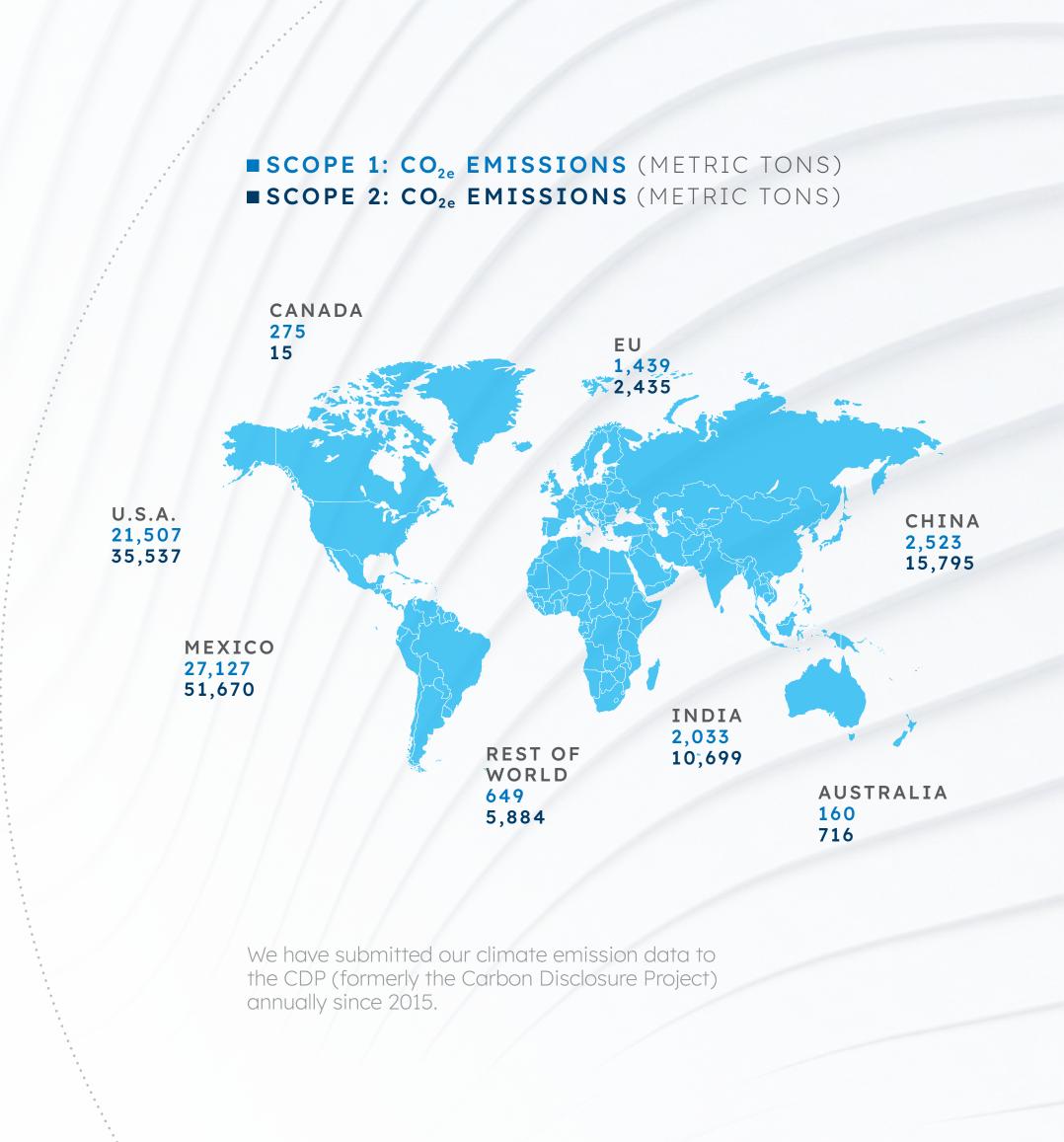
Energy Intensity Ratio Gigajoules per Million \$ Sales



STRATEGY

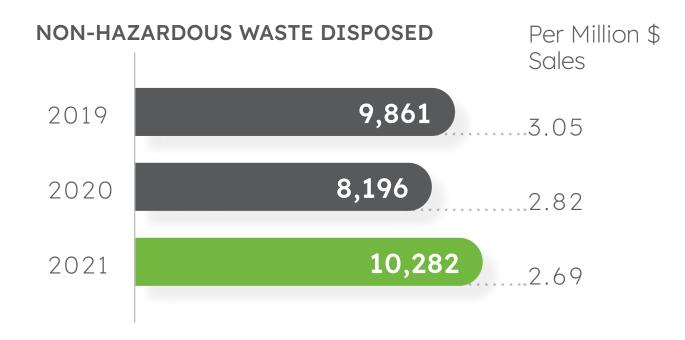
CO_{2e} EMISSIONS (METRIC TONS)

	2019	2020	2021
CO _{2e} SCOPE 1	72,900	64,968	55,713
CO _{2e} SCOPE 1: PER MILLION \$ SALES	22.5	22.3	16.09
CO _{2e} SCOPE 2	175,690	160,390	122,751
CO _{2e} SCOPE 2: PER MILLION \$ SALES	54.3	55.2	35.46
TOTAL CO _{2e}	248,590	225,358	178,464
TOTAL SCOPE 1 & 2 CO _{2e} PER MILLION \$ SALES	76.8	77.5	52.0

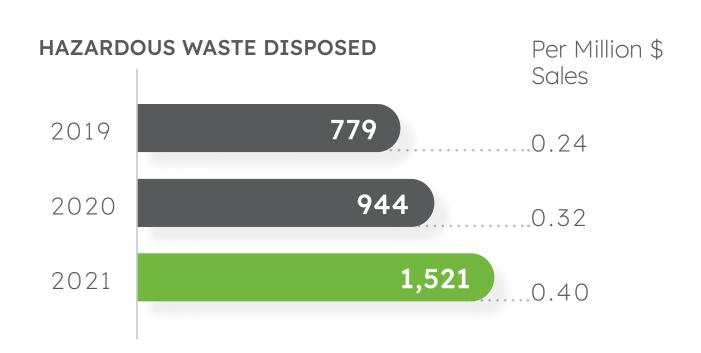


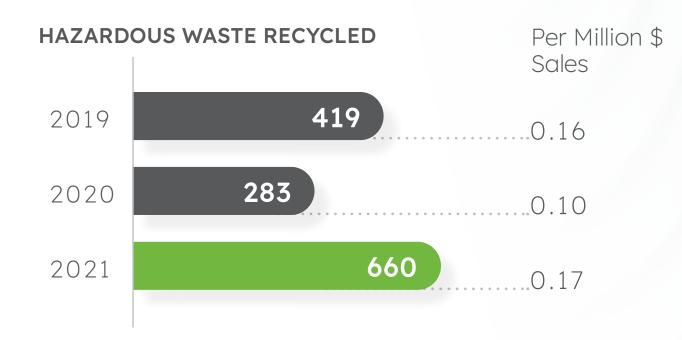


NON-HAZARDOUS / HAZARDOUS WASTE (METRIC TONS)









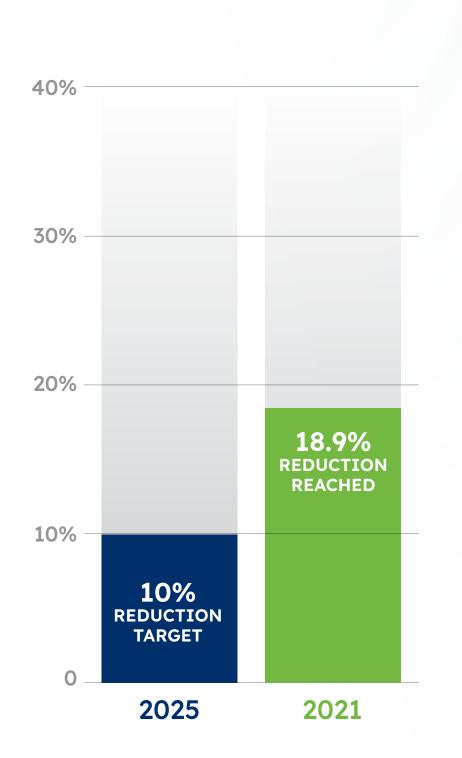




WE ARE PROUD TO REPORT THAT REGAL REXNORD HAS ACHIEVED ALL OF ITS 2025 CLIMATE REDUCTION TARGETS AHEAD OF SCHEDULE: (1)(2)

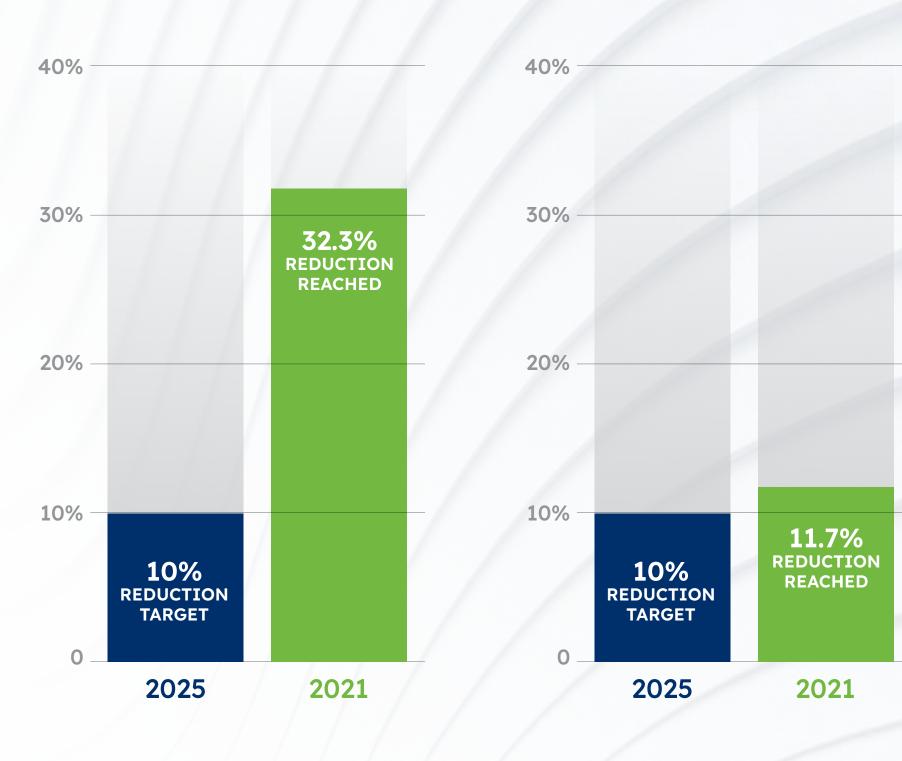
- (1) Reductions for each target versus 2019 levels; achievement calculated based exclusively on legacy Regal (pre-Rexnord PMC merger) data.
- (2) As of December 31, 2021.





METRIC TONS CO² **EQUIVALENT PER** MILLION \$ SALES







STRATEGY

ATRANSFORMED COMPANY WITH A BOLD NEW GOAL

Our merger with the Rexnord PMC business in October 2021 was truly transformative for our company. The merger, together with our early achievement of the 2025 reduction targets we set in 2020, led our executive leadership team to determine that Regal Rexnord needs a new, more aggressive climate goal. It is the right thing to do for our stakeholders, and is consistent with our business purpose and values. To that end, Regal Rexnord announced at our September 13, 2022 Investor Day that we target achieving Scope 1 and Scope 2 carbon emission neutrality by 2032. We will use 2022 as our baseline year, because it is our first full year as a combined company after our merger with the Rexnord PMC business.

In addition, and in line with the United Nations Sustainable Development Goals for Climate Action, we announced our target to be net zero across Scopes 1, 2 and 3 by 2050. In pursuit of this target, we intend to establish science-based targets that are aligned with the 2015 Paris Agreement. We began our journey toward establishing science-based targets by submitting a letter of intent to the Science-Based Targets initiative (SBTi) in August 2022. We are beginning the foundational work to achieve our goals by:

Making significant investments to improve data reporting & accuracy;

Outlining a well-researched path to achieve our net zero goal;

Launching a talent development program focused on carbon reduction;

Launching a sustainability champion program at our global sites;

Creating an executive steering committee to monitor and report progress to the Corporate Governance, Sustainability and Director Affairs Committee









OUR PLAN TO REACHNET ZERO BY 2032

OUR PLAN TO REACH SCOPE 1 AND SCOPE 2 CARBON NEUTRALITY BY 2032





PREPARING FOR THE ROAD TO NET ZERO

The Rexnord PMC merger, along with our acquisition of the Arrowhead Systems business in November 2021, which we now refer to as our Automation Solutions Business Unit (ASBU), provided us the opportunity to assess sustainability policies, procedures and practices across our business. As a result, our reporting systems were improved by launching a new sustainability online reporting application. The application allows our manufacturing, distribution centers, and large offices to report energy, water, and waste data on a monthly basis and upload relevant backup data, such as utility invoices. Standard operating procedures were developed to ensure data reporting accuracy, consistent Scope 1 and Scope 2 emissions calculations and standard waste stream classifications.

We put significant time and effort into ensuring that our combined company environmental impact data is high-quality, because we know that reliable data is critical both to achieving carbon neutrality by 2032 and to successfully implementing science-based targets. We feel that all of this hard work has strongly positioned us to use 2022 combined company data as our baseline on the road to net zero.

To assist in achieving our goals, we are in the process of launching a Sustainability Champions program where associates at our manufacturing facilities and distribution centers will be trained on Regal Rexnord Business System tools and processes to identify energy, water, and waste reduction opportunities. Our focus will be on improving the energy efficiency of our buildings, processes and equipment, and improving production efficiencies. In addition, we will continue to assess both onsite and offsite renewable energy opportunities.



REGAL REXNORD HAS DEVELOPED A CYBERSECURITY PROGRAM THROUGH A STRONG MANAGEMENT APPROACH.

GOVERNANCE THROUGH EFFECTIVE POLICY, STANDARDS AND PROCEDURES, AND EXECUTION OF A COMPREHENSIVE STRATEGY THAT ADAPTS TO CHANGING RISKS. THE CYBERSECURITY POLICIES AND STANDARDS WERE CREATED FOLLOWING NIST CYBERSECURITY FRAMEWORK.

A comprehensive strategy against a cyber-attack includes the education and training of our associates. Regal Rexnord delivers monthly targeted training and phishing simulation for our associates, and conducts an annual mandatory global information security training campaign and certification, which is translated into 20 languages. The security policies and trainings are designed to develop a mature risk aware culture.

Regal Rexnord 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.

Our Board is responsible for overseeing the cybersecurity strategy for the company. Our Chief Information Officer oversees cybersecurity for the company and provides updates on cybersecurity projects and risks to the board of directors on a quarterly basis.

PROTECTING OUR IT INFRASTRUCTURE AND DATA IS A TOP PRIORITY

REPRESENTATIVE INFORMATION TECHNOLOGIES DEPLOYED:

IDENTITY AND ACCESS MANAGEMENT	ENCRYPTION	MULTI-FACTOR AUTHENTICATION
NETWORK	DATA IDENTIFICATION	PRIVILEGE ACCESS
SEGMENTATION	AND CLASSIFICATION	MANAGEMENT
24/7 SOC (SECURITY OPERATIONS CENTER) MONITORING	END POINT DETECTION AND RESPONSE (EDR)	CONTINUOUS AUDIT
DATA PRIVACY	EDUCATION AND	INFORMATION
COMMITMENT	AWARENESS	PROTECTION



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REGAL REXNORD ASSOCIATES
STRIVE TO CONDUCT BUSINESS
ETHICALLY, HONESTLY, AND IN
FULL COMPLIANCE with all laws and
regulations. Regal Rexnord's Code of Business
Conduct and Ethics (our "Code") makes clear our
core operating principles, sets standards and
behaviors, and explains how our values should
guide our decisions. Our Code is distributed online
in multiple languages, to ensure that it is easily
accessible to all of our global associates and
business partners.

EACH NEW ASSOCIATE RECEIVES CODE OF CONDUCT TRAINING

during the onboarding process. Annually, all associates are required to certify that they comply with our Code and its related policies, including Conflicts of Interest and Respect and Dignity.

To enhance their understanding of our Code, all associates participate in mandatory training each year on a rotating set of the key ethics and compliance subjects encompassed by our Code. In 2021, this comprehensive training included specific modules on diversity, inclusion & discrimination,

keeping accurate books and records, bribery and corruption, workplace violence, and the importance of speaking up and reporting concerns. Depending on job title, responsibilities and geographic location, certain associates also participated in more in-depth training regarding anti-corruption, sexual harassment, trade sanctions and our global authorities policy. In addition, all of our associates who use Regal Rexnord's information technology systems were required to complete cybersecurity training. This 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 Regal Rexnord Values every day.

During 2021, Regal Rexnord's internal auditors performed numerous and varied risk assessment activities including management inquiries, detailed testing, and risk control walkthroughs, among others. We reviewed 49 company locations' accounting, which represents approximately 75% of Regal Rexnord's 2021 revenue. This data includes revenue related to the Rexnord PMC and Arrowhead businesses we acquired in the fourth quarter. 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 2021, there were no legal actions commenced nor pending against Regal Rexnord related to anti-competitive behavior or anti-trust.

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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. The policy describes the actions taken by Regal Rexnord in our effort to prevent all forms of bribery and emphasizes the need to maintain accurate books and records. Specifically, it identifies the steps for conducting due diligence on business partners, including customers, suppliers, contractors, subcontractors, and joint venture partners. Periodic 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 REXNORD, we rely on our Values 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 Rexnord's approach to global taxation is founded on these same values and we strive to make our economic contribution fairly, accurately, and efficiently. We are committed to complying with all applicable laws, regulations, and disclosure requirements.

REGAL REXNORD'S TAX PLANNING IS DRIVEN BY BUSINESS STRATEGY AND ACTIVITY

Regal Rexnord 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 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 were 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.

Where there are any areas of uncertainty, Regal Rexnord engages relevant external experts for advice. Regal Rexnord'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.

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Tax incentive offerings and opportunities are utilized when available and in line with company strategy but are not primary investment drivers. Statutory, regulatory, and administrative requirements are adhered to when employing tax incentive benefits.

To support Regal Rexnord'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.

STRATEGY

REGAL REXNORD'S TAX COMPLIANCE IS FOCUSED ON TRANSPARENT REPORTING

Regal Rexnord is dedicated to maintaining a superior level of tax reporting compliance in all areas of business operations. We observe and adhere to tax law, underlying tax policy intent, and disclosure reporting requirements in each jurisdiction in line with the spirit of the applicable tax legislation.

REGAL REXNORD'S APPROACH TO RISK MANAGEMENT AND GOVERNANCE ARRANGEMENTS IN RELATION TO TAXATION

Regal Rexnord 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 made and experts are utilized to assist in areas of high complexity and risk.

A dedicated team of corporate tax specialists oversee global compliance of income, VAT, withholding, and U.S. sales, use, franchise, property tax laws, and regulations. These professionals engage in external continuous education to stay current 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 the tax team is focused on transparent, accurate reporting and implementation of policies to reduce tax disputes and limit risk exposure to the company.

REGAL REXNORD'S APPROACH TOWARD ENGAGEMENT WITH TAX AUTHORITIES

Our approach is to have an open, honest, and collaborative working relationship with tax authorities. We strive to respond in a timely manner to tax audit requests and engage with tax authorities in a professional and constructive manner with full transparency of the facts of our business operations. Where there could be areas of differing legal opinions between Regal Rexnord and the tax authorities, we engage in appropriate discussions to bring matters to a resolution as quickly as possible.



THE REGAL REXNORD BOARD IS COMPRISED OF TEN DIRECTORS,

each of whose terms expire annually. There are nine independent directors including three 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 Rexnord and all our stakeholders. The Board initially vested the responsibilities of the CEO and Chairman of the Board in different individuals in 2019. Specifically, 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

Significant International Experience	Experience as a Current or Former CEO or COO, or Significant Operations Experience	
Knowledge of Investment Banking and/or Capital Markets		
Expertise in Matters of Public Accounting		
Knowledgeable in Corporate Governance		
Current or Past Experience with Manufacturing, Including Supply Chain Management and Lean Principles	Experience with having Responsibility for the Profit and Loss of a Business/ Operation	
Entrepreneurial Experience	Expertise in Technology, Engineering and Information Technology	Commercial Expertise, Including in Sales and Marketing and 80/20
	Knowledge of Investment Banking and/or Capital Markets Expertise in Matters of Public Accounting Knowledgeable in Corporate Governance Current or Past Experience with Manufacturing, Including Supply Chain Management and Lean Principles	Experience Former CEO or COO, or Significant Operations Experience Knowledge of Investment Banking and/or Capital Markets Expertise in Matters of Public Accounting Knowledgeable in Corporate Governance Current or Past Experience with having Responsibility for the Profit and Loss of a Business/ Operation Entrepreneurial Experience Expertise in Technology, Engineering and

Regal Rexnord's Corporate Governance, Sustainability 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, Sustainability & Director Affairs. These committees are appointed by and report to the Board. The charter for each committee is available on our investor website: investors.regalrexnord.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, Sustainability & Director Affairs Committee.

IN JANUARY 2021, OUR CORPORATE GOVERNANCE & DIRECTOR AFFAIRS COMMITTEE WAS RENAMED AS OUR CORPORATE GOVERNANCE, SUSTAINABILITY & DIRECTOR AFFAIRS COMMITTEE, and assumed responsibility for overseeing environmental, social and governance (ESG) matters that are applicable to Regal Rexnord. We feel that this change provides more focused ESG oversight and alignment with our business purpose - to create a better tomorrow by energy-efficiently converting power into motion. To help advise the Corporate Governance, Sustainability & Director Affairs Committee in this new role, our management team provides the committee with a quarterly update on key ESG topics and developments. In addition to these regular updates, the chairman of our Corporate

Governance, Sustainability & Director Affairs Committee hosted a ESG working session in July 2022 to allow our directors and management team to take a more in-depth look at the most important ESG matters for our company. Due to the growing importance of environmental stewardship to our organization, we established a Climate Steering Committee in July 2022. This committee consists of our CEO, VP-Regal Rexnord Business System, VP-General Counsel & Secretary, Segment Presidents and VP-EHS, and will meet quarterly to establish Regal Rexnord's climate goals and strategy, and ensure that we are staying on track to achieve those goals. With our bold new goal to achieve carbon neutrality by 2032, we felt that additional oversight in policy, and we conduct tabletop exercises to further this area was critical. Progress toward achievement of our goals will be included in the quarterly update to the Corporate Governance, Sustainability & Director Affairs Committee.

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.regalrexnord.com.

MANAGING RISK

Regal Rexnord's Annual Report provides extensive information on risks and opportunities in our businesses. The Regal Rexnord Board and

management are responsible for operational and strategic risk management oversight. To assist in this responsibility, we periodically convene a Risk Committee comprised of a diverse group of Regal Rexnord leaders and associates. The committee surveys and solicits input from the businesses and reviews and updates our risk assessments. The input process includes consideration of economic, environmental and social topics, among others. This process leads to the development of mitigation strategies for significant risks that could impact Regal Rexnord's ability to meet objectives and execute strategies. We also maintain and update, on a periodic basis, our crisis communications assess and refine our ability to adequately respond to significant risks that could impact enterprise and business continuity. Our efforts ensure that we address risk comprehensively. The Board regularly reviews our risk management processes and progress. In addition, Regal Rexnord has a global authorities policy which sets forth its process for delegating authority for 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 Rexnord has an authorities policy review committee, which meets quarterly to administer the policy and address any exception requests that are received from associates. For certain high-volume commercial

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items, our business segments maintain separate authorities policies that are complimentary to the global authorities policy, but that are tailored to meet our segments' unique business needs. Regal Rexnord provides periodic training on the authorities policy to associates who are likely to encounter the types of decisions and issues addressed by the policy in their day-to-day work for the company.

KEY GOVERNANCE HIGHLIGHTS

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



BOARD ITEMS:

*TOTAL DIRECTORS: 10 (including CEO) 70% of directors are male and 30% of directors are female

*INDEPENDENT DIRECTORS: 3 women and 6 men

*AVERAGE AGE: 63; all directors are over 50 years old

*AVERAGE TENURE: 7.5 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 | Proxy Access | Right to call special meetings | No 'poison pill'

COMPENSATION COMMITTEE OVERSIGHT:

Pay-for-Performance Culture Double

Double Trigger Change-In-Control Anti-Hedging and Anti-Pledging Policies

Stock Ownership Requirements

No Future Excise Tax Gross-Up

Annual and Long-Term Incentive Metrics

Clawback Policy



REGAL REXNORD VALUES
TRANSPARENCY AND MAINTAINING
TWO-WAY CHANNELS OF
COMMUNICATION WITH ITS KEY
STAKEHOLDERS—ASSOCIATES,
CUSTOMERS, AND SHAREHOLDERS.

REGAL REXNORD AIMS
TO ACHIEVE THESE
COMMUNICATION
OBJECTIVES THROUGH
VARIOUS METHODS OF
OUTREACH, INCLUDING:



PRODUCTS & INDUSTRIES

- AAAE (American Association of Airport Executives)
- ABMA (American Bearing Manufacturers Association)
- AGMA (American Gear Manufacturing Association)
- AHAM (Association of Home Appliance Manufacturers)
- AHRI (Air Conditioning, Heating, and Refrigeration Institute)
- AIGroup (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)
- ASHRAE (American Society of Heating, Refrigerating and Air Conditioning Engineers)
- Assoclima (Association of Manufacturers of Air Conditioning Systems)
- Assolombarda
- BSA (Bearing Specialist Association)
- CBA (Craft Brewers Association)
- CEMA (Conveyor Equipment Manufacturers Association)
- CHES (Canadian Healthcare Engineering Society)
- CHPB (Center for High Performance Building)

- 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)
- Eurovent (Association for Indoor Climate, Process Cooling, & Food Cold-Chain Technologies)
- EVIA (European Ventilation Industry Association)
- FMA (Fabricators/Fan Manufactory Association)
- FMAANZ (Fan Manufacturers Association of Australia and New Zealand)
- GEAPS (Grain Elevator and Processing Society)
- HARDI (Heating Air Conditioning Refrigeration Distributors International)
- HI (Hydraulic Institute)
- IEEE (Institute of Electrical and Electronics Engineers)
- IEEMA (Indian Electrical and Electronics Manufacturers Association)
- Intertek Agency
- 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)
- PTRA (Power-Motion Technology Representatives Association)
- SMRP (Society for Maintenance & Reliability Professionals)
- WBA (World Bearing Manufacturers 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. 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)
- STLE (The Society of Tribologists and Lubrication Engineers)
- Vibration Institute



BERG	FOOTE-JONES®	MARATHON® MOTORS	ROLLWAY®
BROWNING®	GENTEQ®	MARATHON SPECIAL PRODUCTS®	ROTOR nl®
CAMBRIDGE	GROVE GEAR®	MCGILL®	SEALMASTER®
CEMP®	HIGHFIELD	MILWAUKEE GEAR™	STEARNS®
CENTA	HUB CITY®	MORRILL®	SYSTEM PLAST®
CENTURY®	JAURE®	MORSE®*	THOMAS
DURST®	KOP-FLEX®	NICOTRA GEBHARDT®	THOMSON POWER SYSTEMS™
ELCO®	LEESON®	PERCEPTIV™	TOLLOK
FALK™	LINK-BELT®	REMCO®**	
FASCO®	MARATHON® GENERATORS	REXNORD	
		* Morse is a regis	stered trademark of Borg-Warner Corporation, used herein under exclusive license.

FRegalRexnord

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** The Remco trademark is registered only in the United Kingdom.

THIS REPORT CONTAINS FORWARD-LOOKING STATEMENTS, WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES EXCHANGE

ACT OF 1934, as amended, which reflect Regal Rexnord's current estimates, expectations and projections about Regal Rexnord's future results, performance, prospects and opportunities. Forward-looking statements include statements that are not historical facts and can be identified by forward-looking words such as "anticipate," "believe," "confident," "estimate," "expect," "intend," "plan," "may," "will," "project," "forecast," "would," "could," "should," and similar expressions. Forward-looking statements in this report may include, among other things: statements regarding Regal Rexnord's emissions, energy consumption, water consumption, and other environmental targets, external ESG commitments, transportation management system improvements, and operational strategies.

These forward-looking statements are based upon information currently available to Regal Rexnord and are subject to a number of risks, uncertainties, and other factors that could cause actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. Nothing in this report should be interpreted as material to the financial condition of Regal Rexnord, unless stated otherwise.

Important factors that could cause actual results to differ materially from the results referred to in the forward-looking statements Regal Rexnord makes in this release include: dependence on key suppliers and the potential effects of supply disruptions; fluctuations in commodity prices and raw material costs; any unforeseen changes to or the effects on liabilities, future capital expenditures, revenue, expenses, synergies, indebtedness, financial condition, losses and future prospects; the possibility that the conditions to the consummation of the proposed acquisition of Altra Industrial Motion Corp. ("Altra") (the "Altra Transaction") will not be satisfied on the terms or timeline expected, or at all; failure to obtain, or delays in obtaining, or adverse conditions related to obtaining, shareholder or regulatory approvals sought in connection with the Altra Transaction; failure to achieve the debt financing necessary for the Altra Transaction on the desired terms, or at all; Regal Rexnord's substantial indebtedness as a result of the Altra Transaction and

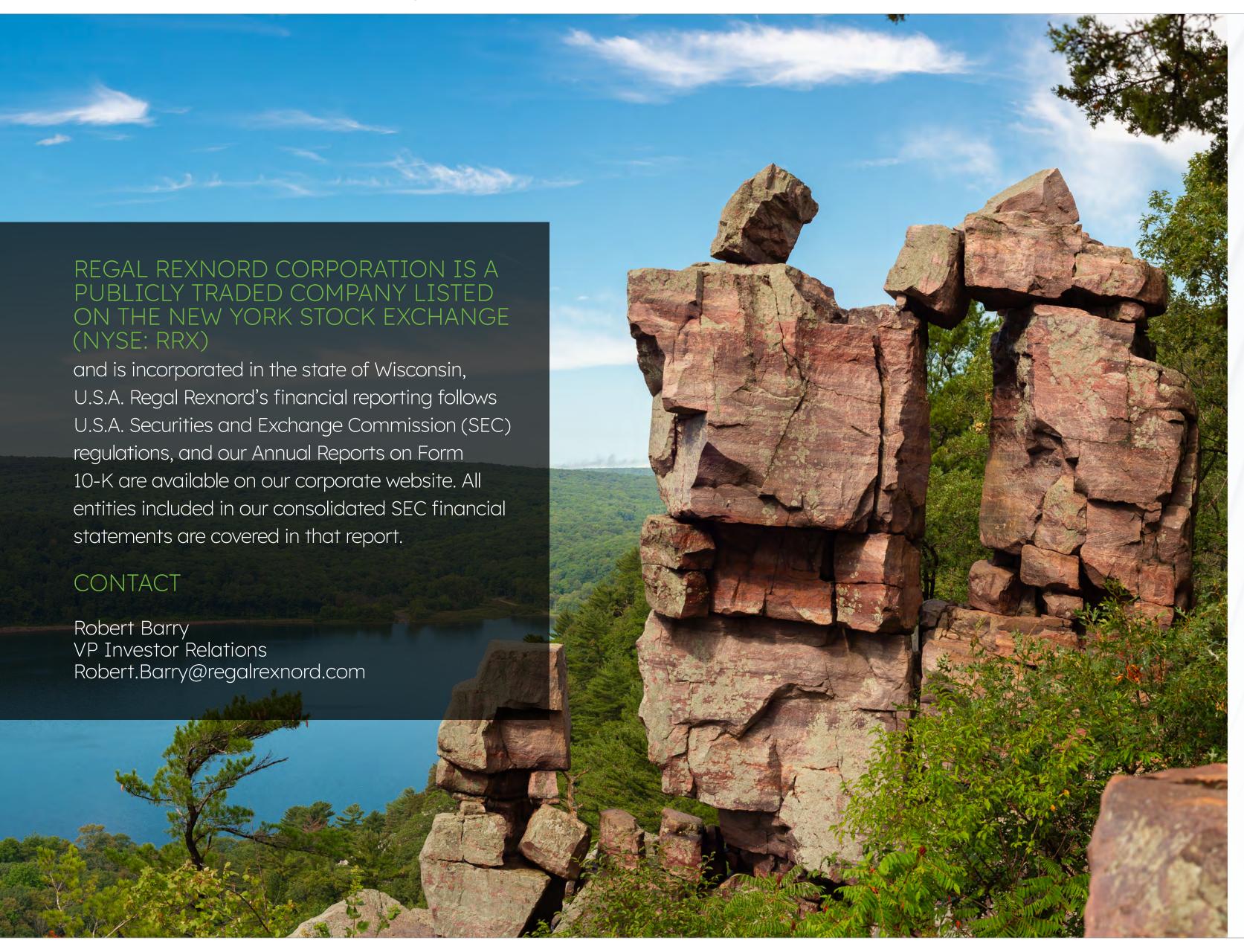
the effects of such indebtedness on the combined company's financial flexibility after the Altra Transaction; Regal Rexnord's ability to achieve its objectives on reducing its indebtedness on the desired timeline; the possibility that the pendency of the Altra Transaction could materially and adversely affect our and Altra's business, financial condition, results of operation or cash flows; the possibility that Regal Rexnord may be unable to achieve expected benefits, synergies and operating efficiencies in connection with the Altra Transaction, the merger with the Rexnord Process & Motion Control business (the "Rexnord PMC business") and the acquisition of Arrowhead Systems, LLC (together with the Altra Transaction and the merger with the Rexnord PMC business, the "Transactions") within the expected time-frames or at all and to successfully integrate Altra, the Rexnord PMC business and Arrowhead; expected or targeted future financial and operating performance and results; operating costs, customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers) being greater than expected following the Transactions; Regal Rexnord's ability to retain key executives and employees; the continued financial and operational impacts of and uncertainties relating to the COVID-19 pandemic on customers and suppliers and the geographies in which they operate; uncertainties regarding the ability to execute restructuring plans within expected costs and timing; challenges to the tax treatment that was elected with respect to the acquisition of the Rexnord PMC business and related transactions; requirements to abide by potentially significant restrictions with respect to the tax treatment of the Rexnord PMC business which could limit Regal Rexnord's ability to undertake certain corporate actions that otherwise could be advantageous; actions taken by competitors and their ability to effectively compete in the increasingly competitive global electric motor, drives and controls, power generation and power transmission industries; the 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 geographic locations in which Regal Rexnord does business; dependence on significant customers; seasonal impact on sales of products into HVAC systems and other residential applications; risks associated with global manufacturing including public health crises and political, societal or economic instability, including instability caused by the conflict between Russia and Ukraine; issues and costs arising from the integration of acquired companies and businesses and the timing and impact

of purchase accounting adjustments; Regal Rexnord's overall debt levels and its ability to repay principal and interest on its outstanding debt; prolonged declines in one or more markets, such as heating, ventilation, air conditioning, refrigeration, power generation, oil and gas, unit material handling, water heating and aerospace; economic changes in global markets, such as reduced demand for products, 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 Regal Rexnord cannot control; product liability, asbestos and other litigation, or claims by end users, government agencies or others that products or 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 that may be incurred related to product warranty issues; infringement of intellectual property by third parties, challenges to intellectual property, and claims of infringement on third party technologies; effects on earnings of any significant impairment of goodwill; losses from failures, breaches, attacks or disclosures involving 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 the section entitled "Risk Factors" in Regal Rexnord's Annual Report on Form 10-K on file with the SEC and from time to time in other filed reports including Regal Rexnord's Quarterly Reports on Form 10-Q.

For a more detailed description of the risk factors associated with Regal Rexnord, please refer to Part I, Item 1A in Regal Rexnord's Annual Report on Form 10-K for the fiscal year ended January 1, 2022 on file with the SEC and subsequent SEC filings, including Regal Rexnord's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2022. Shareholders, potential investors, and other readers are urged to consider these factors in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements included in this report are made only as of the date of this report, and Regal Rexnord undertakes no obligation to update any forward-looking information contained in this report to reflect subsequent events or circumstances.



SOCIAL IMPACT



WE PREPARE FINANCIAL STATEMENTS IN ACCORDANCE WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA ("GAAP").

We also periodically disclose certain financial measures in our quarterly earnings releases, on investor conference calls, and in investor presentations and similar events that may be considered "non-GAAP" financial measures. This additional information is not meant to be considered in isolation or as a substitute for our results of operations prepared and presented in accordance with GAAP.

In this report, we disclose the following non-GAAP financial measures, and we reconcile those measures in an appendix to this report to the most directly comparable GAAP financial measures: adjusted EBITDA, net debt and net sales. We believe that these non-GAAP financial measures are useful for providing investors with additional information regarding our results of operations and for helping investors understand and compare our operating results across accounting periods and compared to our peers. Our management primarily uses these measures to help us evaluate our business and forecast our future results. Accordingly, we believe disclosing and reconciling each of these measures help investors evaluate our business in the same manner as management.

SCOPE: this report was completed in December 2022 and relies on Regal Rexnord's fiscal year 2021 results with some references to actions and developments during 2022. Regal Rexnord did not obtain external assurance for this report.

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)
ORGANIZAT	IONAL PROFILE	
102-1	Name of the organization	Page 59; 2022 Proxy Statement; 2021 Annual Report
102-2	Activities, brands, products and services	Page 4, 57; 2021 Annual Report; 2022 Investor Day Presentation
102-3	Location of headquarters	Page 3; 2022 Proxy Statement; 2021 Annual Report
102-4	Location of operations	Page 33; 2021 Annual Report
102-5	Ownership and legal form	Page 59; 2022 Proxy Statement; 2021 Annual Report
102-6	Markets served	Page 4, 33; 2021 Annual Report; 2022 Investor Day Presentation
102-7	Scale of the organization	Page 3-4, 20, 33; 2021 Annual Report; 2022 Investor Day Presentation
102-8	Information on associates and other workers	Page 20-22
102-9	Supply chain	Page 34-36
102-10	Significant changes to the organization and its supply chain	Page 34-36
102-13	Membership of associations	Page 56
STRATEGY		
102-14	Statement from senior decision-maker	Page 5
102-15	Key impacts, risks, and opportunities	Page 9, 10, 53, 58; 2021 Annual Report; 2022 Investor Day Presentation
ETHICS AND	INTEGRITY	
102-16	Values, principles, standards, and norms of behavior	Page 5-12, 19; Regal Rexnord Code of Conduct
102-17	Mechanisms for advice and concerns about ethics	Page 20, 49; Regal Rexnord Code of Conduct; 2022 Proxy Statement
GOVERNANO	CE	
102-18	Governance structure	Page 52-54; 2022 Proxy Statement
102-19	Delegating authority	Page 53
102-20	Executive-level responsibility for economic, environmental, and social topics	Page 52-54, 59
102-21	Consulting stakeholders on economic, environmental, and social topics	Page 55; 2021 Annual Report
102-22	Composition of the highest governance body and its committees	Page 52-54; 2022 Proxy Statement
102-23	Chair of the highest governance body	Page 52-54; 2022 Proxy Statement
102-24	Nominating and selecting the highest governance body	Page 52-54; 2022 Proxy Statement
102-25	Conflicts of interest	Page 49, 52-54; Regal Rexnord Code of Conduct; 2022 Proxy Statement
102-26	Role of highest governance body in setting purpose, values, and strategy	Page 52-54; 2022 Proxy Statement
102-27	Collective knowledge of highest governance body	Page 52-54; 2022 Proxy Statement

Indicator	Brief Description	Location of Information (pages of this report; other documents)
102-28	Evaluating the highest governance body's performance	Page 52-54; 2022 Proxy Statement
102-29	Identifying and managing economic, environmental, and social impacts	Page 53; 2021 Annual Report
102-30	Effectiveness of risk management processes	Page 49, 53; 2022 Proxy Statement; 2021 Annual Report
102-31	Review of economic, environmental, and social topics	Page 19-32, 34-47; 2021 Annual Report; Global Human Rights Policy
102-32	Highest governance body's role in sustainability reporting	Page 52-54; 2022 Proxy Statement
102-33	Communicating critical concerns	Page 20; 2022 Proxy Statement
102-34	Nature and total number of critical concerns	No concerns were communicated
102-35	Remuneration policies	2022 Proxy Statement
102-36	Process for determining remuneration	2022 Proxy Statement
102-37	Stakeholders' involvement in remuneration	Page 54; 2022 Proxy Statement
102-38	Annual total compensation ratio	2022 Proxy Statement
102-39	Percentage increase in annual total compensation ratio	2021 Proxy Statement; 2022 Proxy Statement
STAKEHOLDI	ER ENGAGEMENT	
102-40	List of stakeholder groups	Page 54
102-41	Collective bargaining agreements	Page 21, Global Human Rights Policy
102-42	Identifying and selecting stakeholders	Page 54
102-43	Approach to stakeholder engagement	Page 19-20, 54
REPORTING	PRACTICE	
102-45	Entities included in the consolidated financial statements	s Page 59; 2021 Annual Report
102-46	Defining report content and topic boundaries	Page 60-62
102-47	List of material topics	Table of Contents
102-48	Restatements of information	There are no restatements of information compared to previous reports.
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 3, 59
102-51	Date of most recent report	9/21/21
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Page 59
102-54	Claims of reporting in accordance with the GRI standards	Page 60-62
102-55	GRI content index	Page 60-62
102-56	External Assurance	Page 59



SOCIAL IMPACT

Indicator	Brief Description	Location of Information (pages of this report; other documents)	
MANAGEMEI	NT APPROACH		
103-1	Explanation of the material topic	2021 Annual Report; 2022 Investor Day Presentation	
103-2	The management approach	2021 Annual Report; 2022 Investor Day Presentation	
103-3	Evaluation of the management approach	2021 Annual Report; 2022 Investor Day Presentation	

ECONOMIC DISCLOSURES

ECONOM	IC PERFORMANCE	
201-1	Direct economic value generated and distributed	Page 3; 2021 Annual Report; 2022 Investor Day Presentation
201-2	Financial implications and other risks and opportunities due to climate change	2021 Annual Report
201-3	Defined benefit plan obligations and other retirement plans	2022 Proxy Statement; 2021 Annual Report
PROCURE	MENT PRACTICES	
103-1	Management approach—procurement practice	Page 34-36; Global Supplier Requirements and Expectation Manual
204	Procurement practices	Page 34-36; Global Supplier Requirements and Expectation Manual
ANTI-CO	RRUPTION	
103	Management approach—anti-corruption	Page 49; Regal Rexnord Code of Conduct
205-1	Operations assessed for risks related to corruption	Page 49
205-2	Communications & training about anti-corruption policies & procedures	Page 49; Regal Rexnord Code of Conduct
ANTI-CO	MPETITIVE BEHAVIOR	
103	Management approach—anti-competitive behavior	Page 49; Regal Rexnord Code of Conduct
206-1	Legal actions for anti-competitive behavior, anti-trust	Page 49
TAX		
207-1	Approach to tax	Page 50-51; UK Tax Strategy
207-2	Tax governance, control, and risk management	Page 50-51; UK Tax Strategy
207-3	Stakeholder engagement and management of concerns related to tax	Page 50-51; UK Tax Strategy

ENVIRONMENTAL DISCLOSURES

Management approach—energy	Page 37-47 ; Regal Rexnord Code of Business Conduct
Energy consumption within the organization	Page 39 - 40, 44; <u>cdp.net</u>
Energy intensity	Page 39, 44; <u>cdp.net</u>
Reduction of energy consumption	Page 38, 44; <u>cdp.net</u>
	Energy consumption within the organization Energy intensity

Indicator	Brief Description	Location of Information (pages of this report; other documents)
WATER		
103	Management approach—water	Page 37, 42, 47; Regal Rexnord Code of Business Conduct
303-3	Water withdrawal	Page 42
EMISSIONS		
103	Management approach—emissions	Page 37-38, 41, 43-47, Regal Rexnord Code of Business Conduct
305-1	Direct (scope 1) GHG emissions	Page 41, 43-44; <u>cdp.net</u>
305-2	Energy indirect (scope 2) GHG emissions	Page 41, 43-44; <u>cdp.net</u>
305-4	GHG emission intensity	Page 41, 43-44; <u>cdp.net</u>
305-5	Reduction of GHG emissions	Page 38; <u>cdp.net</u>
WASTE		
103	Management approach—effluents and waste	Page 37, 42-47; Regal Rexnord Code of Business Conduct
306-3	Waste Generated	Page 42
306-4	Waste Diverted from Disposal	Page 42
306-5	Waste Directed to Disposal	Page 42
ENVIRONME	NTAL COMPLIANCE	
103	Management approach - environmental compliance	Page 37, 45-47
307	Environmental compliance	The company has not identified any material non-compliance with environmental laws and/or regulations
SUPPLIER EN	NVIRONMENTAL ASSESSMENT	
103	Management approach—supplier environmental assessment	Page 34-36; Global Supplier Requirements and Expectations Manua

SOCIAL DISCLOSURES

GOVERNANCE

INDEX

EMPLOYMENT				
103	Management approach—employment	Page 19-24; Regal Rexnord Code of Business Conduct; Global Human Rights Policy		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 21		



SOCIAL IMPACT

Indicator	Brief Description	Location of Information (pages of this report; other documents)
LABOR/MAN	AGEMENT RELATIONS	
401-1	Minimum notice periods regarding operational changes	Page 21
OCCUPATION	NAL HEALTH AND SAFETY	
103	Management approach—occupational health and safety	Page 11; 30-32, 34, 37; Regal Rexnord Code of Business Conduct
403-1	Occupational health and safety management system	Page 11; 30-32; Regal Rexnord Code of Business Conduct
403-2	Hazard identification, risk assessment, and incident investigation	Page 11; 30-32, 37
403-3	Occupational health services	Page 11; 30-32, 37
403-5	Worker training on occupational health and safety	Page 32
403-6	Promotion of worker health	Page 30-31
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 32,34; Regal Rexnord Code of Business Conduct; Global Supplier Requirements and Expectations Manual
403-9	Work related injuries	Page 32
403-8	Workers covered by an occupational health and safety management system	Page 5, 7, 9-10, 20-25, 31-33; Regal Code of Business Conduct and Ethics
403-9	Work related injuries	Page 33
TRAINING A	ND EDUCATION	
103	Management approach—training and education	Page 21-23, 37, 47-49, 53
404-2	Programs for upgrading associate skills and transition assistance programs	Page 21-23
DIVERSITY A	AND EQUAL OPPORTUNITY	
103	Management approach—diversity and equal opportunity	Page 21-24; Global Human Rights Policy
405-1	Diversity of governance bodies and employees	Page 21-24, 52, 54
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 21; Global Human Rights Policy
CHILD LABO	PR	
408-1	Operations and suppliers at significant risk for incidents of child labor	Page 21; Global Human Rights Policy; Global Supplier Requirements and Expectations Manual; Regal Rexnord Code of Conduct
FORCED OR	COMPULSORY LABOR	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Page 21, 34; Global Human Rights Policy; Global Supplier Requirements and Expectations Manual

Indicator	Brief Description	Location of Information (pages of this report; other documents)
LOCAL COM	MUNITIES	
103	Management approach—local communities	Page 6, 19-32; 2021 Annual Report
413-1	Operations with local community engagement, impact assessments, and development programs	Page 19-32
SUPPLIER SO	DCIAL ASSESSMENT	
103	Management approach—supplier social assessment	Page 34-35
414	New suppliers screened using social criteria	Page 34; Global Human Rights Policy; Global Supplier Requirements and Expectations Manual
CUSTOMER P	PRIVACY	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of cu stomer data	Page 48; No such complaints have been received-no such breach or loss.

SUSTAINABLE ACCOUNTING STANDARDS BOARD ELECTRICAL & ELECTRONIC EQUIPMENT SUSTAINABILITY ACCOUNTING STANDARD OCTOBER 2018

Code	Accounting Measure	Category	Unit of Measure	2021 Disclosure
ENERGY MANA	AGEMENT			
RT-EE-130a.1	Total Energy Consumed	Quantitative	Gigajoules (GJ)	2,001,387
RT-EE-130a.1	Percentage Grid Electricity	Quantitative	Percentage (%)	45%
RT-EE-130a.1	Percentage Renewable	Quantitative	Percentage (%)	0.24%
HAZARDOUS W	VASTE MANAGEMENT			
RT-EE-150a.1	Amount of hazardous waste generated	Quantitative	Metric tons	2,181
RT-EE-150a.1	Percentage of hazardous waste recycled	Quantitative	Percentage (%)	30.3%
RT-EE-150a.2	Number and aggregate quantity of reportable spills	Quantitative	Number	0

(NOTE) 2021 data presented for RT-EE-130a.1, RT-EE-150a.1 and RT-EE-150a.2 excludes the Rexnord PMC and Arrowhead businesses.



SOCIAL IMPACT

ADJUSTED EBITDA

(Dollars in Millions)	Total Regal Rexnord Year Ended Jan 1, 2022*	
GAAP INCOME FROM OPERATIONS	\$	464.2
LIFO TO FIFO ADJUSTMENT		25.9
GAAP INCOME FROM OPERATIONS		490.1
RESTRUCTURING AND RELATED COSTS		24.1
TRANSACTION AND RELATED COSTS		89.1
GOODWILL IMPAIRMENT		33.0
INVENTORY STEP-UP		24.3
NET LOSS ON ASSETS DIVESTED/TO BE EXITED		5.6
GAIN ON SALE OF ASSETS		(2.5)
ADJUSTED INCOME FROM OPERATIONS	\$	663.7
DEPRECIATION & AMORTIZATION		305.3
OTHER INCOME, NET		(6.7)
ADJUSTED BANK EBITDA	\$	962.3
STOCK BASED COMPENSATION		35.3
ADJUSTED EBITDA	\$	997.6



^{*} Reflects estimated pro-forma adjustments for the Rexnord Process and Motion Control Business and Arrowhead Systems, LLC acquisitions

ADJUSTED NET SALES

(Dollars in Millions)	Total Regal Rexnord Year Ended Jan 1, 2022*	
NET SALES	\$ 4,881.4	
NET SALES FROM BUSINESSES DIVESTED/TO BE EXITED	 _	
ADJUSTED NET SALES	\$ 4,881.4	



^{*} Reflects estimated pro-forma adjustments for the Rexnord Process and Motion Control Business and Arrowhead Systems, LLC acquisitions

NET DEBT

(Dollars in Millions)	Total Regal Rexnord Jan 1, 2022*		
CURRENT MATURITIES OF LONG-TERM DEBT	\$	4.9	
LONG-TERM DEBT		1,913.6	
TOTAL GROSS DEBT	\$	1,918.5	
CASH		(672.8)	
NET DEBT	\$	1,245.7	



^{*} Reflects estimated pro-forma adjustments for the Rexnord Process and Motion Control Business and Arrowhead Systems, LLC acquisitions







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