



NEWS RELEASE

Regal Beloit Corporation Announces Publication of 2021 Sustainability Report

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BELOIT, Wis., Sept. 20, 2021 /PRNewswire/ -- Regal Beloit Corporation (NYSE: RBC), a global leader in the engineering and manufacturing of power transmission solutions and high-efficiency electric motors and systems, published its 2021 Sustainability Report. The report reaffirms Regal's strategic commitment to making energy efficiency and sustainable manufacturing processes top considerations when developing all new or redesigned products. Investing in Regal's associates, leveraging the company's technology leadership to create products and solutions that customers value, adhering to 80/20 principals, and remaining guided by the Regal Values also remain strategic pillars.

This year's sustainability report also provides a clear articulation of Regal's corporate mission – 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. Commenting on Regal's mission, CEO Louis Pinkham emphasized "We will measure progress towards our mission on clear, quantifiable metrics—with customers, based on market share gains and gross margin, with associates, on retention, engagement, and performance, and with our shareholders, on achieving top quartile TSR performance versus our peers."

"By executing our strategy to accomplish our mission, we aim to achieve something bigger than Regal itself – To create a better tomorrow by energy-efficiently converting power into motion. This is Regal's business purpose. I am proud to say that in addition to passionately serving our customers, and driving attractive returns for our shareholders, Regal associates can come to work each day knowing that they are playing a role in making our world cleaner, healthier, and more sustainable."

Other highlights from this year's report include:

- Safety Remains Regal's Top Priority: The business is run according to the paradigm of SQDCG – Safety is always

top-of-mind, and followed by disciplined attention to "Q" – Quality, on-time Delivery ("D") and having a competitive Cost structure ("C") will experience differentiated "G" – Growth. Against a backdrop of the persistent COVID-19 pandemic, Regal is maintaining appropriate safety protocols, while also facilitating the vaccination of its associates through measures such as on-site vaccination clinics, additional paid time off, and health benefit "points" that could be used to lower associates' out-of-pocket healthcare costs.

- Diversity, Engagement & Inclusion: Regal refined its value for Diversity & Inclusion to also include Engagement. Regal believes the more diverse minds confronting any challenge the better the outcome, but also that enabling the benefits of diversity means creating an inclusive environment that welcomes contrasting views and productive debate. Engagement is about all associates proactively contributing to advancing the Company's strategy, pursuing its mission and fulfilling its purpose – all in accordance with the Regal Values. In July, Regal launched a global survey centered on how the Regal Values are seen and lived every day. The survey had an over 80% participation rate and reflected a 90% favorability score for overall engagement.
- Innovating with Purpose: One of Regal's values is Innovation with Purpose, which means collaborating with our customers to make products and solutions they truly value. It also means focusing on helping the planet, by keeping energy efficiency a fundamental component of the Company's research & development efforts, and by continuing to reduce the environmental impact of its manufacturing footprint and processes.
- Progressing on More Sustainable Manufacturing: Regal sites have annual targets to lower their environmental impacts. The Company has also committed to reducing the footprint of its operations by 23% (2.9 million square feet) in the 2018 to 2022 timeframe, in addition to a 10% reduction in metric tons of non-hazardous waste produced per million dollars of sales, of CO2 emitted, and gigajoules of energy consumed – all by 2025 versus 2019 levels. In 2020, the Company made progress towards its reduction goals on all these metrics.

The report and downloadable assets are available [here](#).

About the Company

Regal Beloit Corporation (NYSE: RBC) is a global leader in the engineering and manufacturing of electric motors and controls, power generation and power transmission products serving customers throughout the world. We create a better tomorrow by developing and responsibly producing energy-efficient products and systems.

The Company is comprised of four operating segments: Commercial Systems, Industrial Systems, Climate Solutions and Power Transmission Solutions. Regal is headquartered in Beloit, Wisconsin and has manufacturing, sales and service facilities worldwide. For more information, visit [RegalBeloit.com](https://www.RegalBeloit.com).

Cautionary Statement

Certain statements made in this communication are "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. This report contains forward-looking statements, within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, which reflect the Company's current estimates, expectations and projections about the Company's future results, performance, prospects and opportunities. Such forward-looking statements may include, among other things, statements about the Company's future operations, anticipated business levels, future earnings, planned activities, anticipated growth, market opportunities, strategies, competition and other expectations and estimates for future periods. Forward-looking statements may also include statements relating to the proposed acquisition of Rexnord Corporation's ("Rexnord") Process & Motion Control business (the "PMC Business") (the "Rexnord Transaction"), the benefits and synergies of the Rexnord Transaction, future opportunities for the Company, the PMC Business and the combined company, and any other statements regarding the Rexnord Transaction or the combined company. Forward-looking statements include statements that are not historical facts and can be identified by forward-looking words such as "anticipate," "believe," "could," "estimate," "expect," "intend," "plan," "may," "should," "will," "would," "project," "forecast," and similar expressions. These forward-looking statements are based upon information currently available to the Company and are subject to a number of risks, uncertainties, and other factors that could cause performance, prospects, or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. Important factors that could cause actual results to differ materially from the results referred to in the forward-looking statements the Company makes in this report include:

Operations and Strategy

- 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;
- our ability to develop new products based on technological innovation, such as the Internet of Things ("IoT"), and marketplace acceptance of new and existing products, including products related to technology not yet adopted or utilized in certain geographic locations in which we do business;
- fluctuations in commodity prices and raw material costs;
- our dependence on significant customers;
- effects on earnings of any significant impairment of goodwill or intangible assets;
- prolonged declines or disruption in one or more markets we serve, such as heating, ventilation, air conditioning ("HVAC"), refrigeration, power generation, oil and gas, unit material handling or water heating;
- product liability and other litigation, or claims by end users, government agencies or others that our products or our customers' applications failed to perform as anticipated, particularly in high volume applications or where such

failures are alleged to be the cause of property or casualty claims;

- our overall debt levels and our ability to repay principal and interest on our outstanding debt, including debt assumed or incurred in connection with the Rexnord Transaction;
- our dependence on key suppliers and the potential effects of supply disruptions;
- seasonal impact on sales of our products into HVAC systems and other residential applications;

Global Footprint

- actions taken by our competitors and our ability to effectively compete in the increasingly competitive global electric motor and controls, power generation and power transmission industries;
- risks associated with global manufacturing, including risks associated with public health crises;
- economic changes in global markets where we do business, such as reduced demand for the products we sell, currency exchange rates, inflation rates, interest rates, recession, government policies, including policy changes affecting taxation, trade, tariffs, immigration, customs, border actions and the like, and other external factors that we cannot control;

Legal and Regulatory Environment

- unanticipated costs or expenses we may incur related to litigation, including product warranty issues;
- infringement of our intellectual property by third parties, challenges to our intellectual property and claims of infringement by us of third party technologies;
- losses from failures, breaches, attacks or disclosures involving our information technology infrastructure and data;

Mergers, Acquisitions and Divestitures

- the possibility that the conditions to the consummation of the Rexnord Transaction will not be satisfied, that there will be delays in satisfying or adverse conditions related to the satisfaction of such conditions, or that the Rexnord Transaction will fail to be consummated or be delayed in being consummated for other reasons;
- changes in the extent and characteristics of the common shareholders of Rexnord and the Company and its effect pursuant to the merger agreement for the Rexnord Transaction on the number of shares of Company common stock issuable pursuant to the transaction, magnitude of the dividend payable to Company shareholders pursuant to the transaction and the extent of indebtedness to be incurred by the Company in connection with the transaction; and the determination by the Company and Rexnord of the number of "Qualifying Overlap Shareholders" at the closing of the Rexnord Transaction;
- the ability to obtain the anticipated tax treatment of the Rexnord Transaction and related transactions;
- failure to successfully integrate the PMC Business and any other future acquisitions into our business or achieve expected financial results, operating results, synergies and operating efficiencies, due to factors including the future financial and operating performance of the acquired business, loss of key executives and employees, or operating

- costs, customer loss and business disruption being greater than expected;
- costs and indemnification obligations related to transactions, including the Rexnord Transaction;
- risks associated with any litigation related to the Rexnord Transaction or other transactions;
- unanticipated liabilities of acquired businesses, including the PMC Business;
- operating restrictions related to the Rexnord Transaction;
- unanticipated adverse effects or liabilities from business exits or divestitures;

General

- changes in the method of determining London Interbank Offered Rate ("LIBOR"), or the replacement of LIBOR with an alternative reference rate;
- cyclical downturns affecting the global market for capital goods;
- and other risks and uncertainties including, but not limited to, those described in "Part I - Item 1A - Risk Factors" in our Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC") on March 2, 2021 and from time to time in other filed reports.

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 the Company undertakes no obligation to update any forward-looking information contained in this report or with respect to the announcements described herein to reflect subsequent events or circumstances. Additional information regarding these and other risks and uncertainties is included in "Part I - Item 1A - Risk Factors" in our Annual Report on Form 10-K filed with the SEC on March 2, 2021 and from time to time in other filed reports. This report was completed in September 2021 and relies on the Company's fiscal year 2020 results with some references to actions and developments during 2021.

View original content: <https://www.prnewswire.com/news-releases/regal-beloit-corporation-announces-publication-of-2021-sustainability-report-301380621.html>

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