



Governance

Ethics, Compliance and Accountability

Consistent with the Barnes Values, the Barnes Code of Business Ethics and Conduct (Code of Conduct) lays out the principles that guide the behavior of our employees, officers, and directors as we do business around the world. Our Code of Conduct, which is available in nine languages for our global audience, provides guidelines, practical direction, and helpful resources to promote ethical conduct and support compliance with applicable laws and regulations.

Employees are expected to complete Code of Conduct training as assigned and periodically reaffirm their adherence to the Code of Conduct as part of our training requirements. All newly acquired businesses are integrated into our compliance and training program. Our businesses conduct due diligence processes that enable us to monitor compliance with anti-corruption policies. Certain employees, based on factors such as role and geographic location, are assigned more targeted ethics and compliance training on topics such as anti-corruption and trade compliance.

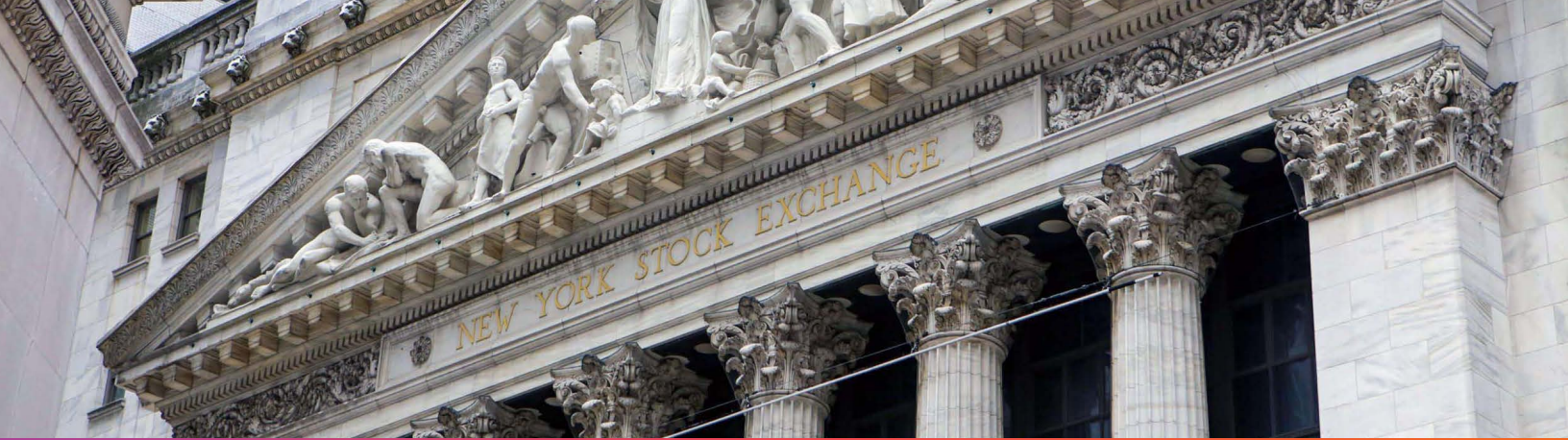
In addition, we have a periodic leadership pulse process to facilitate identification and communication of any facts or circumstances which may indicate a potential human rights concern in our various locations and businesses. Barnes continues to enhance its employee training and awareness program based on role and risk exposure.

Barnes encourages employees to raise questions and concerns. We offer multiple channels for doing so, accessible at local work sites and the corporate office. Anonymous reporting tools, both online and via telephone, are also available. We periodically survey our officers and business leaders on key compliance areas and provide opportunities for them to notify us of concerns or conflicts of interest.

Barnes takes every question and concern seriously and will not tolerate any form of retaliation against any person for raising a question or concern in good faith. Employee concerns are addressed through fair examination, objective determination of the facts, and appropriate corrective action measures.

We also expect our business partners, suppliers, and agents to hold themselves to equally high standards. Built on our Values, our Code of Business Ethics and Conduct for Suppliers ([Supplier Code](#)) – published on the Barnes corporate website – communicates the expectations we have of our global supply chain partners. The Supplier Code requires that all suppliers and partners adhere to the Barnes Code of Conduct by ensuring the safety, security, and fundamental human rights of their employees while taking steps to safeguard the environment, all of which are consistent with our Values.

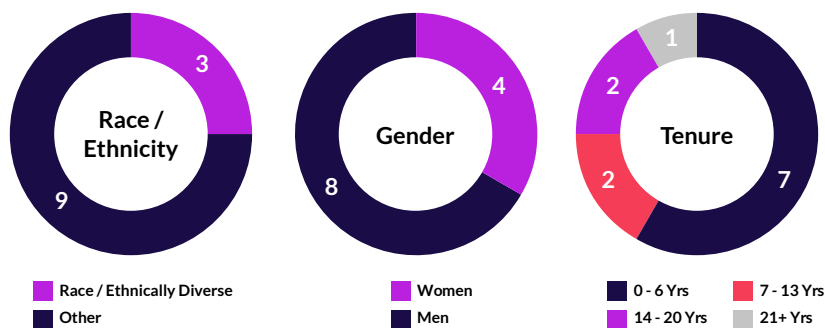
As a public company and as an integral part of our core Values, Barnes supports the social goals underlying the Dodd-Frank Financial Reform Bill requiring Barnes to disclose use of conflict minerals. In accordance with its Conflict Minerals Policy, Barnes is committed to use internationally recognized due diligence standards to identify and manage the Barnes supply chain to reduce the risk of use of conflict minerals in the products it manufactures.



Board of Directors

Barnes Group Inc. is a public company that trades on the New York Stock Exchange under the ticker symbol “B.” The Board of Directors is our highest governing body and is actively engaged in risk management oversight, succession planning, and corporate governance matters. We have a standing Audit Committee, Compensation and Management Development Committee, Executive Committee, and Corporate Governance Committee. Our Board is comprised of twelve directors, eleven of whom are independent. Our Board is ethnically and racially diverse, and four of our directors, or 33%, are women. Women hold key leadership roles on our Board. Our Lead Independent Director, who also chairs our Corporate Governance Committee, is a woman, as is the Chair of our Compensation and Management Development Committee.

Director Highlights



Reflects service of current directors through December 2021 and includes a Director who will retire from the Board effective May 2022.

ESG Governance at Barnes

At Barnes, our Board of Directors exercises oversight of risk management activities generally. With regard to ESG, in particular, the Board exercises governance over ESG through its three key standing committees. The Audit Committee (as noted in its charter) reviews and discusses with management the ESG reporting process, climate related metrics, and management’s evaluation of the adequacy and effectiveness of controls for related disclosures.

The Compensation Committee (as noted in its charter) oversees the Company’s efforts to ensure Barnes is seeking, developing, and retaining human capital appropriate to support the ongoing transformation of the Company, drive business performance, foster diversity, equity, and inclusion across the organization, and support the successful execution of the Company’s growth strategy.

The Corporate Governance Committee (as noted in its charter) exercises oversight over shareholder outreach and feedback with respect to ESG.



In addition, ESG is driven by a Steering Committee consisting of members of the Senior Leadership Team. We have published the Charter of the ESG Steering Committee on our [website](#), articulating our commitment to corporate social responsibility, which creates value for our stakeholders and is key to our success as a responsible and sustainable organization. In that Charter, we establish the Committee's focus, consistent with the Barnes Values and our Barnes Enterprise System (BES), on:

- Monitoring global public policy trends, regulatory matters, and other concerns related to ESG;
- Advising and making recommendations to the Senior Leadership Team on actions that the Company and ESG Committee can take to support our sustainability initiatives;
- Fostering the Company's progress towards diversity and inclusion goals;
- Assisting in the Board's oversight of risks and opportunities relating to ESG matters;
- Identifying and taking actions and proactive steps to address ESG risks;
- Periodically evaluating the Company's ESG performance;
- Reviewing the Company's human and workplace rights policies and/or practices and how the Company demonstrates respect for human and workplace rights in our business, our supply chain, and the communities in which we operate;
- Annually assessing and reporting to the Board on the performance of the Company's ESG efforts;
- Reviewing the Company's policies and practices related to corporate philanthropy; and
- Preparing and publishing the Company's ESG Report.

The Barnes ESG Steering Committee enlists the support of key leaders from within Barnes, including: Operations, HSE, Investor Relations, Legal, our Global Compliance Office, Supply Chain, Business Development, Finance, Human Resources, Marketing, Corporate Communications, and Internal Audit.



Stakeholder Alignment

We reach out to our largest institutional shareholders twice per year and invite them to speak with us regarding governance matters, including ESG. During these calls, we review our approach to ESG and solicit their feedback. We report the results of our shareholder engagement to our Board of Directors. We also hold periodic meetings with our customers and engage with our employees through a regular cadence of on-site and virtual meetings during which we communicate important messages and solicit feedback. The health and safety of our employees and the safety of our products and services are key themes during these meetings. We belong to numerous industry-based organizations (some of which conduct advocacy on behalf of their members) and organizations within our local communities.

Policies and Procedures

Barnes maintains a comprehensive set of policies and procedures to enable effective corporate governance. The following documents are available in the [Investor Relations section](#) of our corporate website:

- Audit Committee Charter
- California Transparency in Supply Chains Act Disclosure
- Charter of the ESG Steering Committee
- Code of Business Ethics and Conduct
- Code of Business Ethics and Conduct for Suppliers
- Compensation and Management Development Committee Charter
- Conflict Minerals Policy
- Corporate Governance Committee Charter
- Corporate Governance Guidelines
- Human Rights Policy
- Policy Regarding Reporting of Complaints and Concerns
- Political Expenditures and Public Policy Matters
- UK Tax Disclosure

Respecting Human Rights

Our Beliefs

We respect the value and dignity of every individual. We do not tolerate any human rights abuses in any part of our business, anywhere we do business, and we expect the same of our partners.



The value of our Company comes from our people. Just as we empower our diverse teams for the health of our Company, so too do we respect human rights for the health of our world. Our business thrives when we value every individual in all areas, at all levels.

We respect and protect human rights when we:

- Ensure safe and fair working conditions and payment for all employees
- Ensure our suppliers and other business partners use fair labor and sustainable sourcing practices
- Never use child or prison labor, wherever we do business
- Always alert the Company of known or potential human rights abuses

Refer to our [Human Rights Policy](#) for more information.

Barnes was named one of America's
Most Responsible Companies 2021 by *Newsweek*



Reporting Frameworks

Our ESG journey has been consistently informed by global ESG reporting practices and our stakeholders. We are focused on supporting and further aligning our ESG activities with the guiding principles behind the United Nations Global Compact (UNGC). In addition, we have selected disclosures from the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board's (SASB) 2018 Industrial Machinery & Goods standard that we believe are key to our business. This year, we are also reporting results against the Task Force for Climate-related Financial Disclosures (TCFD) standard. These approaches provide a relevant framework for structuring and communicating our Company's efforts around corporate citizenship, anti-corruption, human capital management, and sustainability.



- Board Committee Governance Over ESG Reflected in Each Key Committee Charter
- Standing Senior Leadership Team Steering Committee Focused on ESG
- Regular Working Level Committee Engaged in Various ESG Initiatives



- Company Profitable Growth Strategy Focused on:
 - Identifying End Markets With Long-Term Sustainable, Profitable Growth
 - Targeting Global Expansion Aligned With Macro Trends, Including:
 - Growth in Next Gen Powertrain in EV and Hybrid Applications
 - Leadership in Processing Environmentally Friendly Materials
- Regular Outreach to Institutional Shareholders on ESG Topics



- Conducted the Company's First Climate Scenario Risk Assessment
- Active Enterprise Risk Management Process and Tools
- Health Safety and Environmental Affairs Management System



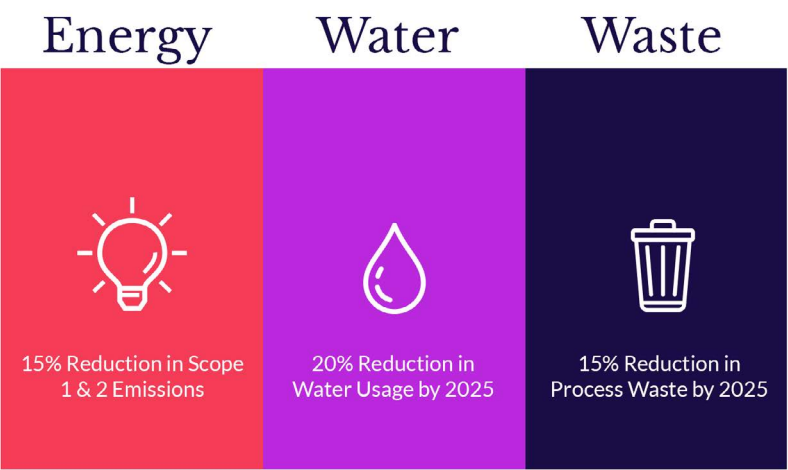
- Energy Emissions Reduction Target (Scope 1 & Scope 2) of 15% by 2025*
- Water Reduction Target of 20% by 2025*
- Industrial Process Waste Reduction Target of 15% by 2025*
- Deployment of HSE Information System With New Sustainability Suite

*On a normalized basis versus 2019 baseline year.



Environmental Targets

As previously communicated, we have established environmental targets for 2025 – specific goals for reducing the energy and water we use and the waste we generate – on a normalized basis. In addition, Barnes has committed to applying the Precautionary Principle in its decision-making when environmental impacts may be present. The Precautionary Principle guides decision-makers to adopt precautionary measures on a cost-benefits basis, when scientific evidence about an environmental or human health hazard is uncertain and the stakes are high. We believe the precautionary approach will help us reduce our environmental footprint and yield a more sustainable world, consistent with our Values.



Barnes is moving forward to make a positive impact to the fundamental responsibilities of being a good corporate citizen outlined by the UNGC in the areas of Human Rights, Labor, Environmental Sustainability, and Anti-Corruption. This ESG report provides an update on our more recent ESG performance and the goals we have set as we drive improvements in environmental sustainability, diversity and inclusion, and social and charitable impact in the communities where we operate.



Climate Risks and Opportunities

Barnes evaluates and manages environmental risks in accordance with its Health, Safety and Environmental Affairs (HSE) Management System. The management system is consistent with our commitment to worker health and safety and to environmental protection, as well as prevailing regulatory frameworks in place around the globe. When evaluating longer-term social and environmental issues that may impact our business, such as climate change, we apply the precautionary approach. For example, given the potential harm related to the emission of greenhouse gases, we have established energy usage reduction targets. The Company is also striving to reduce its environmental footprint, using less water and encouraging recycling within its operations. We believe the precautionary approach will help us reduce our environmental footprint and yield a more sustainable world consistent with our Values.

In 2021, to better understand the climate-related risks and opportunities across our Company, we also conducted our first climate scenario analysis and are pleased to include a Task Force on Climate-related Financial Disclosures (TCFD) index with this report. Our qualitative evaluation included a 1.5-2°C low emissions scenario, and a moderate to high emissions scenario where the world has warmed more than 2°C above pre-industrial levels by the end of the century. Under the moderate to high scenario, droughts, wildfires, floods, and excessive rainfall occur more intensely and more frequently, and climate policy is less ambitious. In the low emissions scenario, global warming will be limited to rising well below 2°C, the effects of climate change remain manageable with proper prevention tactics, industries have evolved into a circular economy, and it is generally assumed that society acts rapidly to limit GHG emissions. We assessed a limited set of risks under these scenarios: price of carbon (transition risk), water stress, temperature extremes, and average temperature (physical risks).

We are in the process of evaluating this climate scenario analysis and are identifying potential strategic changes for affected businesses and locations to address the plausible risks and opportunities identified in these scenarios. In addition to looking at strategies to mitigate plausible long-term climate risks and opportunities, we will continue to identify ways to conserve water, increase energy efficiency, and reduce waste as part of our pursuit of Operational Excellence. We keep health, safety, and environmental performance top of mind, and look to optimize process efficiency, while seeking opportunities to incorporate environmentally beneficial technology in our facility expansions and operational improvement projects.