



2016

Communication on Progress

In 2011, Arrow Electronics, Inc. was honored to join the United Nations Global Compact, the world's largest voluntary corporate responsibility initiative. Arrow's corporate mission is to guide innovators forward to a better tomorrow. With its emphasis on sustainability and responsible business practices, the United Nations Global Compact reflects our company core values.

Arrow's fundamental qualities include:

- > Integrity
- > Openness and courage
- > High-performance, accountable teams working effectively with no boundaries
- > Innovation
- > Passion for service excellence

The 2016

Communication on Progress provides an overview of Arrow's activities in support of the United Nations Global Compact objectives during the past year.

Statement of Support

Arrow Electronics, Inc. supports the ten principles of the Global Compact in the areas of human rights, labor, environment, and anti-corruption. Arrow's intent is to advance these principles within our sphere of influence.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) report that describes our company's efforts to promote the ten principles. We support public accountability and transparency, and, therefore, are submitting our COP for 2016 activities and accomplishments.



Michael J. Long

Chairman, President, and Chief Executive Officer



About Arrow

Arrow Electronics is a global provider of products, services and solutions to industrial and commercial users of electronic components and enterprise computing solutions, with 2015 sales of \$23.28 billion. Arrow serves as a supply channel partner for over 100,000 original equipment manufacturers, contract manufacturers and commercial customers through a global network of more than 460 locations serving over 85 countries.

A Fortune 150 company with 18,500 employees worldwide, Arrow brings technology solutions to a breadth of markets, including telecommunications, information systems, transportation, medical, industrial and consumer electronics.

Arrow provides specialized services and expertise across the product lifecycle. Arrow does this by connecting customers to the right technology at the right place at the right time and at the right price.

Arrow provides extraordinary value to customers and suppliers — the best technology companies in the world - and connects them through the company's industry-leading services.

Human Rights

We agree to uphold the UNGC's human rights principles, including:

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2: Make sure that they are not complicit in human rights abuses

Arrow is committed to uphold the dignity of all people and oppose human rights abuses around the world. We respect all international human rights standards throughout our global operations at our 460 locations in 85 nations. Human rights practices are embedded within the company's various policies, including the Worldwide Code of Business Conduct and Ethics (the "Code"). Our 18,500 employees are required to review and certify their understanding and compliance on an annual basis. The Code covers all regions and business units. It is also posted on the company's external company website, investor.arrow.com.

Specifically within the global electronics supply chain, we are committed to identifying and reporting on the conflict minerals content of inventory — used in assembly and integration — as a way to improve conditions and reduce the distress of people working in mines in the Democratic Republic of Congo and other nations. For the third consecutive year, we have filed a Conflict Minerals Report with the U.S. Securities and Exchange Commission. To date, we have validated that at least 57 percent of the components in our supply chain are conflict-free.

arrow.com/en/about-arrow/overview.

Around the globe, we participate in various corporate social responsibility projects:

Closing the Digital Divide

Arrow partners with the Brussels-based non-profit Close the Gap to close the digital divide in developing nations by distributing refurbished computers, tablets and other equipment to schools, clinics and microfinance organizations, as well as supporting the development of environmentally responsible e-waste processing facilities.

Providing access to modern electronics and related education is an essential step in helping Africa grow a modern economy and preparing Africa's youth for 21st century careers.

Since 2004, we have facilitated the donation of more than 500,000 refurbished devices and reached more than 1.5 million new users, mostly in Africa.



MOBILE CLASSROOMS: DIGITRUCKS

In 2016, our partnership with Close the Gap and charity work in Africa was recognized by King Philippe of Belgium. To bridge the digital divide, we jointly developed and operate the DigiTruck at the Tuleeni orphanage school on the slopes of Mt. Kilimanjaro in Tanzania near the city of Moshi.

DigiTruck is a secure and weather-resistant solar-powered mobile classroom built from a surplus sea cargo container. It includes 20 laptops, a flat screen TV and other refurbished equipment, as well as LED lighting.

This year, Arrow decided to keep the DigiTruck at Tuleeni and augment the container classroom with Internet service and 50 refurbished tablets so that students could continue their studies after hours. Arrow employees also funded preparatory school tuitions for five Tuleeni residents and built a playground.

As a result of the success of the Arrow DigiTruck in Tanzania, other DigiTrucks have been deployed in South Africa with Close the Gap, and more are planned for Kenya and other locations.

GERMAN REFUGEE PROGRAM

Arrow's European headquarters near Frankfurt, Germany has an organized response to the refugee migration. In the past year, we helped to establish an IT center with refurbished laptops at the town of Neu-Isenburg's refugee center so families can connect with distant relatives, access benefits and complete online language and training courses. Arrow employees also have donated 1600€ to the town for refugee support. In September, Arrow hired an Ethiopian refugee as a facilities trainee. She escaped war in her native region and now shares a town-sponsored apartment with 6 other refugees.

In 2017, Arrow is exploring a partnership with an international refugee organization to establish IT learning centers in group homes for refugee youths who escaped war in their native lands and were separated from their families.

2017 Goal

Arrow will continue to review practices and procedures to fully embed Arrow's commitment against all human rights abuses. We will maintain our commitment to communities we work in and continue with our Conflict Minerals identification and reporting.



Arrow Volunteering

Arrow Electronics operates 460 locations in 85 nations. Our 18,500 employees volunteer in their communities. Here are some examples.

> Cardboard Engineering Challenge – Colorado

For the 4th year, Arrow was the presenting sponsor of the Cherry Creek School District's Cardboard Challenge, an event which asks students to use the found and recycled materials to turn their ideas into something practical. More than 500 students participated in the event and dreamed up things such as a full-sized bobsled with blinking LED lights, a 10-foot blue dragon, skyscrapers, bulldozers and even a version of Van Gogh's "Starry Night" painting. Arrow extended the event internationally by facilitating the participation of students at the Tuleeni Academy, an orphanage school in a remote section of Tanzania. They built a model safari vehicle large enough to hold several children.

> Maria Auxiliatrix Run – Netherlands

Thirty employees from Arrow's Venlo office supported the Maria Auxiliatrix Run (M.A. Run), an annual two-day event that centers gives back to individuals with disabilities. Arrow volunteers directed traffic, unloaded equipment, photographed teams and cooked food for more than 1,500 people.

> 24-Hour City Relay Race – Beijing

On June 18-19, 28 volunteers from Arrow's Beijing office participated in the 24-Hour City Relay Race for charity. Led by Simon Yu, president, Asia-Pacific Components, the team ran a total of 490 kilometers in 24 hours. The race supports a youth movement to confront modern slavery.

> Clothing Drive – Phoenix

Employees from the Phoenix, AZ integration center donated more than 1,500 articles of clothing, nearly 2,500 toiletries, and dozens of personal-care items such as bedding and towels, for Central Arizona Shelter Services (CASS.)

> Logistics Management Conference – Nevada

During the annual Arrow Logistics Management Conference in Reno, 100 Global Logistics employees assembled 300 personal care kits to benefit the Children's Cabinet and Kids Kottage charities. The Children's Cabinet offers a wide range of community programs to keep children safe and families together. The Kids Kottage shelter provides temporary care for Washoe County's abused and neglected children until they can be safely returned to their families or placed in foster homes.



Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4: The elimination of all forms of forced and compulsory labour

Principle 5: The effective abolition of child labour

Principle 6: The elimination of discrimination in respect of employment and occupation

The prohibition of compulsory and child labor has always been Arrow's practice and is expressly stated in our Company Code of Conduct.

With 460 locations around the world, Arrow demonstrates more than geographical distribution; our 18,500 employees represent over 85 countries and many cultures. We have cemented diversity as a core value. Our emphasis on diversity is further reflected by the number of women in senior leadership positions on our executive team (2) and our board of directors (2).

Arrow has adopted an expanded global anti-slavery and human trafficking policy that meets strengthened corporate regulations in the United Kingdom. This policy was released publicly on its website and communicated to employees. The policy is included in employee training conducted in local languages. Arrow maintains a strong whistle-blower program including anti slavery and human trafficking concerns, through an anonymous hotline and a clear no-retaliation policy. At Arrow, we are committed to ensuring that there is no modern slavery or human trafficking in our supply chain or in any part of our businesses.

Arrow has been added to the Best Places to Work listing by the Human Rights Campaign. We received a total score of 85 in the organization's Corporate Equality Index, a key publicly reported indicator of commitment to equal opportunity for the LGBTQ community.

With 460 locations worldwide, Arrow demonstrates more than geographical distribution; our 17,000 employees represent 56 different countries and many cultures.

2017 Goal

We will continue to explore additional ways to engage employees from around the world in new and innovative ways.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges

Principle 8: Undertake initiatives to promote greater environmental responsibility

Principle 9: Encourage the development and diffusion of environmentally friendly technologies

Arrow continues to focus on the environment in both established policy and practice. We have installed 13 electric vehicle charging stations at various locations, as well as offering refurbished electronics to employees at discounted pricing.

Arrow was recognized as a Gold Leader for 2016 by the Colorado Environmental Leadership Program, a function of the Colorado Department of Health and Environment, for diverting 54,000 tons of e-waste through recycling and refurbishment.

Arrow's European brand campaign "Heroes of Innovation" spotlights German microbiologist and fashion designer Anke Domaske. She is making sustainable clothing fiber, biopolymers for electronics, packaging and cosmetics from a "dough" made of milk. Germany discards 2 million tons of milk each year, so these products would not only reduce the waste stream, but also reduce fossil fuel.

We continue to focus on environmentally friendly procurement for office remodels and are pursuing various green energy, efficiency upgrades and technologies appropriate to local conditions.

- We are continuing office remodels, where contracts allow, that incorporate ecofriendly products. In 2016, we installed 12,128 square yards of recyclable carpet; carpet that when recycled, will save 66,200 lbs going to the landfill and 14,200 lbs of CO2 emissions. Our furniture upgrades include recyclable content.
- We have installed LED lighting in three of our North American Warehouses. We're reducing our kWh usage by an estimated 2,129,966 kWhs, and avoiding emitting an estimated 2,559,528 lbs of GHGs. We plan to continue installing LED lights in new construction and analyze LED retrofits in additional warehouses.
- Arrow's Green Fleet program, started in 2014, successfully identifies avenues for improved environmental impact through the modification of our fleet vehicles in favor of green vehicles and encourages changes in commuting and other driver behaviors.
- Continuing our efforts to consolidate and improve waste streams.
- Increasing our effort to track utilities performance and use.
- Annual Carbon Disclosure Project report.

Arrow was recently one of the 25 Denver-area companies who competed in the Go-Tober Challenge. The challenge involved trying eco-conscious ways to commute to work at least four times per person in the month of October (i.e. walking, biking, carpooling, taking the light rail or the bus).



Summary

Date Range	01/01/2016 to 10/19/2016
No of Days	293
Organization	Arrow Electronics, Inc.
Total Fuel Displaced	1446.598 gallons
Total CO2 Offset	28064.0012 lbs
Download Excel File	Download PDF

2017 Goal

We will publish a combined corporate responsibility report with Corporate Social Responsibility.

Anti-corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Arrow's Worldwide Code of Business Conduct and Ethics (the "Code") applies to all employees of Arrow and its subsidiaries, including officers and directors. Every Arrow employee is bound not to violate its terms.

Arrow continues to launch the anti-bribery and anti-corruption (ABAC) due diligence platform. The roll-out of this platform to multiple business units around the world is underway.

Additionally, we continue to improve the platform user experience and information gathering through our participation in the Global Technology Distribution Council (GTDC). In addition, participating third parties will be educated in the importance of the platform via the development of a FAQ and user guide.

Arrow launched an ABAC training course to all employees titled "Global Anti-Bribery: Doing Business with Foreign Officials". More than 90% of the Arrow workforce has completed the course.

For greater awareness of the Arrow AlertLine among all Arrow employees, the company distributed AlertLine posters to all locations — for prominent display — promoting the reporting of concerns via a 24-hour hotline. In addition to the posters, a brief tutorial was included reminding all employees about the Arrow AlertLine and reiterated Arrow's anti-retaliation policy.

In late 2016, Arrow introduced a new mandatory online compliance course for all employees regarding rules about giving and accepting gifts.

Arrow Introduces a global web-based training program dedicated to the subjects of anti-trust, anti-bribery and anti-corruption due diligence platforms.

Training is available to all Arrow employees.

2017 Goals

- > Continue to extend the ABAC platform to Arrow businesses and geographical locations.
- > Continue to ensure all employees understand Arrow's anti-bribery and anti-corruption policies via communications and web courses.
- > Highlight real-world corruption cases on our Planet Arrow "Arrow World Compliance Services" page.
- > Continue to improve the Due Diligence platform.

Are You Five Years Out?

Most people live in the present. The world of now. But a handful of us work in a unique world that doesn't quite exist yet—the world of Five Years Out.

Five Years Out is the tangible future. And the people who live and work there know that new technologies, new materials, new ideas and new electronics will make life not only different, but better. Not just cheaper, but smarter. Not just easier, but more inspired.

Five Years Out is an exciting place to be. So exciting that, once you've been there, it's hard to get excited about the present. Because we know what's coming is going to be so much better.

Five Years Out is a community of builders, designers, engineers and imaginers who navigate the path between possibility and practicality. Creating the future of everything from cars to coffeemakers.

Are you one of them? Then you're probably working with us.



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