







United Nations Global Compact (UNGC)



2021 Reporting Year

Arrow Electronics, Inc. ("Arrow") has been a signatory of the UNGC since 2011. As part of the [UNGC](#), we agree to uphold the following goals, which are most relevant to our global business operations, and report on progress annually. This information is also included in our latest UNGC Communication on Progress (COP). More on our community investments and partnerships for creating a better tomorrow are outlined in our CSR stories and [Industries overview](#).

U.N SDG	Description of Goal	Examples of Arrow's Contributions
<p>Good Health and Well-Being</p> 	<p>Ensure healthy lives and promote well-being for all at all ages</p>	<ul style="list-style-type: none"> • Arrow is committed to the health and well-being of our employees. We seek to attract and retain employee talent by offering a comprehensive and competitive market-based benefit program to all employees globally. <ul style="list-style-type: none"> > In the U.S., Arrow provides a wide range of medical plans to provide employees flexibility to choose a plan that meets their individual needs. > Affordability is critical, so Arrow provides additional subsidies for U.S. employees earning less than \$100,000 per year, and further increased those subsidies for 2022. Over the past six years, we have been able to keep our base plan employee costs flat while holding overall cost increases below national healthcare trends. • Arrow provides a robust Employee Assistance Program (EAP) to all employees globally with 24/7 access, five free counseling sessions a year, and several free mental health applications. • Health and Safety requirements apply to all our suppliers, which is outlined in Arrow's Business Partner Code of Conduct (the "Business Code"). <ul style="list-style-type: none"> > Arrow also supports innovations in health and well-being globally. In 2021, Arrow and IBM supported Barcelona-based startup Prometeo to develop a wearable monitor to protect firefighters. It measures smoke and airborne toxins and alerts firefighters to acute hazardous exposures on a wrist wearable. An AI program analyzes firefighters' exposures over time to determine chronic exposures that can lead to higher rates of cancer and other illnesses among firefighter.
<p>Quality Education</p> 	<p>Ensure inclusive and equitable education and promote lifelong learning opportunities for all</p>	<ul style="list-style-type: none"> • Arrow is committed to the communities where it operates, and supports education globally. In 2021: <ul style="list-style-type: none"> > 686,000 non-employee recipients were helped through Arrow-supported organizations focused on elevating education opportunities, with a focus on Science, Technology, Engineering, and Math (STEM) • Arrow is committed to our employee learning. <ul style="list-style-type: none"> > Training and development, with a specific focus on level-up skill acquisition and/or retraining, are essential to Arrow's business strategy and the employee experience. With skill training, employees can maximize their career investment. > We recognize that different talent segments have different needs. Our training programs are organized around four workforce segments: sales, engineering, light industrial, and business professionals. > At Arrow, we are a community of continuous learners and provide easily accessible, on-demand digital training opportunities for all Arrow employees. Arrow's Global Workforce Skills model enables employees to identify their opportunities for growth and impact and provides related and relevant training content. Arrow's digital training platform has nearly 13,000 training products and services available to facilitate continuous learning. > Arrow develops leadership capabilities. We invest in structured virtual instructor-led training for vice presidents, directors, managers, and supervisors.

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<p>Gender Equality</p> 	<p>Achieve gender equality and empower women and girls</p>	<ul style="list-style-type: none"> • Arrow is committed to gender equality for our employees. <ul style="list-style-type: none"> › In 2015, we set a goal to increase gender diversity globally and have since increased women in executive leadership positions by five percentage points, early career talent and managers by one percentage point, and individual contributor positions by two percentage points. Normalized results excluding a large acquisition during this time period show even greater increases with early career talent increasing by six percentage points and both managers and individual contributors increasing by four percentage points. › Arrow conducts ongoing, rigorous statistical analysis both of employee pay and our compensation programs. We place specific emphasis on gender pay equity globally. If and when pay equity gaps are identified, we adjust pay where appropriate to minimize these gaps. We also identify, review, and eliminate practices that have been shown to contribute to pay inequity. <ul style="list-style-type: none"> - At Arrow facilities in the U.S. and Canada, women currently earn \$1 for every \$1 earned by men in similar roles. At Arrow facilities in other countries with a large population, women currently earn between \$0.93 and \$1.02 for every \$1 earned by men in similar roles. • Arrow is committed to gender equality for girls and women globally. In 2021: <ul style="list-style-type: none"> › 2.6 million non-employee recipients were helped through Arrow-supported organizations focused on STEM-focused development for girls as well as women leadership
<p>Decent Work and Economic Growth</p> 	<p>Promote sustained and inclusive economic growth, productive employment, and decent work for all</p>	<ul style="list-style-type: none"> • Arrow is committed to sustained, inclusive, productive, and decent work for our employees and the communities where we operate. In support of that commitment, Arrow has an established Supplier Diversity Program, maintains a position on the Board of Directors for the Mountain Plains Minority Supplier Development Council, and is one of the first ten companies to participate in the Move The Needle Fund, which is helping drive diversity and inclusion in the local communities. Arrow continuously strives to invest in and encourage growth and development of diversity in its ecosystem. Arrow's Small Business Subcontracting Plan, which is updated annually, helps guide these efforts. • Arrow is committed to sustained, inclusive, productive, and decent work for our employees. <ul style="list-style-type: none"> › Arrow targets pay at the market median globally, and Arrow employees in all locations are paid above applicable minimum wage levels. Our global career framework defines all Arrow jobs and is accessible to managers and employees worldwide to support employees as they develop their career goals. › At Arrow, we view our employees as investors in their own futures. And over time, employees can expect a return on their investment, in the form of compounding their knowledge, skills, and abilities as their careers grow within the company. › In 2015, we began to set targets for internal growth to increase the share of lateral and promotional movement awarded to internal talent. Nearly three quarters of available internal opportunities now go to our internal talent, highlighting the success of this initiative.
<p>Industry Innovation, and Infrastructure</p> 	<p>Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation</p>	<ul style="list-style-type: none"> • Arrow is committed to fostering innovation throughout our value chain to enable sustainable growth. • Arrow guides innovation forward for over 200,000 of the world's leading manufacturers of technology. Our services span design engineering, manufacturing, fulfillment, professional services and support services around the world. This positioning allows Arrow to propel innovation forward in all aspects of its work. For example, <ul style="list-style-type: none"> › Arrow is the ultimate partner for the growing global reliance on battery power. We work across the entire power lifecycle, delivering the future's most promising ideas. › In addition, in alternative energy, we can support clean-tech designs, from storage to smart meters and beyond. • In 2021, Arrow and IBM started collaborating with Grillo, a Mexico City start-up, to develop an affordable, networked device that signals early warnings about earthquakes and then analyzes data about the tremors. Arrow helped with hardware redesign and integration to make the Grillo alarm a smart, connected device. This could help the nearly 3 billion people who live in seismic zones detect earthquakes sooner, giving people more time to escape harm and redirect public safety resources to where they are needed.

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<p>Reduced Inequalities</p> 	<p>Implement sound policies to empower lower income earners, and promote economic inclusion of all, regardless of sex, race, or ethnicity</p>	<ul style="list-style-type: none"> • Arrow is committed to sound policies to empower lower income earners and promote economic inclusion of all our employees. <ul style="list-style-type: none"> › Arrow provides equal employment opportunities for all qualified persons without regard to disability, race, color, religion, national origin, age, gender, marital status, sexual orientation, gender identity or expression, citizenship, veteran status, genetic information, or any other characteristics protected by law. These personal attributes may not play any part in any employment decision, including recruitment, hiring, promotion, transfer, rate of pay, training, and termination. › Arrow's equal employment opportunity policy applies to all Arrow employees worldwide, as well as to all our subsidiaries and affiliated companies. • In 2015, we set a goal to increase talent of underrepresented race/ethnicity in the U.S. and have since increased by eighteen percentage points in executive leadership, eight percentage points in early career talent, nine percentage points in managers, and seven percentage points in individual contributors. Normalized results excluding a large acquisition during this time period show the same results except for eight percentage point growth for managers. • Details about Arrow's rigorous approach to pay equity and gender pay equity results are outlined above in the Gender Equality section. <ul style="list-style-type: none"> › Arrow also reviews pay equality for underrepresented race/ethnicity in the U.S. and other countries where this data is available. Employees of underrepresented race/ethnicity in the U.S. and Canada earn \$1.01 for every \$1 earned by their white colleagues in similar roles. • Arrow employees in all locations are paid above applicable minimum wage levels, and Arrow targets pay at the market median or above for all positions globally. • Arrow is committed to ensuring health care is affordable for all our employees, particularly in the U.S. where healthcare is not government-subsidized. In the spirit of affordability, Arrow has three salary bands for U.S. medical contributions to further subsidize medical coverage for employees earning less than \$100,000 annually. <ul style="list-style-type: none"> › For 2022, we increased our company contribution toward U.S. medical coverage, particularly for our lowest wage workers where Arrow covers 95% of the medical plan cost. The increased subsidy for 2022 equates to an additional investment of approximately \$1.33 per hour for these employees.
<p>Sustainable Cities and Communities</p> 	<p>Make cities and human settlements inclusive, safe, resilient, and sustainable</p>	<ul style="list-style-type: none"> • Arrow is committed to making communities inclusive, safe, resilient and sustainable. <ul style="list-style-type: none"> › Arrow recognizes that smart cities, smart homes, and smart transportation have the ability to improve lives while simultaneously expanding our addressable market. To address this growing need, Arrow offers innovative tools and technologies that cities, buildings and transportation companies are able to leverage for a more resilient, connected, sustainable, inclusive and safe future. › Our efforts within smart transportation range from vehicle safety to driver convenience and support in the design and production of sustainable solutions that lower emissions and inconveniences. These innovations and efficiencies of both time and money allow operations to be streamlined and optimized, impacting manufacturers and consumers alike. • In 2021, <ul style="list-style-type: none"> › More than 3,600 non-employee recipients were helped through Arrow-supported organizations focused on building sustainable communities, including local small business development and access to healthcare.

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<p>Responsible Consumption and Production</p> 	<p>Ensure sustainable consumption and production patterns</p>	<ul style="list-style-type: none"> • Arrow is committed to ensuring sustainable consumption and production patterns. <ul style="list-style-type: none"> > We maintain robust standards for our suppliers and business partners as evidenced by our Business Partner Code of Conduct and Ethics (the "Business Code") which expresses our core values and our expectations of our business partners to help us meet the highest possible ethical standards. > For the third consecutive year, we have filed a Conflict Minerals Report with the U.S. Securities and Exchange Commission and to date, have validated that at least 57% of the components in our supply chain are conflict-free. We strive to increase the number of validated components each year. > Arrow is committed to ensuring that the products we provide our customers have minimal health, safety, environmental and social life-cycle impacts. Arrow monitors all new developments related to chemical regulations and is fully compliant with the European Union Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH); European Union Restriction of Hazardous Substances (RoHS); and California Proposition 65 (Prop 65). > Arrow subsidiary SiliconExpert enables partners to mitigate risk and manage compliance through products' design life-cycle allowing for in-depth decision making and data collection on product impacts.
<p>Climate Action</p> 	<p>Take action to combat climate change and its impact</p>	<ul style="list-style-type: none"> • Arrow is committed to taking action to combat climate change. Our efforts include: <ul style="list-style-type: none"> > Compliance: Maintaining a track record of global environmental compliance and commitment to excellence through expanded ISO certifications. > Accountability and performance improvement: Sharing our emission reduction targets and reporting progress against each. Our 2022 goals include: reducing our Scope 1 and 2 emissions across our Phase 1 controlled footprint by 10% in 2022, which represented 42% of our overall footprint by square footage as of December 2021. <p>More about our commitment to combat climate change and its impacts can be located in sections 5 and 6.2 of the 2021 ESG Report. Additionally, Arrow aims to respond annually to CDP's climate change and water questionnaires and make responses publicly available. Related scores are publicly available on CDP's website.</p>