



Environmental, Social, and Governance

April 2023

2022 Report



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Letter From Our CEO



Sean J. Kerins
President and
Chief Executive Officer

How does a company bridge the gap between the possible and the practical? At Arrow, we answer that question through the lens of Five Years Out. It's that mindset and view of the world that allow us to consistently inspire and deliver on our purpose: We enable technology solutions that make a positive difference in people's lives; we guide the power of innovation to make the world better.

When you work in the world of Five Years Out, technology and decisions move faster every day. Despite the pace of change, Arrow's success has been and always will be built on our core values: ethical in how we conduct business; open-minded and courageous as we engage stakeholders; results-oriented and accountable for the quality and outcome of our work; innovative to grow value for stakeholders; customer centricity that earns trust, loyalty, and repeat business. We are One Arrow -- we understand the vital role we each play for the good of our business and stakeholders.

Because of this, we are naturally invested in an environmental, social, and governance strategy that advances both our business and stakeholder imperatives, as you will see reflected in our priorities. For example, smart cities, smart homes, and smart transportation have the potential to improve lives while simultaneously growing demand for the products we sell, all while expanding our addressable market. It's a virtuous cycle. That's why at Arrow, we have long said, "Doing good is good for business." And it's why we continuously challenge ourselves to improve.

Our team of over 22,000 employees across the world is the key to our competitive differentiation. This talented global and multicultural workforce powers our performance and our value. We will continue to invest in this One Arrow team for the benefit of stakeholders, including our employee stakeholders.

Additionally, as a trusted partner in a complex value chain, we believe Arrow is uniquely positioned to facilitate environmental, social, and governance stewardship through collaboration with customers and suppliers to achieve our common business and sustainability goals. We believe that applying the power of technology and innovation to address the world's environmental, social, and governance challenges enhances our electronic components and IT content portfolios, expands our customer and supplier rosters, and increases value for stakeholders.

With innovation and impact as our guides, we look to our long-term stock performance as a reflection of our Arrow strategy in action over time. To further emphasize our commitment to strategic and operational excellence, we continue to sharpen our focus on environmental, social, and governance outcomes.

In the pages that follow, we provide more information about our focus on sustainable business practice that serves our stakeholders and society at large. We welcome your input throughout the year and value your support.

Sincerely,

Sean J. Kerins

President and Chief Executive Officer



Overview



Overview

Our Purpose in Action

Arrow Electronics, Inc. (“Arrow”) was founded in 1935 when a retail store named Arrow Radio opened on Cortlandt Street in the heart of lower Manhattan’s “Radio Row,” the birthplace of electronics distribution.

Fast-forward 88 years and Arrow, now headquartered in Centennial, Colorado, guides innovation forward for over 210,000 customers. With 2022 sales of \$37.1 billion, we enable technology solutions that make a positive difference in people’s lives.

Arrow has one of the world’s broadest portfolios of technology product offerings from leading electronic components and enterprise computing solutions suppliers, coupled with a range of services, solutions, and software that helps industrial and commercial customers introduce innovative products, reduce time to market, and enhance overall competitiveness.

Our strategic mindset of guiding innovation forward is expressed as Five Years Out, a way of thinking about the tangible future to bridge the gap between what’s possible and the practical technologies to make it happen.

Commitment to ESG

At Arrow, doing good is good for business and our global community. We know that our environmental, social, and governance (ESG) strategy and impact can affect positive outcomes for our stakeholders and the long-term sustainability of our company.

This report discloses ESG goals, results, and related performance updates on topics that are most relevant to our business, with a specific focus on multiline distributors as outlined by the [Sustainability and Accounting Standards Board \(SASB\)](#), and includes alignment with the disclosure topics as outlined in the guidance from the [Task Force on Climate-Related Financial Disclosures \(TCFD\)](#).

We specialize in managing complexity

300

LOCATIONS

220+

SALES LOCATIONS

43

DISTRIBUTION AND VALUE-ADDED CENTERS

90+

COUNTRIES SERVED

54

COUNTRIES WITH EMPLOYEES

ESG Priorities Assessment

In 2022, we conducted stakeholder engagement and an ESG priorities assessment to hone our focus now and in the years ahead. Our SASB and TCFD disclosures, as specified in Chapter 7 of this report, provide detail with respect to the priority topics as referenced below.

E	<ul style="list-style-type: none"> • Energy Efficiency • Environmental Regulatory Compliance • GHG Emissions • Supply Chain - Environment
S	<ul style="list-style-type: none"> • Employee Diversity, Equity, and Inclusion
G	<ul style="list-style-type: none"> • Supply Chain - Human Rights • Business Ethics and Integrity • Governance, Ownership, and Accountability • Regulatory Compliance Practices • Privacy and Data Security



“ We are proud to release Arrow’s 2022 ESG report, reflecting our continued accountability for corporate citizenship and making clear Arrow’s unique position as a technology-centric, go-to-market and supply chain services company. We understand that our commitments and actions, internally and externally, have the potential to help address some of the world’s most pressing environmental, social, and governance challenges. From our front-line employees guiding innovation toward tomorrow’s green technologies, to our people managers facilitating a workplace that works forward for all, to our executive leadership team steering the way to a sustainable future — we are in this together. ”

— Gretchen K. Zech, Chief Governance, Sustainability, and Human Resources Officer

**FORTUNE'S
THE WORLD'S
MOST ADMIRABLE
COMPANIES**

TOPPED CATEGORY FOR
NINTH CONSECUTIVE YEAR

For the 22nd time, Arrow has been named by Fortune as a World's Most Admired Company and has topped the "Wholesalers: Electronic and Office Equipment" category for nine consecutive years. The World's Most Admired list recognizes companies based on nine criteria, including innovation, people management, social responsibility, quality of products/services, and global competitiveness.

2022 ESG Goals and Results

Our 2022 goals underscored our commitment to managing our ESG impact. Six of these goals are specified below.

Environmental

Arrow committed to reducing Scope 1 and 2 emissions in our Phase 1 controlled footprint.¹ We began evaluating our Scope 3 footprint and engaging with the Science Based Targets initiative (SBTi). Additionally, we pursued ISO certification in our largest North American distribution center.

GOAL 1:

Reduce our Scope 1 and 2 emissions across our Phase 1 controlled¹ footprint by 10% in 2022.

Result: Overachieved goal. Reduced Scope 1 and 2 emissions across our Phase 1 controlled¹ footprint by 29.4%, exceeding the target of 10% reduction by 19.4 percentage points.

GOAL 2:

Achieve ISO 14001 and ISO 50001 (environmental management) certifications for our largest North American distribution center.

Result: Achieved goal. ISO 14001 and ISO 50001 (environmental management) certifications received effective December 2022 for our largest North American distribution center.

Social

Arrow committed to ongoing diversity, equity, and inclusion as catalysts for innovation in the workplace via expanded focus on (a) the first of a multi-year goal to grow diverse leadership representation and (b) completing global pay equity analysis and gap closure.

GOAL 1

Grow representation of women leaders globally and leaders who are of underrepresented race/ethnicity in the U.S. by 0.5 percentage points in each category in 2022, and by two percentage points in each category by the end of 2025.

Result: Overachieved goal. Grew representation of women leaders globally by 1.5 percentage points, exceeding the target of 0.5 percentage point growth by 1.0 percentage points. Grew representation of leaders who are of underrepresented race/ethnicity in the U.S. by 1.3 percentage points, exceeding the target of 0.5 percentage point growth by 0.8 percentage points.

GOAL 2:

Complete our global pay equity analysis and adjust pay where appropriate to close any gaps.

Result: Achieved goal. As of December 31, 2022, completed pay gap analyses for countries with a population of 100 or more employees representing 96.5% of our global employee population and made adjustments to close gaps.

Governance

Arrow committed to an ongoing strong governance framework with continuous improvement and increased business integration of governance policies and practices.

GOAL 1:

Increase the average completion rate for compliance trainings from 95% to 96%.

Result: Overachieved goal. Grew online compliance training completion rate from 95% to 99%, exceeding the target of 1.0 percentage point growth by 3.0 percentage points.

GOAL 2:

Convene an internal cross-functional ESG Leadership Committee responsible for guiding ESG strategy and related performance.

Result: Achieved goal. Convened multiple meetings and initiated an operating cadence for an ESG cross functional (a) leadership team and (b) operating committee to inform ESG strategy and enact operational execution.

¹ 'Phase 1 Controlled' represents 37% of our overall footprint by square footage as of December 2022

To further demonstrate Arrow's commitment to the importance of these efforts, quantitative performance objectives related to the above-referenced carbon emission reduction and diversity and equality-related measures were specified as components of the 2022 annual cash incentive plan for executives. Details regarding objectives, targets, and achievement levels as approved by the Compensation Committee of the Board of Directors are disclosed in Arrow's 2023 Proxy Statement.

2023 ESG Goals

Our 2023 goals continue to underscore our commitment to managing our ESG impact. Six of these goals are specified below.

Environmental

Arrow commits to reducing our absolute Scope 1 and 2 emissions across our footprint. We also commit to baselining three categories of our Scope 3 footprint. These goals are as follows:

GOAL 1:

Continue to reduce Scope 1 and 2 emissions in 2023, supporting our multi-year goal to reduce Scope 1 and 2 emissions by 10% across all Arrow locations and fleet by the end of 2025.

GOAL 2:

Baseline three categories of Scope 3 emissions as a next step to enable setting targets aligned with the Science-Based Targets initiative (SBTi) by the end of 2025.

Social

Arrow commits to ongoing diversity, equity, and inclusion as catalysts for innovation in the workplace via the next phase of (a) our multi-year goal to grow diverse leadership representation and (b) ongoing global pay equity analysis and gap closure. These goals are as follows:

GOAL 1:

Continue to grow representation of women leaders globally and leaders who are of underrepresented race/ethnicity in the U.S. in 2023, supporting our multi-year goal to grow representation by two percentage points in each category by the end of 2025.

GOAL 2:

Continue ongoing global pay equity analysis and adjust pay where appropriate to close any pay equity gaps.

Governance

Arrow commits to an ongoing strong governance framework via continuous improvement and increased business integration of our governance policies and practices. These goals are as follows:

GOAL 1:

Reaffirm Arrow's strategic partners' commitment to the principles of Arrow's Supplier Business Code of Conduct by end of 2023.

GOAL 2:

Ensure that Arrow's top suppliers complete a supplier self-assessment and due diligence questionnaire by the end of 2023.

To further demonstrate Arrow's commitment to the importance of these efforts, quantitative performance objectives related to the above-referenced carbon emission reduction and diversity and equality-related measures are specified as components of the 2023 annual cash incentive plan for executives. Details regarding objectives, targets, and achievement levels as approved by the Compensation Committee of the Board of Directors will be disclosed in Arrow's 2024 Proxy Statement.

About this Report

This report discloses ESG goals, results, and related performance updates on topics that are most relevant to our business, with a specific focus on multiline distributors as outlined by SASB, and includes alignment with the disclosure topics as outlined in the guidance from TCFD.

All content and data contained in this report are specific to **Arrow Electronics, Inc., and its wholly-owned subsidiaries (collectively, "Arrow")** for 2022 calendar year (January 1 through December 31, 2022), unless otherwise stated. Certain historical data illustrating progress over time has also been included.

This report was reviewed by our internal Corporate Audit department in preparation for external third-party verification in future years.

Our ESG stakeholder engagement includes Arrow's shareholders, customers, suppliers, employees, and additional constituencies as appropriate to our business model and ESG priorities. We highly value and appreciate this durable engagement as essential to our ongoing strategy and operations.


To provide feedback on this report, please email ESG@arrow.com.





Environmental

Environmental



300
LOCATIONS



OPERATE IN
54
COUNTRIES

Arrow is committed to taking a science-based approach to reducing our carbon footprint and lowering energy, water, and material consumption to improve the health and well-being of our planet and its people.

We collaborate with customers and suppliers to share best practices, identify improvement opportunities, and incorporate sustainable management practices into our operations. Our sustainability programs are designed to protect our planet and minimize consumption of its finite natural resources. We invest strategically, operate responsibly, and set goals to drive improvement.

2022 Goals & Results

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GOAL 2:

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2023 Goals

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GOAL 2:

Baseline three categories of Scope 3 emissions as a next step to enable setting targets aligned with the Science-Based Targets initiative (SBTi) by the end of 2025.

Oversight

Accountability for environmental compliance, protection, and improvement is driven across all facets of our company—from our Board of Directors to our site-level management teams. For example:

- Board members and executive leaders approve goals, policies, and capital investments, and are kept apprised of emerging risks, regulations, and significant issues.
- The Corporate Sustainability team works across functions to plan and execute improvement projects.
- Real Estate and Facilities teams factor in climate-related risks and building-efficiency opportunities in site selection, facility upgrades, and installations.
- Quality teams manage adherence to related standards and certifications to drive ongoing performance improvement.

¹ 'Phase 1 Controlled' represents 37% of our overall footprint by square footage as of December 2022

Management Strategies

As a company that guides innovation forward for over 210,000 leading technology manufacturers and service providers by aggregating and distributing cutting-edge products, Arrow's operations impact the environment—from how efficiently we ship products and power our facilities to how our employees commute to work.

To mitigate these impacts, we are in the process of centralizing environmental management and developing systems to measure and monitor impacts globally. We are focusing our resources on activities that reduce the environmental impact of our operations. These activities include:

- Measuring our broader environmental footprint
- Lowering building energy consumption to decrease greenhouse gas emissions (GHGs), air quality impacts, and utility costs
- Increasing renewable energy procurement to reduce our reliance on fossil fuels
- Reducing, reusing, and recycling materials to avoid disposal impacts, particularly for product packaging
- Developing a manufacturer and supplier engagement program to partner with our upstream and downstream network to reduce GHG emissions across our supply chain
- Maintaining compliance with an ever-changing set of environmental laws and regulations
- Engaging with our employees to share best sustainability practices
- Transforming our workplace to enable a hybrid structure that reduces energy consumption and associated GHG emissions
- Establishing global key performance indicators for evaluating our facilities' environmental performance
- Communicating about our environmental journey to increase transparency, address concerns, and share our progress with suppliers, investors, employees, and other Arrow stakeholders



Scope 1

Direct emissions from fuel burned by Arrow for business operations (i.e., natural gas, fleet fuel, generator fuel).

Scope 2

Indirect emissions from power produced offsite that is used by Arrow for business operations (i.e., electricity, steam).

Scope 3

Indirect emissions from Arrow's upstream and downstream value chain (i.e., shipping, distribution, waste disposal, business travel, etc.).

ISO 14001

An internationally recognized, voluntary standard that sets requirements for an environmental management system.

ISO 50001

An internationally recognized, voluntary standard that sets requirements for an energy management system.

As Arrow continues these activities, we expect to gather more data and insight that will allow us to better understand our environmental impacts. This knowledge will help us prioritize new projects and establish additional improvement goals.

Environment and Energy Management Systems

Arrow's management systems are designed to systematically manage activities as well as monitor and mitigate potential environmental and energy risks. They contain policies, controls, processes, and tools that help the Company facilitate performance improvement and maintain compliance with relevant laws and regulations.

To date, 11 of Arrow's sites across the globe have environmental management systems that meet [14001:2015](#) certification requirements set by the International Organization for Standardization (ISO). ISO's criteria contain best management practices for organizations seeking to reduce their environmental footprint.

Two sites are certified to [ISO's 50001:2018](#) standards for energy management systems which help Arrow use energy more efficiently and effectively and continually monitor the effectiveness of reduction strategies. We are embarking on a three-year effort to expand ISO certifications to other sites while driving efficiencies at facilities across the globe.



To ensure these management systems remain effective, we audit them annually to assess:

- How well environmental policies and standards are understood and adopted
- The severity of existing environmental risks and potential for new risks and impacts

ISO auditors also evaluate these systems as part of recertification validation. Additionally, Arrow annually assesses environmental risks during its enterprise risk assessment of large facilities; smaller buildings are assessed periodically. We expect Arrow employees at certified sites to adhere to management system requirements.

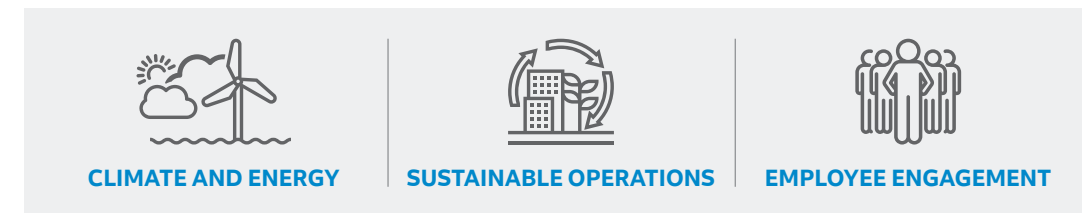
Progress Being Made

Arrow created a [Global Environmental Sustainability Policy](#) (available on [Arrow.com Reporting and Governance](#) page) in 2022 that includes guiding principles for environmental sustainability, from steps to reduce the Company's carbon footprint to waste consumption. We also:

- Deployed comprehensive tools and data-collection processes that give us greater visibility of compliance and sustainability performance
- Achieved ISO 50001 and 14001 certifications at our largest U.S. distribution center

Sustainability Priorities

Arrow continued investing in our priority areas of environmental management in 2022:



Climate and Energy

Climate

Arrow is committed to reducing GHG emissions in the fight against global climate change. We are developing a broad, strategic approach to reducing our carbon footprint and capitalizing on related opportunities. We worked with a third party to conduct a qualitative assessment in line with the Task Force for Climate-Related Financial Disclosure (TCFD) framework. We are incorporating its findings into our company risk analysis and management plans.

Reduction Timeline and Commitments

Arrow is in the process of measuring and validating our carbon footprint. In 2021, Arrow evaluated its carbon strategy and began collecting metrics to set a baseline that encompassed the company's Phase 1 Scope 1 and 2 controlled footprint. 'Phase 1 Controlled' represents 37% of our overall footprint by square footage as of December 2022.

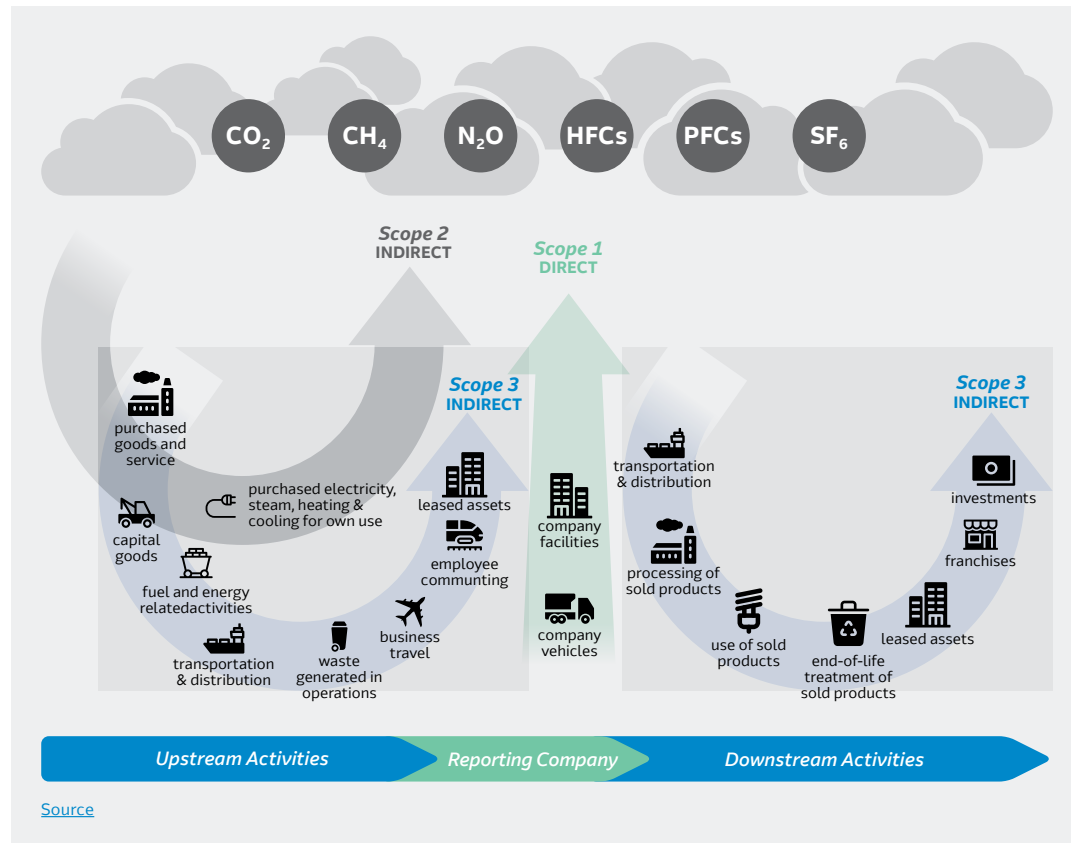
Science-based targets (SBT)
Auditable, measurable, time-bound corporate climate goals that are approved by the Science-Based Target Initiative.

Greenhouse gas (GHG)
Gas emitted from operations such as electricity production, heating, transportation, etc. that contribute to climate change.

Renewable energy
Energy stemming from sources and/or processes that are naturally and consistently replenishing such as solar, wind, or geothermal.

Grievance Channels
We offer several channels through which internal and external stakeholders can submit environmental-related questions, concerns, or grievances.

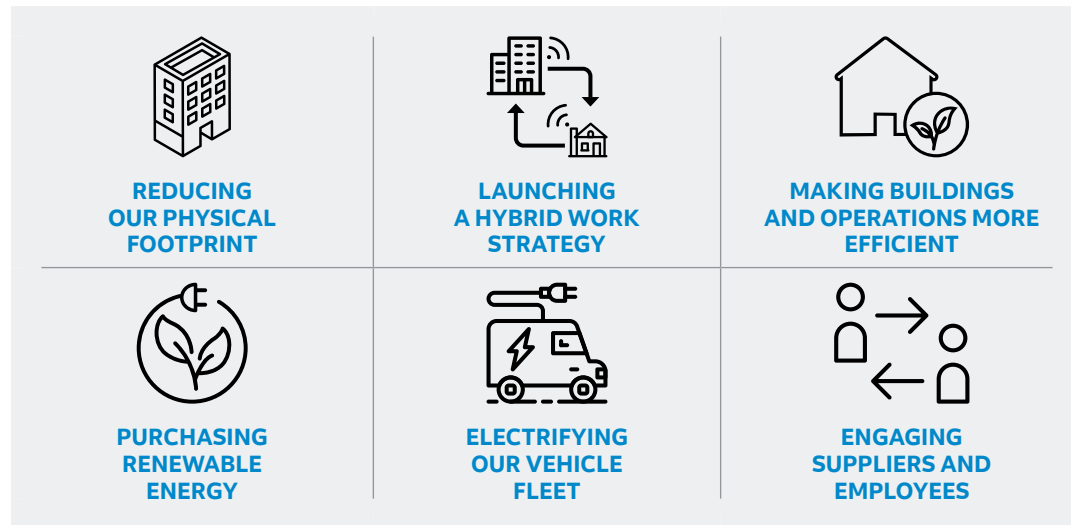
Employees also can contact their supervisor, site environmental leaders, or anonymously contact Arrow's AlertLine.



This work accelerated in 2022, and we now have a representative baseline of our Scope 1 and 2 emissions. During the year, we also began collecting relevant Scope 3 emissions data and will complete baseline measurements in 2023 and 2024. We remain committed to developing science-based targets (SBTs) by the end of 2025 that support the goals of the Paris Agreement.

Reduction Strategies

In our quest to lower GHG emissions, Arrow is:



Arrow will set science-based GHG-reduction targets aligned with the Science-Based Targets initiative (SBTi) by 2025.

Scope 1

Our direct Scope 1 emissions are generated when we directly burn fossil fuels. We reduce these by:

- Consolidating our real estate portfolio to reduce our physical footprint
- Optimizing the energy efficiency of buildings
- Transitioning our EMEA fleet to hybrid and electric vehicles

Scope 2

Scope 2 emissions include those created by others on Arrow's behalf, primarily for electricity generation. We reduce these by:

- Consolidating building space and data centers
- Making our buildings more efficient
- Purchasing renewable energy through local utility programs and installing onsite solar systems to generate clean energy

Actions taken to reduce Scope 2 emissions are selected to integrate into Arrow's broader business strategy and responsibly utilize Arrow's financial and operational resources while maximizing environmental benefit.

Scope 3

Scope 3 emissions result from indirect activities such as business travel, employee commuting, and upstream and downstream shipping and distribution. We reduce these by:

- Implementing efficient product shipping and transportation practices
- Encouraging suppliers and customers to optimize efficiencies and reduce waste
- Minimizing business travel
- Offering hybrid work arrangements
- Subsidizing mass transit at our headquarters
- Establishing recycling and composting programs to reduce related emissions

ARROW'S SCOPE 3 EMISSIONS CATEGORIES INCLUDE:

- Purchased goods and services
- Capital goods
- Fuel and energy
- Upstream transportation and distribution
- Waste generated
- Business travel
- Employee commuting
- Downstream transportation and distribution
- Use of sold products
- End-of-life treatment of sold products

We promote transparency, accountability, and awareness of our carbon footprint to our stakeholders by annually disclosing information and data in this report, Arrow's [CDP Climate Change Questionnaire](#), and in our [TCFD](#) and [Sustainable Accounting Standards Board \(SASB\)](#) indices.

Energy

Arrow consumes energy by heating, cooling, lighting, and powering equipment in the facilities where we operate to distribute products around the globe. We make investments in projects that optimize efficiency and use renewable energy sources to decrease GHG emissions where feasible.

Reduction Strategies

Across the globe, our real estate and portfolio teams assess energy use, innovation, and opportunities to minimize consumption. Once opportunities are identified, actions are first taken at facilities with the largest physical footprint and subsequently at other sites. The primary ways Arrow has mitigated energy impacts are by:

- Reducing the space we need to power, light, heat, and cool
- Improving building and system efficiency
- Using more clean energy sources

Progress Being Made

We centralized our energy consumption reporting in 2022 to identify opportunities for future conservation projects.

Physical Footprint

Our first step to reducing energy consumption is to reduce operational square footage. We do this by consolidating building space, including data centers through an increase in our use of cloud computing.

Progress Being Made

In 2022, we consolidated 13 buildings in the Americas and plan to consolidate additional facilities across our portfolio.

Building Efficiency

Arrow prioritizes energy management while maintaining our real estate footprint of 300 offices, facilities, and distribution centers. We conduct audits and invest in efficiency projects to assess and mitigate building energy consumption.

One way we advance efficiency is by building or leasing properties that meet sustainability certification standards, such as the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) criteria. In existing buildings, we take steps to retrofit inefficient lights; heating, ventilation, and air conditioning (HVAC) systems; boilers; and other systems to increase efficiency.

Since 2018, our global facilities team has integrated energy efficiency into real estate decision-making when expanding into new locations. We also assess materials used for construction and outfitting (e.g., recyclable material in furniture and carpeting, LED lighting). These assessments help mitigate potential impacts before they occur.

Progress Being Made

We developed a Green Lease Checklist in 2022 to help us communicate our expectations for sustainable practices when negotiating building contracts, including review of energy efficiency and collaboration practices to achieve reductions. This enables each facility to evaluate and consider the environmental impact of operations. Arrow intends to transition away from natural gas to electric infrastructure when feasible. This will enable us to use renewable sources of electricity rather than combustion fuels to help reduce our carbon footprint.

Also, during the year, Arrow began rolling out a utility bill management system to track global electricity, natural gas, and water usage and create a more efficient billing process. In the coming years, we intend to continue:

- Prioritizing energy-efficiency investments (e.g., install smart HVAC, motion sensor lights, and maintenance and building control systems)
- Engaging employees in efficiency behaviors and best practices
- Pursuing green building certifications
- Procuring renewable electricity

The infographic consists of four vertical panels on a blue background, each featuring a certification logo and a brief description of Arrow's achievements. The first panel shows the ENERGY STAR logo and states that one U.S. office is certified for performing more efficiently than 75%+ of similar buildings nationwide. The second panel shows the U.S. Green Building Council (USGBC) LEED Silver logo and notes that their Denver headquarters is Silver-certified and they have migrated their primary data center to a LEED Silver-certified building. The third panel shows the BREEAM logo and indicates that 6 of their EU facilities are certified, with 3 being 4-Star and 3 being 3-Star certified. The fourth panel shows the DGNB logo and mentions that their site in Neu-Isenburg, Germany, achieved a gold star DGNB System rating for sustainably built environments.



Product Distribution Center Built for Sustainability

Arrow designed its state-of-the-art Venlo Primary Distribution Center in the Netherlands to drive efficiency, sustainability, and employee well-being. Certified for meeting the Building Research Establishment Environmental Assessment Method's (BREEAM®-NL) green building standards for a sustainably built environment, the 951,540 square-foot building spans roughly the size of 10 soccer fields.

Constructed with sustainable materials, Venlo also contains several energy- and water-reduction features. It uses highly efficient heat pumps to control heating and cooling, toilets are flushed using rainwater collected on the expansive roof space, and motion detectors control lighting and the conveyor system to consume energy only when needed.

Additionally, an automated packaging system fits each box to the size of its contents to reduce the amount of filling material needed. Reducing box height allows Arrow to ship more boxes per pallet, which lowers costs and transportation-related GHG emissions. Venlo also only uses paper-packing material made from Forest Stewardship Council (FSC®-certified) 100%, FSC mix, and FSC recycled content instead of plastic bubbles so it can be reused or recycled. Boxes are sealed with glue instead of plastic tape to better protect contents and reduce waste.

Arrow also took employees' health and well-being into consideration when designing the site to ensure it enhanced air, water, nourishment, light, fitness, and comfort. Venlo earned WELL Building Platinum certification through the International WELL Building Institute. WELL is a performance-based system for measuring, certifying, and monitoring features of the built environment that impact human health and well-being.

Advancing Environmental Improvements

Arrow continued investing in efficiency improvements at its largest North American distribution center in 2022 to reduce energy consumption, waste, and associated GHG emissions. For example, site teams:

- Completed the replacement of fluorescent lighting with LEDs, which are up to 90% more efficient than incandescent lightbulbs; they also facilitated the distribution of nearly 9,400 donated LED lights to employees to reduce energy consumption in their homes
- Optimized heating and cooling systems to increase their efficiency
- Tinted select windows to reflect heat from the sun and to reduce heat loss from inside the building
- Engaged employees to recycle paper, cardboard, aluminum, glass, lightbulbs, stretch film, toner cartridges, batteries, and more to eliminate hazardous landfill waste and GHGs
- Operated sensor-activated water faucets and six electric vehicle charging stations that power employees' hybrid and electric vehicles
- Procured materials with recyclable content

Renewable Energy

Increasing the amount of renewable electricity we use is critical to achieving our greenhouse gas reduction goals. 13% of our sites by square footage use a clean power source.³

Progress Being Made

Arrow has transitioned to 100% renewable electricity at our headquarters and continues to explore opportunities to leverage renewable power at our facilities across the globe.

Arrow HQ Offsets 100% of Emissions from Electricity Consumption

Arrow enrolled its Colorado headquarters in a renewable energy program through Xcel Energy's Windsource® program, enabling the Company to direct 100% of electricity payments toward supporting Colorado's transition to renewable energy through wind power.

The electric grid in Colorado now has a certified renewable percentage of 38% (2020 estimate), meaning that about one third of the grid is sourced from renewable energy. While Arrow is still receiving energy from Colorado's mixed grid, the Windsource® program allows Arrow to pay a premium to ensure 100% of their electric payments supports wind energy in Colorado.

Arrow will be able to offset 100% of Scope 2 emissions from purchased electricity at its headquarters through this program. Based on 2021 data, the result is an annual offset of roughly 9,000 MWh of energy and 5,000 metric tons of carbon dioxide each year.

Increasing the number of Arrow facilities that are operating on renewables will be a key contributor to Arrow's long-term carbon-reduction strategy and goal of reducing Scope 1 and 2 emissions.



³ Locations with onsite renewable power where the Renewable Energy Certificates are not retired by Arrow or on Arrow's behalf are excluded from this percentage.



Standards and Expectations

Arrow expects our business partners to demonstrate respect for the environment, comply with all applicable environmental regulations, and commit to reducing their environmental impacts. Our priorities include reducing GHG emissions and packaging waste and complying with applicable laws and regulations, globally.

GHG Emissions

Due to the nature of our business, Scope 3 GHG emissions comprise the bulk of Arrow's carbon footprint. Our first step in reducing our supply chain emissions was to understand the relevant categories of Scope 3 GHG emissions in our value chain. To aid in this effort, we retained a third-party expert to help identify which Scope 3 categories are material to Arrow. This work has enabled us to prioritize actions, begin measurement of Scope 3 emissions, and remain on track to set science-based targets by 2025. We aim to complete a baseline of three Scope 3 categories in 2023 and complete a comprehensive Scope 3 baseline by year-end 2024.

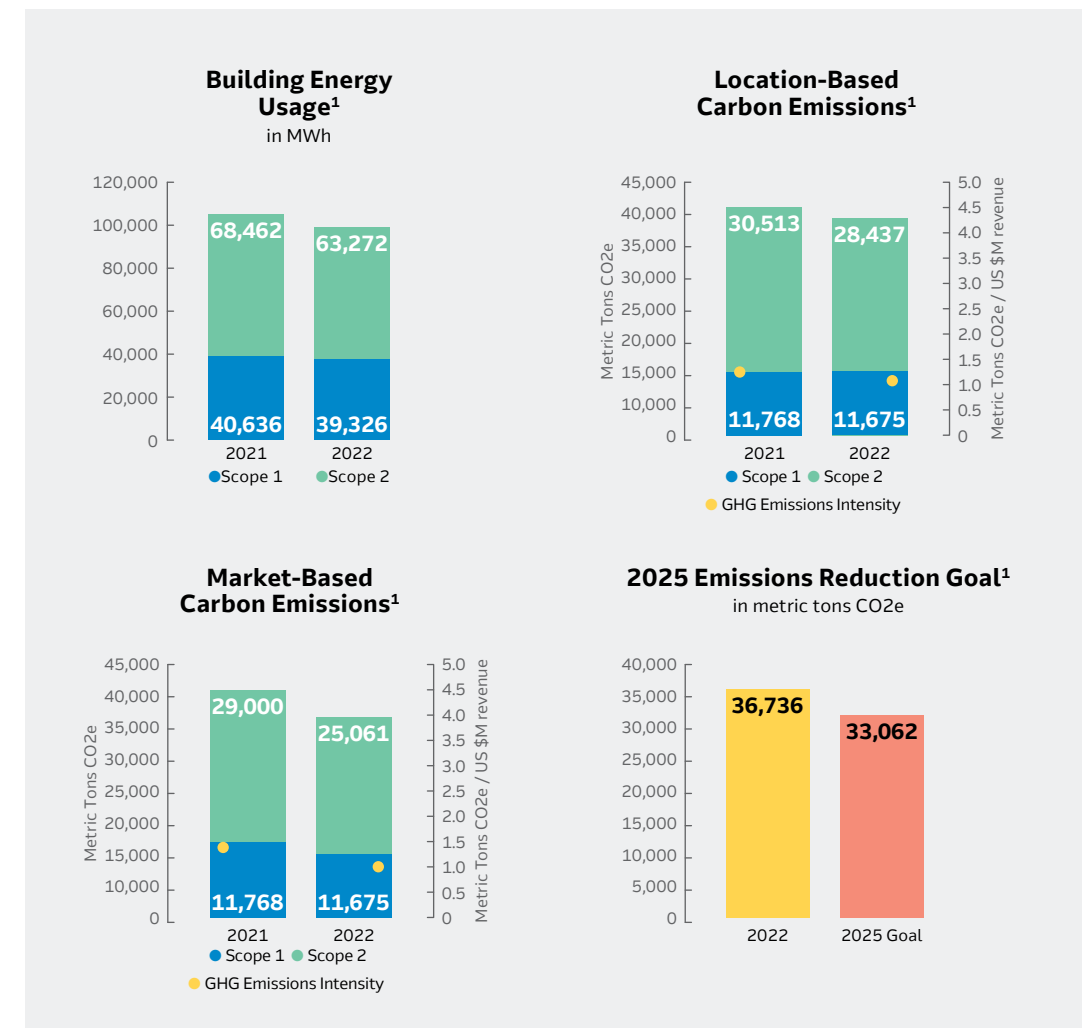
We also began engaging newly onboarded non-trade suppliers in North America about their emission-reduction commitments, among other environmental, social, and governance programs and goals, through our request for proposal process. We will continue engaging suppliers on these topics as we advance our sustainability practices.

Progress Being Made

In 2022, Arrow calculated absolute location-based and market-based Scope 1 and 2 emissions using GHG Protocol guidelines, which give the company a baseline from which to measure progress. We reduced Scope 1 and 2 year-over-year emissions for our Phase 1 controlled footprint by 29.4%. Across all of our facilities, we achieved a market-based Scope 1 and 2 year-over-year emissions reduction of 11.8%.

We also:

- Identified and began measuring the company's Scope 3 emission categories
- Initiated a hybrid workplace strategy that enables select employees to work from home several days per week; this reduces the amount of space we need to heat and cool, GHGs generated by commuting, and improves work-life balance
- Began engaging new suppliers about the extent of their GHG management and measurement activities through the Request for Proposal process
- Continued transitioning our EMEA fleet of vehicles to electric or hybrid models; 25% of our global fleet consists of electric or hybrid vehicles
- Invested in software to support ongoing GHG data collection and emissions calculations



¹ See appendix for details on methodology and assumptions



Improving Community Environments

In honor of Earth Day, employees at Arrow's global headquarters gathered to plant and stake nearly 40 trees at a local park to absorb carbon and reduce the heat island effect.

Through Arrow's Dollars for Doers program, the volunteers also generated matching funds for Denver Parks Trust, which is committed to helping achieve Denver's vision of a more equitable and sustainable park system.

"This project serves as a great example of how our employees can help mitigate climate change by expanding critical green spaces and giving back to our community," said Lindsay Tyson, Arrow's director of global sustainability.

In India, Arrow launched a series of green initiatives that enabled about 600 local employees to plant trees, remove industrial waste and sewage, and increase water storage capacity in a local lake by 400%. They also installed a water-recycling plant to help ensure good water quality for aquatic life and planted 450 tree saplings to help combat environmental issues like deforestation, erosion of soil, and desertification.

Sustainable Operations

Arrow seeks to make our global operations more sustainable by minimizing material consumption and waste and lowering water consumption. We regularly monitor emerging risks, deploy mitigation strategies, and assess the progress being made.

Waste Mitigation

Arrow is focused on conserving resources within its offices, facilities, and distribution centers across the globe. While not large waste generators, we responsibly manage the use and disposal of materials to protect the environment, reduce landfill waste, and comply with applicable laws and regulations. We are committed to:

- Reducing and properly disposing materials generated within our operations
- Reducing, reusing, and recycling product packaging and electronic components where feasible

In 2023, Arrow will begin efforts to measure a baseline of global waste to help us prioritize management programs and assess progress against future reduction goals.

Packaging

Packaging materials are essential to protecting the items Arrow receives, transports, and distributes—yet they are one of Arrow's largest sources of waste and cost, which is why we have made efforts to reduce the amount of materials needed within our packaging operations.

Shipping costs are calculated based on the weight of a box's contents as well as the amount of space it occupies. By efficiently using packaging that offers minimal room for movement, we can greatly reduce shipping costs, the likelihood of damage, as well as the amount of packaging we need. It also lowers the amount of fuel needed to transport (and associated GHG emissions) and helps us avoid overpacking, which wastes material.

In 2022, third-party packaging engineers assessed our parcels and shipping data to help us identify optimal box sizes to fit our most commonly shipped items at our North American distribution center. We also embarked on a program to make packaging more sustainable at our distribution center in the Netherlands, which uses an automated system that fits a box to contents to eliminate unused space. The site also transitioned from using Styrofoam peanuts and plastic bubble wrap as packing material to using recyclable paper instead.

Packaging Waste

Arrow receives vast amounts of packages from in-bound electronic components manufacturers. Many of these manufacturers optimize their packaging to reduce costs and associated GHG emissions generated by shipping, and use paper, wood, and recyclable content to avoid generating plastic and nonrecyclable waste. While we cannot control all manufacturers' packaging practices, we do reuse and recycle packaging and filling where feasible.

In many cases, we store and distribute components directly to the customer without altering packaging. For outbound assets, we may combine orders or assemble and integrate components first. We then repackage the items, where possible, using right-sized packaging and recyclable filling, before distributing them. We have made a concerted effort to optimize packaging use in these shipments to reduce environmental impacts.

E-waste
Waste generated from unwanted electronic products.

Office Materials

In our offices, we make recycling paper, glass, aluminum, cardboard, and other items convenient for employees.

Electronic Waste

Our Information Technology (IT) Department organizes quarterly reusing, recycling, and remarketing programs to dispose of electronic waste safely. In 2022, our e-waste management program globally has:

- Diverted 15,237 pounds of electronics away from landfills
- Recycled 2,120 assets
- Re-marketed 1,385 assets

In Europe, our e-waste is reported in line with the Waste Electrical and Electronic Equipment (WEEE) Directive (2012/19), which sets collection, recycling, and covering targets for all electrical goods.

15,237
POUNDS DIVERTED
FROM LANDFILLS

2,120
ASSETS RECYCLED

1,385
ASSETS RE-MARKETED

Water

As a distributor of electronic components and other products and services, Arrow's direct operations are not water-intensive. Water is used for drinking, sanitation, and landscaping. Our enterprise risk assessments have found that water-related risks and availability do not have the potential to materially disrupt our operations, but we routinely forecast potential future impacts to detect emerging threats.

Management Approach

Due to worsening drought and water insecurity, we take steps to conserve water where we can and include conservation criteria in our facilities management processes. Within and around the buildings we manage, we have installed low-flow toilets, hand-sensor faucets, and xeriscaping, and we use recycled water for irrigation, where feasible.

Despite our low consumption rates, we assess water availability and related risks in our enterprise risk-assessment quarterly, which includes forecasting impacts six years out. We prepare for severe weather events and water outages in our business continuity plans to ensure the continuity of water supplies.

In 2022, Arrow's headquarters installed water stations and banned single-use plastic water bottles, which kept more than 37,000 bottles out of landfills. This program is part of Arrow's broader effort to eliminate single-use plastics from office buildings.

Employee Engagement

Recognizing that each of our employees, through individual and collective actions, can help improve our sustainability performance, we work to engage them in our sustainability program. Elements of our engagement framework include:

- Organizing environmentally focused volunteer events where employees can join Arrow in making a positive impact
- Hosting learning events where Arrow leaders talk to employees about our sustainability program
- Joining cross-functional team meetings to educate employees on how their roles intersect with environmental sustainability
- Developing a strategy for the future launch of an internal sustainability resource page and Global Green Team accessible to all Arrow employees



More information about Arrow's water management strategies and programs can be found in the [Global Environmental Sustainability Policy](#) (available on [Arrow.com Reporting and Governance](#) page) and CDP Water Security Questionnaire.

Providing Access to Clean Water

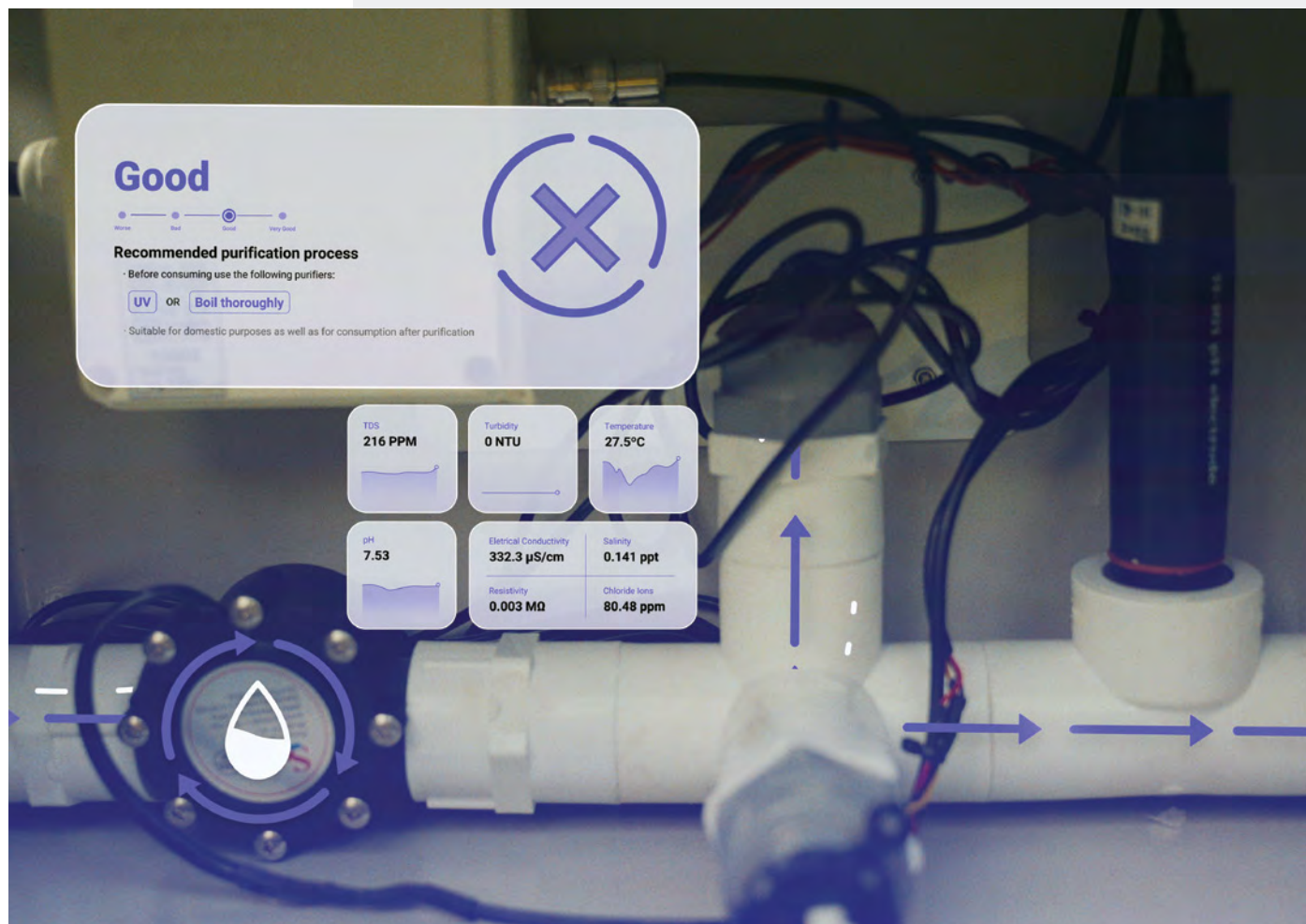
SaaF is the Hindi word for “clean” and “pure.” SaaF Water is a startup by young Indian entrepreneurs who want to help provide reliably clean water and reduce health risks for their nation’s 1.4 billion citizens – and billions more worldwide.

Their solution—a smart IoT sensor package enhanced by AI—won the 2021 Call for Code global competition for humanitarian technologies. The United Nations administers the contest with support from Arrow Electronics and IBM

In 2022, Arrow matched SaaF Water with elfochips, an Arrow-owned design engineering firm with offices and prototyping centers in India. Together, they designed a second-generation platform to increase the device’s processing power and analytical capabilities, while making it easier to manufacture at scale.

The device attaches to water pipes serving an apartment complex, an office building, or a community. Sensors continuously measure the water’s quality and store the data in the Cloud for analysis. Water utilities and residents receive water quality updates and recommendations via text messages and a smart phone app.

Engineers at elfochips built control boards for 15 prototypes of the new design, and those units are being field tested during 2023 in the city of Hyderabad. SaaF Water plans to install hundreds of units in more communities in India within a year.





Social

Talent growth is our mindset

Leadership representation
Leaders/Leadership—includes all directors and above as well as all supervisors and managers in a people-manager role.

We recognize that Arrow’s innovation, performance, brand, and value are powered by our people. Our global team’s gender and racial/ethnic diversity empowers us to anticipate and exceed the expectations of our customers in the broadest sense of the word.

2022 Goals and Results

Arrow committed to ongoing diversity, equity, and inclusion as catalysts for innovation in the workplace via expanded focus on (a) the first of a multi-year goal to grow diverse leadership representation and (b) completing global pay equity analysis and gap closure.

GOAL 1

Grow representation of women leaders globally and leaders who are of underrepresented race/ethnicity in the U.S. by 0.5 percentage points in each category in 2022, and by two percentage points in each category by the end of 2025.

Result: Overachieved goal. Grew representation of women leaders globally by 1.5 percentage points, exceeding the target of 0.5 percentage point growth by 1.0 percentage points. Grew representation of leaders who are of underrepresented race/ethnicity in the U.S. by 1.3 percentage points, exceeding the target of 0.5 percentage point growth by 0.8 percentage points.

GOAL 2:

Complete our global pay equity analysis and adjust pay where appropriate to close any gaps.

Result: Achieved goal. As of December 31, 2022, completed pay gap analyses for countries with a population of 100 or more employees representing 96.5% of our global employee population and made adjustments to close gaps.

2023 Goals

Arrow commits to ongoing diversity, equity, and inclusion as catalysts for innovation in the workplace via the next phase of (a) our multi-year goal to grow diverse leadership representation and (b) ongoing global pay equity analysis and gap closure. These goals are as follows:

GOAL 1:

Continue to grow representation of women leaders globally and leaders who are of underrepresented race/ethnicity in the U.S. in 2023, supporting our multi-year goal to grow representation by two percentage points in each category by the end of 2025.

GOAL 2:

Continue ongoing global pay equity analysis and adjust pay where appropriate to close any pay equity gaps.

We cultivate the talent of our workforce of over 22,000 employees by focusing on our people as career investors. We believe grounding our efforts in our purpose—making the benefits of technology accessible to all—attracts, retains, and unifies the kind of people who thrive at Arrow. Over the coming years, we will continue to build from where we are today to the next level—Five Years Out.

Human Capital Strategy

We know that talent can be found and developed wherever we choose to look and invest. In 2015, we set a global growth goal to increase gender parity at all levels of our organization and in every geography in which we operate around the world. We also set a growth goal to increase underrepresented race/ethnicity talent at all levels of our organization in the U.S. We’ve achieved our first set of goals, yet we are not done. We continue to grow in alignment with the talent available in the labor markets everywhere we operate around the world.

We specialize in managing complexity so we can leverage the scale and synergies of our team, with employees across 54 countries, along with our multicultural and business diversity. Expanding our capabilities not only furthers our business strategy but also rewards our employees. Our human capital strategy grows our Arrow talent market through three main pillars—People, Work, Rewards—and is underpinned by a portfolio of six core talent stacks designed to leverage talent platforms, products, and services, as illustrated on the following page.

Top 50 Most Admired Companies for HR

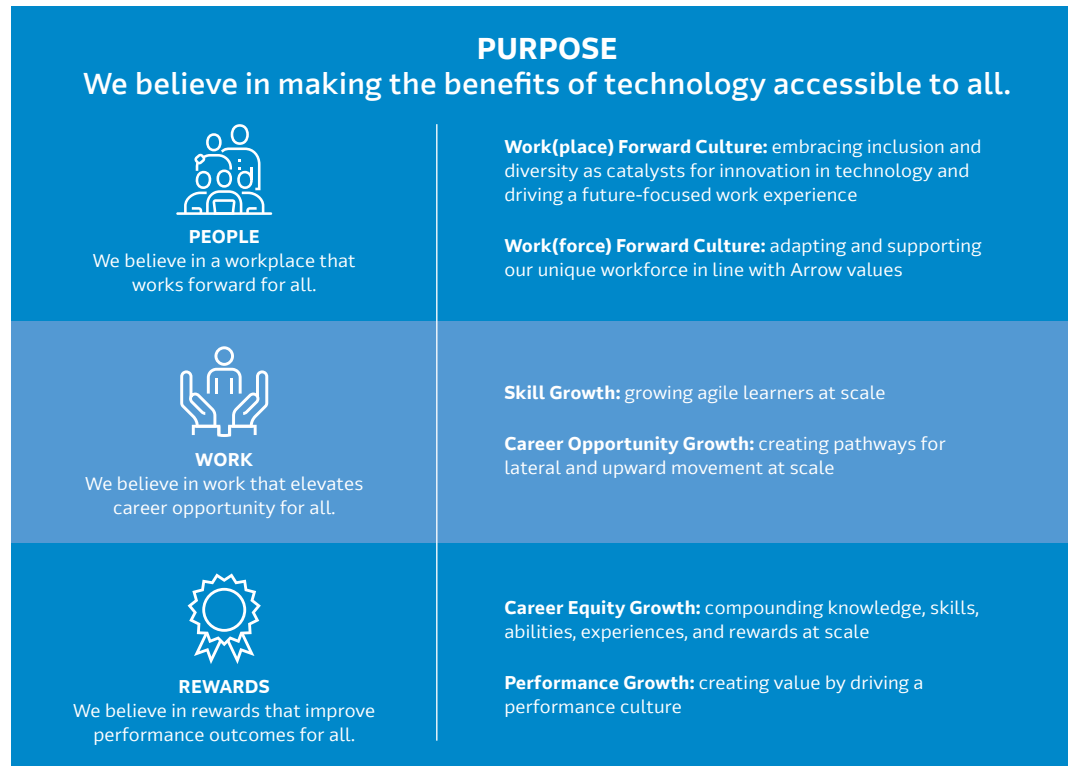


In 2022, Arrow was once again named as one of the Top 50 Most Admired Companies for HR.

Management consulting firm, Korn Ferry, partners with Human Resource Executive each year to select companies for the Most Admired for HR list from Fortune’s Worlds Most Admired Companies list. The Most Admired for HR award focuses on four HR-related attributes: management quality, product/services quality, innovation, and people management.

2022’s Most Admired for HR selection was aimed primarily at companies, and their respective HR organizations, that are enabling workforce transformation, sustainability, and ESG innovation. At Arrow, we are united by our noble purpose: we enable technology solutions that make a positive difference in people’s lives, and we guide the power of innovation to make the world better.

Early career talent
Early career talent is defined as individuals who are under 30 years of age.



People

We believe in a workplace that works forward, and we view our employees as investors in their own futures. We embrace inclusion and diversity as catalysts for innovation and are fully committed to equal opportunities for all. At Arrow, we describe this growth mindset as Global Work(place) Forward. We strive to anticipate how technology, markets, and people are evolving, and that with this insight, how our leaders and employees can adapt to technological advances, both in how we work and how we serve our customers.

Work

We believe in work that elevates career opportunity. With our perspective of “Five Years Out,” we are a community of continuous learners. Our talent platforms, products, and services cultivate the capabilities of our workforce throughout the organization. And, by augmenting our team with external talent acquisition, we further expand our portfolio of capabilities. Growing from the ground up, our focus on early career talent continually infuses diversity, and new ways of thinking and doing into our workforce.

Rewards

We believe in rewarding opportunities that grow performance outcomes and career equity, at scale. In addition to competitive compensation, we support our workforce with extensive benefits including affordable healthcare, flexible work arrangements, mental health resources, retirement savings plans, skills training, and opportunities for advancement. Chief among our core commitments are pathways for career growth, employment security, and a safe workplace.

With our uniting purpose, and a talent market focused on people, work, and rewards, we seek to create a work environment that benefits all.

People: We believe in a workplace that works forward for all

Culture and Values

Every employee that makes up Arrow’s diverse footprint is selected for their unique ability and background. But we believe we all have one thing in common: the collective commitment toward creating an innovative workplace. This collective commitment is nurtured by our respect for Arrow values. As an Arrow employee, honoring these values is imperative to our culture.

Arrow Values:

- **Ethical.** We believe in and are committed to behaving with integrity and respect at all times, when everyone is watching and when no one is watching.
- **Open-Minded and Courageous.** We believe in and are committed to behaving with well-intended curiosity, welcoming diverse ways of thinking and working, expanding our mind- and behavior-sets, when venturing and when persevering.
- **Results-Oriented and Accountable.** We believe in and are committed to behaving with responsibility and ownership for the quality of our work, when accomplishing intended outcomes and when course correcting.
- **One Arrow.** We believe in and are committed to behaving with the broadest view of our organization, understanding the vital role we each play for the greatest good of all stakeholders.
- **Innovative.** We believe in and are committed to behaving with original thinking and executing new ideas, continuously adapting our mind- and behavior-sets to create increased value.
- **Customer Centricity.** We believe in and are committed to behaving with a customer-first orientation, earning trust and loyalty, and driving repeat and growing business.

HR Asia's 2022 Best Companies to Work For



Arrow Asia Pac Limited has been selected as an award recipient of HR Asia Best Companies to Work For in Asia 2022 (Hong Kong Edition). The HR Asia Best Companies to Work For in Asia Awards is an awards recognition program for organizations that have been identified by their employees as one of Asia's employers of choice and ascertains the best employers to work for. The award is targeted at companies across Asia and recognizes companies with the best HR practices, which demonstrate high levels of employee engagement and excellent workplace cultures.

Inclusion Principles

At Arrow, we aggregate technology solutions across industries to better serve businesses and communities the world over. We guide innovation forward and make technology more globally accessible. Our solutions arise from our culture of innovation, inclusion, collaboration, and honest consideration of one another's unique viewpoints and experiences. Our diversity empowers us to anticipate and exceed the expectations of our customers. Together, we help our customers see beyond their horizons.

Our team is comprised of persons from every corner of the world, and we are as diverse as our customers. Inclusion and diversity are business imperatives that underlie everything we do. The wide variety of talents, viewpoints, and identities in our ways of working and developing solutions is the catalyst for our innovation. We advance technology, deliver solutions, and anticipate the future before others. This is what makes working every day at Arrow an innovative professional experience.

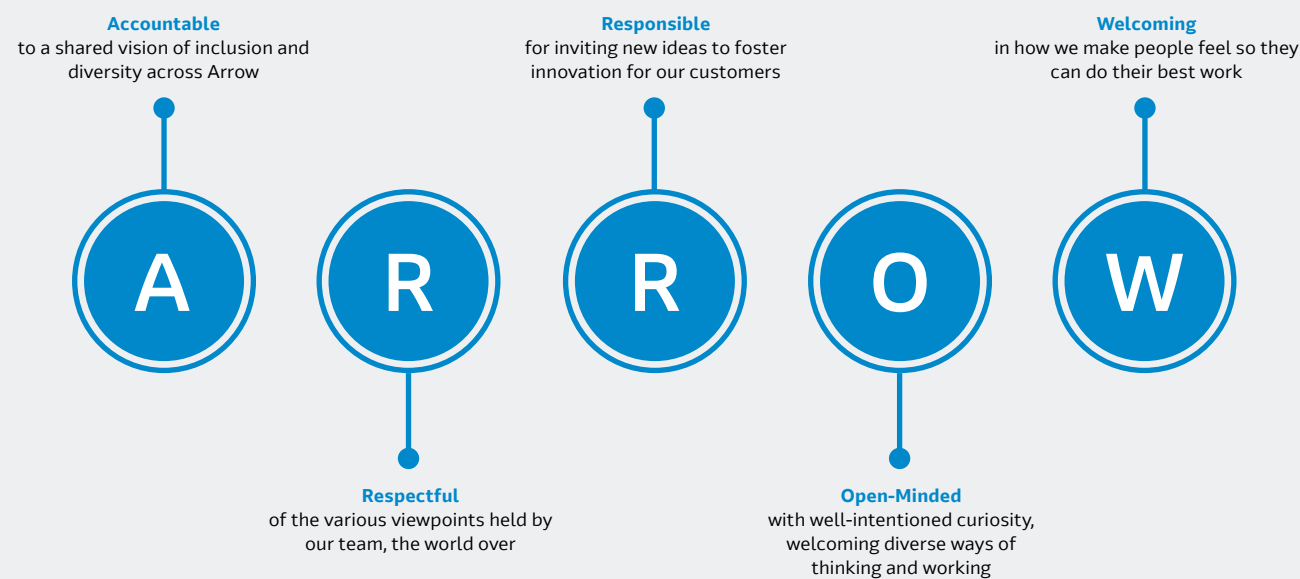
Arrow created a customized online training series for employees and managers globally entitled Everyday Inclusion. This required training series focuses on instilling awareness, application, and accountability for Arrow's Inclusion Principles.

Inclusion and Diversity at Arrow—Global Work(place) Forward Enterprise

We believe in a workplace that works forward, and we view our employees as investors in their own futures. We embrace inclusion and diversity as catalysts for innovation and are fully committed to equal opportunities for all. At Arrow, we describe this growth mindset as Work(place) Forward.

We Are Arrow. Inclusion Principles:

It is because of our goodwill and willingness to take in and act upon the multiple perspectives our team embodies that we are...



Arrow's Global Work(place) Forward enterprise anticipates how technology, markets, and people are evolving. With this insight, our leaders and employees can adapt to technological advances, both in how we work and how we serve our customers.



Work(place) Forward Examples:

In 2022, Arrow launched global training to all people managers in support of our inclusion and diversity Work(place) Forward strategy:

- **Advancement of Women in Technology:** Guiding managers to engage women in growing and advancing their careers to support our long-term goal of growing representation of women leaders across the organization; paired with a pilot program for nominated women to participate in courses, mentorships, and other stretch assignments
- **Multicultural Advantage:** Guiding managers to celebrate, engage, and empower multicultural teams
- **Guiding Disability Inclusion:** Advancing managers' understanding of disability inclusion and introducing practical approaches to promote a disability-inclusive workplace, strengthening Arrow's inclusion and diversity culture

The strategic priorities for Arrow's Global Work(place) Forward include the following:

- Arrow's Multicultural and Global Advantage in Technology
- Arrow's Advancement of Women in Technology
- Arrow's Advancement of Persons with Disabilities via Technology Enablement
- Arrow's Inclusion and Diversity as Catalysts for Innovation in Technology
- Arrow's Future Work Experience

Workplace Flexibility

To support our employees' work-life balance, Arrow workplace flexibility programs are in place globally and regionalized to meet market expectations of the countries in which we operate. Arrow recognizes the value of in-person collaboration in tandem with the benefits of flexible work arrangements and working-time-reduction alternatives that meet business needs and may be customary to country-specific market practice. In 2022, much of Arrow's AMER and EMEA workforce moved to a hybrid work environment (with the exception of our light industrial population) to best meet business and customer needs while enhancing flexibility for our employees. We are piloting hybrid work in APAC with our Global Enterprise Service Center in India, and expect practices will continue to evolve in line with local markets.

Arrow Listening Strategy and Employee Net Promoter Score

Arrow's Global Work(place) Forward strategic priorities are augmented with employee engagement programming, employee surveys, and listening sessions regionally and globally. Arrow's comprehensive listening strategy has been developed to continue to expand the way feedback is received from our employees. With this insightful employee feedback, we adjust management practices to support continued alignment of Arrow's values, noble purpose, and brand with our employee experience.



2022 International Inclusion Award and the Diversity Champion Award by Diversiton

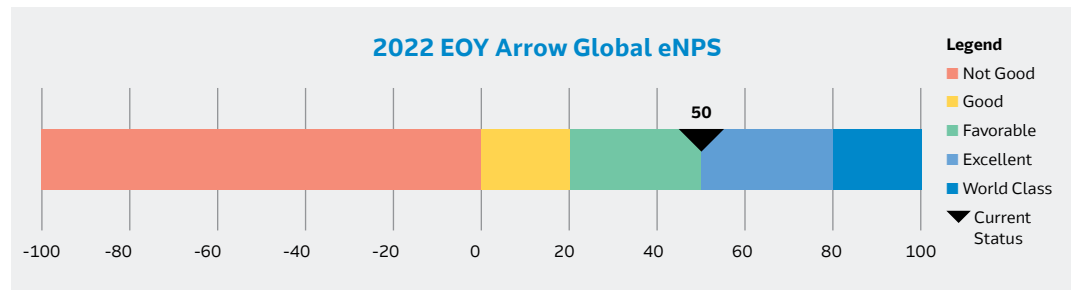
Arrow was awarded this honor by demonstrating how we embrace inclusion and diversity through training, employee empowerment, and community initiatives. This award brings international recognition to our commitment to recognizing diversity and promoting inclusion. It acknowledges our appreciation of all employees and our effort to promote positive working, team building, and strengthening relationships at all levels.



Arrow provides every employee the opportunity to share feedback each year upon their service anniversary. We also survey all new hires 90 days after they join the Company. In 2022, almost 2/3 of employees voluntarily responded to these surveys.

To provide insight regarding employee experience and engagement, we calculate an Employee Net Promoter Score (eNPS) by asking employees if they would recommend Arrow as a good place to work. Scores range from -100 to 100 with higher scores reflecting higher employee engagement, which is pivotal to both company culture and performance.

For 2022, Arrow's overall eNPS score was 50, which is considered an Excellent rating on the eNPS scale. We believe this score is reflective of our focus on culture and values. Arrow's executive team monitors the eNPS score on a monthly basis in conjunction with other human capital reporting measures. In addition, the eNPS scores are incorporated into the human capital strategy update shared annually with Arrow's Board of Directors.



Global Workforce Enables the Business Strategy

Arrow's workforce and workplace are both extensive and complex with over 22,000 employees across 54 countries in three major regions – Americas (AMER), Europe/Middle East/Africa (EMEA), and Asia Pacific (APAC). We specialize in managing this complexity, with all its multicultural and business diversity, through our global management and human capital platform synergies.

We specialize in managing complexity by leveraging scale and synergies

Active Employees, December 2022

AMER

6,500

- 16% People Leaders
- 84% Individual Contributors
- 43 Years Median Age
- 4 Years Median Tenure
- 19% Voluntary Turnover Rate
- 6 Countries Represented

EMEA

7,400

- 15% People Leaders
- 85% Individual Contributors
- 40 Years Median Age
- 4 Years Median Tenure
- 13% Voluntary Turnover Rate
- 34 Countries Represented

APAC

8,400

- 20% People Leaders
- 80% Individual Contributors
- 34 Years Median Age
- 3 Years Median Tenure
- 15% Voluntary Turnover Rate
- 14 Countries Represented

Types of Employment

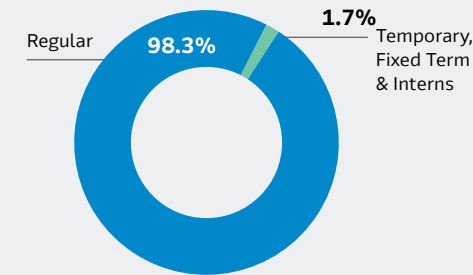
As of December 31, 2022, Arrow employed a total workforce of over 22,000 employees worldwide, over 98% of whom were regular employees, and under 2% of which were directly employed temporary employees. Arrow engaged approximately 1,000 (4%) contingent/contract workers worldwide.

Combined, this accounted for over 23,000 people working on Arrow's behalf around the world. We take a thoughtful and narrowly-tailored approach to temporary work that helps support a work environment where all workers, including directly employed temporary employees and contingent/contract workers, are treated fairly, respectfully, and in accordance with all applicable laws.

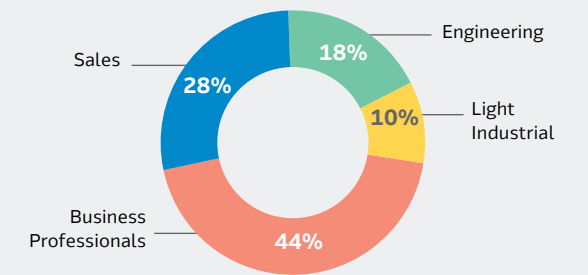
Arrow hires directly employed temporary employees and engages contract/contingent workers to meet specific needs: (1) to provide temporary additional support on a project; (2) to fill the absence of a regular employee out on leave of absence; or (3) to determine if a regular employee position is warranted.

ARROW EMPLOYEE DISTRIBUTION

56:1 - Ratio of regular employees to temporary employees

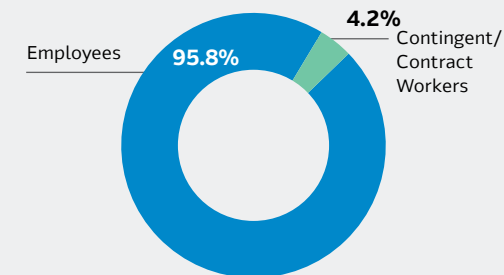


EMPLOYEE DISTRIBUTION BY PROFESSIONAL SEGMENT

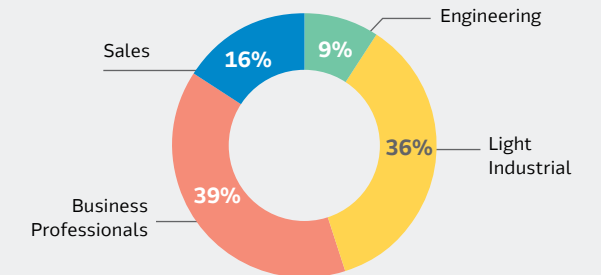


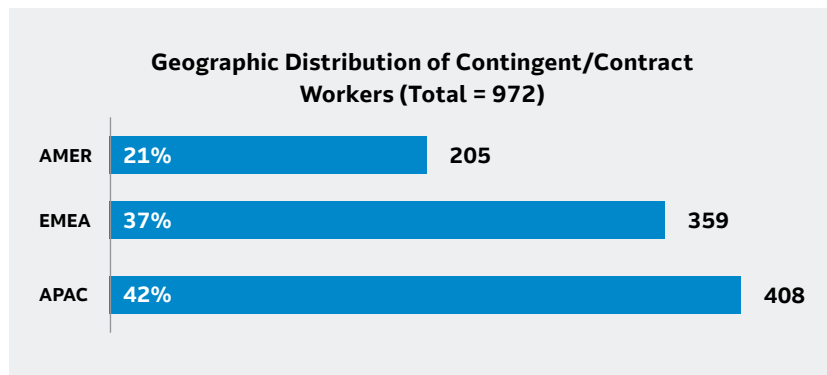
ARROW WORKFORCE DISTRIBUTION

23:1 - Ratio of regular direct employees to contingent/contract workers



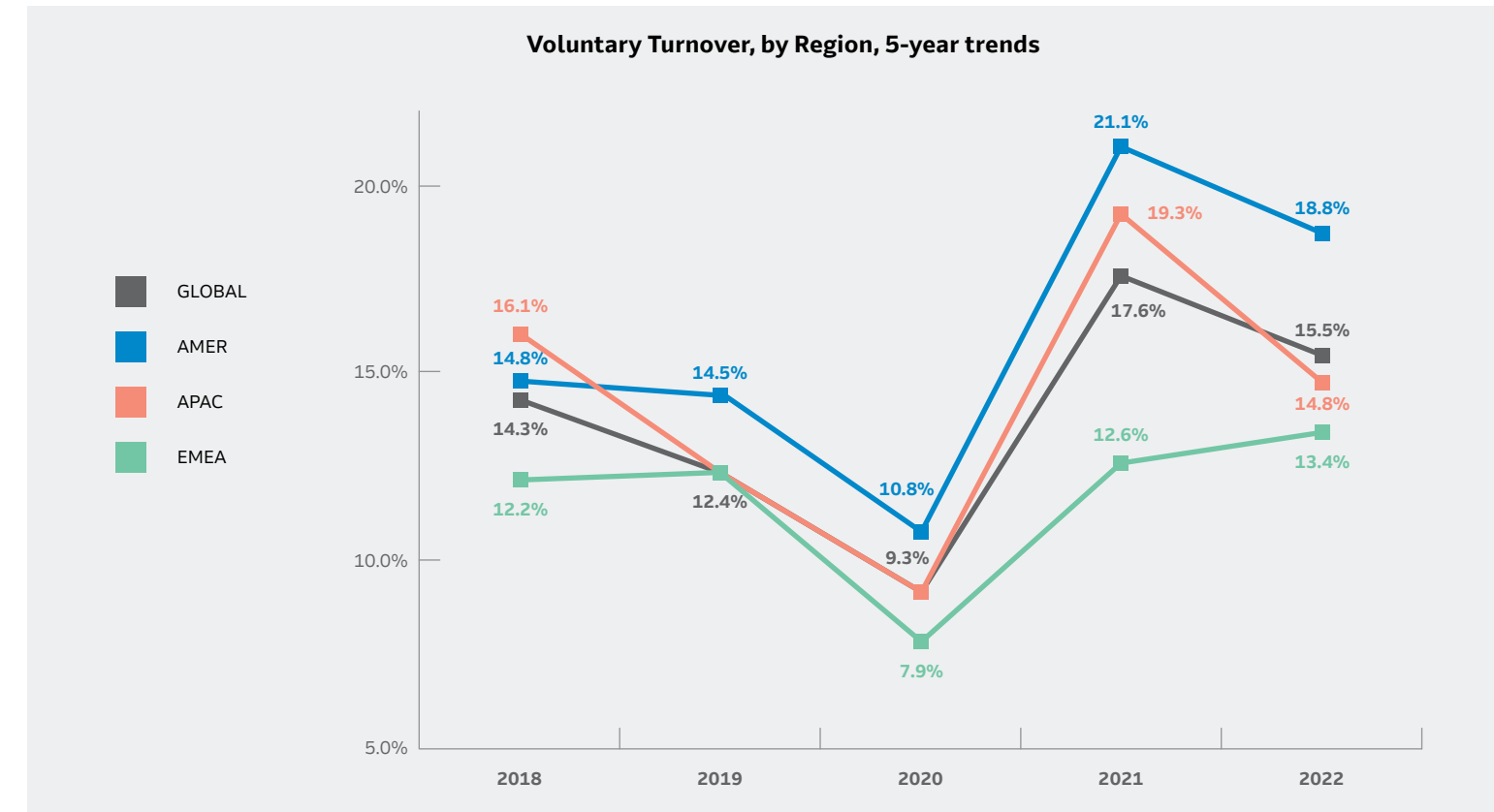
CONTINGENT/CONTRACTOR WORKER DISTRIBUTION BY PROFESSIONAL SEGMENT





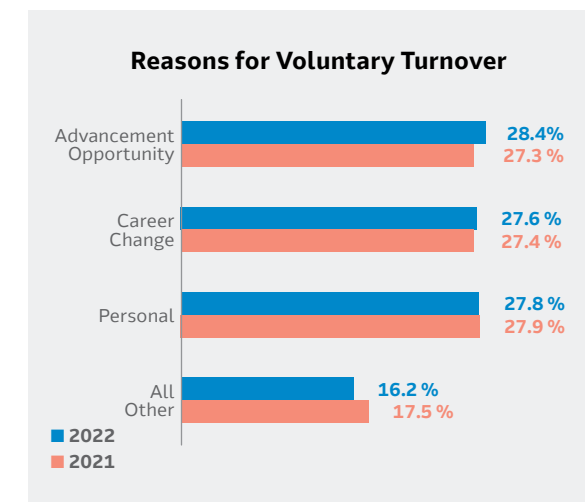
Contingent workers are employed globally in each of Arrow's four major professional segments, with the largest percentages in our business professional and light industrial workforce segments. The use of directly employed temporary employees and contingent/contract workers for short and term-limited durations has been a cost-effective way for Arrow to complete special projects efficiently. We believe these valuable human resources contribute to Arrow's innovative talent base while acquiring key marketable skills.

We are committed to advancing high-performing directly employed temporary employees and contract/contingent workers into available regular jobs at Arrow to retain talent and grow career opportunity. As of December 31, 2022, Arrow advanced 40.6% of its 2022 contingent/contract workforce to regular employment.



Turnover

Voluntary turnover decreased in 2022 by two percentage points globally and decreased in two out of three of Arrow's global regions. In EMEA, the 2022 voluntary turnover rate increased from the previous year by less than one percentage point. However, in AMER and APAC, the voluntary turnover rates decreased two and five percentage points, respectively, over the previous year.



To mitigate the factors that contribute to turnover, Arrow has enhanced our learning and development resources and implemented CareerHub, where employees can more easily navigate career paths, new opportunities, and find mentors to guide them along their journey via our integrated HR technology platform. We are committed to carefully monitoring our voluntary turnover rates and analyses compared to companies of similar geographical and occupational profiles (our benchmark), which will continue to inform our People, Work, and Rewards operational plans to retain talent and grow career opportunity.



In 2022, Arrow recruiting partnered to take part in the Grace Hopper Celebration of Women in Computing conference, designed to bring the research and career interests of women in computing to the forefront and highlight the contributions of women to the tech world. Developing strategic partnerships amplifies our ability to attract and recruit diverse talent to meet business needs.

Talent Attraction and Recruiting

Arrow is committed to equal opportunity for all qualified employees and job applicants. Our global Talent Acquisition teams are equipped with best-in-class technology, market data, and reporting that enable us to recruit unique talent pipelines and achieve diverse representation in our applicant and interview pools. We enhance our capability to attract and recruit with strategic marketing plans, engagement campaigns, and external partnerships that amplify our reach. Our recruiters are enabled to advise business leaders on talent availability, and partner to implement practices that yield a diverse workforce such as:

- Identifying market trends and gaps
- Distribution of job postings through diverse internal and external channels
- Proactive candidate sourcing for unique skills and experience
- Referral campaigns to encourage and access employees' diverse networks and professional affiliations
- Inclusive and diverse interview and selection teams

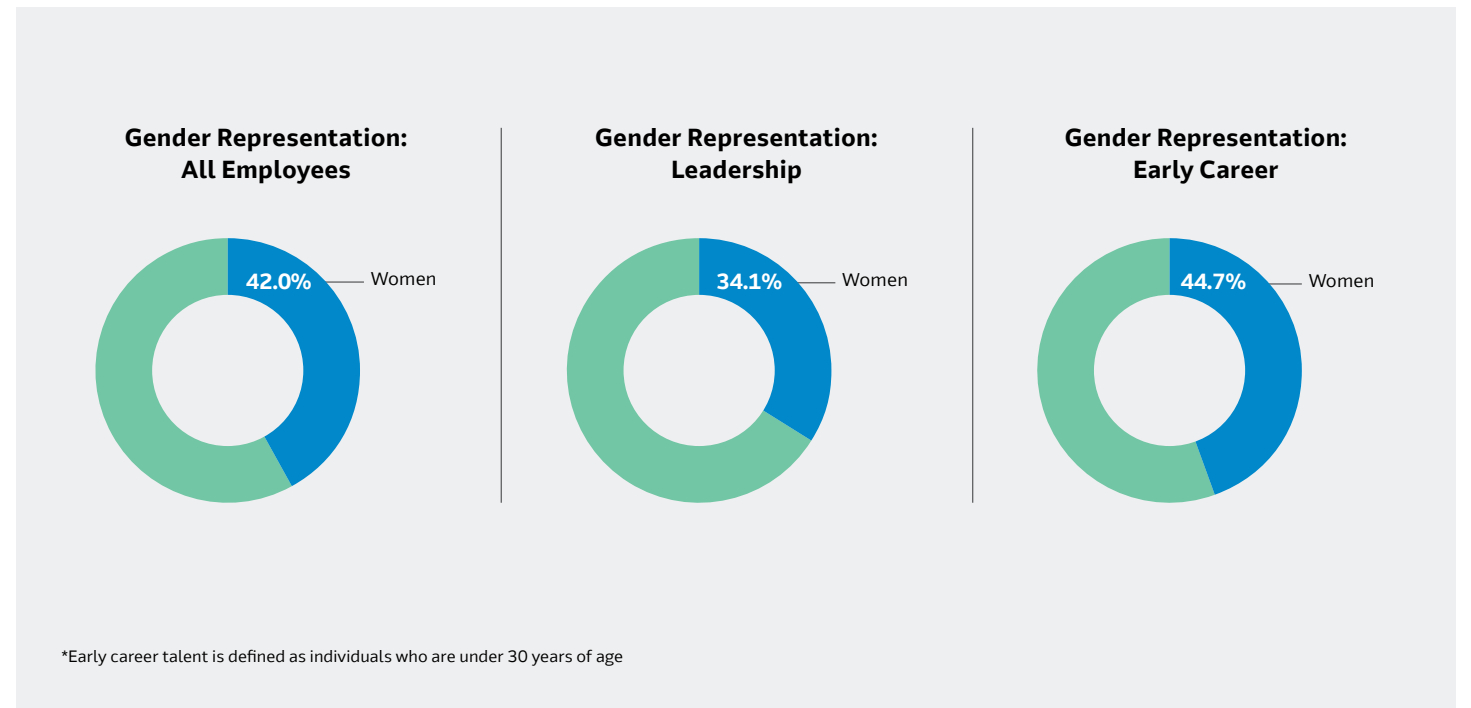
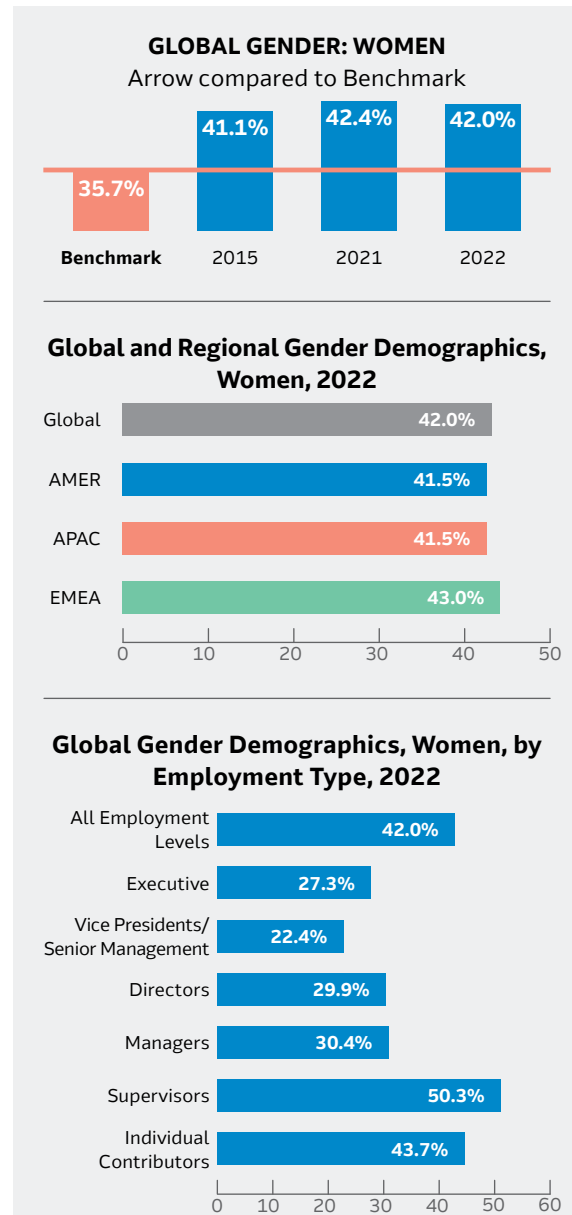
Global Gender Diversity

In 2015, we set a multi-year growth goal to increase gender diversity globally. We knew that talent could be found and developed wherever we chose to look and invest. Today, women make up 42.0% of Arrow's over 22,000 employees, an increase from 41.1% in 2015. Our global gender representation exceeds the global total available talent market for women in Arrow's geographical and occupational profile (our benchmark), which is 35.7%.¹ Arrow reviews our benchmark annually to ensure it remains aligned with our geographic and occupational profile as the business evolves. Furthermore, Arrow has a consistent gender distribution across the globe, with very little variance in gender representation across our three major regions.

Efforts toward this growth are reflected in our talent development platforms, products, and services, as well as our focus on understanding the total available talent market for women in those geographies where we have at least 100 employees.

For additional details on Arrow's actions to grow female representation, go to our [Career Opportunity Growth](#) section.

¹ The global women benchmark is determined by using calculations based on Arrow's global occupation distribution and data sourced from the ILOSTAT database (Labor force, female (% of total labor force) | Data (worldbank.org), retrieved February 8, 2022) and Lightcast Q3 2022 QCEW occupation tables). The benchmark for gender decreased this year due to an overall decrease in gender across occupations, and an increase at Arrow of occupations with lower average gender share.



APAC Women Leaders Forum

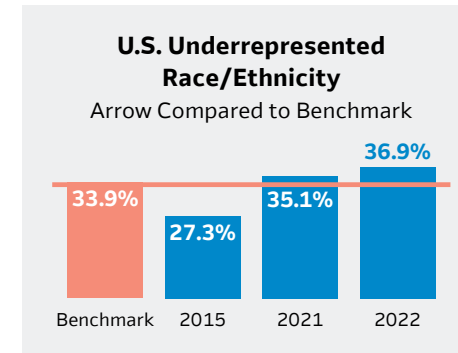
In the APAC region, Arrow hosted the series "Women Leaders Forum (WLF)." This platform empowers women to grow and take charge of their career by expanding their network and increasing their exposure to successful peers and women leaders in the organization, and helping them increase confidence, courage, and work-life integration. Seven Women Leaders forums were held virtually and in person for 61 women participants from Singapore, Malaysia, India, Korea, and Taiwan. The theme was "#BreaktheBias" and "Women in Leadership." Key topics included:

- #BreaktheBias theme – anything is possible, be yourself, and break the barrier with an open mindset.
- Sharing from business leaders – qualities of strong leaders including understanding self, facing challenges and stress, influencing people, and embracing Inclusion and Diversity.
- Commitment and actions – walk the talk, treat everyone with respect, and embrace diversity and change.
- Learning from inspiring women leaders – Priyanka Chopra, on finding yourself, building confidence, and loosening up, and Dr. May Chen, Ph.D., organizational, social, health, and forensic clinical psychologist, on Women in Leadership.





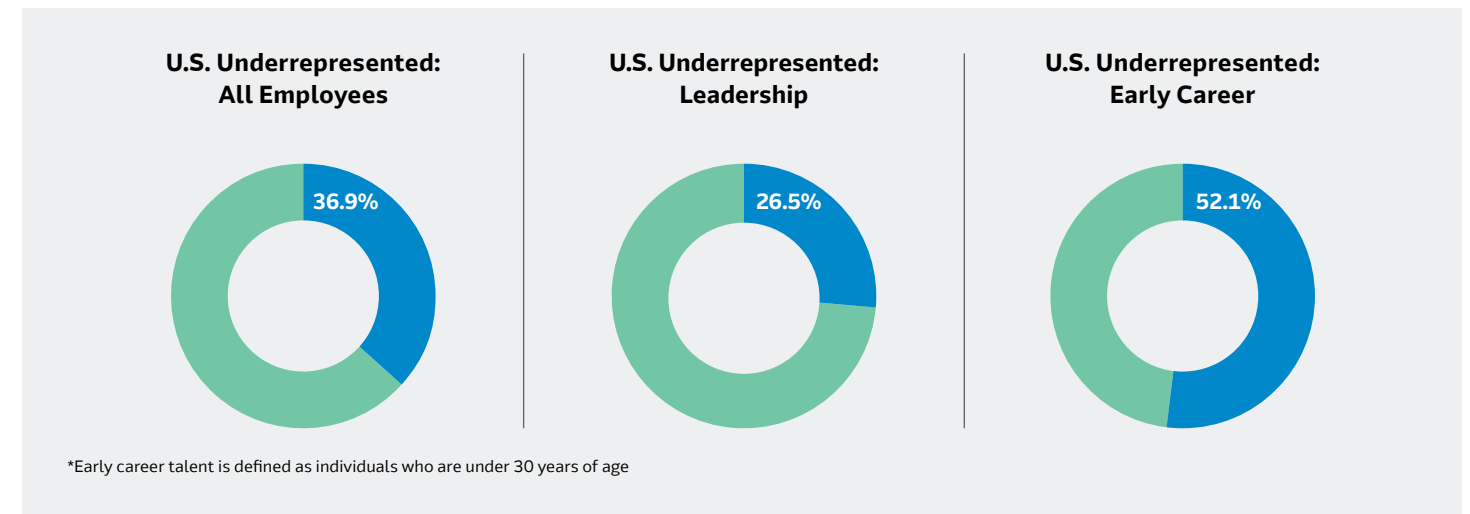
² The underrepresented race/ethnicity benchmark is determined by using calculations based on Arrow's occupation distribution and data sourced from Lightcast Q3 2022 QCEW occupation tables.



U.S. Race/Ethnicity Diversity

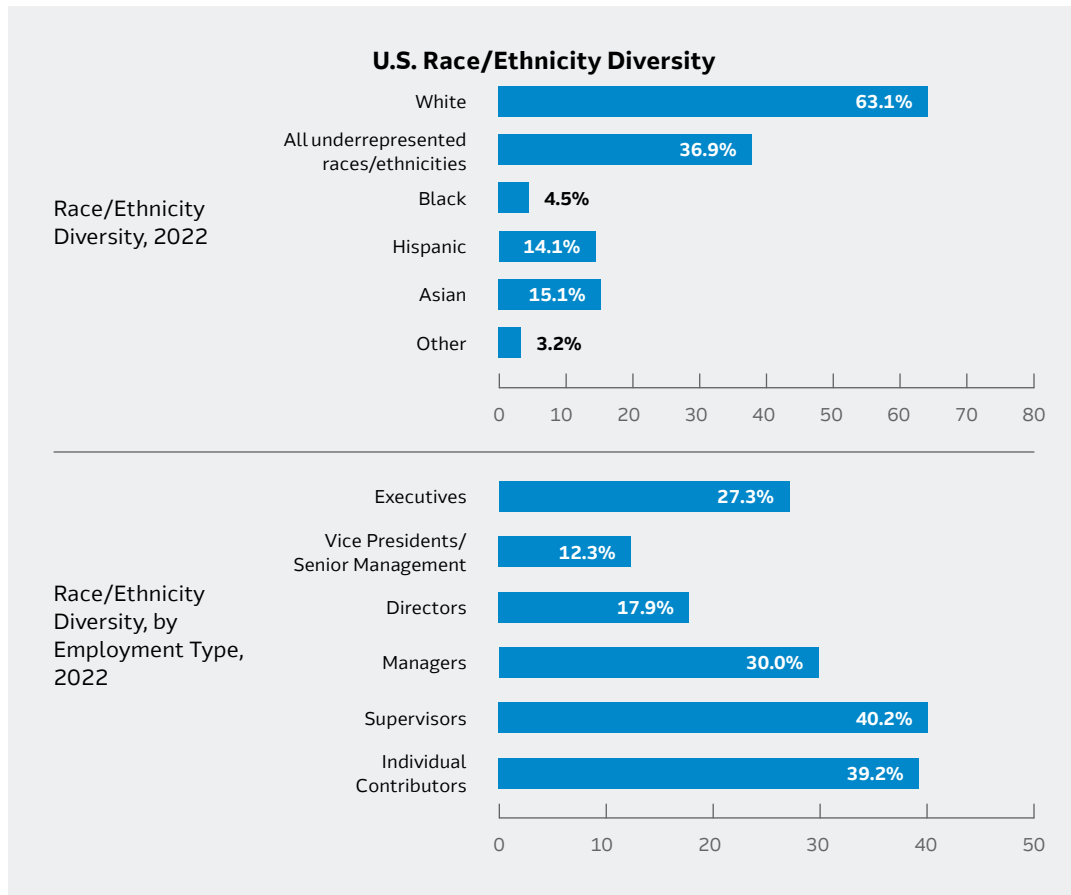
In 2015, we also set a multi-year growth goal to increase underrepresented race/ethnicity diversity in the U.S. We knew that talent could be found and developed wherever we chose to look and invest, and Arrow's focus to expand capability across the enterprise by better accessing the total available talent market has never been stronger. Persons of underrepresented race/ethnicity comprise 36.9% of Arrow's current U.S. workforce, an increase from 35.1% in 2021 and from 27.3% in 2015. By

comparison, the total available talent market in the U.S. for underrepresented race/ethnicity in Arrow's geographical and occupational profile (our benchmark) is 33.9%.² Arrow reviews our benchmark annually to ensure it remains aligned with our geographic footprint and labor demographics as the business evolves.



Amplify

In 2022, Arrow launched an exciting new internal network for our women's leadership program alumni. Amplify is a community of Arrow employees providing program alumni an opportunity to stay connected to each other after completing the women's leadership program. This network provides quarterly networking opportunities, learning sessions, and resources as well as Arrow executive guest speaker sessions. Amplify's goal is to build a valuable pool of mentors for Arrow's diverse leadership pipeline.



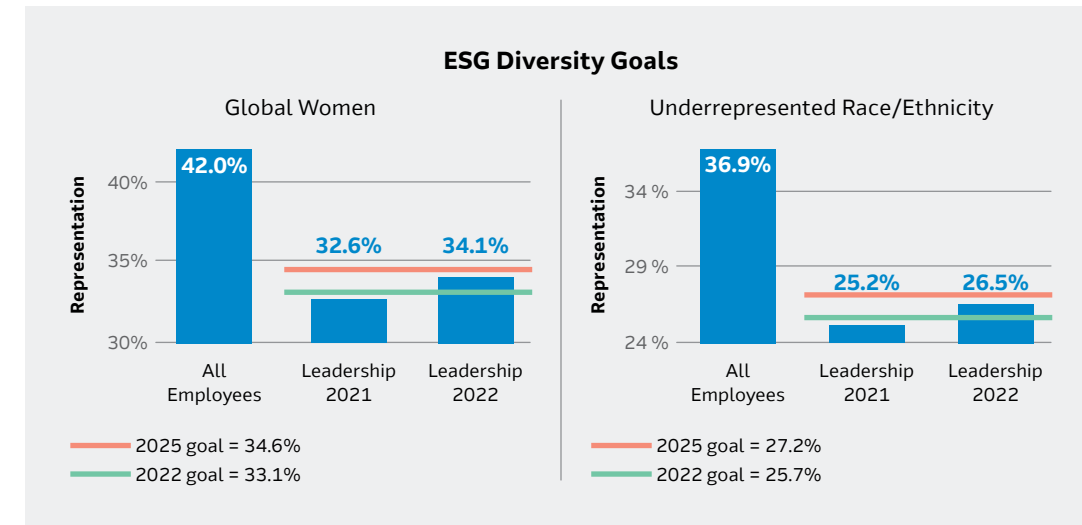
Efforts to facilitate this growth are reflected in our talent development platforms, products, and services, as well as our focus on understanding the total available talent market for underrepresented race/ethnicity in U.S. geographies where we have at least 100 employees.

For additional information on Arrow's commitment to grow our representation of underrepresented employees, view our [Career Opportunity Growth](#) section.

Leadership Diversity

Arrow has participated in McKinsey's Women in the Workplace study since the study's inception in 2015, and we have included diversity and equality performance objectives in our annual performance goals as cascaded from executive through mid-level leadership roles since that same year.

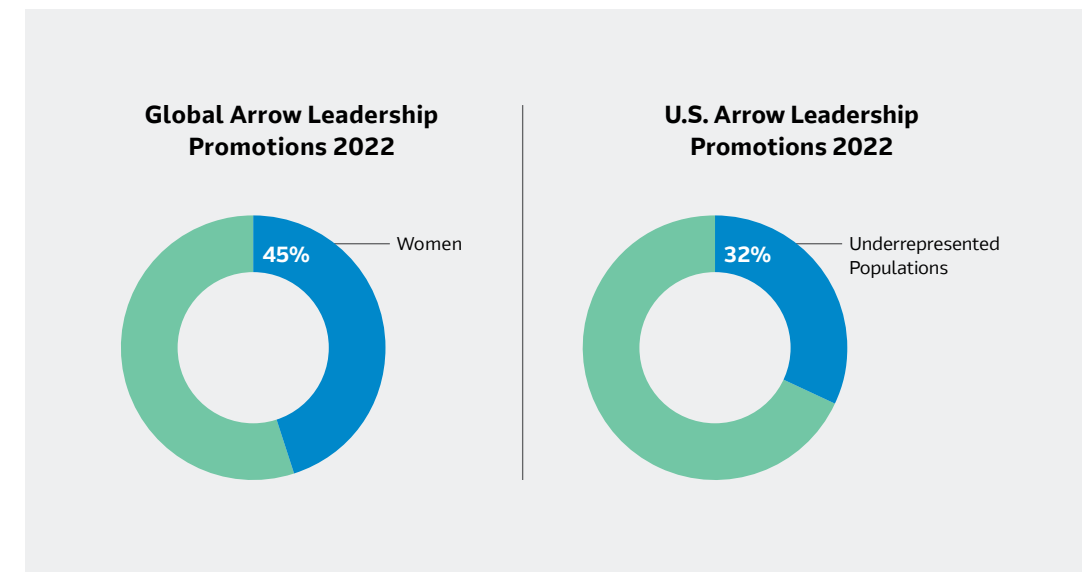
In response to the McKinsey research findings, Arrow is committed to growing global share representation of women leaders and, in the U.S., leaders who are of underrepresented race/ethnicity, via both short-term and multi-year goals for representation that is consistent with overall Arrow global gender and U.S. underrepresented race/ethnicity diversity share. For 2022, we established a quantitative short-term goal to grow representation of women leaders globally and leaders who are of underrepresented race/ethnicity in the U.S. by 0.5 percentage points in each category, and by two percentage points in each category by the end of 2025. Business leaders have goals based on the specific demographics of their organizations to drive the overall company results.



2022 Leadership Diversity Growth Goal Results:

- Grew representation of women leaders globally by 1.5 percentage points, exceeding the target of 0.5 percentage-point growth by 1.0 percentage points.
- Grew representation of leaders who are of underrepresented race/ethnicity in the U.S. by 1.3 percentage points, exceeding the target of 0.5 percentage-point growth by 0.8 percentage points.

Internal training and development and promotions at the manager level are key levers that can help balance diverse representation in the mid- and long-term. In 2022, women comprised 45% of promotions globally into leadership positions and 48% of promotions into individual contributor positions, and underrepresented race/ethnicity talent comprised 32% of promotions into leadership positions and 45% of promotions into individual contributor positions in the U.S. We are steadfastly committed to multi-year goals and actions to achieve diversity share growth results at all levels of the organization, and the 2022 leadership promotion rates for both women globally and talent of underrepresented race/ethnicity in the U.S. exceeded the current leadership representation levels.



APAC Women Mentoring Program

Arrow Electronics values the importance of women's development through knowledge sharing, coaching, and mentoring in the workplace. The APAC Women Mentoring Program is a nine-month mentorship between women leaders who have either completed one of Arrow's leadership development programs (the mentors) and the middle-level high-potential women talent (the mentees) to focus on strengthening personal branding and leadership and building connections. Mentoring pairs were formed in China, Hong Kong, Taiwan, Singapore, and India. Participants leveraged a range of activities, coaching questions, and eLearnings as resources for a fruitful mentoring relationship.



Best Place to Work for Equality

For the fourth consecutive year, Arrow Electronics earned a perfect score of 100 on the Human Rights Campaign Foundation's 2022 Corporate Equality Index, the nation's foremost benchmarking survey and report measuring corporate policies and practices related to the LGBTQ+ workplace equality. Arrow joins the rank of 840 major U.S. businesses that also received top marks this year.

The CEI criteria used to rate employers are reviewed annually and periodically change, raising the bar to reflect best practices for LGBTQ+ inclusion and to drive companies to improve their commitment to the community. The criteria fall under four central pillars:

- Non-discrimination policies across business entities
- Equitable benefits for LGBTQ+ workers and their families
- Supporting an inclusive culture, and
- Corporate social responsibility.

Equal Employment Opportunity

Guiding innovation forward demands mutual respect, professional ethics, and a shared set of standards. The value we deliver is greater when we work together.

To create a better tomorrow:

- 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.

Equal Employment Opportunity ("EEO") Report

Our EEO data statements are in accordance with U.S. government requirements. Our most recent is included in the [Human Capital Data](#) section of the Appendix.



Work: We believe in work that elevates career opportunity for all

The Business Strategy Enables Career Opportunity Growth

Global Training and Development

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 and development, our employees have the opportunity to maximize their career investment through their time and effort expended growing their expertise. For Arrow, employee capability growth facilitates business growth.

Digital Training for All

At Arrow, we are a community of continuous learners and provide easily accessible, on-demand digital training opportunities for all employees.

In 2022, Arrow upgraded its digital learning system, providing employees with a modern, AI-driven learning experience. With this enhancement, employees gained access to personalized learning and development recommendations from a digital catalog of 17,000+ professionally produced content items that are updated on a weekly basis.

Arrow's Global Workforce Skills:

- Business Productivity
- Data Literacy
- Financial Acumen
- Interpersonal Communication
- Presentation Delivery
- Project Management
- Strategic Mindset

Arrow's Learning Leaders

Community: Arrow's Digital Learning team regularly engages a global group of internal subject matter experts to ensure Arrow-specific training content is optimized and up to date. This critical feedback loop enables our digital training content to adapt to Arrow's innovative environment.

Contemporary and Focused Content

In addition to offering frequently refreshed external global content, Arrow has a group of internal learning leaders who collaborate and create new business-specific learning content. In 2022, Arrow added over 700 new learning items to our global library. Example topics include Information Security, Guiding Disability Inclusion, and Salesforce Basics. This content reinforces innovation and growth at Arrow by engaging our employees and fostering continuous development at global scale.

A Step Further

Our training opportunities are complemented with learning tools and job aids that are specific to the skills our employees are most interested to develop. We also offer resources that help employees identify internal expert networks and foster mentoring relationships.

Global Training and Development Highlights

89% of all Arrow employees engaged in online training resources in 2022*

99% of all Arrow people managers engaged in online training resources in 2022*

4.7 Average number of courses completed by employees in 2022*

\$154 per employee Arrow investment in training in 2022

*Does not include TrueOffice Compliance training platform



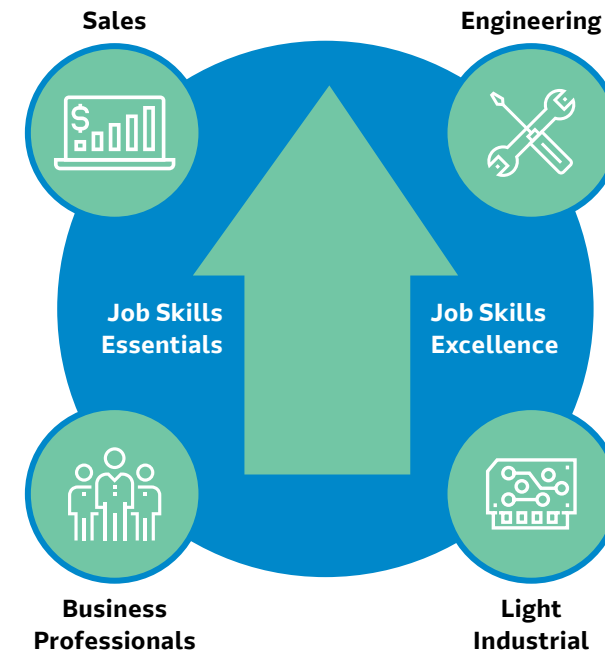
Workforce Segment Training and Development

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.

Each workforce segment has dedicated training and development teams supported by subject matter experts to identify the unique needs of employees at all levels. With this dedicated focus, we have a portfolio of training products and services to address foundational skills, scalable ongoing training reinforcement, and targeted training to support business performance excellence.

As part of Arrow's differentiated training strategy, our training teams:

- Identify critical roles and skills
- Curate targeted curriculum and tools to build skills and capabilities
- Leverage technology for consistency and scale, and
- Facilitate a community of cross-functional business leaders who serve as a governing body for each workforce segment's training and development strategy and operational deployment.



Sales Segment Training Portfolio

To facilitate Arrow's business transformation to a technology solutions provider, we developed a portfolio of training products and services focused on growing sales skillsets.

In 2022, more than 1,900 individuals accessed ongoing training and used on-demand resources provided through our Sales Essentials program and self-service Training Portal. The available tools supported efforts to align selling approach and practices across the organization.

APAC Sales Forward Program

The APAC Sales Forward program is designed to equip newly onboarded Sales employees with the technical and soft skills required to be an effective Arrow seller. It consists of 16-hour eLearning webinars, divided into five modules, as well as live forums with business leaders sharing experience and best practices. As of December 31, 2022, 225 Field Sales employees have completed the program, including 126 active new Arrow Sellers hired in 2022. This program has a completion rate of 99.6%. The following are the five modules covered in the Sales Forward Program:

Module	Subject	Topics
1	Key Company Elements	Company strategy, goals, department roles and responsibilities, Arrow product offerings, and overview of the competitive landscape
2	Sales Techniques	Customer engagement, supply chain, sales techniques, and disciplines
3	Operating Basics	End-to-end operating processes, ERP navigation, Arrow dictionary, and internal approval matrix
4	Key Transactional Process	Quote process, demand management, and supply management
5	Other Systems Navigation	Key systems overview, including MyArrow.com, customer relationship management platform, HR and Finance information systems

Leadership Training and Development

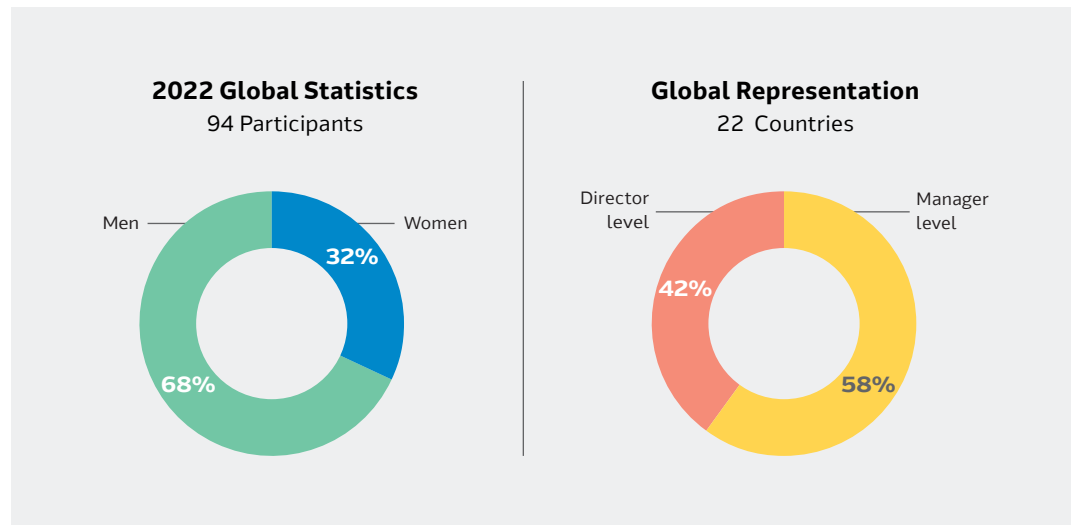
Arrow values leadership excellence. We invest in structured, virtual, and in-person instructor-led training and development for vice presidents, directors, managers, and supervisors. Our programs incorporate assessments, coaching, and skills practice for maximum impact. All programs include formal evaluations to assess training and development effectiveness for ongoing improvement.

Global Arrow Leadership Academy (“GALA”) – Vice Presidents and Directors

GALA is a seven-month global leadership development program for vice presidents and high-potential and high-performing directors. The program focuses on three leadership tenets: Lead by Example; Lead our Business; and Lead our Future. Throughout the GALA program, participants learn and network with Arrow leaders from across the globe. They learn innovative leadership skills to apply on the job, work one-on-one with a coach, and run a state-of-the-art business simulation. By the end of the program, participants are equipped with the capabilities and tools to guide innovation and transformation by thinking Five Years Out.

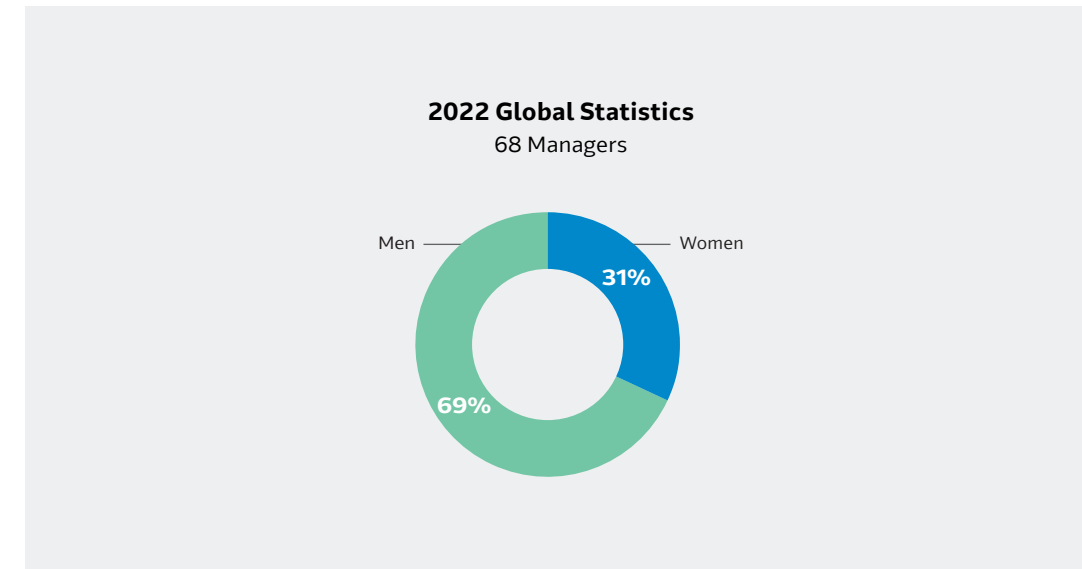
Leadership Excellence Program (“LEP”) – Directors and Senior Managers

The Arrow LEP is designed for developing excellence in leadership in its mid-to-senior management levels across functions and businesses. This global program, delivered in all Arrow regions, accelerates Arrow's success by creating outstanding leaders that are always on the forefront, doing the right things, and achieving excellence through leadership, growth mindset, and collaboration to contribute to Arrows' global success.



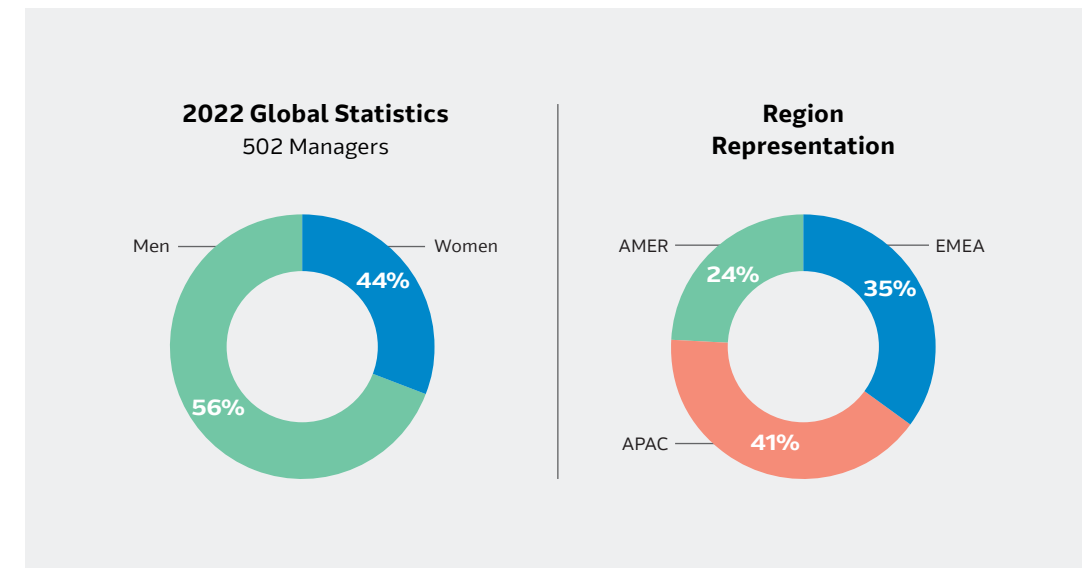
Management Essentials Plus (“MEP”) – Managers

MEP is a four-month regional leadership development program for mid-level people managers and builds on the Management Essentials primer course. This program accelerates Arrow's success by developing leadership skills that contribute to success as a people manager and team leader: coaching, delegation, managing conflict, and leading change.



Management Essentials (“ME”) – Managers

ME is a four-day leadership development program for entry-level people managers to build practical skills to manage people and maximize performance.



APAC: Talent SEED Program for People Managers

The Talent Selection, Engagement, Employee Experience, and Development (SEED) program is a blended development journey that consists of eLearning, virtual and instructor-led training, and interview guidance. The program serves to equip people managers in talent selection, improve team engagement, and reduce turnover. In 2022, 226 people managers were trained from 11 APAC countries.

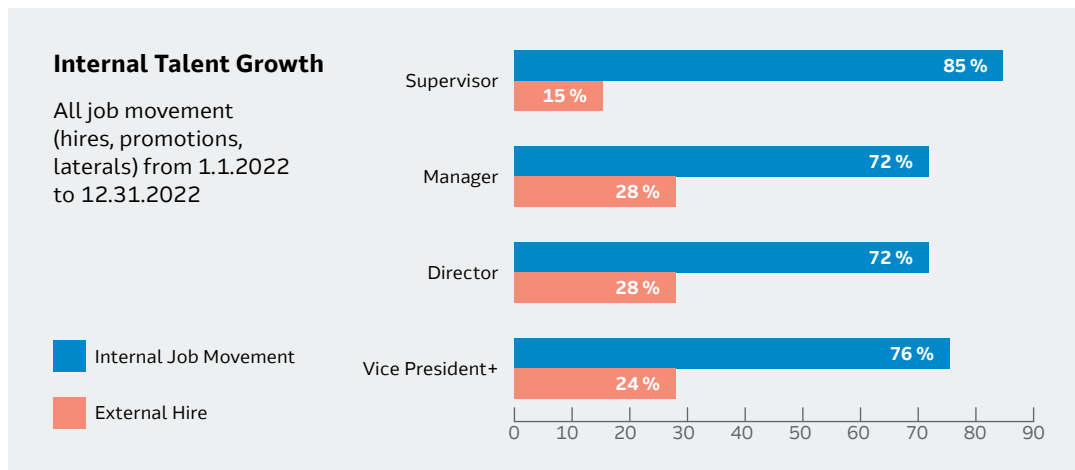


Management Development Series (“MDS”) – Managers

MDS is a highly interactive eight-month leadership development program for managers in Arrow's light industrial facilities. It develops critical skills of effective and respectful leadership, customized to the unique environment of the light industrial workforce. The program consists of eight learning modules accompanied by group and individual coaching sessions to provide immediate feedback on the application of each module's concepts. MDS was piloted in the AMER region in 2022 and will be expanded in 2023 based on the results.

Career Opportunity Growth

At Arrow, we view our employees as investors in their own futures. Employees invest in Arrow by bringing their unique talents, experiences, and perspectives to the organization. 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. To highlight the success of this initiative, approximately 75% of open leadership positions were filled internally during 2022.



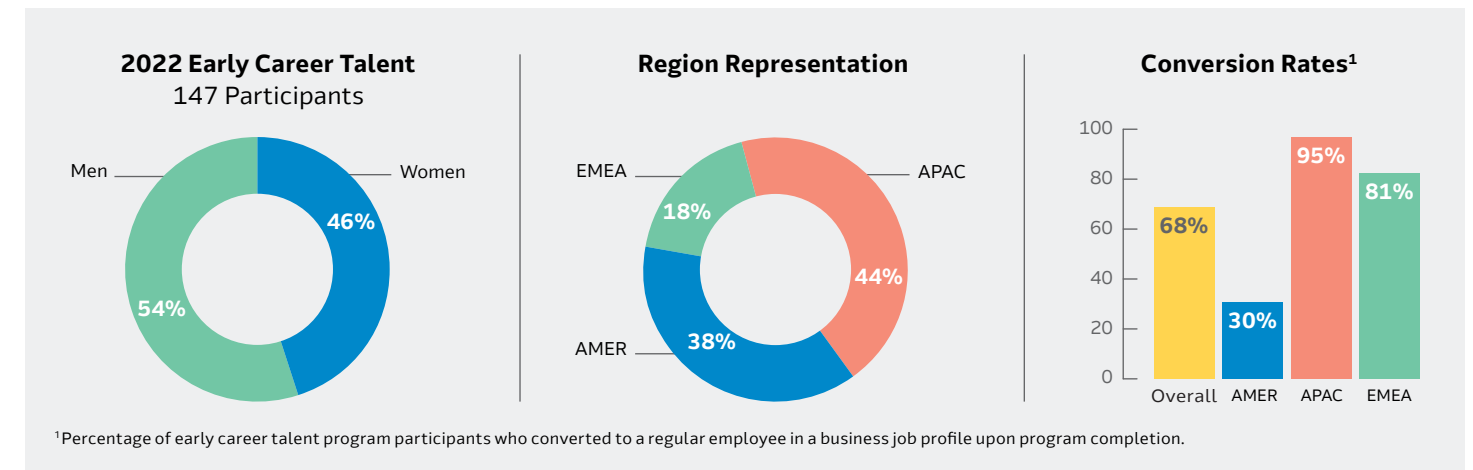
As a global organization, career opportunities are abundant at Arrow. To make navigating the possibilities easier, in 2022 Arrow launched a global talent marketplace, Career Hub, bringing career tools and opportunities together in one place to empower active career investors. Arrow's Career Hub platform acts as a career coach, providing AI-driven recommendations for career advancement, mentor pairings, network connections, and learning courses targeted to skills employees want to grow. By providing additional insight into the career paths available across Arrow, employees can easily chart their career path and explore new interests and opportunities. Arrow believes in opportunities for all and the Career Hub platform is a key investment toward making this philosophy a reality at scale. In four months, 16% of Arrow employees have already engaged with the Career Hub platform, and we expect utilization will continue to grow.

Top 50 Employers for Worker Mobility and Opportunity

In 2022, Arrow was named as one of the Top 50 Employers for Worker Mobility and Opportunity on the American Opportunity Index: A Corporate Scorecard of Work Advancement. The American Opportunity Index is a joint project of the Burning Glass Institute, Harvard Business School's Project on Managing the Future of Work, and the Schultz Family Foundation. It gives stakeholders and other companies a set of tools that measure how well major employers are doing in fostering economic mobility for workers. The American Opportunity Index focuses on three core dimensions of an employer's opportunity generation: the access to work it provides, the upward mobility workers experience, and the pay it offers. At Arrow, we cultivate the talent of our workers by focusing on our people as career investors. Chief among our core commitments are pathways for career growth, employment security, and a safe workplace. With our unifying purpose, and a talent market focused on people, work, and rewards, we seek to create a work environment that works forward for all.

Innovating Early Career Talent Programs

Attracting and retaining early career talent enables Arrow to expand our capabilities and growth from the ground up. Our global focus on early career talent—university interns, graduates, and management trainees—also infuses gender and diversity into our workforce. In 2022, we attracted 147 students to our programs. Because the programs are delivered virtually and leverage global online collaboration, we reach a broad, geographically dispersed student population. We engage senior leaders to host events and speak to our early career talent.



EMEA Graduates Innovate with DANI

Arrow believes the best way for our graduates to learn is by fully integrating them into the business and giving accountability for their job-related tasks. In collaboration with Dani Caverzaschi, a Paralympian and professional tennis player, Arrow has been working on the DANI (Data Analytics & Network Innovation) Project, a Tech-for-Good initiative inline with our Community Forward vision.

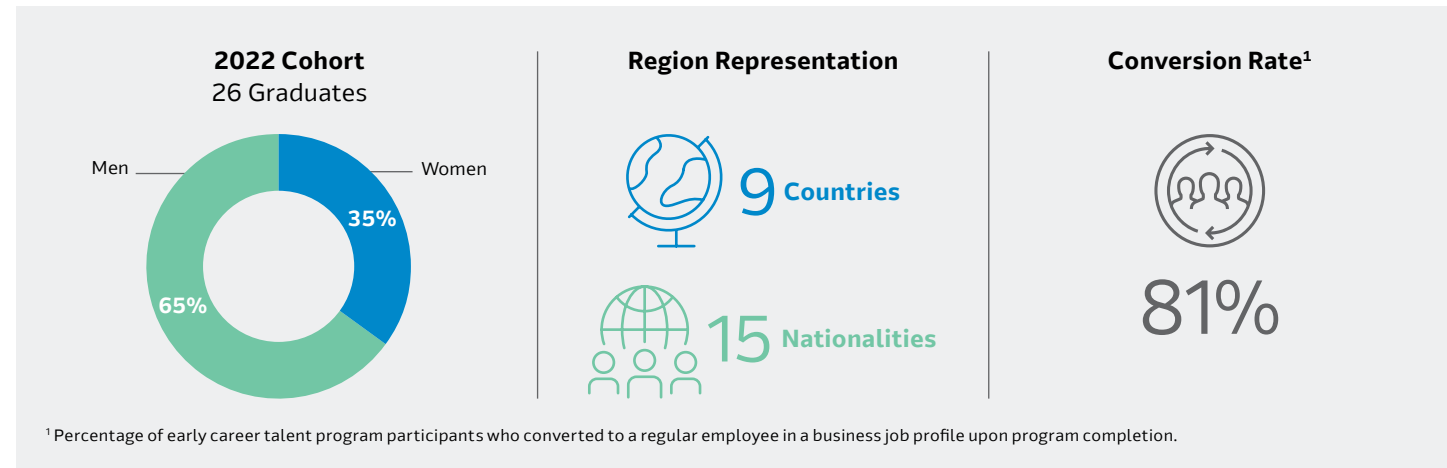
Refer to the Community Forward section for more information.

EMEA Graduate Program

The EMEA Graduate Program develops recent graduates into industry professionals through business immersion. Selected graduates from multiple countries across EMEA join different businesses within Arrow for a year-long training and development journey. This program sets graduates up for success in their careers at Arrow with (1) a two-week onboarding process that pairs the graduate with an experienced colleague; (2) ongoing mentor support for professional development; (3) technical training; and (4) project sponsors that guide graduates through team projects. Throughout the year, graduates complete assignments to put what they are learning into practice. They gain insight into Arrow's business, experience individual and team learning, and develop practical and real-world work experience. In 2022, Arrow welcomed 26 graduates from 9 countries, representing 15 nationalities. For 2022, the Company retained 81% of those graduates, fueling our sales and engineering talent pipeline across EMEA.

Onboarding Program

Successful onboarding, powered by our Human Resources technology platform, is an important part of the employee experience that sets the tone for employment with Arrow. By leveraging technology to facilitate a smooth onboarding experience for both new hires and managers, we've created a framework to help navigate Arrow from day one. Our framework is based on three easy-to-understand categories focused on Who We Are, How We Work, and Tools We Use on a global, division, and team basis. This framework provides a consistent introduction for new hires to Arrow, our history, the industries in which we work, and our executive leadership. It also examines our Inclusion Principles, financial results, Community Forward strategy, and commitment to environmental, social, and governance matters. Through our technology platform, whether new hires are learning information that is specific to their role or to every new Arrow employee, this framework is adaptable and fits the onboarding objectives of our global organization, allowing customizable onboarding plans to maximize effectiveness.



	Who We Are	How We Work	Tools We Use
1 Global	We are Arrow. We provide guidance, find solutions, and connect people with technology that makes life better.	We apply our diverse talent and resources to guide innovation forward and develop technologies that expand opportunity for the many, not the few.	We use global technology platforms that connect our employees to information, support, and each other.
2 Division	What does this area of the business do? Who do we support? Do we have counterparts in other regions? Who is our leadership team?	Are there skillsets or values our division relies on to be successful? What are this group's goals for the year? Are there shared meetings or internal sites our division used to communicate?	What software and systems does our division use? What purpose do these tools serve? Do these tools interface with processes or tools on our team?
3 Team	What is the purpose of our team? What value do we add to Arrow? What are the other roles on our team? Who should I be introduced to?	What processes do we use to complete our work? Are there team norms I should know about? How does our team prefer to communicate? How do we measure success?	What software and systems will I use in my role? Who else on the team uses these tools? Who can I receive training from if I am not familiar with the tool?



Rewards: We believe in rewards that improve performance outcomes for all

Career Opportunity Growth Enables Rewards Return

Pay

Arrow's performance-based culture creates value by providing commensurate rewards at scale. When our employees excel, so does Arrow. Rewards are based on employee results, align with industry best practices, and follow our core compensation principles:

- Endorse a pay-for-performance philosophy
- Utilize variable incentives where consistent with market
- Maintain competitive pay by aligning our salary structures to median market pay
- Differentiate pay across all levels of performance, and
- Reward employees fairly, based on their skills, contribution, performance, and internal equity.

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. We use one global benchmarking methodology so that jobs are consistently compared with the external market. We reevaluate pay and practices regularly to assess whether our rewards programs are competitive with the external market and support our Inclusion principles.

Segment Pay Example: Light Industrial Segment Pay

To attract and retain an engaged workforce in highly competitive markets, we set our starting pay as high as the 70th percentile for light industrial roles in certain distribution centers. With the continued demand for talent in light industrial roles, we review pay and practices several times a year to determine whether pay levels remain competitive for this essential workforce segment.

As of December 31, 2022, Arrow employed nearly 1,000 light industrial employees in the U.S. The average hourly wage for such employees was \$21.58. The hourly wage for 100% of these U.S. light industrial employees exceeded all federal and local minimum wage requirements.

2022 Light Industrial
~1,000
LIGHT INDUSTRIAL
EMPLOYEES IN THE U.S.

\$21.58
AVERAGE HOURLY WAGE
FOR LIGHT INDUSTRIAL
EMPLOYEES IN THE U.S.

Global Pay Equity

Arrow's steadfast focus on growing the diversity of our employees is matched by our commitment to achieve and maintain global pay equity among our employees and rewarding employees fairly, both of which are core compensation principles at Arrow.

Arrow's commitment to pay parity is demonstrated by our continuing review of both employee pay and our compensation programs in collaboration with our legal team and third-party experts. We place specific emphasis on pay equity based on gender globally as well as on underrepresented race/ethnicity in the U.S. and other countries where this data is available. We understand and look to address both our unadjusted pay gap, and any adjusted pay gap, after controlling for factors that influence pay such as job and job level, location, and years of experience. If and when pay equity gaps are identified, we adjust pay where appropriate to close these gaps.

2022 Pay Equity

\$1.00 At Arrow facilities in the U.S. and Canada, women currently earn \$1.00 for every \$1.00 earned by men in similar roles.

\$0.94-\$1.02 At Arrow facilities in other countries with a population of 100+, women currently earn between \$0.94 and \$1.02 for every \$1.00 earned by men in similar roles.

\$1.01 Employees of underrepresented race/ethnicity in the U.S. and Canada earn \$1.01 for every \$1.00 earned by their white colleagues in similar roles.

As of December 31, 2022, we have completed pay equity analyses for countries with a population of 100 or more employees, representing 96.5% of our global employee population, and made adjustments to close gaps. Each analysis is based on data at a specific point in time, therefore, we invest in tools to refresh all analyses regularly. The data cited above reflects the most recent analysis for each country.

Arrow continually identifies and reviews best practices to support pay equity and eliminates practices that have been shown to contribute to pay inequity.

Currently we:

- Set pay for new hires and promotions based on skills, experience, job proficiency, internal equity, and external market data
- Use standard pay rates where applicable
- Include pay ranges on job postings in the AMER region
- Use a globally consistent annual merit planning process
- Provide training to all employees on Arrow compensation programs and practices as well as specific information about how their personal pay compares to the middle of the pay range for their role and other similar roles, and
- Set goals to increase the representation of women and those of underrepresented race/ethnicity in leadership roles.

We no longer:

- Use current compensation or compensation history to establish starting pay, or
- Use standard promotional increase guidelines as a percentage of current pay.

Benefits

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 that:

- Considers the local environment while balancing the overall total reward package and local compliance, and
- Provides employees with access to health care, income protection and insurance, retirement plans, and well-being programs, in alignment with local market practice.

U.S.

In the U.S., we provide comprehensive benefits to assist employees at all stages of life. Benefits include:



Medical and prescription drug care



Dental and vision coverage



Life and disability insurance



HSA, HRA, health care and dependent care FSA



401(k) retirement plans



Employee Assistance Program



Telemedicine



Back-up childcare and eldercare



Voluntary benefits to meet individual needs



Robust well-being programs



Paid time off, paid parental leave, and leave of absence programs



Tuition reimbursement

Arrow provides a wide range of medical plans to our employees in the U.S. We offer four different coverage levels with five different insurance carriers. Employees have the flexibility to choose a plan that meets their individual needs. Over the past seven years, we have been able to offer employees competitive healthcare options while keeping our base plan employee costs flat and holding overall cost increases below national healthcare trends.

Diversity and Multicultural Holidays

U.S.

To reinforce our commitment to diversity, beginning in 2023, Arrow employees will have the flexibility to use a floating holiday to observe a day that may have personal or cultural significance but is not company-recognized. In addition, Arrow observes Martin Luther King Jr. Day in January.

Global

Arrow recognizes public holidays in each country in alignment with local market practice. Our global holiday schedule reflects the multicultural diversity of our employee population.

Arrow is committed to keeping medical plans affordable for our employees. For 2022, we increased our company contribution toward medical coverage, particularly for lower wage workers. In the spirit of affordability, Arrow has three salary bands for medical contributions to further subsidize medical coverage for employees earning less than \$100,000 annually. For our base plan in 2022, Arrow pays 95% of the medical plan cost for those earning <\$55,000, equating to an average subsidy of over \$20,000 for employees with family medical coverage.

We also understand that employees need time away from work for personal and/or medical reasons. Arrow offers:

- A competitive paid time-off program that includes vacation and sick time for hourly employees and unlimited time off for salaried employees, and
- Leave of absence programs including:
 - short-term disability
 - enhanced long-term disability to provide additional protection to those who need it most, and
 - six weeks of 100% paid parental leave to new parents.

Financial well-being and retirement readiness are important elements of Arrow's total rewards package. Arrow offers a competitive 401(k) plan and ongoing retirement education throughout the year. Additional support and resources are offered to employees approaching retirement to help them understand, navigate, and enroll in Medicare and supplemental Medicare plans that may be available.

We want employees and their families to have easy access to tools to help navigate life's challenges. We recognize that caretakers face extreme challenges balancing family and work priorities, which have been compounded during the pandemic. In response, we offer back-up childcare and eldercare to all employees, providing up to 10 days of subsidized dependent care each year as well as virtual tutoring services and discounts at daycare centers. In addition, employees have the opportunity to participate in a tax-advantaged dependent care spending account to pay for eligible dependent care services with pre-tax dollars.

Starting in 2023, to support employee growth and development, we offer an employee tuition reimbursement program. Eligible employees can be reimbursed up to \$5,250 per year for business-related undergraduate and graduate degree programs.

**Mental Health
Benefits Spotlight**

U.S.

In the U.S., Arrow also offers virtual mental health counseling coverage to make it easy for employees and their family members to seek mental health support from the comfort of home. In 2022, we launched a Season of Wellbeing mental health awareness campaign to encourage utilization of these resources.

Global

Arrow recognizes the importance of well-being and mental health support for our employees. In 2022, we launched a new global program, Wellbeing Forward, for all employees to provide physical, financial, social, and emotional support including 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.

Global

In the remainder of the geographies in which we operate around the world, Arrow offers similar programs to employees in alignment with country-specific statutory requirements and local market practices. Outside the U.S., Arrow provides benefits which support employees at key stages of life and may include:

- Healthcare coverage
- Well-being programs
- Employee Assistance Program (EAP)
- Life and disability insurance
- Retirement plans
- Country-specific voluntary benefits to meet individual needs, and
- Paid time off, paid parental leave, and leave of absence programs.

Arrow conducts ongoing reviews of our benefit programs in each country with a focus on harmonizing offerings to drive a consistent employee experience for all business groups within each country, achieving and maintaining market competitiveness, and identifying additional market-based benefit offerings where appropriate to support local nuances.

Employment Security

Employment security for our workforce is a top consideration for Arrow leadership. Throughout the pandemic, our primary focus has been to avoid workforce reductions whenever possible. When restructuring results in job eliminations, we provide a market-based separation package to assist impacted employees. The U.S. severance package includes outplacement assistance, a minimum of six weeks' pay continuation, and supplemental pay to support continued health insurance coverage. These benefits increase based on the employee's length of service. Outside the U.S., separation benefits are based on local regulations, requirements, and market practice.



**APAC: WeCare: HR
Asia Most Caring
Companies Award
2022**

Through an independent survey of Arrow's employees, Arrow Asia Pac Limited has been selected as a recipient of WeCare™: HR Asia Most Caring Companies Award 2022, for demonstrating exemplary efforts in creating a culture of empathy and care within the organization, especially during the COVID-19 pandemic.

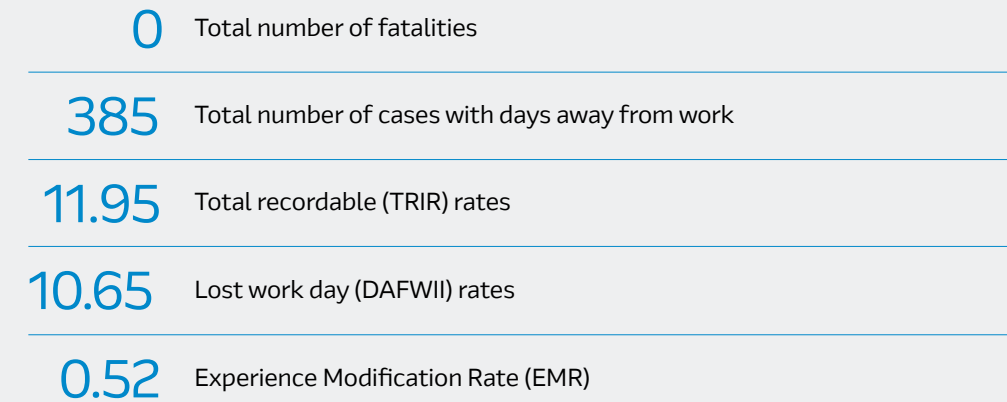
Safety

Arrow manages the health and safety of our employees through global operational procedures. These are underpinned by a philosophy of risk assessment and risk avoidance throughout our culture and operations. Providing a safe and healthy work environment for our employees is a cornerstone of our values.

Components of our risk management program include an integrated framework for identifying, assessing, and managing risks at all levels of the organization. Core to our strategy is building resiliency, preventing work-related injuries, and creating risk mitigation plans within the organization by using a grassroots approach. Employees are encouraged to participate in safety meetings, root cause investigations, loss control inspections, and new hire trainings. They also contribute to continuous improvement activities.

Arrow manages health and safety compliance and improvements by tracking both leading and lagging indicators. The following safety statistics reflect U.S. and Canada data for 2022, with more detailed historical data for the U.S. included in the Human Capital Data appendix. Outside of the U.S., limited information is currently available due to the differences in treatment of work-related injuries by country.

Arrow U.S. Injury History



2022 Data includes Covid incidents Canada no recordable incidents in 2022

Arrow's distribution centers have site-specific programs for safety, injury, and illness prevention (SIIP) that are compliant with applicable laws and regulations. Employees share responsibility to enforce safety awareness and hold each other accountable for reporting unsafe work conditions and taking corrective actions.

COVID-19 Response

Arrow has remained resilient in these extraordinary times. That is due, in large part, to our focus on serving our customers and the communities where we work and live.

We continued to provide a safe work environment as the COVID-19 pandemic persisted during 2022. We aligned with and followed the guidance of the world's leading health authorities, as well as related state and national government directives while minimizing the impact of remote work on Arrow by providing tools for extended remote work.

Community Forward

Arrow is a purpose-and values-driven company, guiding innovation forward for leading technology manufacturers and service providers. We recognize our unique position as an enabler of innovation and understand that our public commitments and actions to our stakeholders, internally and externally, have the potential to address some of the world's most pressing economic, social, and environmental challenges.

Through Community Forward, our corporate social responsibility program, we commit to doing good through grants and giving to improve the communities where we operate and the lives of the people who reside in those communities. Additionally, we instill a culture of sustainability through green good practices in our physical plants and through green good giving and volunteering.

The global strategic priorities for Arrow Community Forward and Earth Forward include:

- Giving-for-good: We support employee giving/volunteering and provide grants to improve the communities where we live and work.
- Tech-for-good: We enable technology solutions that make a difference in work and life.
- STEM-for-growth: We grow a global talent pipeline of greater gender equity and representation through education/training of students exploring/pursuing STEM careers.
- Green good: We support sustainable giving and volunteering to improve the planet.

Since its inception nearly a decade ago, our program has extended to every corner of Arrow's ecosphere on six continents. In 2022, Arrow employees volunteered in 16 nations around the world and Arrow-supported humanitarian partners operated in 11 nations. Together, our combined efforts benefited 6 million people, including 2 million women and girls. Our educational programs directly supported over 2.6 million students, including 275 scholarships, grants, and awards.

Just as technology touches all facets of our lives, our Community Forward program guides new, tech-for-good cross-cutting collaborations with our global nonprofit partners. These partnerships result in real and influential technology solutions that make a difference in people's lives.



DANI Project

Dani Caverzaschi is a professional wheelchair tennis player who never lets his physical challenges hold him back. Born with abnormalities in both legs, the Arrow DANI Project provides him with new data-driven technologies that can help him reach new levels of mobility and performance, both on the court and in his daily life.

In the DANI project, Dani serves as a data source in whatever he is doing. WheelWay is an Edge computing application that locates him and helps him find the easiest route to his destination, avoiding stairs and finding public facilities like train stations that are wheelchair accessible.

DataRally is a performance tool that uses sensors on his tennis racquet, wheelchair, and wrist to measure his game shot-by-shot and help prepare him for competition.

Development of these and other technologies with Dani are continuing in time for the 2024 Olympic Games in Paris.



Sasha and Unlimited Tomorrow

When 9-year-old Sasha awoke in the hospital, she asked the surgical nurse, "Please be honest: Do I have a left hand or not?"

Sasha's family was escaping Ukraine when Russian forces attacked their refugee convoy. Her stepfather was killed and she was severely wounded. Doctors on the front lines amputated Sasha's left arm.

Nearly 5,000 miles away in upstate New York, Easton LaChappelle and his medical device startup, Unlimited Tomorrow (UT), learned of Sasha's ordeal and went to work on a smart prosthetic arm to give her a more normal life with the help of technology. UT is a customer of Arrow Digital, North American Components and Design Engineering.

UT's product, TrueLimb, costs less than \$10,000. Fitted on the patient's residual arm, it works by reading muscle data through dozens of sensors embedded within the socket. This data then controls several different grips and movements. TrueLimb helps patients lift as much as 15 pounds and perform fine motor skills like holding a bottle or a mobile phone. It also provides some touch sensations. The bionic limbs are custom crafted for the patient using 3D scanning, 3D modeling, 3D printing, and smart algorithms. This process shortens the time it takes to deliver prosthetic arms, solves accessibility issues, and significantly reduces the price of a high-functioning prosthetic arm.

Due to her injuries and age, Sasha's prosthetic is the most ambitious device UT has developed and its first above-elbow solution. The entire prosthesis weighs under three pounds—a record for a pediatric device of its kind, but necessary for a child Sasha's age and size. Once fitted, Sasha immediately had control of the device through nerve signals in her residual arm. She was able to interact with her mother and pick up objects in her first training session.

A year after her ordeal, Sasha lives in Canada with her mother and sister. She is attending school.

Chapter 4



Governance

Governance

We believe that monitoring and managing our ESG opportunities and impact, as well as working closely with our shareholders and other stakeholders, will support the sustainability of our company and create a better tomorrow.

Governance is an important part of advancing these goals. Arrow's long-term success is driven by strong corporate governance, including the governance practices and policies that guide Arrow's Board of Directors (our "Board") and its committees, as well as a commitment to integrity, ethics, compliance, and a robust risk management program.

2022 Goals and Results

Arrow committed to an ongoing strong governance framework with continuous improvement and increased business integration of governance policies and practices.

GOAL 1:

Increase the average completion rate for compliance trainings from 95% to 96%.

Result: Overachieved goal. Grew online compliance training completion rate from 95% to 99%, exceeding the target of 1.0 percentage point growth by 3.0 percentage points.

GOAL 2:

Convene an internal cross-functional ESG Leadership Committee responsible for guiding ESG strategy and related performance.

Result: Achieved goal. Convened multiple meetings and initiated an operating cadence for an ESG cross functional (a) leadership team and (b) operating committee to inform ESG strategy and enact operational execution.

Additional Highlights

- Enhanced management oversight of ESG matters by creating the role of Senior Vice President, Chief Governance, Sustainability, and Human Resources Officer, demonstrating Arrow's support to executive-level leadership on ESG matters
- Conducted an ESG priorities assessment
- Developed an ESG strategy framework
- Developed a process to assess suppliers and identify potential risks for forced labor, human trafficking, and other human rights abuses in the supply chain

2023 Goals

Arrow commits to an ongoing strong governance framework via continuous improvement and increased business integration of our governance policies and practices. These goals are as follows:

GOAL 1:

Reaffirm Arrow's strategic partners' commitment to the principles of Arrow's Supplier Business Code of Conduct by end of 2023.

GOAL 2:

Ensure that Arrow's top suppliers complete a supplier self-assessment and due diligence questionnaire by the end of 2023.

We believe it is vitally important to earn the confidence of all our stakeholders as we remain dedicated to developing solutions that make life more fulfilling and productive. One way we do this is with our approach to strong corporate governance, which (i) promotes the long-term interests of our employees, shareholders, and other external stakeholders; (ii) facilitates effective and responsible leadership; and (iii) strengthens the accountability of our Board and management team. Our Board recognizes the importance of ensuring Arrow is governed in a manner that provides for both independent oversight and effective decision-making, and Arrow has formalized governance best practices to ensure we continue to meet this standard.

Additionally, our stakeholders can feel confident about and proud of their association with Arrow because our strong corporate governance practices help foster a culture that emphasizes compliance with the law and ethical business behavior. Learn more about the general principles of corporate governance by which our Board operates in our [Corporate Governance Guidelines](#) and about our compliance and ethical business practices in our [Worldwide Code of Business Conduct and Ethics](#) (both available on [Arrow.com Reporting and Governance](#) page).

Corporate Governance Highlights

Independence	Accountability and Effectiveness
Annual election of directors	Proxy access rights for shareholders
Annual advisory say-on-pay vote	Universal proxy card for management and shareholder Board nominees
All 2023 director nominees other than our CEO are independent	Annual Board and committee self-assessments and individual director peer evaluations
Independent non-executive Board Chair	Active shareholder engagement
Lead Independent Director in event Board Chair is not independent	Resignation policy for directors not receiving a majority vote
Rigorous stock ownership guidelines for directors and certain key executives	Clawback policy
Anti-hedging and anti-pledging policy	Worldwide Code of Business Conduct and Ethics, applicable to all directors, officers, and employees
Ongoing succession planning for executive leadership team and directors	No shareholder rights plan ("poison pill")
Board committee oversight of ESG matters	25% new directors since 2021

[Arrow's governance documents](#) establish basic principles of corporate governance under which Arrow operates. Arrow believes that a strong system of corporate governance is critical to creating long-term shareholder value. These documents (and any amendments thereto) are approved by Arrow's Board. The Board's Corporate Governance Committee annually reviews many of Arrow's governance documents and recommends to the Board any updates.

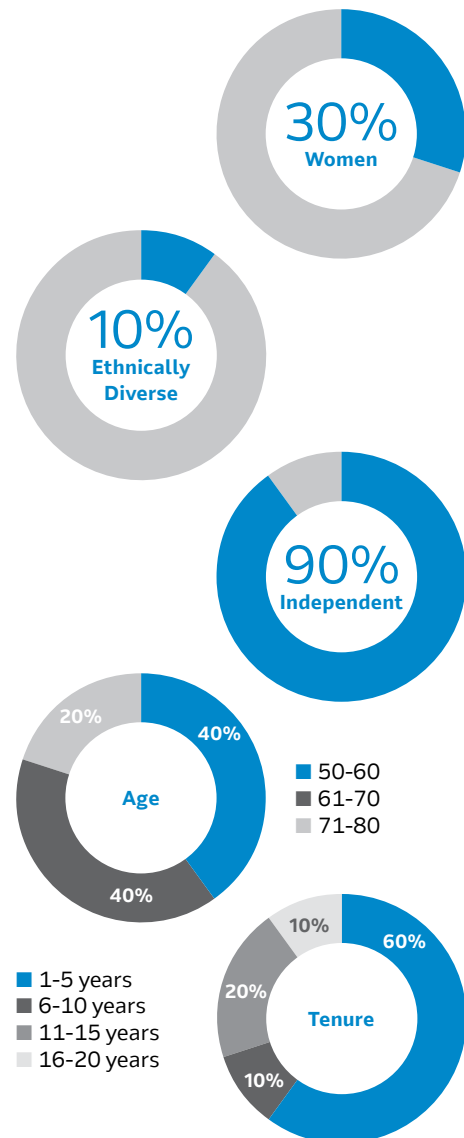
Board of Directors

We are committed to maintaining a diverse, well-rounded, and independent Board. Our highly qualified, engaged, and experienced Board is well-positioned to provide effective oversight of Arrow's direction, performance, and overall strategy. We also believe that diversity of perspective and thought on the Board provides a competitive advantage and leads to better long-term results. Accordingly, the Board's Corporate Governance Committee prioritizes diversity in its recruitment of directors and consistently seeks to identify and evaluate potential diverse Board candidates.

Snapshot of Director Nominees

Below is a snapshot of the expected composition of Arrow's Board immediately following Arrow's 2023 annual shareholder meeting, assuming the election of the ten nominees in Arrow's 2023 proxy statement. The slate of ten director nominees includes three female nominees and one ethnically diverse nominee.

Experience and Skills	Nominees
Leadership Experience	10
Risk Management Experience	7
Global Business and Operations Experience	10
Financial Experience	8
Legal and Regulatory Oversight Experience	1
Technology Experience	6
Privacy and Information Security Experience	1
Cybersecurity Experience	2
Supply Chain Management Experience	3
Crisis Management Experience	6
Strategy and M&A Experience	10
Brand and Marketing Experience	5
Corporate Governance Experience	8
Human Capital Experience	7
Environmental/Climate Strategy Experience	5



Diversity

The strong connection between the financial and operational results of companies with diverse boards and business and ESG performance is clear. To fulfill our commitment to diversity, equity, and inclusion, the Corporate Governance Committee has taken steps to include diverse candidates with respect to gender, ethnicity, race, nationality, age, and skills, in addition to other diverse characteristics, which both supplement and complement the existing Board.

Arrow's Management Structure Supports ESG-Related Matters

ESG Governance Structure

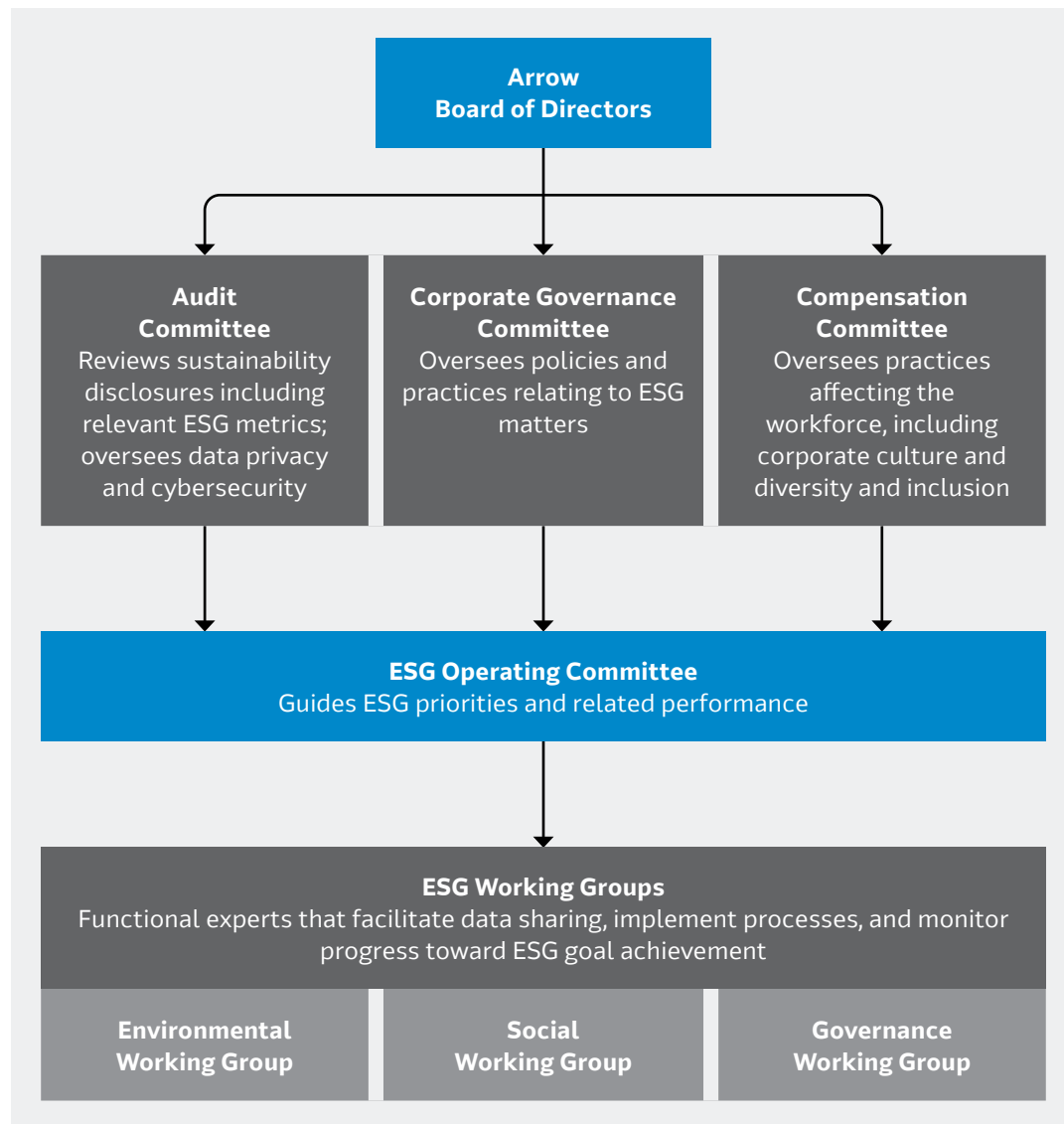
Our ESG responsibility starts at the top and permeates throughout our business. The Board, among other responsibilities, is accountable for ensuring ESG risks and opportunities are integrated into Arrow's long-term strategy. Arrow's Board has three standing committees: Audit, Compensation, and Corporate Governance. Each committee has a written charter (available within [Arrow's Governance Documents](#)) and plays a role in the oversight of ESG related practices at Arrow. The Board, primarily through its committees, is engaged in strategic ESG oversight. Among other things, the Board and/or its committees receive regular updates on ESG matters at meetings, and review and approve the Company's long-term goals and advising on significant strategic investments.

In February 2022, Arrow increased management oversight of ESG matters by creating an expanded role of Senior Vice President, Chief Governance, Sustainability, and Human Resources Officer, demonstrating Arrow's support to executive-level leadership on ESG matters. Reporting to the CEO, this new position oversees a cross-functional ESG program and collaborates with our executive leaders to implement our ESG goals and related strategy.

The ESG Operating Committee (“ESGOC”) comprises functional leaders from the Company’s Sustainability, Legal and Compliance, Real Estate, Facilities, Corporate Affairs, and Human Resources departments. The ESGOC is responsible for identifying ESG related risks, opportunities, and impacts; informs the Chief Governance, Sustainability, and Human Resources Officer periodically on progress; and evaluates the interests of our many stakeholders.

In addition to the ESGOC, Arrow has cross-functional ESG Working Groups that support ESG strategy implementation, goal setting, and monitoring. The ESG Working Group comprises Company leaders representing ESG, Sustainability, Legal and Compliance, Real Estate and Facilities, Human Resources, Finance and Risk Management, IT and Data Security, Procurement, Supply Chain Operations, Marketing and Communications, and global business units.

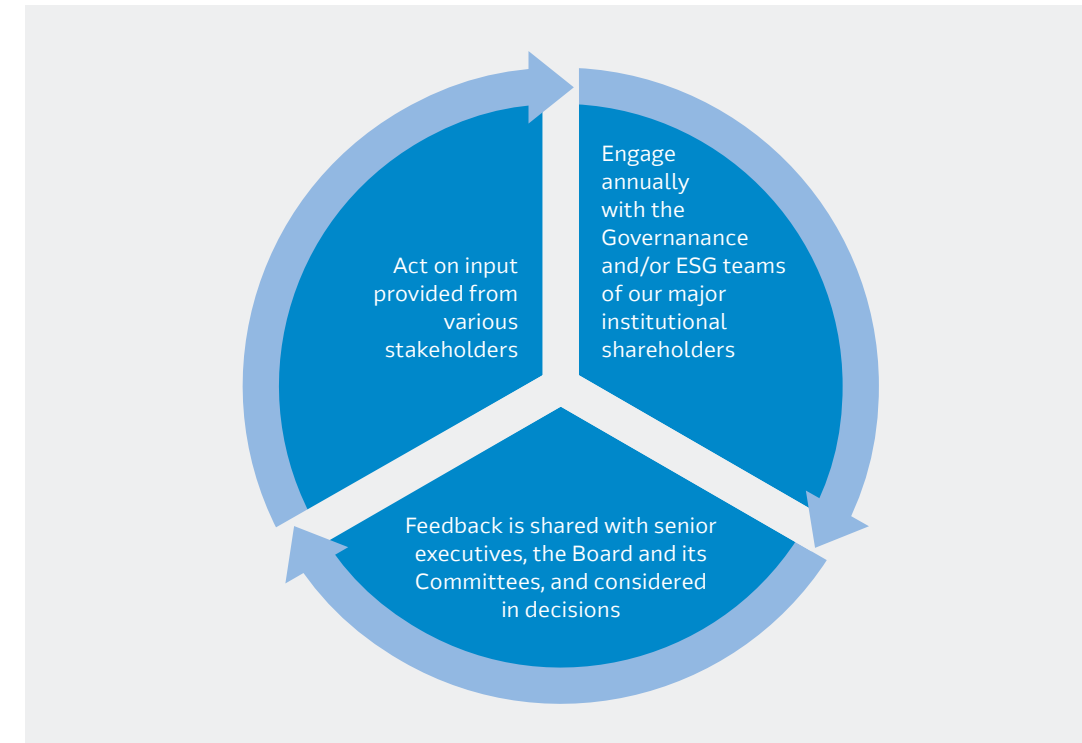
The below chart shows our internal ESG governance structure.



Engaging Our Global Stakeholders

Engaging our global stakeholders regularly and establishing collaborative partnerships allow us to build a clear understanding of complex global challenges and risks where we operate and do business. We continually evaluate enhancements to our corporate governance, ESG, and compensation practices by engaging key stakeholders—including shareholders and customers—for their feedback.

Engaging in regular dialogue with our stakeholders helps us to execute our strategy in a way that is consistent with Arrow’s values.

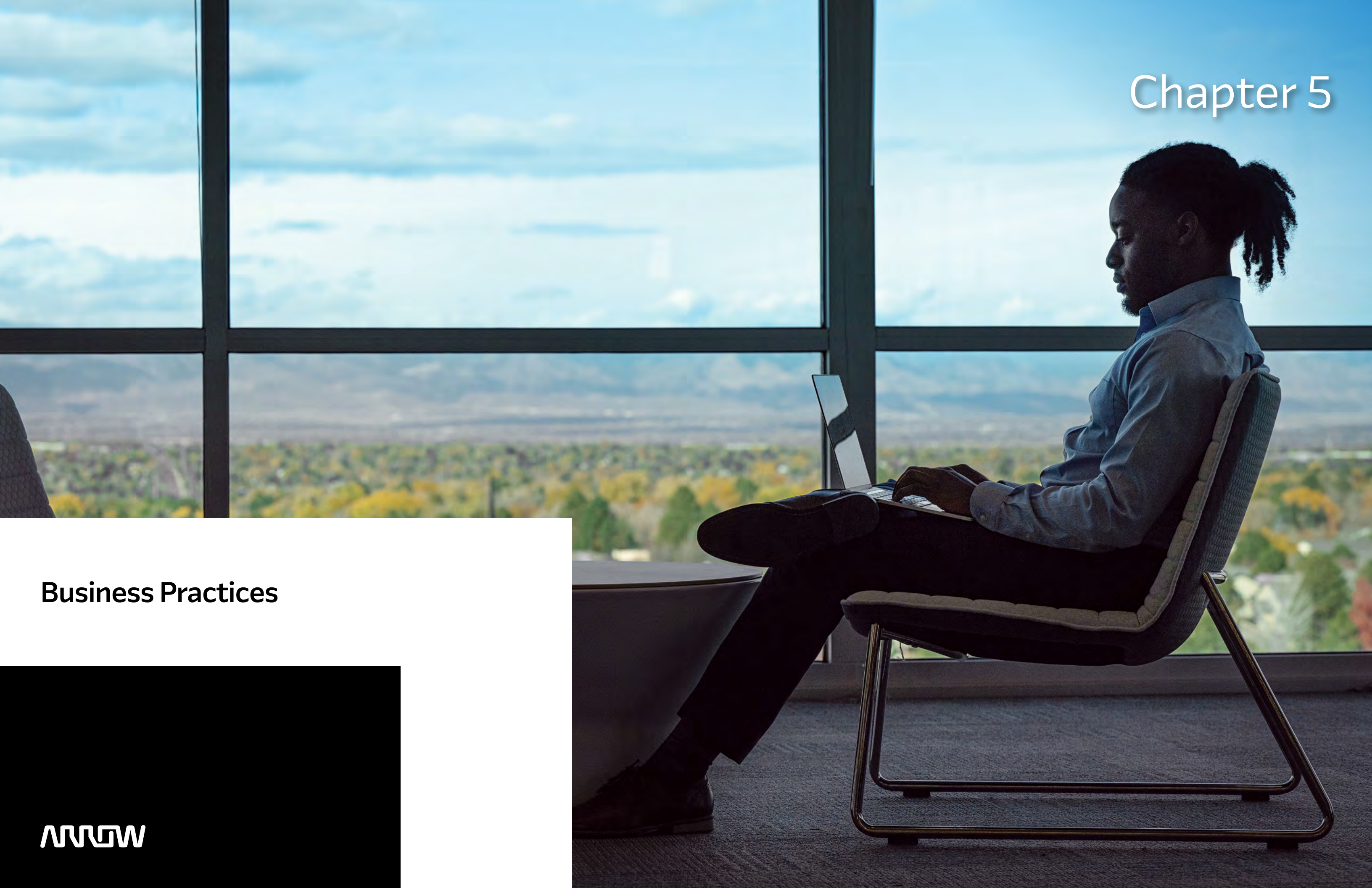


Embedding ESG into Executive Compensation

We reinforce Arrow’s commitment to the importance of ESG by including ESG related quantitative performance objectives as components of the annual cash incentive plan for executives as disclosed in Arrow’s 2023 Proxy Statement.

Chapter 5

Business Practices



Compliance, Business Ethics, and Integrity

It's not always easy to know the right thing to do in every situation, especially in an ever-changing environment. For this reason, we empower our employees and representatives with the tools and training to be better prepared, equipped, and educated to understand Arrow's values, policies, practices, and how to act accordingly. We also mitigate financial, reputational, and legal risks by striving for compliance with international laws and local regulations throughout our global locations. As the regulatory landscape evolves, we will continue to implement mechanisms for accountability and navigate new requirements to maintain compliance. We periodically review our policies and compliance programs to ensure they are relevant to the current environment. However, because the Worldwide Code of Business Conduct and Ethics (the "Code") reflects our core values, we will not waive or lower our standards to allow contradictory conduct in jurisdictions where such conduct may be legal. In other words, the Code establishes minimum standards of ethical conduct for Arrow globally.

Honoring our commitment to our employees

Some of the principal actions that Arrow undertakes to ensure that we strive for an equitable, respectful, and ethical workplace include:

- Mandating that employees acknowledge and agree to the Code upon hire and annually thereafter and certify they have read and understand the Code.
- Encouraging employees to raise concerns, ask questions, and report potential policy violations or suspicious behaviors without fear of retaliation via a confidential 24-hour AlertLine.
- Conducting business in accordance with all applicable labor, anti-discrimination, and other workplace laws.
- Offering equal employment opportunity to all and promoting inclusion, diversity, equality, and accessibility.

The Worldwide Code of Business Conduct and Ethics

We believe that our continued success depends on the trust we foster with our employees, with our customers and suppliers, and with the communities where we live, work, and play. The Code is our guide for living Arrow's values while also following the laws and regulations that govern our global operations. The Code outlines our beliefs and what we expect from those who represent Arrow.

We expect that anyone acting for or on behalf of the Company conducts all business with integrity and according to the letter, spirit, and intent of our Code and all applicable laws. The Code covers all regions and business units and is offered in 23 languages to ensure that our stakeholders can read and understand our Code, no matter their background or locations.

Training on the Code is mandated annually, and we ask every employee and Board member to certify that they have read and understand the Code; it's that important to us. Beyond the annual affirmation, employees are encouraged to consult the Code for guidance throughout the year or as questions arise.

Compliance Training

Arrow acknowledges the importance of compliance training to ensure all employees are aware of the ever-changing laws, regulations, and policies that apply to their day-to-day responsibilities. Managers and executives are accountable for compliance within the business or functional areas they oversee and, along with all employees, receive annual training on compliance risk areas specific to their work responsibilities. This includes training for a range of compliance topics (e.g., proper handling of proprietary or trade secret information and cyber security, anti-corruption, and data privacy). Compliance training is reviewed and updated regularly to ensure that it is current, relevant, and effective.

Every employee must complete all Company-mandated training and certify that they understand their responsibilities in complying with Arrow's policies and applicable laws and regulations. Arrow utilizes data analytics captured from online training to refine and identify the need for additional education.

Courses are scheduled on a rotational basis and additional training is provided, where deemed appropriate. For example, our sales teams receive tailored training on trade compliance. Additionally, we periodically provide key employees with informational notices on high-risk issues, where a greater potential for bribery, corruption, or practices in violation of the Code may exist.

Our compliance training program includes both online and instructor-led training courses delivered in multiple languages. We have expanded, and continue to refine, the training materials to specifically address modern slavery and human trafficking to increase employee awareness of these and other interrelated issues.

Grew online training completion rate by 4%, exceeding the target of 1% growth by 3.0 percentage points.

2022 Compliance Training Participation



Culture of Compliance

Every two years, Arrow engages an independent third party to conduct a global Corporate Culture of Compliance Survey (the "Compliance Survey"). The Compliance Survey focuses on, among other topics, employees' comfort with recognizing and reporting concerns and pressure felt to compromise Arrow's values to achieve business results. The results are compared against other companies and reported to the Audit Committee. Where necessary, additional controls or a remedial plan are put in place to address any gaps. Our next Compliance Survey will be conducted in 2023.

Assessing our culture of ethics

Hearing from employees is one important way we assess the strength of Arrow's ethics and accountability. Our Compliance Survey seeks to gather feedback from employees about, among other things:

- Comfort with reporting unethical practices without fear of reprisal.
- A feeling of accountability to identify and escalate issues.
- Confidence that Arrow will act upon reported legal or ethical violations.
- A belief that colleagues act with integrity.
- Manager encouragement of ethical conduct even in the face of pressure.

In 2023, Arrow will conduct compliance-related employee focus groups as a supplement to the Compliance Survey. The purpose is to better understand and improve how Arrow can strengthen:

- Tone at the top
- Comfort/willingness and ability to identify and report concerns
- Identification of employee compliance/ethical concerns



Reporting Channels

Arrow is committed to providing a workplace that operates with integrity and openness. We encourage our people to use various reporting mechanisms to freely, and without fear of adverse consequences, raise concerns regarding situations where they believe that Arrow and anyone connected with Arrow has acted in a way which could be construed as misconduct or wrongdoing.

Arrow provides an external channel to allow employees and third parties to report violations or concerns regarding business ethics or compliance via a confidential, independent third party (the "AlertLine").

- Hosted and staffed by an independent third party, the AlertLine is a toll-free telephone hotline available 24 hours a day, 7 days a week.
- An employee can report a concern in the language that they feel most comfortable speaking (over 100 languages available).
- Employees can report anonymously via the AlertLine, a comprehensive and confidential reporting tool.

In addition to the externally managed reporting line, employees have the option of reporting questionable conduct directly to our Global Legal and Compliance Department at compliance@arrow.com.

We see any person who seeks advice or raises a concern in good faith as doing the right thing. Retaliation by anyone against a person for speaking up about a potential violation or who participates in an investigation of such reports is against Arrow policy.

Regardless of the type of report or the way in which it was reported, the identity of the reporter (if provided) will ordinarily be treated confidentially and shared only with a limited number of people who have a need to know or who are responsible for dealing with reports and investigations, subject to applicable legal requirements. Any personal information that is provided will be held and used to investigate the report but only for such period as is reasonably necessary for this purpose. Thereafter, such information will be handled in accordance with Arrow policy and data privacy laws.

Once an allegation is received, it is routed to Arrow's Legal and Compliance Department for handling. Arrow investigates all allegations thoroughly and, if substantiated, takes disciplinary action (ranging from employee coaching to termination, as appropriate).

On a quarterly basis, a cross-functional team comprising Arrow's Corporate Audit Department, Human Resources Department, and the Global Legal and Compliance Department conducts a root-cause analysis for each complaint received, identifies trends, and proactively takes steps to remediate violations and mitigate the risk of a reoccurrence.

Significant investigations are reported to the Board Audit Committee, on at least a quarterly basis.

Anti-Bribery and Anti-Corruption

Arrow strictly forbids bribery and corruption of any kind. We must never sacrifice our ethical principles to win or keep business. We expect employees to comply with the anti-corruption laws where we do business. Arrow's Anti-Corruption and Anti-Bribery Statement and Compliance Guide (the "Guide") educates employees and representatives on Arrow's anti-corruption and anti-bribery guidelines, policies, processes, and expectations, which are



not always easy to interpret and apply in the context of fast-moving, real-life situations. The Guide also serves as a preventive tool to assist employees and representatives in recognizing, detecting, and avoiding potential violations of various anti-bribery laws by providing examples of actual cases and hypothetical questions. We recognize the higher risk of corruption in certain areas where we operate, and we acknowledge the harmful impacts that corruption can have on local communities. To combat these risks, we evaluate vendors for compliance with our Code and use risk-based, third-party due-diligence screening for vendors.

These controls are tested periodically through risk-based corporate audits and external assessments to assess risk, ensure effectiveness, and identify potential enhancement opportunities.

Global Trade Compliance

Respecting trade and economic regulations, sanctions, and embargoes, Arrow has global policies and procedures in place to ensure compliance with trade and financial regulations and sanctions. These include requirements for the screening of customer and third-party names against the sanctions lists provided by the U.N., E.U., and the U.S. governments. Arrow's global requirements also include an enhanced review requirement for high-risk transactions related to countries, sectors, or parties subject to sanctions restrictions, in addition to the review of all shipments to ensure compliance with export controls.

Cybersecurity and Data Privacy

Arrow's Chief Information Officer ensures that an appropriate level of cybersecurity governance, capabilities, and controls are in place to protect Arrow's and our partners' information assets, with end-to-end accountability across Arrow.

Our Board oversees the Company's information technology (IT) risk and associated information risk management program. The Audit Committee receives IT and cybersecurity updates that focus on program governance, control maturity, and third-party information security assurance at least twice per year, with the Board receiving a similar briefing once per year.

Arrow's privacy and data protection programs are designed to safeguard intellectual property, Company assets, business operations, IT networks, customer data transmission and storage, and more. We make investments to comply with data security and privacy laws and regulations across the globe, and to earn and maintain the trust of our customers, employees, and other stakeholders. Our approach rests on ensuring we have the right architecture, technology, policies, processes, and talent in place to prevent, detect, respond to, and recover from cyber threats quickly.

Oversight

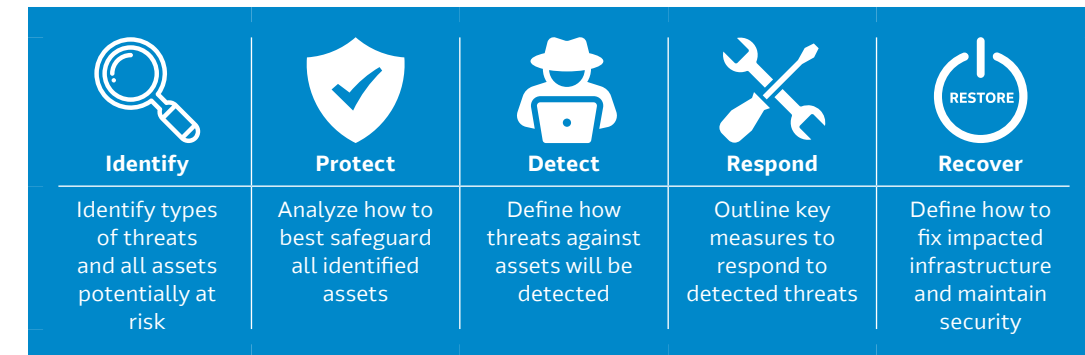
Arrow's security organization is led by the Chief Security Officer, reporting to the Chief Information Officer, with responsibility for the following security pillars:

- IT Risk and Governance
- Security Operations
- Security Architecture
- Security Training and Awareness
- Business Continuity
- Fraud and Physical Security

Our security staff holds numerous cybersecurity degrees and industry-recognized certifications.

Management Strategies

Arrow aligns to the National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF), which provides guidelines for mitigating organizational cybersecurity risks:



Management Systems

Arrow maintains an information security program consisting of policies, standards, procedures, and guidelines that establish operational security controls to govern security for safely processing, storing, and transmitting customer data.

Arrow's security program is developed and maintained using best practices based on industry-standard frameworks to protect customers' data from accidental or unlawful destruction, loss, alteration, or unauthorized disclosure or access. These include the:

- NIST 800-171, a government security standard
- International Organization for Standardization (ISO) 27001, an information security standard
- Center for Internet Security (CIS), controls against cyberthreats and attacks
- SANS Institute's Critical Security Controls (CSC), a cybersecurity framework

Arrow maintains ISO 27001:2013 certification for key areas around the globe to focus on validation and effectiveness of security controls in specific parts of the Arrow business where such certification is necessary for customer or partner assurance.

The ISO certification goes beyond that of the NIST assessment to bring additional scrutiny and a second outside, independent certification body to review a specific portion of the Arrow enterprise and attest to its alignment with additional security controls.

These certified Arrow entities undergo annual surveillance and recertification audits to support adherence to the established security controls.

At the global level, the NIST CSF focuses on Arrow's Enterprise Security Services organization and independently assesses the maturity of Arrow's security controls across several domains in the cyber- and physical-security realms. The review is conducted annually by an independent firm and compared to an established baseline. Areas of focus are established after each review to further enhance Arrow's security posture.

Testing, Training, and Maintenance

Arrow periodically tests the effectiveness of its security program via independent internal and external assessments. Our employees have ongoing mandatory training related to information security and data privacy. Mandatory annual training is also included as part of the mandatory Code of Conduct training.

Additionally, we invest in ways to address risks and vulnerabilities, including ongoing monitoring, updating networks and systems, and personnel awareness training of potential cybersecurity threats to help employees remain diligent in identifying potential risks.

As part of our regular review of potential risks, the Company analyzes emerging cybersecurity threats as well as the Company's plan and strategies to address them and presents them to senior management. See our [SEC Form 10-K](#) for a description of material security risks and breaches.

We aim to build trust with our stakeholders and protect their interests throughout our operations by integrating privacy into our personal data processing activities. Our [Privacy Policy](#) describes our goal to protecting personal information and outlines the rights that individuals have and how they can exercise those rights. In alignment with our policies and our commitment to shareholder trust, we investigate incidents and customer privacy complaints thoroughly in accordance with legislation, such as the General Data Protection Regulation.

Tax Transparency

Arrow contributes to local economic growth and sustainable development by the jobs we create, the contracts we award, and the wages and taxes we pay. We manage our tax payments in accordance with our high governance standards to ensure compliance with global tax laws and regulations.

We regularly engage tax authorities to discuss changes to local, national, and international tax regimes to ensure we understand and carry out our financial obligations. We document and communicate these changes to our Board and executive leaders, so they understand the financial impact. Our internal auditors review our tax requirements, controls, and payments on a regular basis.

Arrow maintains an Annual Tax Strategy, available on our website, that details these and other policies, principles, and objectives that inform Arrow's approach to tax matters.

Risk Management

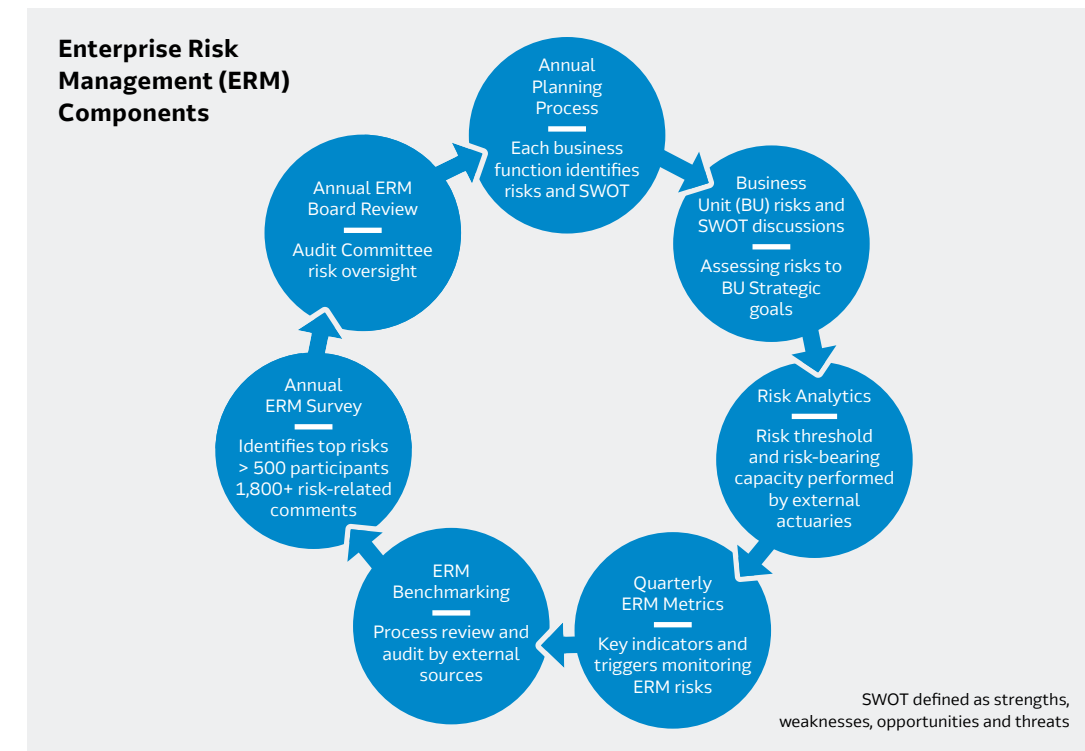
Management is responsible for the day-to-day analysis and review of the risks facing Arrow, including timely identification of risks, including a company-wide Enterprise Risk Management ("ERM") survey; risk controls related to significant business activities; and development of programs and recommendations to determine the sufficiency of risk identification.

Our ERM framework helps us to identify, evaluate, manage, and develop mitigation plans for financial and nonfinancial risks across Arrow. The goals of our ERM program are:

- To ensure that leaders are well-informed about Arrow's risk landscape so they can make educated, strategic decisions that lead to sustainable growth.
- To facilitate cross-functional discussion and information sharing about key risks facing the Company to strengthen risk mitigation efforts.

The framework is built to facilitate information gathering and sharing, while also promoting collaborative discussions across all levels of the Company to identify and assess risks. Our ERM team advocates for and facilitates strong risk management processes across our businesses and functions. Arrow's CEO has the ultimate management authority for enterprise risk management, including responsibility for capability development, risk identification and assessment, and policies and governance, as well as strategies and actions to address enterprise risk.

Key enterprise-level risks are overseen by the full Board and our ERM process is overseen by the Audit Committee. The Audit Committee also oversees and regularly discusses risk management with Arrow management. Management provides the Board and appropriate committees of the Board regular briefing and information sessions on the significant risks that the Company faces and how the Company seeks to control those risks when appropriate. The Board receives updates on specific risks throughout the year.



Third-Party Due Diligence

Ethics and integrity are a part of everything we do and every decision we make, and we look to conduct business with companies that uphold these legal and ethical obligations. Arrow's global third-party risk management consists of Arrow's oversight of employees, contractors, and Arrow-authorized representatives that may be operating on Arrow's behalf.

It is Arrow's practice to do business with high-risk third parties only after satisfactory completion of all applicable due diligence. Due diligence must be completed for high-risk vendors (e.g. freight forwarders, consultants, etc.) or resellers to ensure that they adhere to Arrow's values and comply with Arrow's Conduct of Conduct and Business Partner Code of Conduct and Ethics ("Business Code"), irrespective of dollar amount of contract or business relationship value.

As part of the due diligence process, we expect that our employees:

- Conduct appropriate due diligence on any third party before retaining them
- Address any red flags identified during the due diligence process
- Continue to monitor any changes to the third party, its business operations, associated status, and escalate any red flags that are identified after the initial due diligence process

This approach to addressing risks at the local level enables our teams to put in place new processes and procedures for operations or functions at higher risk of corruption, wherever this more-tailored approach may be needed.

Business Continuity

Arrow's Global Business Continuity program proactively prepares for and responds to issues that might adversely affect employee health and safety, critical business processes, physical assets, as well as supply chain. Each year, our Business Continuity team conducts business impact analyses to evaluate existing and potential continuity risks and then develops cross-functional mitigation strategies to address them. Arrow's robust business continuity, crisis management and disaster recovery plans, and related training help to ensure Arrow can deliver a rapid and intelligent response when incidents occur. Arrow's Business Continuity team tests and refines these strategies, at least annually, to ensure they remain effective.

Additionally, Arrow uses a global risk monitoring system that automatically notifies Company leaders of potential business impacts caused by anything from severe weather to workforce stoppages to health risks to transportation delays. It provides a near real-time look at potential impacts so the business can respond quickly and appropriately to minimize business disruption.





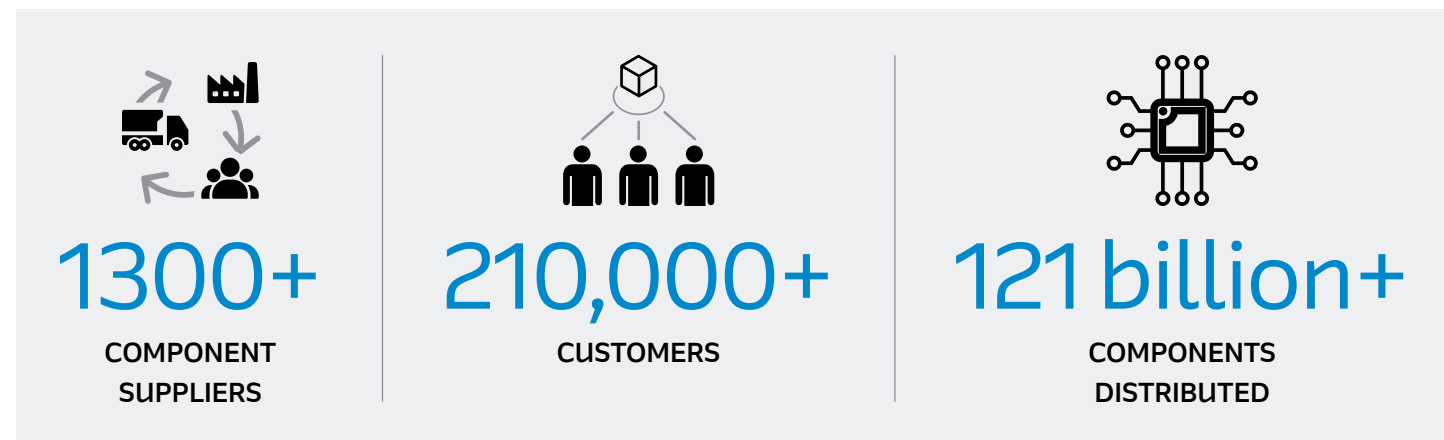
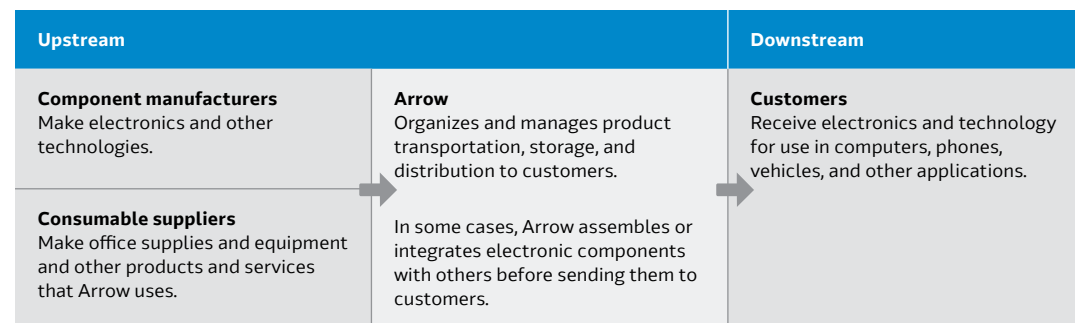
Supply Chain Management

Supply Chain Management

Managing a global multi-tiered high-tech supply chain has never been more complex. Volatile market conditions, labor shortages, fulfillment delays, changing regulations and trade agreements, and unplanned disruptions are just a few hurdles that need to be navigated and managed. Building and maintaining a responsible supply chain are at the heart of our decision-making.

Supply Chain Scope

Arrow has relationships with numerous component manufacturers, trade and service providers, transportation and logistics companies, and more. We monitor and manage quality, cost, continuity of supply, on-time delivery, and other factors differently depending on the type of supplier and where they are located in the value chain.



Trade Suppliers

For our [components manufacturers](#)—those who design and build electronic components and semiconductors, which comprise 79% of our business—Arrow’s network of 1300+ components suppliers provides electronic components and semiconductor technologies from across the globe. These Business Partners¹ vary by size, location, and diversity status.

¹ Business Partners include vendors, contractors, consultants, agents, representatives, distributors, independent contractors and subcontractors, resellers, and providers of goods and services.

Oversight

Arrow strives to embed responsible business practices across our supply chain. Our:

- Board reviews risks, management strategies, and policies.
- Executive leaders are responsible for supply chain continuity and responsibility and setting goals.
- Corporate Audit and Global Legal and Compliance departments monitor and enforce legal and regulatory compliance.
- Business unit leaders and our Quality Department monitor and escalate risks and maintain supplier and customer relationships.

2023 Goal

Reaffirm Arrow’s strategic partners’ commitment to the principles of Arrow’s Supplier Business Code of Conduct by the end of 2023.

Conduct Standards and Expectations

The Business Partner Code articulates Arrow’s expectations for ethical business behavior and standards for:

- Regulatory compliance
- Health and safety
- Non-discrimination
- Human rights
- Labor conditions
- Environmental stewardship

Arrow seeks to form relationships with businesses that share our commitment to ethical business conduct and legal and regulatory compliance. Our Business Partner Code of Conduct Code (“Business Partner Code”) is the basis for doing business with all of Arrow’s Business Partners.

We require all Business Partners to review and comply with our Business Partner Code, or their own substantially similar code of conduct and, where appropriate, undertake appropriate due diligence measures on their suppliers to maintain the standards outlined in it. Furthermore, we expect our Business Partners to achieve and maintain benchmark performance

levels, go beyond the requirements expressed in the [Business Partner Code](#) (available on [Arrow.com Reporting and Governance](#) Page), and drive ethical and responsible practices throughout all areas of their operations.

Reporting Violations

Our Business Partners can promptly notify our Legal and Compliance team with concerns about potential Business Partner Code violations. Reports can be made anonymously, and individuals are protected from retribution as outlined in our whistleblower policy. Arrow thoroughly investigates all reports and where necessary takes appropriate action.

Managing ESG Risks, Opportunities, and Impacts in Our Supply Chain

Arrow deploys various strategies to strengthen the rigor of supply chain management.



Management Systems

Arrow's supply chain is managed regionally and locally. This includes management of supply chain risks and costs; product quality, inventory, and availability; and transportation, storage, and distribution. Collectively, we focus on compliance with legal and regulatory requirements, performance monitoring, efficiency, and addressing customers' unique needs.



Responsible Business Alliance (RBA)

At Arrow, we develop technology solutions that improve business and daily life. Our broad portfolio that spans the entire technology landscape helps customers create, make, and manage forward-thinking products that make the benefits of technology accessible to as many people as possible. The people who work here and those we serve 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.

As part of our expanding ESG program, Arrow joined the Responsible Business Alliance (RBA) at Supporter level. We are looking forward to working with the RBA and alongside industry partners in support of the RBA Vision and Mission toward driving sustainable value for workers, the environment, and business throughout the global supply chain:

Vision

A coalition of companies driving sustainable value for workers, the environment, and business throughout the global supply chain.

Mission

Members, suppliers, and stakeholders collaborate to improve working and environmental conditions and business performance through leading standards and practices.

We view RBA membership as a foundational component of our comprehensive approach to our ESG strategy and approach. This industry partnership provides Arrow with access to new tools and industry information to support our work with customers and suppliers in aligning with ESG-focused global best practices. Additionally, through the RBA platform, we have access to a broader consolidated view of supply chain risk-mapping considering global labor, Environmental, Health, and Safety, and ethical business profiles.



Our cross-functional team representing various departments responsible for ESG strategy and framework supports the RBA engagement and will continue to be guided by our core values toward our ESG objectives.

Supply Chain Optimization

To drive supply chain efficiencies, Arrow rolled out a new logistics network optimization initiative in 2022 that gathers real-time data on the frequency and mode of both inbound and outbound product shipments, facility and labor utilization, expenses, inventory, and other essential data. This enables us to:

- Balance the rate of product shipping so we don't over or under ship. This will improve customer satisfaction while reducing costs, packaging, and transportation-related greenhouse gas emissions.
- More accurately forecast the size and number of warehouse space and staff needed to support product distribution, which will help save on operational, labor, and utility costs and reduce energy, water, and material consumption.
- Optimize the costs and time required for product and services fulfillment given our available resources.

These insights are giving Arrow's leaders a more timely and accurate view of opportunities to mitigate ESG impacts.

Quality and Reliability

Arrow seeks inbound suppliers that reliably deliver high-quality and innovative products, services, and materials. Our Supplier [Quality Requirements](#) specify the quality standards we expect our suppliers to achieve. These standards address topics such as counterfeit parts, calibration systems, electro-static discharge and moisture sensitive device (ESD/MSD) products, product packaging, and quality systems.

Arrow uses an internal scorecard to help gather and monitor supplier quality performance in the Americas. In 2022, we enabled suppliers in EMEA to use the scorecard as part of our effort to globalize quality performance reporting.

Human Rights

Arrow strives to uphold the dignity of all people and to ensure that there is no slavery, servitude, forced or compulsory labor, or human trafficking in any part of our business or our supply chain.

We strive for the protection of human rights and responsible sourcing throughout our supply chain as outlined in our Code of Conduct and Business Partner Code. In 2021, we updated our Business Partner Code to communicate our ESG requirements to suppliers as they relate to business ethics, social responsibility, fair labor conditions, environment, and supply chain management. These are a central component of our overall compliance program and contain provisions aimed at combating slavery and human trafficking.

Employees receive resources and training to help them meet Arrow's ethical and legal obligations regarding human trafficking laws and regulations. Arrow's [Slavery and Human Trafficking Statement](#) describes the actions Arrow has taken to ensure modern slavery is not taking place in its business or supply chains in the U.K. We expanded the statement to also meet strengthened corporate regulations in Australia (available on [Arrow.com Reporting and Governance](#) under [Global, UK, Australia, and New Zealand Tax Policy](#)). These statements are available on our website, communicated to employees, and are part of



mandatory employee training that is conducted in local languages.

We also expect each entity in our supply chains to have suitable anti-slavery and -human trafficking policies and processes, and we may conduct third-party due diligence to confirm this. To promote accountability, Arrow strives to take appropriate actions to discontinue relationships with suppliers and other third parties who fail to meet our high standards for lawful and ethical conduct, including prohibitions on the use of forced labor in any of its forms, such as human trafficking and slavery.

In addition, we will continue to ensure our policies, trainings, supplier agreements, and external statements reinforce the Company's prohibition of forced labor. These materials undergo annual and ad hoc reviews to address changes in applicable laws and evolutions in the risk of forced labor in Arrow's supply chains and business operations.

Facilitating Product Stewardship

As an electronics distributor, Arrow helps our component suppliers and customers facilitate responsible practices throughout the product lifecycle.

Each of the entities in our value chain plays a role in designing, producing, distributing, and managing technologies through their lifecycle while creating minimal risks and impacts. These entities include original equipment manufacturers, distributors, value add/assembly and integration providers, resellers, and customers and end users. The responsibilities of each group vary according to their roles and the requirements of their jurisdiction. Arrow's specific role in this process is outlined below.

Management Practices

Arrow monitors, assesses, and prepares for ever-changing requirements related to material declarations, packaging, labeling, and end-of-life management. We also continuously assess emerging and revised regulations and directives to keep abreast of the latest requirements. This information is compiled and shared with internal teams to ensure understanding and compliance.

While our Company does not manufacture electronic components, we strive to ensure that the products we distribute—or products that we integrate and assemble before shipping to customers—include appropriate transparency on any potential health, safety, environmental, and social impacts.

Substances and Chemicals

Arrow engages component manufacturers to obtain information about the substances used in the production of more than 1 billion parts to help us comply with declaration requirements.

Depending on the locale and customer preferences, we communicate this information about the presence of the substances of concern, or compliance status, on business documentation, data sheets, contracts, invoices, or label QR codes.

Examples of how Arrow complies with chemical and substance declaration directives and regulations can be found on our website.

Supplier Due Diligence

In 2022, we developed an enhanced global supplier due diligence process for new suppliers to address supply change risk and evolving regulatory obligations related to human rights and environmental protection. This process, which will roll out in 2023, will require new and existing suppliers to complete an assessment using environmental and social criteria. Arrow will review supplier responses, complete a risk assessment, and remediate red flags indicated by the supplier. Our goal is to ensure that Arrow's top suppliers complete the supplier self-assessment and due diligence questionnaire by the end of 2023. In 2022, Arrow initiated the development of a strategic plan for achieving the goal.

2023 Goal

Ensure that Arrow's top suppliers complete a supplier self-assessment and due diligence questionnaire by the end of 2023.

Arrow is also:

- Developing a policy as well as a policy statement that outlines how Arrow and its suppliers will meet supply-chain due diligence requirements, addressing forced labor, human rights, and environmental concerns.
- Evaluating third-party due diligence platforms that can facilitate the supply-chain due diligence process, collecting relevant data from Arrow's trade and non-trade suppliers, facilitate risk assessment, and enable annual reporting requirements. Such a platform will support monitoring third-party compliance and identification of deficiencies that require remediation plans.

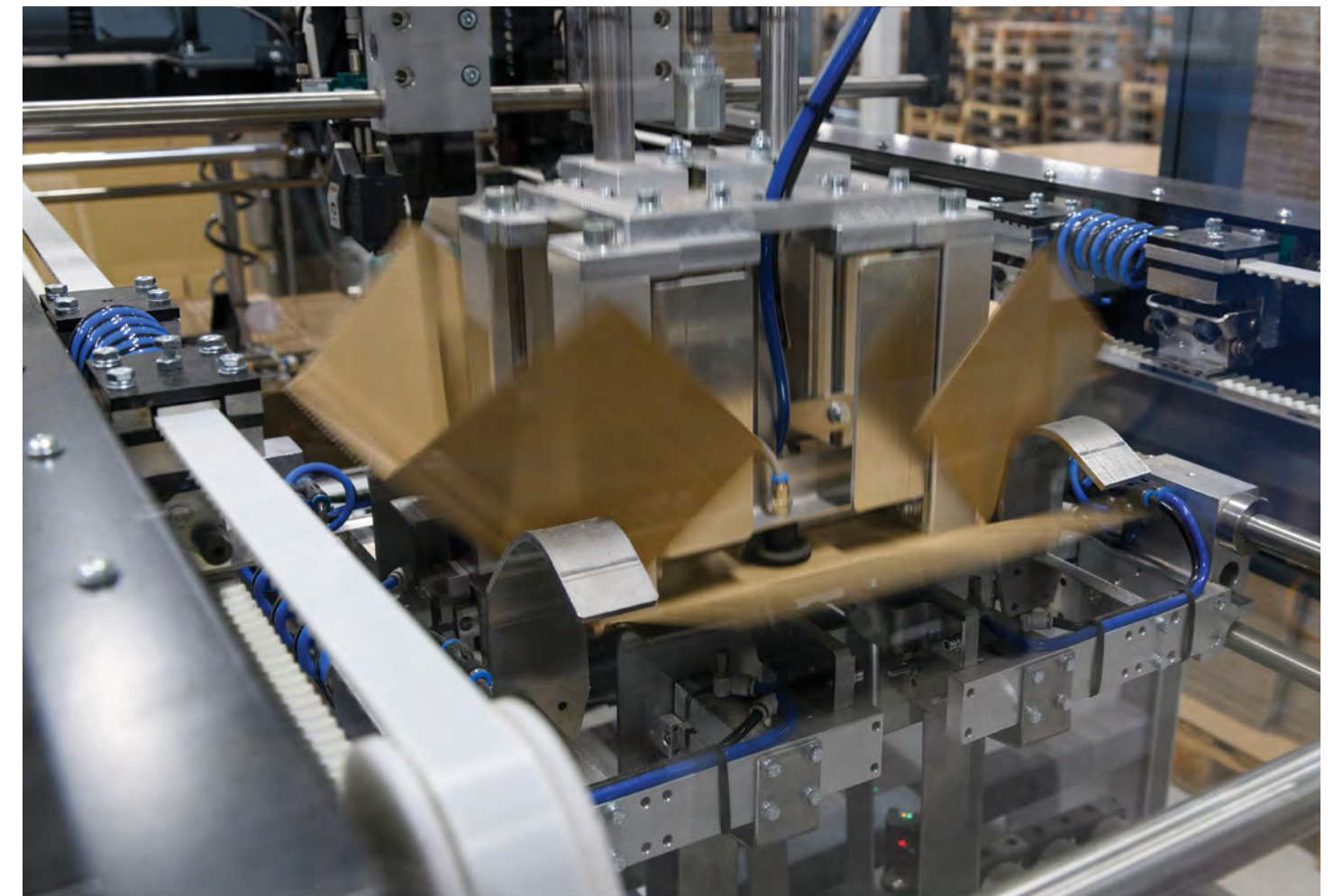
Conflict Minerals

In the E.U., U.S., and many other countries, companies are required to conduct due diligence to verify that minerals used in their products were not mined and/or sold to finance armed conflicts in the Democratic Republic of Congo and other conflict-affected and high-risk areas ("Conflict Regions").

Since Arrow does not directly purchase, import, or manufacture any products containing raw ore or unrefined minerals from Conflict Regions, we are exempt from complying with E.U. Directive 2017/821.

In the U.S., however, the U.S. Dodd-Frank Wall Street Reform Act requires companies engaged in manufacturing—including assembly or integration of electronics,—to file an annual special disclosure with the U.S. Securities and Exchange Commission ("SEC"), about their due diligence programs. Accordingly, with respect to the products assembled or integrated by Arrow, we conduct a due diligence survey of suppliers to assess their use of conflict minerals.

For the 2021 reporting period, 75.12% of suppliers responded to our survey on conflict minerals use, up from 73.90% in the prior year. We will file our 2022 conflict minerals report with the SEC in May 2023. Learn more in our [Annual Conflict Minerals Report](#) (available on [Arrow.com Reporting and Governance](#) page)



Supply Chain Diversity

Diverse-owned businesses are defined as U.S.-based, for-profit enterprises that are at least 51% owned and operated by one of the following groups:

- **Minority**
 - African American
 - Asian (includes Asian Indian)
 - Latinx/Hispanic
 - Native American (includes Native Pacific Islander, Eskimo)
- **Women**
- **Disabled**
- **Military Veteran**
- **LGBTQ+** (Lesbian, Gay, Bisexual, Transgender, Queer/Questioning)

Fostering Supply Chain Diversity

Aligned with our global inclusion and diversity strategy, our Supplier Diversity program seeks to foster a more inclusive supply chain by partnering with leading diverse advocacy organizations participating in corporate responsibility efforts and engaging diverse suppliers in our procurement efforts. We continue to focus on growing and developing this program, and we believe supporting diverse businesses makes a positive difference in the communities and markets where we do business.

Through procurement policies, processes, and tools informed by our Supplier Diversity program, we begin to actively seek and create economic opportunities for underrepresented small and diverse-owned businesses.

We use diverse suppliers that meet our Company's standards and customer needs and will implement measures to identify diverse suppliers during the onboarding process. We will include diversity performance in our supplier scorecard, and track and report spending with diverse direct material suppliers.

This provides us access to the widest possible selection of qualified suppliers and innovative solutions. We are also dedicated to developing and mentoring our suppliers to help them build stronger partnerships and enhance their capabilities.

Arrow continues its efforts to unify its visibility of indirect spend and further enhance its diversity tracking and reporting.



Chapter 7



Framework and Standards

Framework and Standards

Sustainable Accounting Standards Board (SASB)

We leveraged the SASB framework as a reference in developing and prioritizing ESG topics for this report. The Multiline and Specialty Retailers & Distributors SASB industry in the Consumer Goods category is the most applicable framework for disclosing details on relevant ESG performance. The following information was prepared in accordance with the SASB Standards Application Guidance.

Topic	SASB Code	Metrics	Arrow Disclosure
Energy Management in Retail & Distribution	CG-MR-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	ESG Report Reference-Environmental (Energy) ESG Report Reference-Environmental (GHG Emissions)
Data Security	CG-MR-230a.1	Description of approach to identifying and addressing data security risks	ESG Report Reference-Business Practices (Cybersecurity and Data Privacy)
	CG-MR-230a.2	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	While we closely monitor this information, it is not publicly disclosed at this time
Labor Practices & Conditions	CG-MR-310a.1	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	ESG Report Reference-Social (Pay) Arrow does not have "in-store" employees
	CG-MR-310a.2	(1) Voluntary and (2) involuntary turnover rate for in-store employees	ESG Report Reference-Social (Turnover) Arrow does not have "in-store" employees
	CG-MR-310a.3	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	While we closely monitor this information, it is not publicly disclosed at this time
Workforce Diversity and Inclusion	CG-MR-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	ESG Report Reference-Social (U.S. Race/Ethnicity) ESG Report Reference-Social (Equal Employment Opportunity)
	CG-MR-330a.2	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	While we closely monitor this information, it is not publicly disclosed at this time
Product Sourcing, Packaging, and Marketing	CG-MR-410a.1	Revenue from products third-party-certified to environmental and/or social sustainability standards	Arrow does not manufacture products nor certify services to environmental and/or social standards
	CG-MR-410a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	ESG Report Reference-Supply Chain Management (Facilitating Product Stewardship) ESG Report Reference-Supply Chain Management (Substances and Chemicals)
	CG-MR-410a.3	Discussion of strategies to reduce the environmental impact of packaging	ESG Report Reference-Environment (Sustainable Operations)

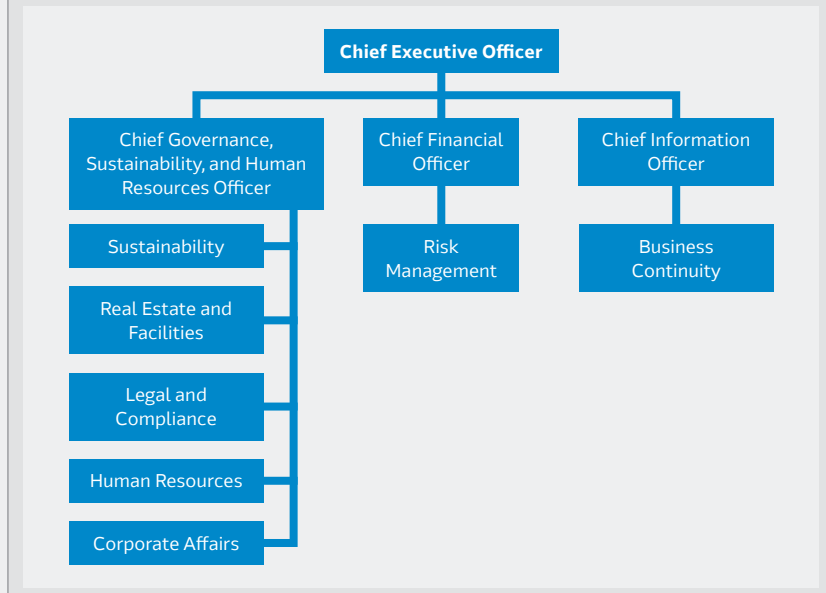
¹ Materiality as used in this report, and our materiality assessment process, is different than the definition used in the context of filings with the SEC. Issues deemed material for purposes of this report may not be considered material for SEC reporting purposes.

Activity Metrics	Code	Response
Number of (1) retail locations and (2) distribution centers	CG-MR-000.A	1. Arrow does not operate any retail locations 2. 43 distribution and value-added centers
Total area of (1) retail space and (2) distribution centers	(1) CG-MR-000.B	1. Arrow does not operate any retail locations 2. Approximately 3.7 million square feet across 43 distribution and value-added centers

Task Force on Climate-related Financial Disclosures (TCFD)

While our approach to environmental sustainability focuses on the operation of our business, our impact is much broader. We are continuing our journey to better identify and address climate-related risks and opportunities in all that we do. This year we engaged with external consultants to identify risks and opportunities utilizing the TCFD framework. The following disclosure provides an overview of existing practices and plans for this year and five years out.

Theme	Description	Arrow Disclosure
Governance	Describe the board's oversight of climate-related risks and opportunities.	The role of the Arrow Board is to promote the best interests of the Company and its shareholders by overseeing the management of Arrow's business, assets, and affairs, which includes oversight for environmental (climate-related), social, and governance (ESG) matters. The Corporate Governance Committee of the Board has direct oversight of, and is committed to, advancing our ESG policies and practices, as outlined in its committee charter. The Corporate Governance Committee and Arrow senior leadership have a direct line to ESG subject matter experts and external consultants. Climate-related risks are assessed as part of an enterprise risk management framework, and Arrow management will provide regular briefings and information sessions as needed to the Board on any significant climate-related risks that Arrow faces and how Arrow seeks to control those risks when appropriate. Additionally, the board receives quarterly updates on Arrow's environmental sustainability and ESG programs—including progress readouts regarding a GHG emission-reduction goal to which executive compensation is tied.
	Describe management's role in assessing and managing climate-related risks and opportunities.	Under the enterprise risk management framework, management is responsible for the day-to-day analysis and review of the risks facing Arrow, including timely identification of risk, a company-wide enterprise risk management survey, and risk controls related to significant business activities. Management is further responsible for developing programs and recommendations to determine the sufficiency of risk identification, the balance of potential risk to potential reward, and the appropriate manner with which to control risk. Our Chief Governance, Sustainability, and Human Resources Officer is directly responsible for overseeing ESG, including assessing and managing climate-related risks and opportunities. Arrow's CEO has the ultimate management authority for enterprise risk management, including responsibility for capability development, risk identification and assessment, and policies and governance, as well as strategies and actions to address enterprise risk. The following organizational chart demonstrates the flow of climate-related risk information to the CEO.



Theme	Description	Arrow Disclosure
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	<p>In 2022, Arrow worked with an external third party to conduct a qualitative assessment of Arrow's climate risks and opportunities. This work included interviews with the following Arrow departments: Finance, Business Continuity, ESG/Corporate Sustainability, Risk Management, and Strategy and Planning. This assessment identified prominent risks and opportunities in alignment with the TCFD framework.</p> <p>This qualitative assessment identified aligning products and services to a low-carbon economy and the use of more efficient distribution processes as the areas of greatest climate opportunity for Arrow.</p> <p>The impact of physical risks on Arrow's operations and supply chain was evaluated, with specific focus on extreme weather events, changes in precipitation patterns, changes in weather patterns, and rising mean temperatures. As Arrow relies on both domestic and international distribution as part of our global multi-tiered supply chain, extreme variation in current and future weather patterns may impact Arrow's upstream supply chain as well as the ability to distribute products to customers. Extreme weather variability complicates the planning, timing, and execution of the transportation of goods.</p> <p>Enhanced emissions-reporting obligation was identified as a potential policy and legal risk due to the decentralized nature of Arrow's business. As part of enhanced emissions-reporting regulations, companies may be required to disclose detailed emissions data, including intensity metrics and Scope 3 emissions, which will require additional data gathering. Arrow acknowledges this risk and has taken action to develop teams to monitor and prepare for these regulations. Arrow has also committed to increasing our internal emissions reporting capability in preparation for enhanced emissions-reporting obligations.</p> <p>See Climate-Related Opportunities and Risks for additional details.</p>
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	<p>Arrow Electronics is developing a broader strategic approach to incorporating climate-related risks and opportunities into financial and operational strategy. The continued development of this strategy is a priority for Arrow. Arrow will work to refine this approach over time and ensure transparent annual reporting on any strategic updates as well as progress toward related goals.</p> <p>Climate-related risks and opportunities are important factors in operational strategy that inform decisions such as site selection and operational transformation. Further, Arrow considers these risks and opportunities while collaborating with distribution partners to ensure resilient and low-harm solutions.</p>
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C-or-lower scenario.	<p>In 2022, Arrow engaged a third party to complete a qualitative assessment of Arrow's approach to climate-related risks and opportunities in alignment with the TCFD framework. In 2023, Arrow is committed to continuing this work by completing a scenario analysis to assess the quantitative resilience of the Company's strategy in different climate-related scenarios.</p>
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.	<p>Annually, Arrow identifies and assesses existing and emerging enterprise risks, and has processes in place to monitor risks throughout the year. This activity includes the identification of physical risks, including natural catastrophic events and extreme weather variability, as well as active management plans and business continuity planning, where appropriate. We also conduct specific climate-related risk assessments, in terms of financial and/or operational impact, when selecting new sites or evaluating our current facilities.</p> <p>In 2022, Arrow engaged a third party to perform an ESG priorities assessment of environmental, social, and governance factors in Arrow's operations and supply chain. The third party then performed a qualitative assessment on climate-related risks in alignment with the TCFD framework to determine which risks and opportunities are more material for Arrow¹.</p>
	Describe the organization's processes for managing climate-related risks.	<p>Arrow requires compliance with environmental (and other) laws and regulations in all countries and regions where it operates. Noncompliance could have substantive financial and strategic impacts.</p> <p>Refer to the risk communication chart in Governance section B for Arrow's process of elevating communication on climate-related risks.</p>
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	<p>The enterprise risk management framework facilitates day-to-day analysis and review of the risks facing Arrow, requiring timely identification of risk, a company-wide enterprise risk management survey, and risk controls related to significant business activities.</p>

Theme	Description	Arrow Disclosure
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<p>Arrow utilizes multiple internal and external resources in evaluating climate and risk exposures associated with our global facilities. This includes our global insurance companies, brokers, loss control engineers, and consultants. Some of the tools and strategies applied include catastrophic risk modeling, property impact analysis, flood and earthquake mapping, secondary peril reviews, loss control engineering inspections, and annual manual enterprise risk management assessments.</p>
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<p>In 2021, Arrow evaluated its carbon strategy and began collecting metrics to set a baseline for the Company's Phase 1 controlled footprint. In 2022, Arrow reduced Scope 1 and 2 emissions across our Phase 1 controlled footprint by 29.4%, exceeding the target of 10% reduction by 19.4 percentage points.</p> <p>In 2022, Arrow expanded its effort and validated its baseline for Scope 1 and 2 emissions with third-party auditors reviewing Arrow's GHG inventory. In 2022, Arrow's market-based Scope 1 and 2 emissions were 11,675 and 25,061 metric tons of CO₂e, respectively. For details, see the Environmental Data section of the Appendix.</p> <p>Arrow will continue to make progress reducing its Scope 1 and 2 emissions and has set a goal to reduce Scope 1 and 2 emissions across all Arrow locations and fleet by the end of 2025. In 2023, Arrow also plans to baseline three categories of Scope 3 emissions, with the goal of a complete Scope 3 baseline by 2025. Arrow anticipates that Scope 3 will represent a significant majority of our total emissions due to our extensive supply chain.</p>
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<p>Arrow plans to continue reporting annual progress toward carbon-reduction goals through this TCFD report and publicly available CDP disclosures.</p> <p>In 2023 Arrow plans to:</p> <ul style="list-style-type: none"> Continue to reduce Scope 1 and 2 emissions in 2023, supporting our multi-year goal to reduce Scope 1 and 2 emissions by 10% across all Arrow locations and fleet by the end of 2025. This goal will be tracked by calculating emissions in accordance with the GHG Protocol using market-based emissions factors. Baseline three categories of Scope 3 emissions as a next step to enable setting targets aligned with the Science-Based Targets initiative (SBTi) by the end of 2025. <p>Long-term goals for Arrow include:</p> <ul style="list-style-type: none"> Establish science-based targets in 2025: By the end of 2025, we intend to have a complete baseline of all emissions, enabling us to set science-based targets with the Science-Based Targets Initiative.

¹ Our work in 2022 has laid the groundwork for performing a quantitative analysis of the financial and operational impact of climate-related risks, which Arrow intends to complete in 2023. This analysis will also determine the relative significance to Arrow of each climate-related risk.

Chapter 7
Framework and Standards

Climate-Related Opportunity Category	Impact
Resource Efficiency	Arrow's distribution-based business model and lack of a transportation management system (TMS) causes a significant Scope 3 footprint with opportunity to improve on logistics and supply chain optimization. Logistics and supply chain processes have not been systematically data-driven to date, thus a TMS and decision-making based on better data and new insights will help Arrow realize this opportunity. Efficiency improvements offer Arrow an opportunity to reduce fuel costs and GHG emissions as well as increase resiliency.
Energy Source	Customers are already engaging Arrow on purchasing from environmentally friendly suppliers, thus Arrow has a substantial opportunity to provide products with lifecycle environmental impacts that align with the transition to a low-carbon economy and market products as such. More specifically, Arrow is well-positioned to be a proactive leader in climate-change-related products and services as concerns about energy efficiency become more tied to climate action.
Products and Services	Driving Digital Innovation and Strategy and Competitive Landscape/Margin Pressure are ranked as key risks as part of Arrow's enterprise risk management, but also key areas for opportunity. Arrow has the ability to invest in research and development and innovation, and the climate-related areas that Arrow can move into are vast. Arrow is already collaborating with various companies across industries looking to the future of technology. Continuing to take this approach with a climate-change lens will help Arrow identify new climate-related products and services.
Markets	Consistent with "Products and Services"
Resilience	Consistent with "Energy Source"

Climate-Related Risk Category	Risk Category	Impact
Transition Risks	Policy and Legal	Increased pricing of GHG emissions, mandates on and regulation of existing products and services, and exposure to litigation all present short- and medium-term risks to Arrow. The most prevalent policy and legal risk is enhanced emissions-reporting obligations. Emissions-reporting requirements continue to expand globally, including the proposed SEC rules in the U.S. and CSRD regulations in the E.U. As part of enhanced emissions-reporting regulations, companies may be required to disclose detailed emissions data, including intensity metrics and Scope 3 emissions, which may require additional data gathering.
	Technology	As the industry continues to innovate solutions to evolve with changes in consumer preferences and climate regulations, Arrow faces a transition to lower-emissions technology and substitution of existing products and services with lower-emissions options. While this is an opportunity to be a leader in innovation and efficiency, the cost and logistics of the transition poses a financial and operational risk.
	Market	Changing customer behavior and uncertainty in market signals pose medium- to long-term risks, and increased cost of raw materials poses a short-term risk to Arrow's operations and supply chain.
	Reputation	Shifts in consumer preferences for environmentally sustainable products pose a long-term risk for Arrow in the event that we are unable to keep pace with the industry transition to low-emissions technology and services.
Physical Risks	Acute	The frequency and severity of extreme weather events has increased considerably in recent years. This trend is expected to continue to worsen in the future as the climate continues to warm and could have an impact on a multitude of factors impacting Arrow's business, including offices, ports/distribution facilities, transportation (truck, rail, tug, barge, and ocean freight), and demand for product.
	Chronic	Relying on both domestic and international distribution as part of Arrow's global multi-tiered supply chain, extreme variation in current and future weather patterns may impact Arrow's upstream supply chain as well as the ability to distribute products to customers. Extreme weather variability complicates the planning, timing, and execution of the transportation of goods. Supply chain disruption, particularly for a prolonged period, may increase Arrow's operation costs and impact revenues. Temperatures across the globe are expected to rise as the impact of climate change increases. This could increase Arrow's energy demand for cooling increasing operating costs, cause transportation delays, and impact employee health and well-being.



Chapter 8



Appendix

Appendix

Environmental Data

GHG Emissions

Building Usage (MWh)		
	Scope 1	Scope 2
2021	40,636	68,462
2022	39,326	63,272

Location-Based Carbon Emissions				
	Scope 1 (mtCO2e)	Scope 2 (mtCO2e)	\$M of Revenue	GHG Emissions Intensity (mtCO2e / US \$M revenue)
2021	11,768	30,513	34,477	1.2
2022	11,675	28,437	37,124	1.1

Market-Based Carbon Emissions				
	Scope 1 (mtCO2e)	Scope 2 (mtCO2e)	\$M of Revenue	GHG Emissions Intensity (mtCO2e / US \$M revenue)
2021	11,768	29,900	34,477	1.2
2022	11,675	25,061	37,124	1.0

2023 Carbon Emissions Reduction Goal (mtCO2e)	
2022	2025 Goal
36,736	33,062

Methodology & Assumptions

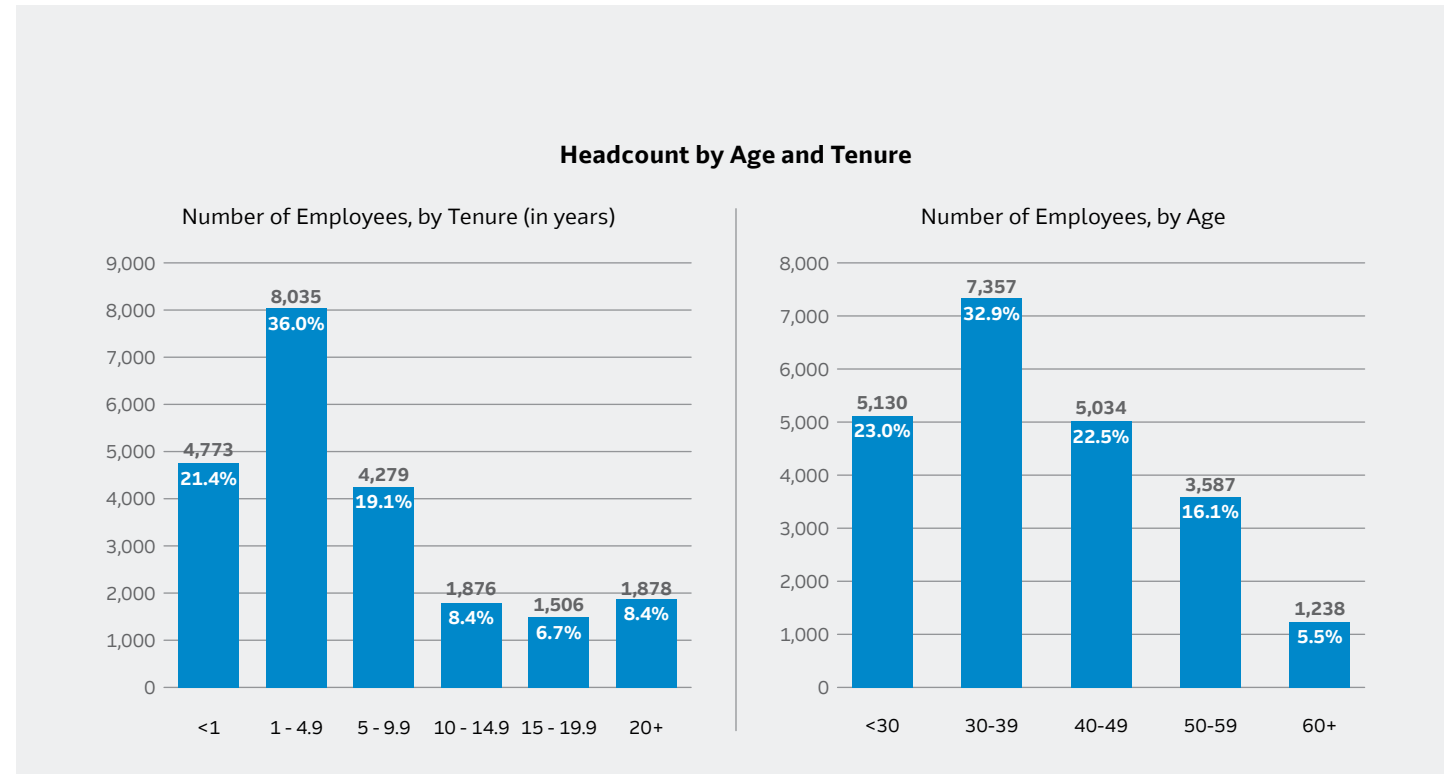
- All Building Energy Usage data has been converted to its MWh equivalent for comparison purposes and does not include fleet data.
- Building Energy Usage, Location-Based Carbon Emissions, and Market-Based Carbon Emissions data is representative of all Arrow sites globally.
 - Actual data was not available for all sites (table summary below)
 - Scope 1 (Non-Fleet) and Scope 2 usage were extrapolated using a third-party vetted energy use intensity by region and building type where actual data was not available.
 - For sites with no Scope 1 (Non-Fleet) data available, the assumption was made that all sites are using natural gas for stationary combustion.

	Scope 1 (Non-Fleet)		Scope 2	
	2021	2022	2021	2022
% Actual Data(SF)	38%	32%	71%	69%
% Estimated Data (SF)	62%	68%	29%	31%

- Scope 1 Fleet emissions are extrapolated to represent 100% of Arrow's fleet. Data was available for 91% of Arrow's fleet and emissions for this portion were calculated using the actual count of vehicles, manufacturer emissions factors for each vehicle, and annual distance driven. Annual distance driven was captured using actual mileage data, where available, or the maximum allowable mileage per Arrow's vehicle contracts. The emissions for the remaining 9% of Arrow's fleet were calculated using the average emissions intensity from 91% of our fleet with actual data.
- Other sources of Scope 1 emissions such as refrigerants and generator were currently deemed immaterial and not captured in the data.
- Emissions data is calculated using guidance from the Greenhouse Gas Protocol. Emissions factors used to calculate metric tons of carbon dioxide equivalent were sourced from: 2006 IPCC Guidelines for National Greenhouse Gas Inventories, the U.S. EPA Emission Factors for Greenhouse Gas Inventories, the U.S. EPA Emissions & Generation Resource Integrated Database (eGRID), UK DEFRA and the IEA.

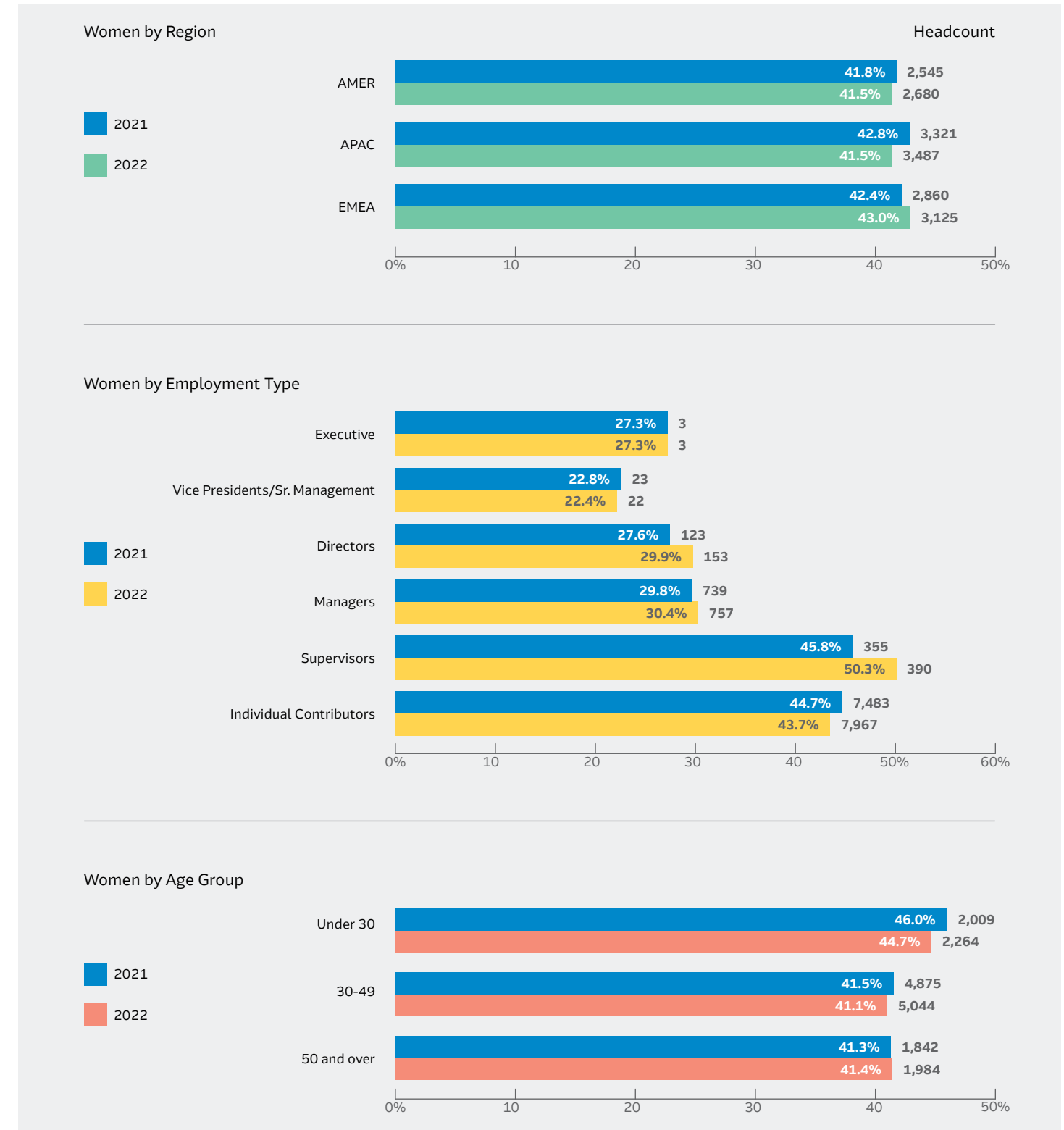
Social Data

as of December 31, 2022



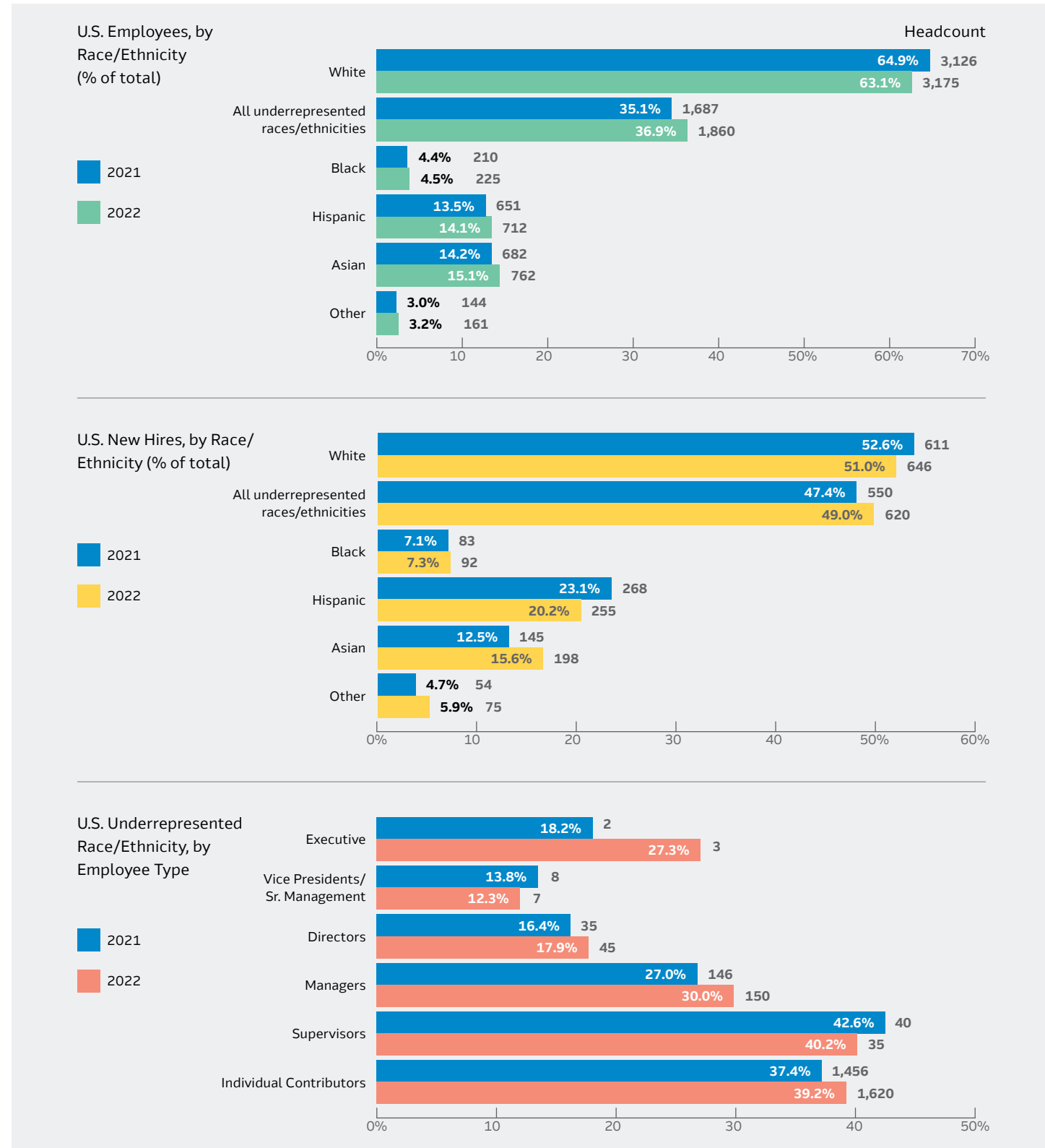
Global Gender Demographics, Women

Active Employees, December 31, 2022



Underrepresented Race/Ethnicity Demographics

Active Employees, December 31, 2022



U.S. EEO-1 Report

Percentage Representation

Female	American Indian or Alaskan Native	Asian	Black	Hispanic	Native Hawaiian or Pacific Islander	Two or More Races	White
Executive/Sr. Officials & Managers	0%	0%	6%	0%	0%	0%	94%
First/Mid Officials & Managers	0%	9%	4%	9%	1%	1%	75%
Professionals	1%	11%	4%	10%	0%	2%	72%
Technicians	0%	38%	13%	0%	0%	0%	50%
Sales Workers	0%	4%	2%	8%	0%	1%	86%
Administrative Support	0%	7%	9%	11%	1%	2%	68%
Operatives	1%	27%	4%	44%	2%	1%	21%
Service Workers	0%	0%	0%	0%	0%	0%	0%
Female Total	0%	12%	4%	16%	1%	2%	65%

Male	American Indian or Alaskan Native	Asian	Black	Hispanic	Native Hawaiian or Pacific Islander	Two or More Races	White
Executive/Sr. Officials & Managers	0%	7%	5%	2%	0%	2%	84%
First/Mid Officials & Managers	0%	15%	2%	8%	0%	2%	73%
Professionals	0%	22%	4%	7%	0%	2%	65%
Technicians	0%	16%	14%	7%	2%	2%	59%
Sales Workers	0%	4%	2%	7%	0%	1%	86%
Administrative Support	1%	5%	9%	14%	0%	6%	66%
Operatives	2%	21%	8%	30%	2%	2%	35%
Service Workers	0%	0%	0%	0%	0%	0%	100%
Male Total	1%	16%	4%	11%	0%	2%	66%

Total	Female	Male
Executive/Sr. Officials & Managers	23%	77%
First/Mid Officials & Managers	37%	63%
Professionals	39%	61%
Technicians	15%	85%
Sales	45%	55%
Administrative Support	63%	37%
Operatives	47%	53%
Service Workers	0%	100%
Total	43%	57%

Headcount Representation

Job Categories	Hispanic or Latino		Not Hispanic or Latino												Overall Totals
	Male	Female	Male						Female						
			White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaskan Native	Two or More Races	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaskan Native	Two or More Races	
Executive/Sr. Officials & Managers	1	0	48	3	0	4	0	1	16	1	0	0	0	0	74
First/Mid Officials & Managers	42	28	398	10	0	82	1	11	239	14	2	30	1	4	862
Professionals	77	67	694	38	2	232	3	17	489	28	1	73	4	15	1740
Technicians	3	0	26	6	1	7	0	1	4	1	0	3	0	0	52
Sales Workers	31	30	407	9	2	17	2	6	336	6	0	14	0	4	864
Administrative Support	22	31	105	14	0	8	1	10	186	25	4	19	1	6	432
Craft Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operatives	142	185	166	39	9	97	9	9	90	19	10	114	3	3	895
Laborers & Helpers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Service Workers	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1
Total	318	341	1845	119	14	447	16	55	1360	94	17	253	9	32	4920
Previous Report Total	259	312	1663	97	14	423	13	45	1270	80	16	232	10	28	4462

U.S. Safety Data

Arrow Injury History - Does Not Include COVID-19 Cases ¹	2022	2021	2020	2019	2018
Number of Cases					
Total number of fatalities	0	0	0	0	0
Total number of cases with days away from work	10	17	10	25	30
Total number of cases with job transfer or restriction	34	22	26	37	35
Total number of other recordable cases	13	11	14	13	17
Number of Days					
Total number of days away from work for all cases	771	1345	250	1381	1621
Total number of days of job transfer or restrictions	863	1112	777	822	759
Rates					
Total Recordable (TRIR)	1.57	1.28	1.00	1.57	1.90
Lost Work Day (DAFWII)	0.27	0.43	0.20	0.52	0.69
Days Away Restricted Time (DART)	1.21	1.00	0.72	1.29	1.51
Experience Modification (EMR)	0.52	0.52	0.51	0.66	0.65

Arrow Injury History - Including COVID-19 Cases ¹	2022	2021	2020	2019	2018
Number of Cases					
Total number of fatalities	0	0	-	-	-
Total number of cases with days away from work	385	145	-	-	-
Total number of cases with job transfer or restriction	34	22	-	-	-
Total number of other recordable cases	13	11	-	-	-
Number of Days					
Total number of days away from work for all cases	4241	2342	-	-	-
Total number of days of job transfer or restrictions	863	1112	-	-	-
Rates					
Total Recordable (TRIR)	11.95	4.57	-	-	-
Lost Work Day (DAFWII)	10.65	3.72	-	-	-
Days Away Restricted Time (DART)	11.59	4.28	-	-	-
Experience Modification (EMR)	0.52	0.52	0.51	0.66	0.65

¹ OSHA requires employers to report annually all employee illness, injuries, or fatalities that are work-related and result in death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness. OSHA has interpreted the requirement to include reports of confirmed COVID-19 cases that are "work-related" and result in one of the aforementioned consequences. Where employees cannot identify the source of a COVID-19 exposure or otherwise exclude exposure at work, Arrow has included that COVID-19 report on our logs of recordable cases. For ease of comparison to pre-pandemic data, we have included results excluding COVID-19 cases as well as totals including COVID-19 cases for 2022 and 2021. Data represents information available as of March 20, 2023.



Information Regarding Forward-Looking Statements

This report includes “forward-looking statements,” as the term is defined under the federal securities laws. Forward-looking statements are those statements that are not statements of historical fact. These forward-looking statements can be identified by forward-looking words such as “expects,” “anticipates,” “intends,” “plans,” “may,” “will,” “believes,” “seeks,” “estimates,” and similar expressions. These statements are based on management’s current opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results, including, but not limited to, our ESG commitments, strategies and initiatives; our business plans and strategy; our products, services and solutions; and our stakeholder engagement efforts. These forward-looking statements are only predictions, not historical fact, and involve certain risks and uncertainties, as well as assumptions. Actual results, levels of activity, performance, achievements and events could differ materially from those stated, anticipated or implied by such forward-looking statements. While Arrow believes that its assumptions are reasonable, it is very difficult to predict the impact of known factors, and of course, it is impossible to anticipate all factors that could affect actual results. There are many risks and uncertainties that could cause actual results to differ materially from forward-looking statements herein including, most prominently, the risks discussed under the heading “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022 filed with the U.S. Securities and Exchange Commission (“SEC”) on February 9, 2023 as well as other factors described from time to time in Arrow’s filings with the SEC. Such forward-looking statements are made only as of the date of this release.

Arrow undertakes no obligation to publicly update or revise any forward-looking statement because of new information, future events, or otherwise, except as otherwise required by law. If we do update one or more forward-looking statements, no inference should be made that we will make additional updates with respect to those or other forward-looking statements.



Arrow Electronics guides innovation forward for over 210,000 leading technology manufacturers and service providers. With 2022 sales of \$37.1B, Arrow develops technology solutions that improve business and daily life. Learn more at arrow.com/fiveyearsout



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