

# Environmental, Social, and Governance 2023 Report

March 2024



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# Letter from our CEO



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 that allows us to consistently 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.

Last year, this mindset served as our guide while navigating a challenging environment. Though several of the external factors we faced were unfavorable, our global team demonstrated persistence, resilience, and dedication to our customers and suppliers.

When you work in the world of Five Years Out, technology moves 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 remain invested in our environmental, social, and governance strategy that advances both business and stakeholder imperatives, as you will see reflected in our priorities. Technology — driven by the electrification of everything, including renewable energy, artificial intelligence, and autonomous vehicles — is at the center of our business and has the potential to improve lives while (1) growing demand for the electronic components and enterprise IT products we sell, (2) expanding our customer and supplier rosters, (3) amplifying addressable markets, and (4) increasing value for stakeholders.

With innovation and impact as our guides, our actions reflect Arrow's long-term strategy. To further emphasize our commitment to strategic and operational excellence, we are dedicated to delivering positive environmental, social, and governance outcomes.

In the pages that follow, we provide more information about our sustainable business mindset and action that intends to best serve our stakeholders. We welcome your input throughout the year and value your support.

Sincerely,

**Sean J. Kerins**

President and Chief Executive Officer





Office in Shenzhen, China

# About this report

The 2023 ESG Report discloses ESG goals, results, and related performance updates on topics that are most relevant to our business. All content and data contained in this report are specific to Arrow Electronics, Inc., and its wholly-owned subsidiaries (collectively, “Arrow”), for the 2023 calendar year (January 1 through December 31, 2023), unless otherwise stated. Certain historical data illustrating progress over time has also been included. Arrow has published voluntary ESG reports since 2021, which are available at [arrow.com/company/purpose/environmental-social-governance](https://arrow.com/company/purpose/environmental-social-governance).

The contents of this report include subject matter most relevant to our business, with a specific focus on Multiline and Specialty Retailers & Distributors as outlined by the [Sustainability Accounting Standards Board \(SASB\)](#), and include alignment with the disclosure as outlined in the guidance from the [Task Force on Climate-Related Financial Disclosures \(TCFD\)](#).

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

To provide feedback on this report, please email [ESG@arrow.com](mailto:ESG@arrow.com).

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# About Arrow

## Company overview

### AT A GLANCE

Arrow Electronics, Inc. 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 help industrial and commercial customers introduce innovative products, reduce time to market, and enhance overall competitiveness.

The supply chain is core to our business: We are at the center of the global electronics ecosystem, continuously matching supply from technology creators to the demand of technology customers. Every day, thousands of Arrow supply chain executors work harmoniously, across time zones and expertise verticals, to deliver fulfillment experiences that are unparalleled, while overcoming challenges along the way. We monitor and manage quality, cost, continuity of supply, and other factors differently depending on the type of supplier and where they are located in the value chain. We connect people to technology to help create a better tomorrow.

The people who live and work here 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.

At Arrow, we think Five Years Out to bridge the gap between what's possible and the practical technologies to make it happen.



Founded in **1935**



NYSE **ARW**



Countries with employees **53**



Headquartered in **Centennial, Colorado**



Fortune **109**



Sales **\$33.1 billion**



Locations **233**

### Supply chain scope

#### Upstream



**Component manufacturers**

Make electronics and other technologies



**Consumable suppliers**

Make office supplies and equipment and other products and services that Arrow uses



#### Arrow

Organizes and manages product transportation, storage, and distribution to customers

In some cases, Arrow assembles or integrates electronic components with others before sending them to customers

#### Downstream



**Customers**

Receive electronics and technology for use in computers, phones, vehicles, and other applications

**OUR EXPERTISE**

We are guiding innovation forward in the following categories to help customers create a better tomorrow. Our broad portfolio spans the entire technology landscape to help customers create, make, and manage forward-thinking products that make the benefits of technology accessible to as many people as possible.



**Aerospace and defense**

Take advantage of our more than 70 years of experience supplying aerospace and defense customers with the components and finished goods they need to take flight.



**Cloud**

As a leader in the global cloud revolution, we provide the consultation, design, hardware, and software to promote nearly any cloud environment.



**Consumer electronics**

Always adapting alongside you, we're your companion in making everyday life extraordinary through the power of technology.



**Data center**

Stay ahead of technologies, anticipate business model shifts, and create relevant, secure data centers designed for the future of your industry.



**Design engineering**

When you're an innovator dreaming on the edge of tomorrow, our engineering services can help you take your ideas from imagination to innovation.



**Healthcare and medical**

We collaborate with innovators to navigate the intricate terrain of the present while paving the way for tomorrow's innovations.



**Industrial**

With over 30 years of industrial experience, we harness our expertise to help you shape the boundless possibilities of Industry 4.0.



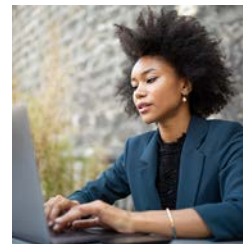
**Lighting**

Efficient and reliable solid-state lighting (SSL) technologies help bring your new design elements, new fixtures, new standards, and new ideas to life.



**Power management**

Electronic, passive, and electromechanical product expertise helps make meaningful differences in your approach to power management.



**Security**

Safeguard the physical, the digital, and everything in between while helping us drive change within the security industry.



**Supply chain**

Dynamic conditions in business, geopolitics, and economics make it challenging for companies to orchestrate and govern design, production, and delivery pipelines. Our supply chain services help you navigate solutions.



**Transportation**

Bring the technology puzzle together through curated expertise and the underlying global infrastructure you need to drive competitive advantage.

Learn more about our technology products, services, and solutions on our company website: [arrow.com/company](https://arrow.com/company).

## Global numbers

### OPERATIONS

#### Global view

85+ Countries served

233 Locations

180+ Sales locations

39 Distribution and value-added centers

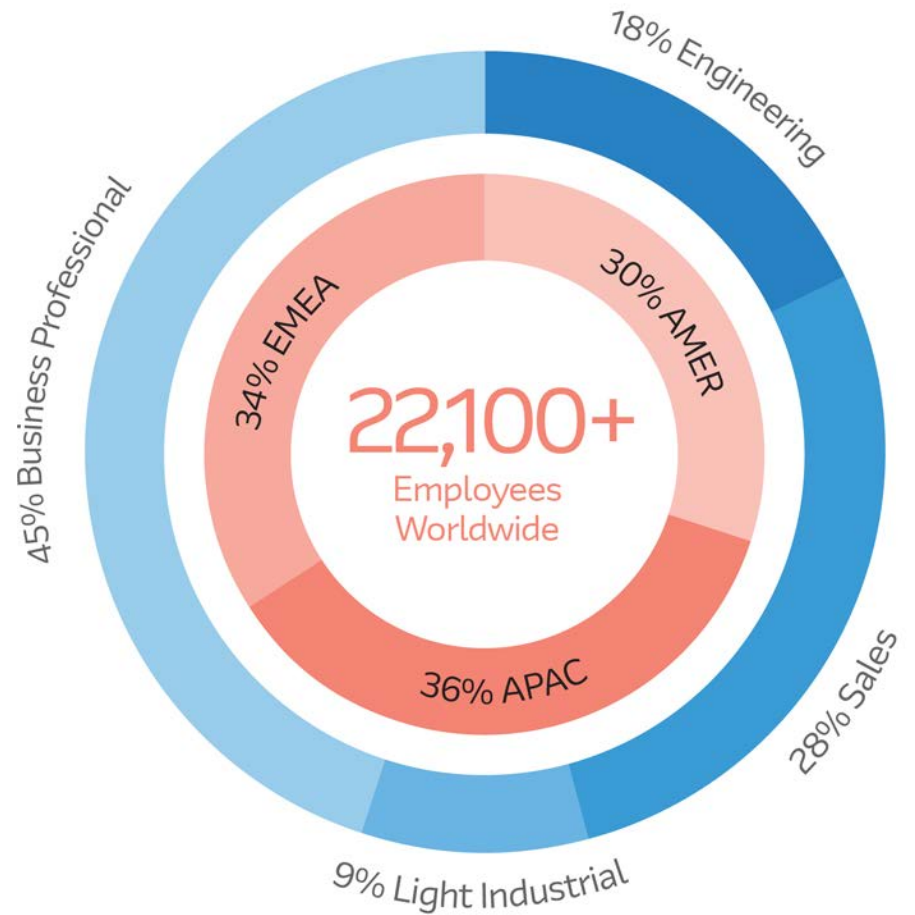
#### Countries with employees



#### Employees worldwide



### GLOBAL WORKFORCE







## Awards and recognition

### ARROW AWARDS AND RECOGNITION

Tomorrow’s technology relies on today’s teamwork. We strive to anticipate how technology, markets, and people are evolving, and with this insight, how our leaders and employees can adapt to technological advances, both in how we work and how we serve our customers. In 2023, we received the following awards and recognition around the world:

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

TOPPED CATEGORY FOR  
THE **TENTH CONSECUTIVE YEAR**

Fortune’s the World’s Most  
Admired Companies



Top 50 Most  
Admired Companies for HR



International Inclusion Award  
and the Diversity Champion Award  
by Diversiton



Bloomberg Gender-Equality Index



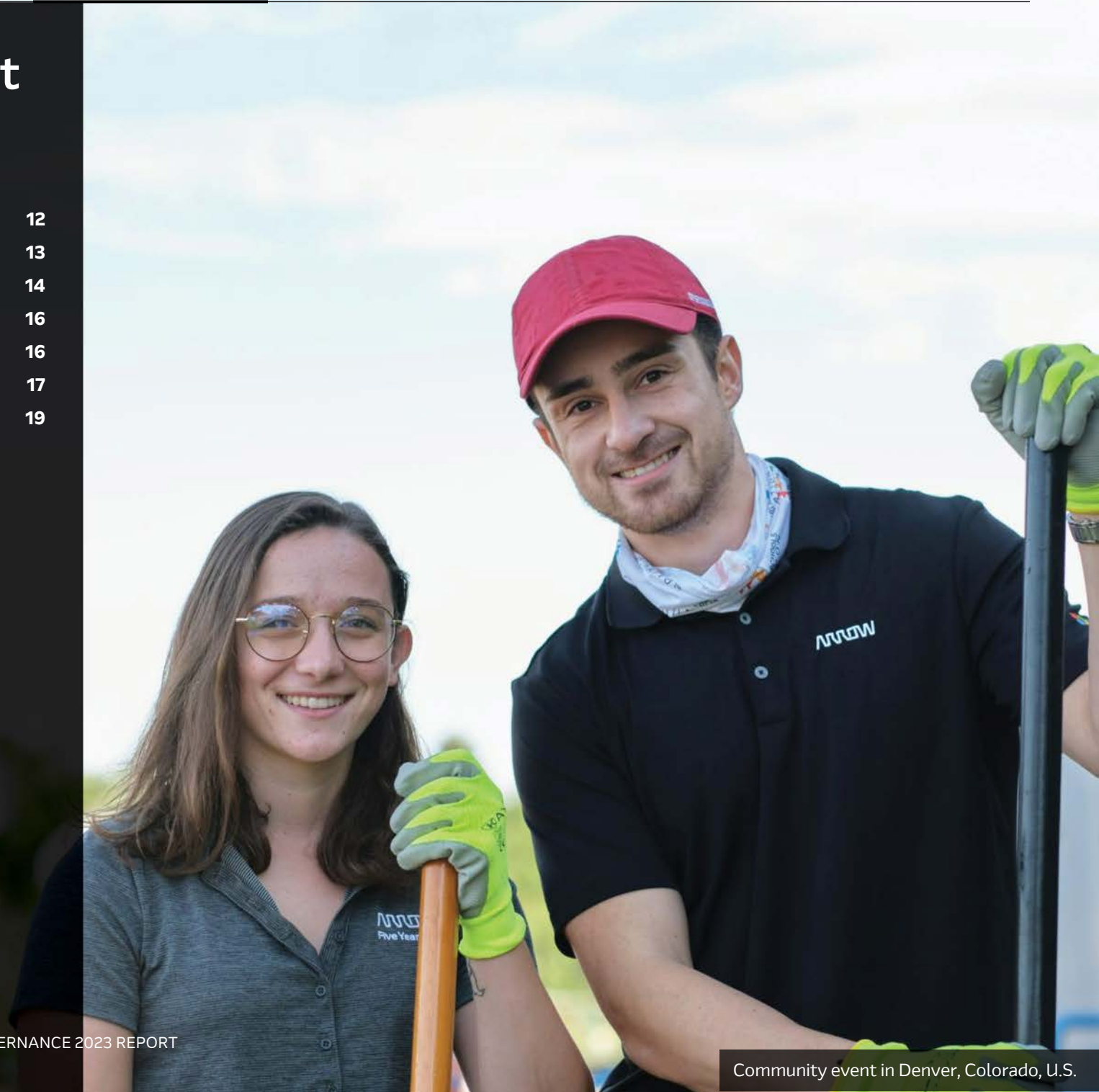
Disability Equality Index-Best Place to Work  
for Disability Inclusion



Human Rights Campaign-Corporate  
Equality Index

# Our commitment to ESG

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# Our 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 ties directly to our business strategy and can create positive outcomes for our stakeholders and the long-term sustainability of our company.

## ESG priorities assessment

As part of our ongoing process to enhance ESG strategy, we continue to evaluate risks, opportunities, and impacts that inform our priorities. In 2022, we conducted an ESG priorities assessment, collecting input from a broad range of stakeholders to identify and prioritize topics where we have the potential to achieve the most progress. In 2023, we continued stakeholder engagement and moved forward on our ESG priorities and operational plan. This included engaging a third party to further guide a cross-functional team of ESG experts, business participants, and other internal and external stakeholders to further refine priority topics for Arrow as defined by the evolving ESG landscape and impending legislative and regulatory requirements. The priorities that are reflected in this report are aligned with TCFD and SASB definitions, which differ from the definition of “material” or “materiality” used in the context of filings with the U.S. Securities and Exchange Commission (SEC). ESG-related issues considered material for SEC filings can be found within Arrow’s [Form 10-K](#) for fiscal year 2023, filed on February 13, 2024.



- Energy efficiency
- Environmental regulatory compliance
- GHG emissions
- Supply chain - environment



- Employee diversity, equity, and inclusion



- Supply chain - human rights
- Business ethics and integrity
- Governance, ownership, and accountability
- Regulatory compliance practices
- Privacy and data security








**Gretchen K. Zech,**  
Senior Vice President, Chief Governance,  
Sustainability, and Human Resources Officer

We are proud to release Arrow’s 2023 ESG Report, reflecting our accountability for corporate citizenship that intends to grow stakeholder value. We understand that our unique position as a technology-centric, go-to-market, and supply chain services company, and 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 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.

## Stakeholder engagement

We believe regular stakeholder engagement is an important component of our ESG strategy, allowing us to share our progress, gain valuable insights that inform our priorities, and work together toward common goals. In 2023, we continued our focus on engaging with our employees, customers, suppliers, investors, and communities, leveraging their unique perspectives to advance our overall objectives.

Stakeholders	Types of engagement
<p><b>Employees</b></p> 	<ul style="list-style-type: none"> <li>• Internal communications channels, including town hall meetings, emails, webcasts, and intranet</li> <li>• Employee feedback surveys</li> <li>• Development planning and performance reviews</li> <li>• Training and education programs</li> <li>• Employee support portal</li> <li>• Wellbeing and community campaigns</li> <li>• Employee volunteer opportunities</li> <li>• Anonymous whistleblower hotline</li> </ul>
<p><b>Customers</b></p> 	<ul style="list-style-type: none"> <li>• Business reviews</li> <li>• ESG inquiry support</li> <li>• Customer due diligence</li> <li>• Anonymous whistleblower hotline</li> </ul>
<p><b>Suppliers</b></p> 	<ul style="list-style-type: none"> <li>• Business reviews</li> <li>• Business Partner Code of Conduct and Ethics</li> <li>• Supplier due diligence</li> <li>• Anonymous whistleblower hotline</li> </ul>
<p><b>Investors</b></p> 	<ul style="list-style-type: none"> <li>• Investor engagement</li> <li>• Earnings calls</li> <li>• Financial filings</li> <li>• ESG reporting and ratings</li> </ul>
<p><b>Communities</b></p> 	<ul style="list-style-type: none"> <li>• Employee volunteer events</li> <li>• Charitable grants</li> <li>• Employee donation match program</li> <li>• Humanitarian technology projects</li> </ul>

## ESG governance

Arrow believes 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.

### BOARD OF DIRECTORS AND COMMITTEES

Arrow's ESG responsibility starts at the top and permeates throughout our business. [Arrow's Board of Directors](#) (the Board), primarily through committees, is accountable for ensuring ESG risks and opportunities are integrated into our long-term strategy. It receives regular updates on ESG matters at meetings, reviews and approves ESG-related disclosures, and advises on significant strategic investments.

Our Board has three standing committees: Audit; Compensation; and Corporate Governance.

Each committee follows a written charter (available within Arrow's [Governance Documents](#)) and plays a role in the oversight of ESG-related practices at Arrow.

For a description of each Board committee's role in the Company's ESG program, please see the section "Environmental, Social, and Governance Oversight" in our [Proxy Statement](#) filed with the SEC March 26, 2024.

### MANAGEMENT

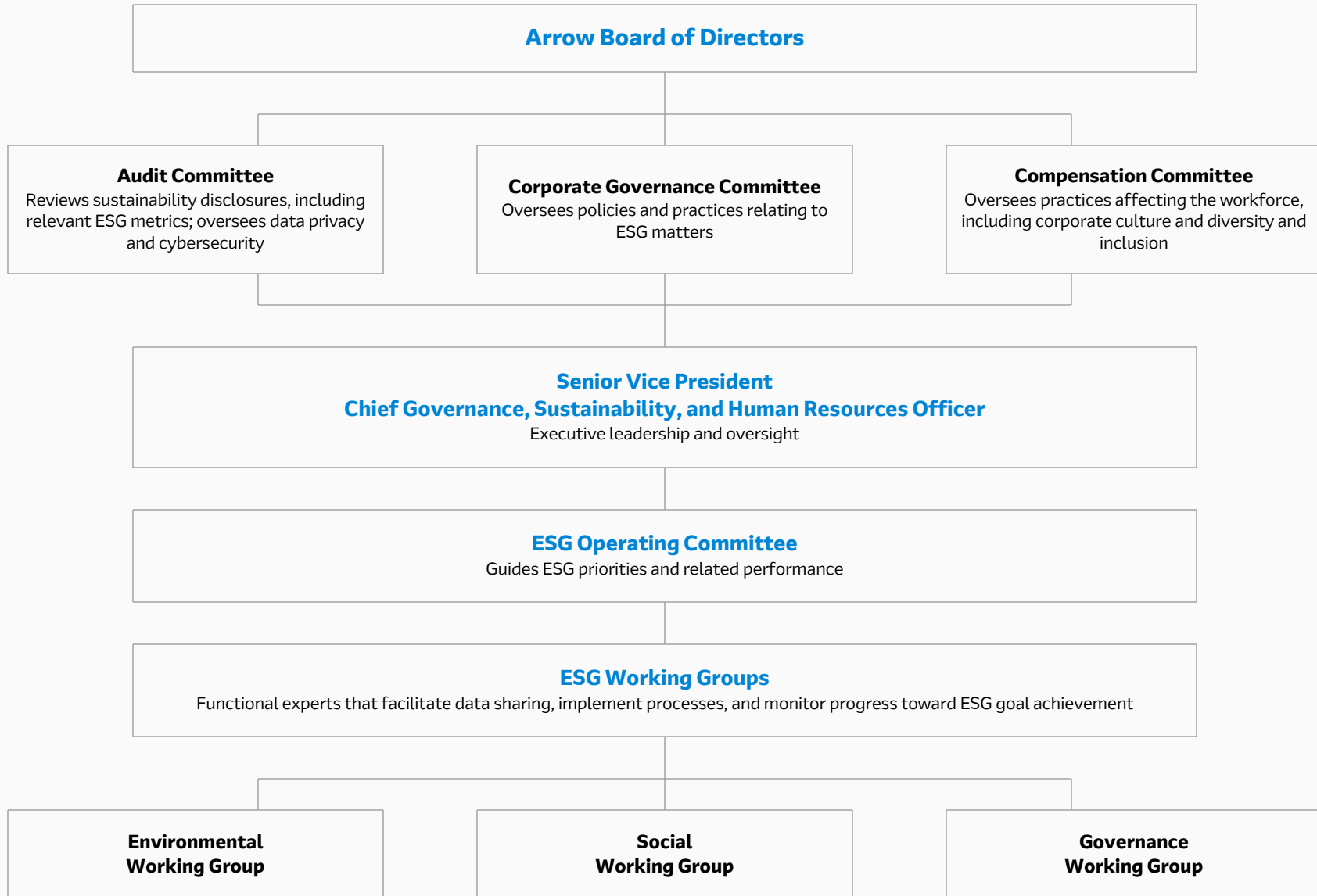
Within management, we have appointed executive-level leadership of ESG matters to the senior vice president, chief governance, sustainability, and human resources officer, who reports to the CEO and oversees our cross-functional ESG program.

Our ESG Operating Committee (ESGOC) identifies our ESG-related risks, opportunities, and impacts, and comprises leaders in the sustainability, legal and compliance, real estate, facilities, corporate affairs, and human resources departments.

We also maintain ESG Working Groups to support ESG implementation, goal setting, and monitoring. These groups include the same departments as the ESGOC in addition to finance and risk management, IT and data security, procurement, supply chain operations, and marketing and communications. It also features our global business units, which are critical cross-functional departments for implementation and goal-setting and monitoring.



The below chart shows our internal ESG governance structure:





Distribution center in Guadalajara, Mexico

### Environmental oversight

At Arrow, environmental stewardship and accountability are present across the organization, from our Board to our site-level management teams, including:

- Corporate sustainability team develops global strategies and executes on projects to increase environmental stewardship
- Real estate and facilities teams factor in climate-related risks, building efficiency, and other sustainability opportunities in site selection and facility upgrades
- Quality teams manage adherence to related standards and certifications to drive ongoing performance improvement

### Social oversight

In addition to the Compensation Committee and the ESGOC, our human capital strategy and programs are managed by the global human resources leadership team. Several cross-functional internal governance committees also focus on best practices and compliance standards, as well as setting strategic priorities and goals in specific areas, including:

- Work(place) Forward
- Employee benefits and compensation programs
- HR technology

These committees ensure teams are focused on work that aligns with our overall ESG strategy and goals.





Office in Hong Kong

## 2023 ESG goals and results

### ENVIRONMENTAL



**GOAL 1:** Continue to reduce Scope 1 and 2 emissions in 2023, supporting our multiyear goal to reduce Scope 1 and 2 emissions by 10% across all Arrow locations and fleet by the end of 2025.

**RESULTS:** Achieved. Reduced Scope 1 and 2 emissions by 11.6% across all Arrow locations and fleet in 2023, positioning Arrow to achieve our target reduction of 10% by 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.

**RESULTS:** Exceeded. Baselined all nine relevant 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



**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 multiyear goal to grow representation by two percentage points in each category by the end of 2025.

**RESULTS:** Partially achieved. In 2023, representation of women leaders globally declined by 0.78 percentage points, and representation of leaders who are of underrepresented race/ethnicity grew by 0.04 percentage points. While Arrow succeeded in increasing leadership representation of underrepresented race/ethnicity in the U.S. during 2023, we fell short on our goal to increase leadership representation of women globally. Arrow made progress on our women leadership representation goal through July 31, 2023, but year-end global women leadership representation was negatively impacted by an organizational simplification initiative.

In August of 2023, Arrow embarked on an enterprise-wide initiative to simplify the company's organizational structure and optimize communication and accountability by reducing the number of management layers between front-line employees and the CEO. Consequently, Arrow's global gender leadership diversity regressed following the restructuring of more than 400 front-line management roles globally. This impact on leadership gender diversity representation was driven primarily by the level of the specific roles that were impacted, primarily Supervisor and Manager level roles where women comprise a higher percentage of leadership roles.

We remain committed to our multiyear aspiration of growing diverse leadership representation on our journey to align Arrow's leadership representation with our overall employee representation and the total available talent market in the communities where we operate around the world.



**GOAL 2:** Continue ongoing global pay equity analysis and adjust pay where appropriate to close any pay equity gaps.

**RESULTS:** Achieved. As of December 31, 2023, completed pay gap analyses for countries with a population of 100 or more employees, representing 96.4% of our global employee population, and made adjustments to close gaps.

GOVERNANCE



**GOAL 1:**

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

**RESULTS:**

Achieved. For 30 of Arrow's top strategic suppliers, confirmed that these partners remain committed to the principles in Arrow's Business Partner Code of Conduct and Ethics. Sixteen of the targeted suppliers affirmatively attested to Arrow's Business Partner Code of Conduct and Ethics, and the remaining 14 are committed to substantially similar codes.

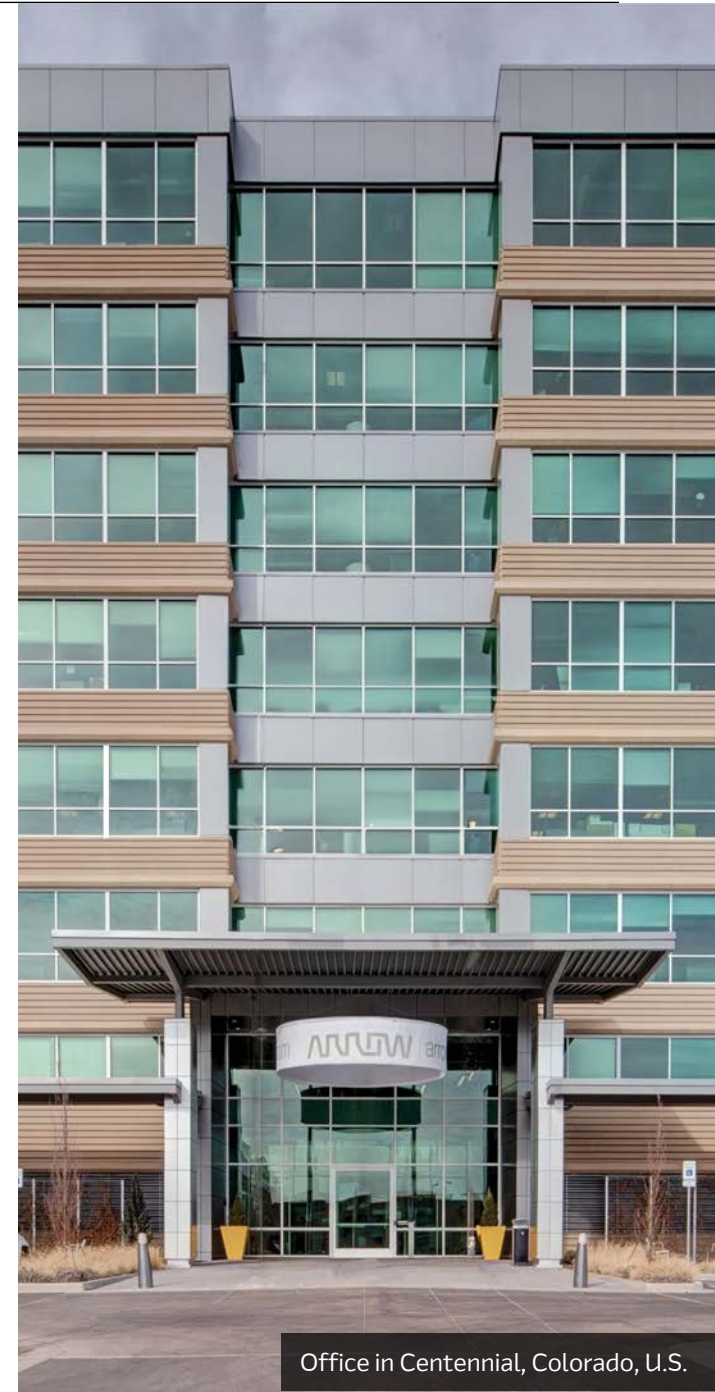


**GOAL 2:**

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

**RESULTS:**

Achieved. Engaged with 30 of Arrow's top strategic suppliers to obtain responses to Arrow's due diligence questionnaire ("DDQ"), addressing risks in areas including human rights and environmental protection. Nineteen suppliers completed the DDQ; for the remaining 11, responses were determined based on policy materials, position statements, and other information either provided by the supplier or publicly available.



Office in Centennial, Colorado, U.S.

## 2024 ESG goals

### ENVIRONMENTAL



**GOAL 1:**

Continue to reduce Scope 1 and 2 emissions in 2024, supporting our multiyear goal to reduce Scope 1 and 2 emissions by 10% across all Arrow locations and fleet by the end of 2025.



**GOAL 2:**

Set science-based targets (SBTs) in alignment with the Science Based Targets initiative (SBTI) by 2025 and reinforce with the long-term aspiration to achieve 100% renewable electricity as may be available by 2030.

### SOCIAL



**GOAL 1:**

Implement a new leadership development program to prepare high-potential individual contributors for future leadership opportunities and incorporate robust inclusion training into HR-sponsored leadership development programs, supporting our multiyear aspiration that leadership representation of women leaders globally and leaders who are of underrepresented race/ethnicity in the U.S. aligns with our overall employee representation and with the total available talent market in the communities where we operate around the world.



**GOAL 2:**

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

### GOVERNANCE



**GOAL 1:**

Implement mechanisms to continuously collect employee feedback on effectiveness of compliance resources and perception of ethical culture.



**GOAL 2:**

Deploy a globally centralized, external-facing privacy management tool to enable more efficient administration of user privacy preferences.



# Environmental

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# Environmental

## Environmental strategy overview

At Arrow, we take a strategic approach to reducing our carbon footprint and energy, water, and material consumption. As detailed in our [Global Environmental Sustainability Policy](#), we strive to reduce environmental impacts to improve the health and wellbeing of our planet and its people through the integration of environmental sustainability principles across our global operations and value chain.

**Our strategy includes three pillars:**



**Climate  
and energy**



**Sustainable  
operations**



**Stakeholder  
engagement**

Together, these pillars allow us to measure, manage, and reduce our environmental impact, while educating and empowering our employees and partners to do the same.

## Climate and energy

### GHG emissions

We aim to reduce greenhouse gas (GHG) emissions to do our part in the fight against global climate change. We have taken steps to expand our emissions reporting, improve data capture and quality, further evaluate climate risks and opportunities, and augment our commitment to GHG emissions reduction.

**Key accomplishments in 2023 include:**

- Committed to setting near-term science-based targets via the [SBTi](#)
- Completed a baseline of relevant Scope 3 emissions categories
- Completed a quantitative evaluation of climate risks and opportunities in accordance with [TCFD](#) guidance
- Launched a global emissions management and reporting tool



**SCOPE 1 AND SCOPE 2 EMISSIONS**

Throughout 2023, we continued to make progress against our Scope 1 and Scope 2 emissions reduction goals. We have achieved an 11.6% emissions reduction compared with 2022, primarily because of our efforts to:

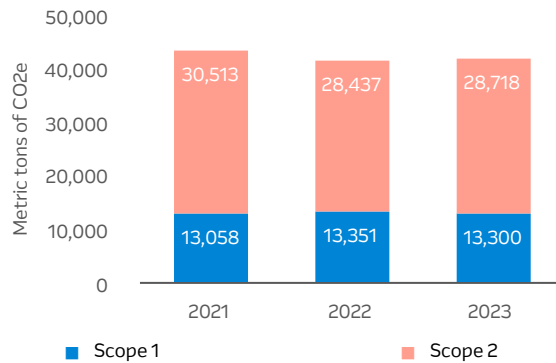
- Reduce the space we need to power, light, heat, and cool
- Improve building and system efficiency
- Procure energy from renewable sources
- Electrify our fleet

Supporting our overall Scope 1 and Scope 2 emissions reduction, we saw a decrease in our building energy consumption in 2023. Also in 2023, we completed the implementation of a global utility bill management system to track energy usage and emissions across our facilities and fleet. This system enables us to increase actual energy data capture while reducing the risk of potential error through process automation.

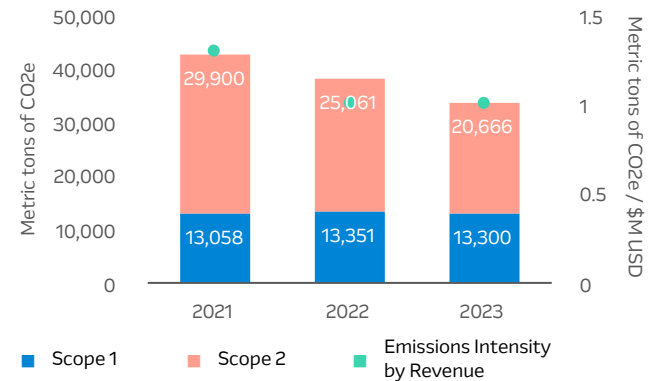
Environmental Reporting Roadmap					
ESG Report year					
	2021	2022	2023	2024	2025
<b>Scope 1 &amp; Scope 2</b>	<i>Partial</i>	Comprehensive			
<b>Scope 3</b>	<i>Not reported</i>		Comprehensive (relevant categories only)		
<b>Task Force on Climate-Related Financial Disclosures<sup>(1)</sup></b>	<i>Limited</i>	<i>Qualitative</i>	Comprehensive		
<b>SBTi Science-based targets</b>	<i>None</i>		<i>Committed</i>	Target set	

<sup>(1)</sup> With the recent disbandment of TCFD, we are exploring International Sustainability Standards Board (ISSB) standards as potential guidelines for future reporting.

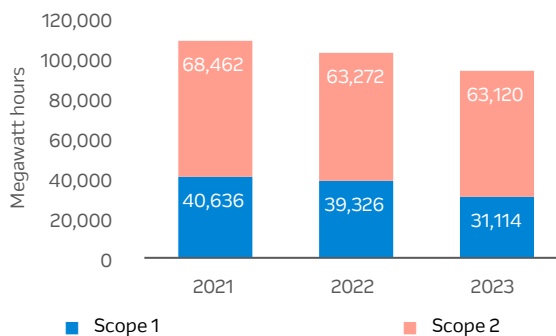
**Location-based Emissions**



**Market-based Emissions**



**Scope 1 and Scope 2 Building Energy Use**



Note: 2021 and 2022 Scope 1 emissions values were impacted by an update to our Scope 1 fleet emissions methodology, see page 85 for details.

**SCOPE 3 EMISSIONS**

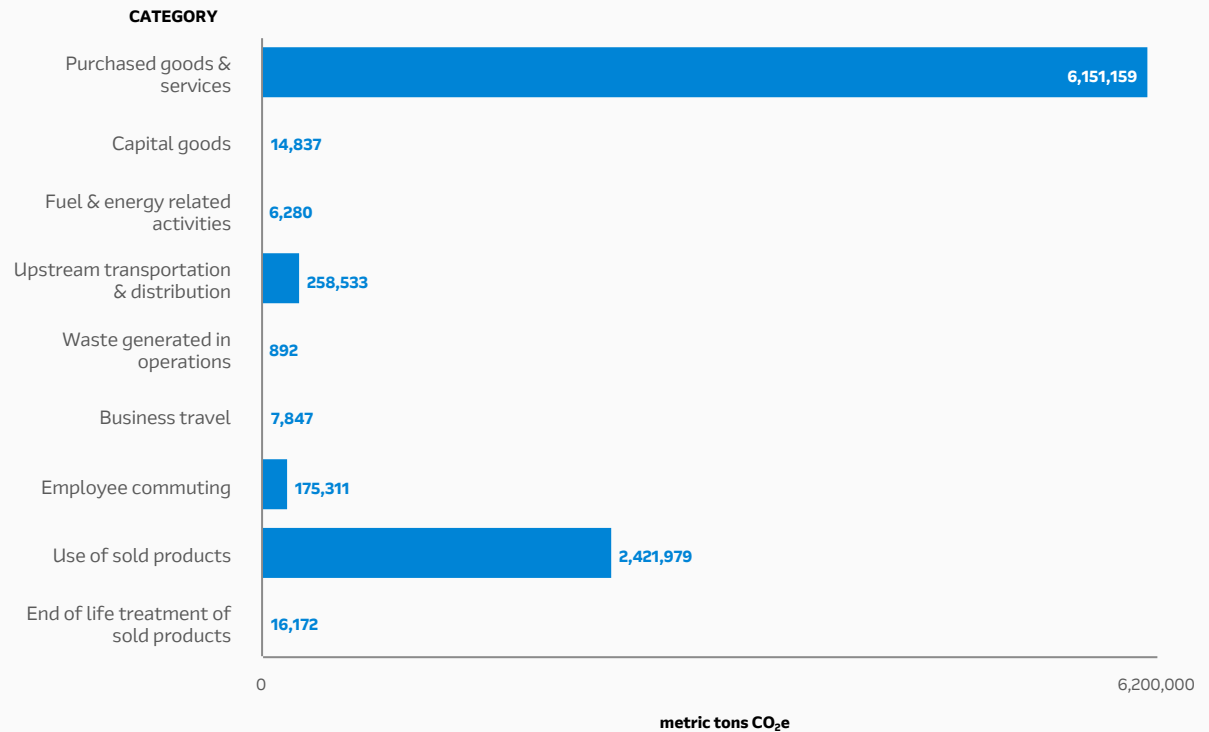
In 2023, one of our most significant accomplishments within our climate and energy pillar was our successful baseline of all relevant Scope 3 emission categories. During an ESG priority assessment conducted with the support of a third party, relevant categories included:

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

We collaborated cross-functionally across our business units to collect the necessary data to complete this baseline and integrate that data into a newly implemented global emissions management system. We performed these calculations in accordance with the [Greenhouse Gas Protocol](#), just as we did with Scope 1 and Scope 2 emissions. Details regarding the methodology for specific categories can be found in the [Environmental metrics](#) section of this report.

Our two largest categories of Scope 3 emissions include “purchased goods and services” and “use of sold products”. Given the nature of these categories, collaboration with our suppliers and customers will be a critical component of our strategy so we can collectively identify opportunities for efficiency and decarbonization throughout our product life cycle.

**Scope 3 emissions**



**Moving forward, we strive to:**

- Increase data capture and accuracy to allow us to reduce estimation within our Scopes 1, 2, and 3 reporting
- Migrate from spend-based calculations to more specific Scope 3 calculation methodologies
- Further supplement our Scope 3 reporting with product carbon footprint information as well as data provided by our suppliers
- Leverage this data to identify mechanisms for Scope 3 emissions reductions across our value chain



## Efficiency

Efficiency is a fundamental building block to our climate and energy strategy. We believe the cleanest energy is energy not used.

**Throughout the year, we focused our efficiency strategy on conducting energy asset audits aimed at:**

- Garnering further insight into the energy infrastructure throughout our facilities
- Providing the data necessary to develop an informed, strategic approach to future energy efficiency upgrades
- Identifying quick and affordable opportunities for increased efficiency

We conducted energy asset audits across our facilities globally and reached 41% by area, including each of our largest facilities. For each location, these audits resulted in a report detailing the current energy infrastructure as well as the potential energy efficiency gains from equipment retrofit or replacements. Though we were able to perform several energy efficiency projects throughout 2023, the results of our 2023 audits will allow us to pursue a programmatic approach to energy efficiency upgrades in future years.

**Energy efficiency projects completed in 2023 include LED lighting retrofits and HVAC upgrades at multiple facilities.**



24

**Number of locations that received energy audits**



10%

**Percentage of global locations that received energy audits**



7

**Global energy efficiency projects completed**



82

**Energy savings in MWh from efficiency projects**



Energy audit at office in Centennial, Colorado, U.S.



Energy audit at office in Centennial, Colorado, U.S.

Consolidations and closures across our portfolio were one of the largest contributors to efficiency gains in 2023, resulting in 1,575 MWh of energy saved annually, or 2% of global energy use.

In addition to our efficiency work, we will report annually on our energy use intensity, both globally and regionally, as we believe transparency helps drive action and accountability.

**Progress**

**Energy use intensity (MWh/sq. ft.)**

**Global**

AMER

APAC

EMEA

**2022**

**2023**

15.53

15.41

9.92

21.68

18.18

13.42

9.92

11.9

## Renewable energy

After efficiency, renewable energy procurement is the next step in GHG emissions reduction.

In 2023, renewable energy accounted for 26% of our electricity globally. Our renewable energy portfolio consisted primarily of procurement through utility green power programs with some limited, landlord-owned rooftop solar arrays. In 2023, we joined the [Clean Energy Buyers Association](#) to leverage best-practice renewable educational offerings as we work to further accelerate and tailor our approach to renewable energy.

Moving forward, we intend to increase the maturity of our renewable energy program. We are excited to announce our aspiration to achieve 100% renewable energy globally by 2030. To achieve this goal, we have developed a comprehensive renewable procurement strategy that aligns cost optimization with environmental impact reduction. This strategy prioritizes the integration of new renewable energy sources into the grids where we operate and emphasizes positive social impact in local communities.

### Key elements of our strategy include:

- Deploying on-site renewables at our locations, where feasible
- Leveraging net-new, high-impact regional renewable energy projects to complement on-site solutions
- Utilizing utility green power programs and, if necessary, unbundled renewable energy certificates to address any gaps

Throughout 2024, we intend to ramp up our renewable procurement via utility green power programs while preparing to engage in regional projects that provide net-new renewables, as well as social impact benefits, within the U.S. and Canada. We have begun this process through our recent engagement with [Evergreen Renewables Inc.](#) to procure 5,000 MWh annually from 2024 to 2034.

Also, in 2024, we will continue evaluating renewable procurement opportunities across EMEA and APAC that align with our strategic objectives.

### Progress

Amount of electricity derived from renewable sources (MWh)	2022	2023
<b>Global</b>	7,266	16,232
AMER	5,399	13,744
APAC	73	88
EMEA	1,794	2,399



## Fleet

We understand our vehicle fleet contributes to a meaningful portion of our Scope 1 emissions — and we are working to reduce those emissions. Our primary strategy for fleet-emissions reduction has been transitioning our largest fleet in EMEA to hybrid and electric vehicles. We plan to continue this transition, where feasible.

In 2022, 25% of our fleet was made up of electric or hybrid vehicles. In 2023, this percentage increased to 40%.

To facilitate the transition to electric and hybrid vehicles, we continue to support the deployment of EV-charging infrastructure. In 2023, 100 EV-charging stations were available to Arrow employees at 18 of our locations across the globe.

In addition to our work with vehicle electrification and charging infrastructure, we plan to conduct an evaluation of any potential opportunities for fleet reduction or the implementation of additional mobility policies.

### Progress

Fleet Details	2022	2023
Global fleet vehicle count	1,647	1,702
EMEA fleet vehicle count	1,553	1,619
Global electric/hybrid fleet vehicle count	417	679
Percentage of total fleet vehicles that are electric/hybrid	25%	40%



EV charging station in Neu-Isenburg, Germany

## Sustainable operations

### Environmental management

Our [Global Environmental Sustainability Policy](#) provides a set of guiding principles for our approach to sustainable operations and environmental management. This policy highlights our approach to reducing our carbon footprint and promotes a culture of environmental stewardship (and much more).

Beyond internal policy, we have implemented environmental and energy management systems to methodically manage our environmental and energy activities while monitoring and mitigating potential risks. Our systems contain policies, controls, processes, and tools that help us drive process improvements while maintaining compliance.

We currently operate 11 sites with environmental management systems that meet [14001:2015](#) certification requirements set by the International Organization for Standardization (ISO). Additionally, we operate one site with an energy management system that meets ISO's [50001:2018](#) standard. ISO's criteria contain best-management practices that we utilize to reduce our environmental footprint and more efficiently measure our energy use reduction strategies.

To ensure these systems remain effective, we audit them annually and engage with ISO auditors to evaluate them as part of recertification. Additionally, we annually assess environmental risks during our enterprise risk assessment of large facilities; we assess smaller buildings periodically.

As stated in our 2022 report, we embarked on a three-year effort to expand [ISO certifications](#) to additional locations. Additionally, we monitor, assess, and prepare 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. We compile this information and share it with internal teams to ensure understanding and compliance.

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



Primary distribution center in Reno, Nevada, U.S.

#### Environmental ISO Footprint

**11**

Locations ISO 14001 certified

**1**

Location ISO 50001 certified

**51%**

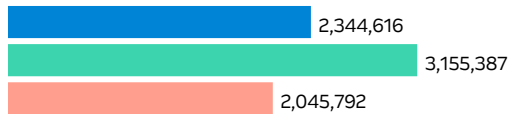
Percentage of employees at ISO-certified sites required to adhere to management system requirements

## Real estate portfolio

Our real estate portfolio contains 233 buildings and spans 7,545,795 square feet. The emissions produced across this portfolio make up a significant portion of our Scope 1 emissions and all our Scope 2 emissions.

In 2023, we consolidated 12 locations and 27,977 square feet globally. These consolidations support our emissions reduction efforts, as well as providing waste and water-use reduction benefits.

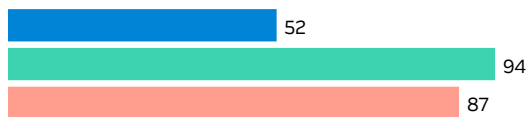
**Facilities area by region (sq. ft.)**



**Consolidated area by region (sq. ft.)**



**Facilities count by region**



AMER APAC EMEA

For the remainder of our portfolio, we have developed a sustainable real estate framework consisting of four components:

- A sustainable building scorecard, which evaluates criteria for assessing environmental performance at existing sites
- Sustainable leasing language, which provides standardized sustainability language for consideration in all future leases
- Sustainable fit-out guidance, which provides recommendations for selecting environmentally responsible systems and materials during fit-out
- A sustainable operations guide, which includes standard operating procedures for our buildings

While we have developed this framework and implemented components of it throughout 2023, the [formal policy](#) has been released with this report in 2024.

Additionally, we developed a centralized global repository for tracking projects across our portfolio. This sustainability project tracker is available to all employees with the ability to influence and implement projects, such as green building certifications and energy efficiency upgrades.



**3**  
LEED-certified buildings



**3**  
WELL-certified buildings



**6**  
BREEM-certified offices



**5**  
Other green building certifications (i.e., ENERGY STAR & DGNB)

## Transportation and distribution

Our transportation, distribution, and logistics teams are committed to driving supply chain efficiency. Our logistics network optimization initiative gathers data on the frequency and mode of inbound and outbound shipments along with other essential data.

This enables us to:

- Balance the rate of product shipping so we don't overship or undership, improving customer satisfaction while reducing costs, packaging, and transportation-related GHG 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 service fulfillment given our available resources

In addition to ensuring our systems are optimized, we plan to work with our transportation carrier partners to measure and reduce our environmental footprint. We have engaged in discussions with these partners to learn more about sustainable transportation topics, such as fleet electrification programs and sustainable aviation fuel procurement.

Our 2023 baseline of our Scope 3 upstream transportation and distribution emissions provided further insight into our emissions by mode and region. In 2024, we plan to integrate mileage and/or fuel consumption data into our spend-based approach to drive further transparency and help us better understand opportunities for future reduction. We are also integrating GHG emission metrics as we aim to enhance our capabilities in network optimization and supply chain modeling.

### Carbon emissions by mode

26%

Air

73%

Ground

0%

Rail

1%

Sea

### Carbon emissions by region

74%

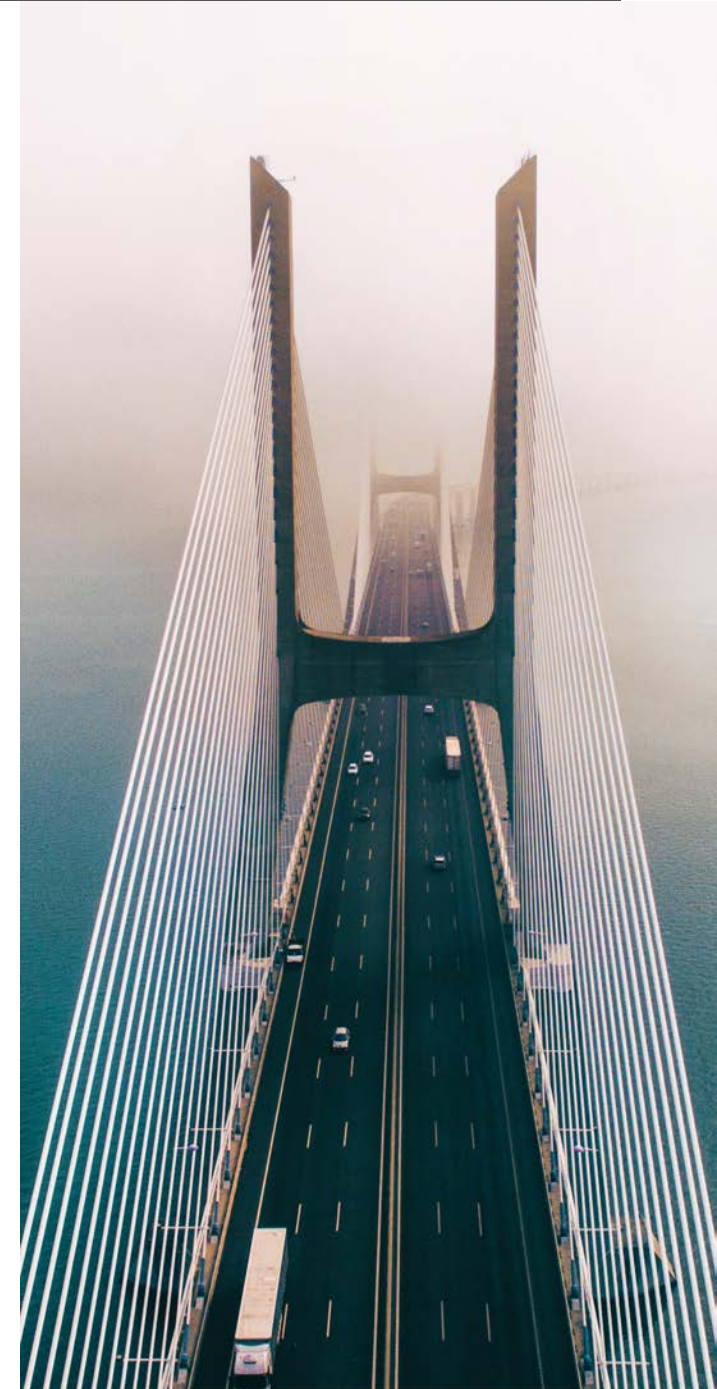
AMER

8%

APAC

18%

EMEA





## Waste

While we are not a large waste generator, we do work to responsibly manage the use and disposal of materials to protect the environment, reduce landfill waste, and comply with applicable laws. We strive to reduce and properly dispose of materials generated within our operations and reduce, reuse, and recycle product packaging and electronic components, where feasible.

In 2023, we began efforts to baseline measurements for waste generated globally. We collected preliminary data to:

- Develop our Scope 3 emissions baseline for the “waste generated in operations” category
- Prioritize our largest sites to maximize our impact
- Prepare us to assess and prioritize future waste management programs

Our baseline shows that we generated 7,424,403 pounds of waste globally throughout the year.

- 4,748,607 pounds of recycled waste
- 2,614,228 pounds of landfill waste
- 61,568 pounds of other waste

Given that actual data represented only 55% of our operations by square footage, we plan to further expand data capture in 2024.

Also in 2023, we deployed a new composting program at our headquarters in Centennial, Colorado, in conjunction with a revamped recycling program to increase our waste diversion rate and reduce our environmental impact. This program has resulted in 46,342 pounds of diverted waste since its introduction in September.

Managing electronic waste, also known as e-waste, is especially important given our relationship to electronic components. Our IT department organizes reuse, recycling, and remarketing programs as needed to dispose of electronic waste safely.

In 2023, our e-waste program globally resulted in:

	<b>6,333</b> E-waste assets recycled		<b>3,289</b> E-waste assets remarketed
	<b>78,304 lbs</b> E-waste diverted from landfills		

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





Distribution center in Shenzhen, China

## Packaging

Packaging is essential to protecting the items that we receive, transport, and distribute. Packaging is also one of our largest sources of waste, which is why we have made efforts to reduce the amount of materials needed for our packaging operations.

Efficient use of packaging also drives cost savings, as shipping costs are calculated based on the weight of a box's contents as well as the amount of space it occupies. Both factors also impact the emissions related to distributing a box. Therefore, our efforts to efficiently package help reduce shipping costs, the likelihood of damage, the amount of packaging material needed, and the amount of fuel needed to transport.

Different packaging initiatives are in place at our largest warehouses to help maximize efficiency. At one of our distribution centers in North America, third-party packaging engineers assessed our parcels and shipping data to help us identify optimal box sizes to fit our most commonly shipped goods.

At our largest distribution center in Europe, we utilize an automated system that fits a box to its contents to eliminate unused space while transitioning to the use of recyclable paper from plastic peanuts and cushioning. Additionally, in Europe, we are consolidating multiple order lines into a single parcel to reduce the number of packages used as well as the amount of cardboard and packaging material used; this has resulted in an 8.4% reduction in cartons shipped over the past year. We have also modified our label printing processes to reduce labels by 153,592 annually.

Many of our packages stem from inbound electronic components manufacturers that also work to optimize their packaging to reduce costs, emissions, and excess material usage. These manufacturer partners often use paper, wood, and recyclable content, which avoids generating plastic and non-recyclable waste. While we do not control manufacturer packaging practices, we do reuse packaging and filling materials where feasible across our global operations. As we continue to mature our environmental supplier engagement program, we will encourage and share packaging optimization practices.



## Water

As a distributor of electronic components and other products and services, our direct operations are not water-intensive. Water within our operations is used for drinking, sanitation, and landscaping, as well as for cooling in select data centers.

We forecast potential future water-related risks and availability, including considering water during climate-scenario modeling as part of our alignment to the [TCFD framework](#) and during our quarterly enterprise risk assessments. Our enterprise risk assessments allow us to prepare for severe weather events and water outages in our business continuity plans to ensure the continuity of water supplies. To date, our risk assessments have found that water-related risks and availability do not have the potential to materially disrupt our operations.

Due to worsening drought and water insecurity, we conserve water where we can and include conservation criteria in our facility-management processes. In several buildings we manage, we have installed low-flow toilets, hand-sensor faucets, and xeriscaping.

## Environmental engagement

### Employee

We understand that we maximize our impact when we empower our community to take sustainable action. We engage with our employees globally by hosting environmentally focused events, developing and distributing educational materials, and offering regular programming.

Our events in 2023 included our annual Earth Month campaign, during which we hosted 31 engagement opportunities along with 962 employees participating in our programming. Our 2023 programming also included our inaugural sustainable commuting campaign, On-the-Go Arrow. During this campaign, 820 employees participated, with their sustainable commuting choices resulting in the prevention of 19.9 metric tons of carbon emissions through 146,200 kilometers traveled by biking, walking, taking public transit, or carpooling.

In 2023, we also officially launched our global green team, which 171 employees joined. For these employees, we further built out educational resources accessible across the globe, including an optional environmental education training program, monthly sustainable action guides, and rotating sustainability stories.

Overall, throughout the year, our employee environmental engagement programs featured 1,714 employees and spanned 34 countries.



Earth Month campaign event in Denver, Colorado, U.S.

## Supplier

Given our unique position in the value chain and vast network of partners, developing a robust supplier environmental engagement program is a critical part of our sustainability strategy.

In 2023, we continued our membership with the [Responsible Business Alliance](#) (RBA) at the supporter level. Our membership allows us to work alongside industry partners in support of the RBA vision and mission toward driving sustainable value for the environment as well as for workers and businesses throughout the global supply chain. Other benefits to our RBA membership include the ability to collaborate with other leaders across the supply chain, access tools such as RBA-Online, improve efficiency through shared supply chain assessments, and ensure we are leaders on emerging issues related to supply chain sustainability. As part of our RBA membership, we also participated in its inaugural emissions survey.

As evidence of best practice for our suppliers, we also annually submit our response to [CDP](#) and complete the [EcoVadis](#) assessment. Throughout the year, our priority was to further develop our supplier engagement strategy and prepare for a more formal program launch in 2024.

Activities included:

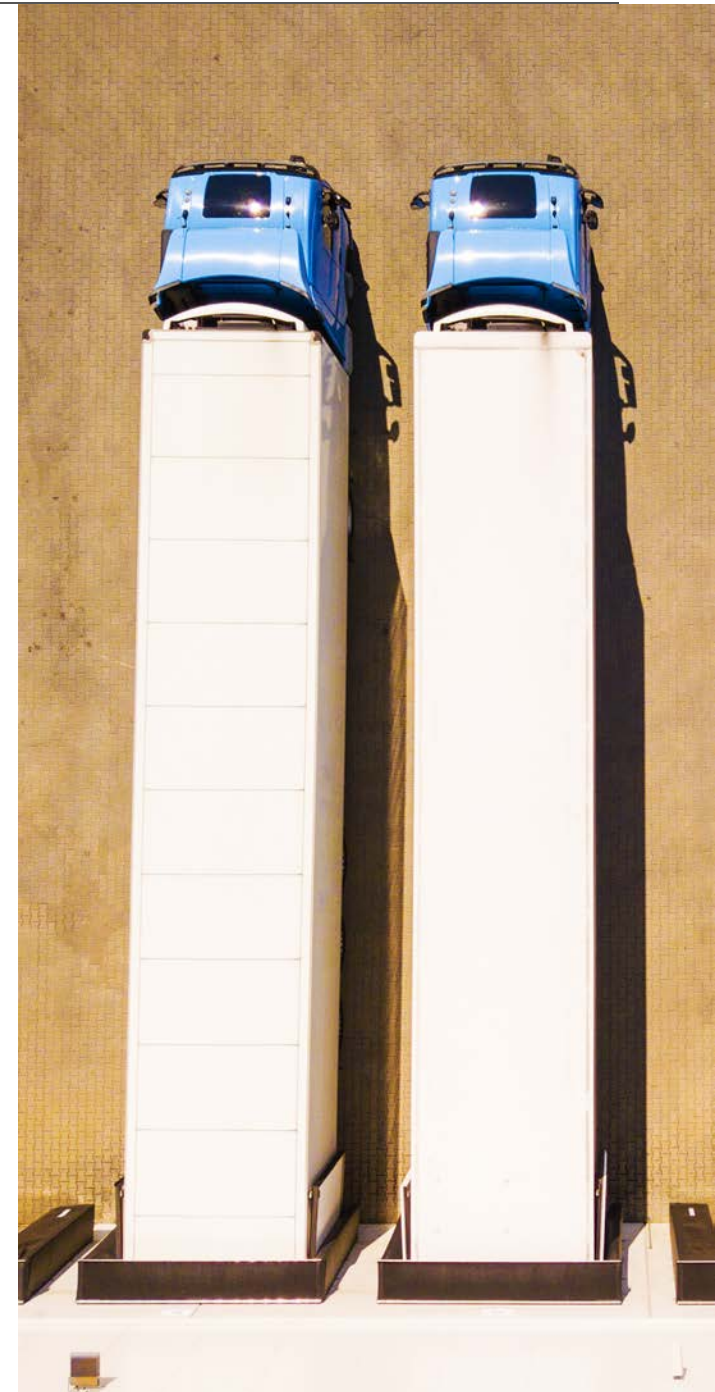
- A third-party engagement to determine a desired future state process
- An analysis of Scope 3 emissions by supplier to help prioritize outreach
- An evaluation of supplier emissions portals
- Preparation for supplier education offerings

## Customer

Just as supplier engagement is critical to our success, we understand how important it is for our customers to engage with us.

We aim to partner with our customers to help support their sustainability programs and provide insight into ours. We regularly engage in conversations with representatives from our customers' sustainability teams, respond to customer requests, and track customer inquiries so we can adapt our strategy to best meet the needs of our customers.

Additionally, we work to increase our reporting maturity and transparency to give customers access to the data needed for their own environmental programs.



# Social

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# Social

## Social strategy overview

At Arrow, we recognize that our innovation, performance, brand, and value are powered by our people. We believe grounding our efforts in our purpose — enabling technology solutions that make a positive difference in people’s lives — attracts, retains, and unifies the kind of people who thrive here. Over the coming years, we will continue to build from where we are today to the next level — Five Years Out.

### Purpose

We believe in enabling technology solutions that make a positive difference in people’s lives.



#### People

We believe in a workplace that works forward for all.

**Work(place) Forward culture**  
Embracing inclusion and diversity as catalysts for innovation in technology and driving a future-focused work experience

**Work(force) Forward culture**  
Adapting and supporting our unique workforce in line with our values

**Community Forward culture**  
Harnessing the power of our teams to benefit the lives and communities where we operate around the world



#### Work

We believe in work that elevates career opportunity for all.

**Skill growth**  
Growing agile learners at scale

**Career opportunity growth**  
Creating pathways for lateral and upward movement at scale



#### Rewards

We believe in rewards that improve performance outcomes for all.

**Career equity growth**  
Compounding knowledge, skills, abilities, experiences, and rewards at scale

**Performance growth**  
Creating value by driving a performance culture



Office in Centennial, Colorado, U.S.

# People

## WE BELIEVE IN A WORKPLACE THAT WORKS FORWARD FOR ALL

### Inclusion and diversity

We recognize that our innovation, performance, brand, and value are powered by our people. Our global team’s diverse backgrounds, experiences, and viewpoints empower us to anticipate and exceed the expectations of our customers in the broadest sense of the word.

Our team is comprised of persons from every corner of the world, making us 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 focus on the future. This is what makes working every day at Arrow an innovative professional experience.

We know we can find and develop talent wherever we choose to look and invest. We continue to grow our team in a way that is reflective of the talent available in the communities where we operate around the world. We embrace ongoing diversity, equity, and inclusion as catalysts for innovation in the workplace and believe in equal opportunities for all.

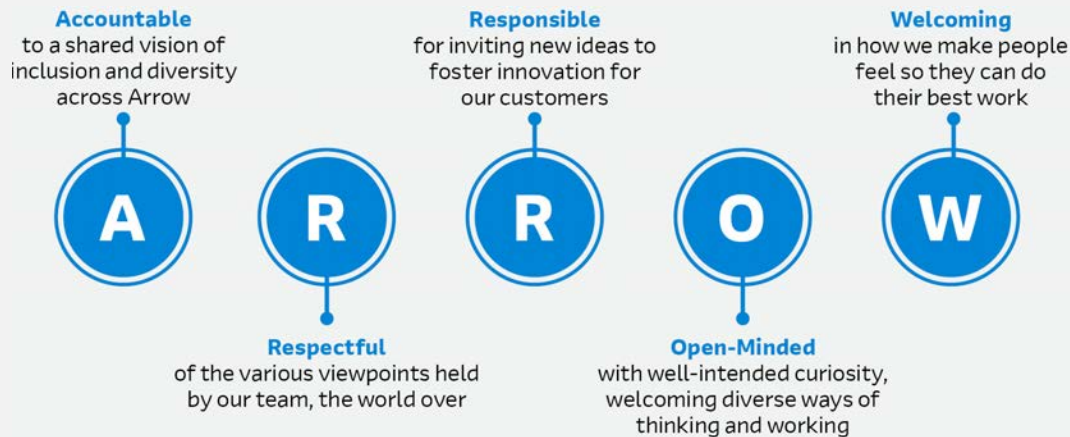
We describe this growth mindset as Work(place) Forward.



Office in Hong Kong

### ARROW'S INCLUSION PRINCIPLES

Our commitment to inclusion and diversity is supported with dedicated training to instill awareness, application, and accountability of our inclusion principles.



Our global Work(place) Forward enterprise anticipates how technology, markets, and people are evolving. With this insight, our leaders and employees can adapt to both how we work and how we serve our customers.

**Strategic priorities for global Work(place) Forward:**



**Multicultural and global advantage in technology**



**Inclusion and diversity as catalysts for innovation**



**Advancement of women in technology**



**Advancement of people with disabilities**



**Future work experience**

**Work(place) Forward in action**

In 2023, we launched several global initiatives to drive our workforce and workplace experiences for employees. Key accomplishments include:

- **Multicultural calendar:** Celebrated our multicultural advantage by publishing a global calendar featuring holidays and observances from around the world
- **Everyday inclusion workshops:** Engaged leaders in each region to explore our inclusion principles to foster a team environment centered around respect, innovation, and collaboration
- **Advancement of women:** Invested in women in our workforce via our Amplify and Arrow Women Empowerment (AWE) programs to grow skills and confidence through learning and executive networking
- **Multicultural competency:** Introduced a multicultural competency performance indicator to hold all leaders accountable for welcoming individual differences and unique perspectives
- **Digital training:** Ongoing refreshment and deployment of required employee and manager digital training content to reinforce our inclusion principles and the importance of our global strategic priorities



Office in Harrogate, England, U.K.



## Employee engagement

We strive to maintain a thriving work experience for all employees. One way we accomplish this is by collecting employee feedback, via surveys, to gain insights on employee satisfaction and engagement. With these insights, we adjust management practices to support continued alignment to our values, purpose, and brand.

In addition to our core service anniversary and new hire surveys, we also leverage periodic engagement pulse surveys, along with global development program surveys, to assess employee sentiment at key career moments.

### HOW WE MEASURE EMPLOYEE ENGAGEMENT: EMPLOYEE NET PROMOTER SCORE

Our Employee Net Promoter Score (eNPS) is based on responses to the following question in our service anniversary and new hire surveys: “I would recommend Arrow as a good place to work.”

Overall eNPS is calculated by subtracting the percentage of survey detractors from the percentage of promoters as represented on a scale from -100 to +100. Higher eNPS reflects higher employee satisfaction and engagement.

Our executive team monitors our eNPS on a monthly basis in conjunction with other human capital reporting measures and shares eNPS updates as part of the human capital strategy annual update to Arrow’s Board of Directors.

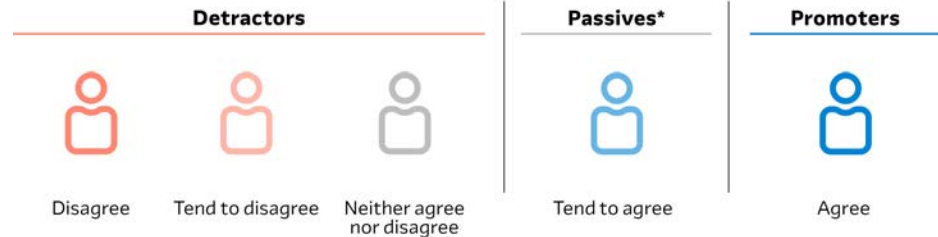
#### Arrow survey types

Survey	Audience	2023 response rate
<b>Service anniversary</b>	Deployed annually to employees within 60 days of their continuous service date	70%
<b>New hire</b>	Deployed to new hires within 90 days	67%

#### “I would recommend Arrow as a good place to work.”

How is eNPS calculated.

$$eNPS = \% \text{ of Promoters} - \% \text{ of Detractors}$$



\* Passives are excluded from the calculation of eNPS

### 2023 Arrow global eNPS = 53



## Talent attraction and recruiting

We believe in 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 by:

- Identifying market trends and gaps
- Distributing job postings through diverse internal and external channels
- Proactively sourcing candidates for unique skills and experience
- Using referral campaigns to access employees' diverse networks and professional affiliations
- Building inclusive and diverse interview and selection teams

## Employee safety

Our workforce is a valuable asset — and keeping our employees safe is a priority across the entire organization. This fundamental value plays a crucial role in helping us achieve success.

Employees at all levels within the organization are empowered to learn, practice, and enforce safety protocols and procedures. They all share a personal responsibility to promote a safe working environment and uphold a culture of risk awareness and loss prevention.

Health and safety compliance is monitored by multiple metrics and performance indicators, which we use to track progress and identify areas for improvement. Key metrics are included in the [U.S. safety data](#), within the [Social metrics](#) section of this report.



Distribution center in Shenzhen, China



Office in Shenzhen, China

## Work

### WE BELIEVE IN WORK THAT ELEVATES CAREER OPPORTUNITY FOR ALL

#### Global training and development

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.

We are committed to fostering a community of learners. To achieve this, we offer a wide range of development tools and programs to help our employees grow their knowledge, skills, and abilities at all levels within the organization. By providing career growth tools, our workforce can expand their professional contributions while maximizing their career investments.

#### CAREER INVESTORS: TRAINING FOR ALL

We encourage our employees to invest in their careers and provide tools to help them navigate the possibilities. Our Career Hub serves as an integrated platform that consolidates various tools and learning resources in one place and uses the power of artificial intelligence to provide personalized career advice to employees. It facilitates mentorship pairings, suggests connections with other employees, matches employees with internal job opportunities, and offers learning courses tailored to the skill sets that our employees aspire to cultivate.

**38%**

Employees who visited Career Hub

**35%**

Employees who highlighted Arrow career path interests within Career Hub

**700**

Mentorship pairs initiated in 2023

**63%**

Employees who engaged in voluntary learning

**\$860,000**

Invested in digital training in 2023

**LEADERSHIP DEVELOPMENT**

We value leadership excellence and invest in virtual and in-person instructor-led training for all management levels within the organization. Our training and development portfolio offers key development tracks to support:

- High-potential development for leaders preparing for the next step in their careers
- One Arrow essentials to build key leadership capabilities across the enterprise
- Targeted training to develop functional skills and/or augment capabilities

Our programs help employees develop how they deliver results at each career stage. Whether an employee is early in their career, new to the company, or a seasoned professional, our training and development programs support our employees’ long-term career growth and skills progression.

854

Leadership development program participants in 2023

91%

Retention of program participants for last two years

\$1,771

Average investment per participant

**Leadership programs**

**Key program features**

**Global Arrow Leadership Academy (GALA): Vice presidents and directors**

GALA is a seven-month program that focuses on the skills needed to lead at an enterprise level



In-person/virtual training



Assessments



Global networking



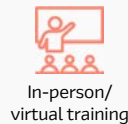
One-on-one coaching



Business simulation

**Leadership Excellence Program (LEP): Directors and senior managers**

LEP creates leaders who can bridge strategy and execution



In-person/virtual training



Assessments



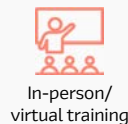
Action learning



One-on-one coaching

**Management Essentials (ME) and Management Essentials Plus (MEP): Managers**

ME and MEP build key capabilities in leadership skills, including coaching, delegation, managing conflict, and leading change



In-person/virtual training



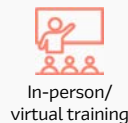
Assessments



Action learning

**Being the CEO of Your Career: Individual contributors**

Program focuses on key strategies to drive one’s own career and experience within the company



In-person/virtual training



Assessments



Office in Harrogate, England, U.K.

### EARLY CAREER TALENT

In addition to offering self-driven career tools and leadership development programs, we focus on attracting and preparing early career talent to expand Arrow’s capabilities and grow from the ground up.

Our focus on early career talent — interns, recent college graduates, and management trainees — also infuses diverse talent into our workforce. Globally, we have a portfolio of seven programs that we deliver both virtually and in person, helping us reach a broad, geographically dispersed population.

These programs provide a strong career foundation for participants and serve as an important talent pipeline for our organization. Participants gain insight into our business, experience individual and team learning, and develop practical and real-world work experience to accelerate their impact on driving our company forward.

### SKILLING FOR THE FUTURE

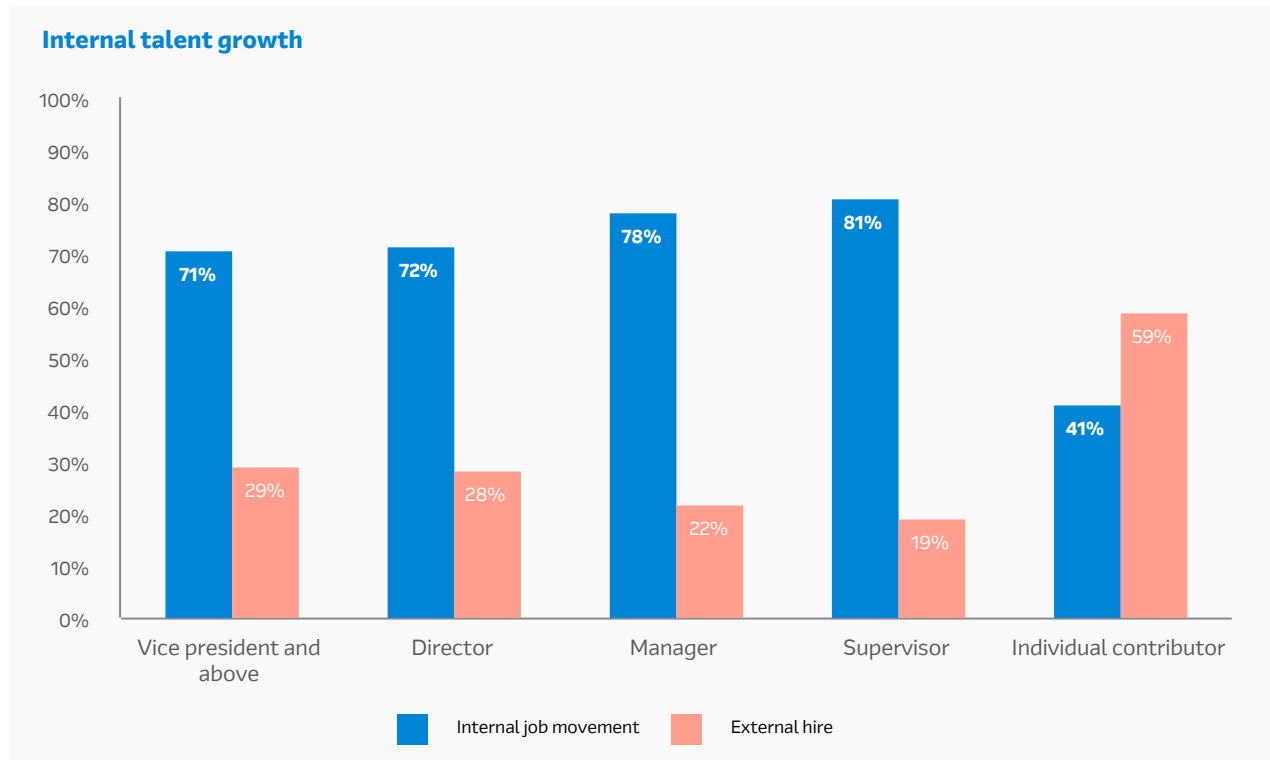
With advancements in technology and the changing skills landscape, reskilling and upskilling are essential to preparing our employees for the future. Our digital learning platform has almost 20,000 courses and on-demand digital training options, with skill pathways and certification tracks that employees can leverage to expand their knowledge and expertise. These resources allow our employees to maximize their career growth and ensure their skill sets remain competitive. Employee capability growth helps us facilitate innovation and supports our purpose and business strategy.



Office in Harrogate, England, U.K.

## Career opportunity growth

Our internal mobility strategy not only helps our company grow from within, but it also helps us foster an environment for the retention of top talent. We strive to fill at least 70% of available leadership opportunities (supervisor and above) with internal talent through both lateral and promotional opportunities. We have met or exceeded this target for five straight years.





Office in Neu-Isenburg, Germany

## Rewards






### CAREER OPPORTUNITY GROWTH ENABLES REWARDS IN RETURN

#### Pay and benefits

##### PAY

Our performance-based culture creates value by providing commensurate rewards at scale. When our employees excel, so do we. Rewards are based on employee results, align with industry best practices, and follow our global compensation principles.

Our global compensation principles:

 <p>Endorse a pay-for-performance philosophy</p>	 <p>Utilize variable incentives where consistent with the market</p>	 <p>Maintain competitive pay by aligning our salary structures to median market pay</p>	 <p>Differentiate pay across all levels of performance</p>	 <p>Reward employees fairly, based on their skills, contributions, performance, and internal equity</p>
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We target pay at the market median globally, and employees in all locations are paid at or above applicable minimum wage levels. Our global career framework defines all 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.

Global pay equity

Our steadfast focus on growing the diversity of our workforce is matched by our commitment to achieving and maintaining global pay equity and rewarding employees fairly. In collaboration with our legal team and third-party experts, we regularly evaluate employee pay, review best practices to support pay equity, and eliminate practices that have been shown to contribute to pay inequity.



We currently:

- 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 our compensation programs and practices, as well as specific information about how their personal pay compares with the middle of the pay range for their role and other similar roles
- Grow a leadership talent pipeline for women and employees of underrepresented race/ethnicity groups through targeted development opportunities



We no longer:

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

We regularly review employee pay in every country where we have at least 100 employees to ensure that team members in similar roles are paid commensurately with their experience, responsibilities, and location. We look to understand and address both our unadjusted pay gap, and any adjusted pay equity gap (after controlling for factors that influence pay, including job and job level, location, and years of experience), by gender globally and by race/ethnicity in the U.S. and other countries where permissible and data is available. If we identify any pay equity gaps, we adjust pay where appropriate to close these gaps.

2023 pay equity for similar roles\*

At Arrow facilities in the U.S. and Canada, women currently earn **\$1.00** for every \$1 earned by men in similar roles

At Arrow facilities in other countries with a population of 100+, women currently earn between **\$0.96 - \$1.00** for every \$1 earned by men in similar roles

Employees of underrepresented race/ethnicity in the U.S. and Canada earn **\$1.01** for every \$1 earned by their white colleagues in similar roles

**96.4%** of global population is included in multiple pay equity analyses annually; the remaining employees reside in countries where the populations are too small to conduct a robust statistical analysis

\* After controlling for job, job level, location, and years of experience



## BENEFITS

### Global

We are committed to the health and wellbeing of our employees. Globally, we seek to attract and retain employee talent by offering a comprehensive and competitive market-based benefit program that:

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

We conduct 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
- Achieving and maintaining market competitiveness
- Identifying additional market-based benefit offerings where appropriate to support local nuances

### Global spotlight: Season of Wellbeing

In October 2023, we celebrated a Season of Wellbeing, a global campaign focused on advancing our purpose through the wellbeing of employees, their families, and their communities. The campaign highlighted our Wellbeing Forward programs, which provide employees with free and confidential tools, support, and strategies to build a healthy lifestyle around four key pillars:

- 1. Emotional wellbeing** to assess emotional intelligence and learn strategies for enhancing it
- 2. Social wellbeing** to foster a sense of belonging and healthy relationships in all aspects of life
- 3. Physical wellbeing** through eating well, exercising regularly, and getting enough sleep to live a balanced, healthy lifestyle
- 4. Financial wellbeing** by building financial strength and knowledge

As part of our purpose at Arrow, we are committed to serving local communities worldwide. Each week during the Season of Wellbeing, we delivered on our global Giving for Good strategy through donation and volunteer opportunities at organizations aligned with the four wellbeing pillars. Throughout the campaign, employees logged nearly 4,950 volunteer hours and supported 48 charitable organizations across 93 cities globally. Highlights include writing letters to women experiencing homelessness, creating math resources for underprivileged communities, donating sports equipment to local schools, supporting Junior Achievement's Finance Park, and making a company donation to UNICEF in support of global youth mental health.



Season of Wellbeing AI-powered table tennis event in Hong Kong

## 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, including telemedicine
- Dental and vision coverage
- Life and disability insurance
- HSA, HRA, and health care and dependent care flexible spending accounts
- 401(k) retirement plan
- Employee assistance program
- Backup childcare and eldercare
- Voluntary benefits to meet individual needs
- Robust wellbeing programs
- Paid time off and leave of absence programs, including six weeks of paid parental leave to new parents
- Tuition reimbursement

## EMPLOYMENT SECURITY

Employment security for our workforce is a top consideration for our leadership — and our primary goal is to avoid workforce reductions whenever possible. When restructuring results in job eliminations, we offer a market-based separation package to assist impacted employees.

Our U.S. severance package includes outplacement assistance, a minimum of six weeks of pay continuity, and supplemental pay to support continued health insurance coverage for both full-time and part-time employees scheduled to work 20 hours or more per week. These benefits increase based on an employee's length of service and job level.

Outside the U.S., separation benefits are based on local regulations, requirements, and market practices.



Office in Centennial, Colorado, U.S.

# Community engagement

## Community Forward strategy

515

Organizations supported via volunteering and/or giving

23

Countries impacted by volunteering and/or giving

We recognize the pivotal role that social impact has in benefiting the communities where we operate around the world. Through Community Forward, our corporate social responsibility program, we harness the power of our team and technology to positively impact the planet as well as the communities where we live and work.

### Community Forward focus areas

Community Forward prioritizes four strategies where we are uniquely positioned to create positive change at scale:



#### Giving for Good

Empowering employees to support causes important to them through volunteering and giving



#### Green Good

Committing to environmental stewardship by supporting innovative climate solutions



#### STEM for Growth

Inspiring a global talent pipeline of greater gender equity and representation to pursue STEM education and careers



#### Tech for Good

Advancing solutions to societal and environmental challenges with tech-forward innovations



Earth Month campaign event in Denver, Colorado, U.S.



Habitat for Humanity smart home build in Aurora, Colorado, U.S.

## Employee volunteering

Global number of employees who volunteered	Total global volunteer hours	Volunteer engagement score*
2,641	11,813	79

Through Giving for Good, our employees give back to their communities by volunteering on their own, with their teams, and as part of Arrow-sponsored campaigns, coordinated in partnership with our Global Volunteer Network. This network is made up of employees across all three regions.

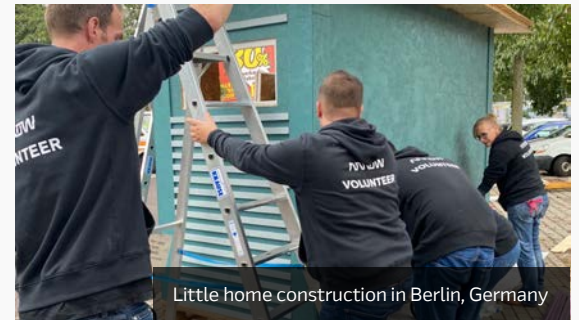
To further expand our employee impact, we reward employees for their volunteer efforts through our Dollars for Doers program by donating to charitable organizations of choice for each hour participated.

\* Volunteer engagement is measured by employees answering the question, "Would you recommend this volunteer event?" The score is calculated by subtracting the percentage of detractors from the percentage of promoters.



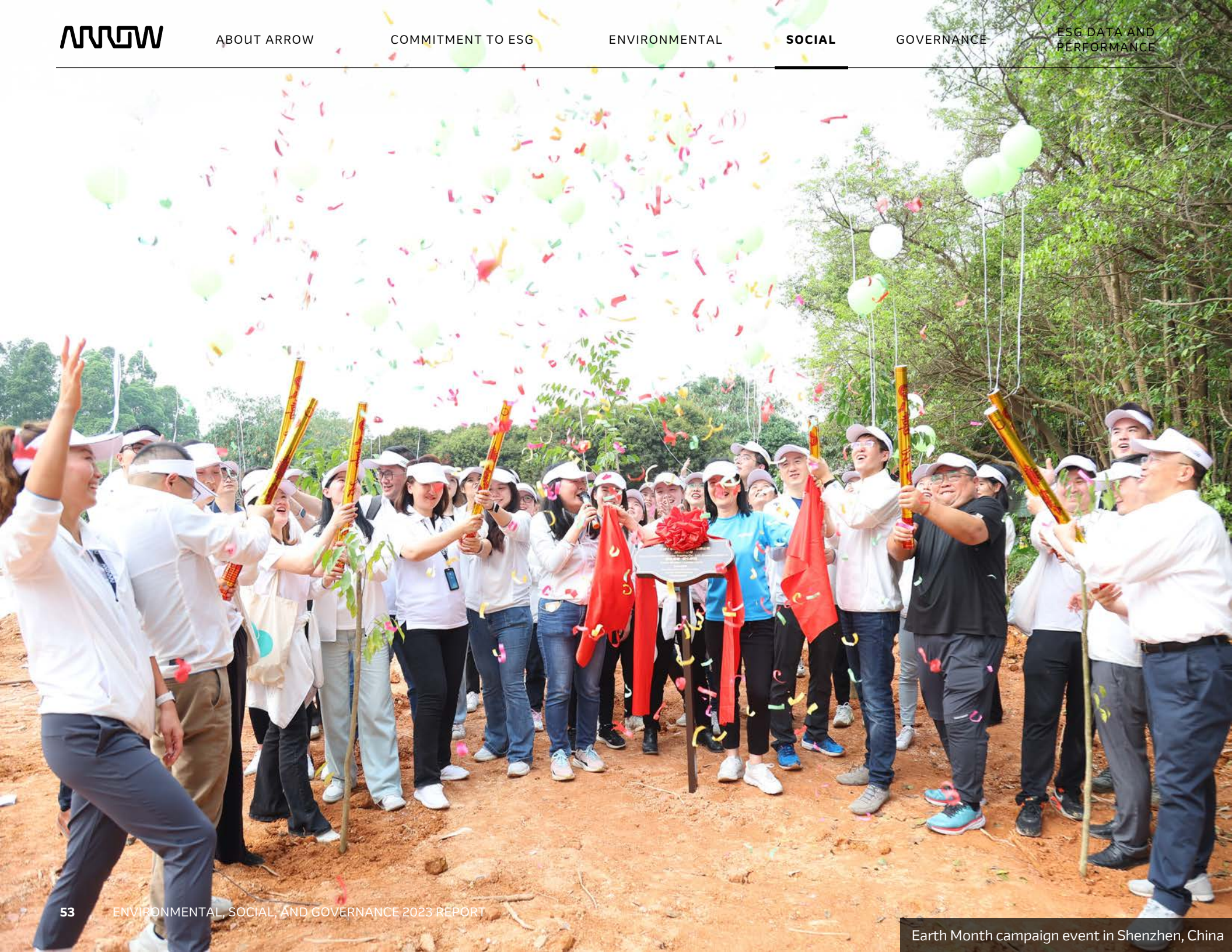
Earth Month tree planting in Shenzhen, China

During our Earth Month campaign, 537 employees volunteered around the world. We planted one tree for each employee to support reforestation projects in regions where we live and work.



Little home construction in Berlin, Germany

Team members from Germany built homes for unhoused populations in Munich and Berlin during our global Season of Wellbeing campaign. We also donated to charitable organizations to help advance social, emotional, physical, and financial wellbeing in our communities.



## Charitable giving

To further our community presence around the world, we offer grants to charitable organizations that support the ability to impact at scale.

### STEM for Growth: Growing a global talent pipeline and equity in STEM

As a technology company, we support nonprofits in the global STEM community to provide students with critical opportunities, resources, and tools to help them enter their desired professions and reach their career goals. On International Day of the Girl Child, we awarded grants to organizations advancing this mission, aiming to inspire girls to join the next generation of innovators, problem solvers, and builders.

We are proud to support organizations that inspire the next generation of builders, including FIRST (For Inspiration and Recognition of Science and Technology), STEM Next Opportunity Fund, EIT Girls Go Circular, and Penang Science Cluster.



Girls in STEM event in Denver, Colorado, U.S.

### Tech for Good: Advancing technology access, innovation, and equity to improve lives at scale

Our vision for a tangible future is one where technology is accessible and life-improving. This year, we invested in nonprofits that leverage cutting-edge technologies to improve lives for people with disabilities at scale. Our partners include e-NABLE, a community of global volunteers using 3D printers to make free and low-cost prosthetics, and Sozialhelden, creators of the Wheelmap technology that provides barrier-free routing in for people with limited mobility.

In the fall of 2023, we partnered with Habitat for Humanity of Metro Denver and broke ground on a community of affordable homes that will feature smart technologies. This project will inform smart home designs across Habitat for Humanity's footprint in over 70 countries. We are also working with our global network of customers and suppliers to provide technology solutions included in each home's purchase price at no cost to the new homeowners — and with no hidden fees. Each home will be outfitted with systems to enhance security, energy efficiency, water savings, and leak detection, all coordinated by mobile phone apps.



Habitat for Humanity smart home build in Aurora, Colorado, U.S.



Season of Wellbeing food bank event in San Jose, California, U.S.

# Governance

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# Governance

## Governance strategy overview

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

We believe it is vitally important to earn the confidence of all our stakeholders as we remain dedicated to guiding innovation forward for our suppliers and customers by developing solutions that make life more fulfilling and productive. One way we do this is with our approach to strong corporate governance, which promotes the long-term interests of our employees, shareholders, and other external stakeholders; facilitates effective and responsible leadership; and strengthens the accountability of our Board and management team. Our Board recognizes the importance of ensuring our company is governed in a manner that provides for both independent oversight and effective decision-making. We have 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.

Go to the [Reporting and Governance page](#) at [arrow.com](#) to learn more about the general principles of corporate governance by which our Board operates in our Corporate Governance Guidelines. You can also read about our compliance and ethical business practices in our [Worldwide Code of Business Conduct and Ethics](#).

## Corporate governance

Please see the “Corporate Governance Highlights” section in our [Proxy Statement](#) filed March 26, 2024 for a list of highlights of our corporate governance practices and policies.

## Board of Directors

Our Board oversees our overall strategy and direction. As part of that responsibility, the Board maintains oversight of our ESG program, including the integration of ESG objectives, risks, and opportunities into our business strategy and operations. The Board is comprised of directors from a wide variety of backgrounds and experiences, and the Board prioritizes diversity in its recruitment of new directors. For additional information, please see the “Commitment to Board Diversity” section in our [Proxy Statement](#) filed March 26, 2024 for a description of the Arrow Board’s approach to director recruitment and retention and refreshment.

For a snapshot of the skills, experience, and gender and diversity characteristics of the expected composition of Arrow’s Board immediately following the annual shareholder meeting to be held on May 7, 2024, please see the “Snapshot of Director Nominees” section in our [Proxy Statement](#).



Office in Shenzhen, China



## Ethics and compliance

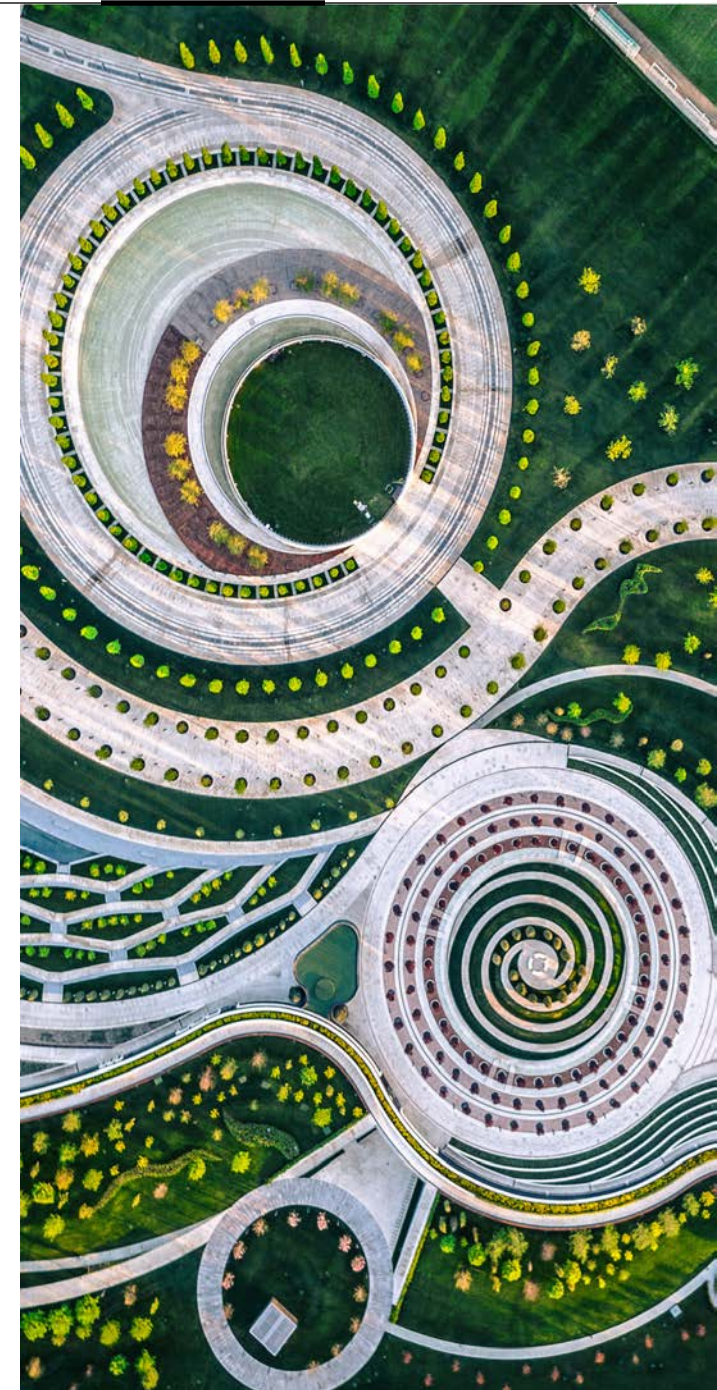
### Compliance, business ethics, and integrity

Ethics are a core value and the groundwork upon which our business was built. We believe in and behave with integrity and respect at all times — when everyone is watching and when no one is watching. This core value reinforces that we act with integrity for our employees, customers, suppliers, shareholders, communities, and regulators. We empower our employees and representatives with the tools and training needed to support our values, policies, and practices.

We maintain a robust compliance program built around best-practice guidance, including the U.S. Organizational Sentencing Guidelines. Our chief compliance officer has a direct reporting line to our chief legal officer and reports at least quarterly to the Audit Committee.

Our compliance and ethics policies include, among other things, the [Worldwide Code of Business Conduct and Ethics](#) and the Global Anti-Corruption and Anti-Bribery Policy and guidelines, as well as various policies directed toward data privacy, trade compliance, discrimination and harassment, cybersecurity, and other risk areas. We reinforce these policies with training and communications programs.

We strive to comply with international laws and local regulations throughout our global locations. As the regulatory landscape evolves, we continue to implement mechanisms for accountability and risk mitigation to ensure ongoing compliance.



## Culture of compliance

Our compliance program promotes an ethical culture throughout our company. It is designed to prevent, detect, and respond to legal and compliance risk and misconduct, including:

- Written policies and procedures, which are regularly updated and communicated
- Ongoing global and targeted trainings
- Various channels for communicating questions and concerns, including options for whistleblowing
- Internal monitoring and auditing
- Proper and timely investigations and appropriate corrective actions

To assess and cultivate our culture of compliance, we engage an independent third party every two years to conduct our global Corporate Culture of Compliance Survey. This survey aids in identifying and validating the areas where we are doing well and where we can improve. It focuses on, among other topics, employees' comfort with recognizing and reporting concerns and any pressure they feel to compromise our values to achieve business results. We encourage all employees to participate in the survey.

In 2023, 10,741 employees participated in our survey, equaling a 50% response rate.

	Comfort speaking up	Organizational justice	Tone at the top	Clarity of expectations	Openness of communication
<b>Arrow 2023 vs. benchmark</b>	<p>Favorable</p> <p>ARROW 2023 83% BENCHMARK 77%</p>	<p>Favorable</p> <p>ARROW 2023 80% BENCHMARK 74%</p>	<p>Favorable</p> <p>ARROW 2023 76% BENCHMARK 70%</p>	<p>Favorable</p> <p>ARROW 2023 91% BENCHMARK 85%</p>	<p>Favorable</p> <p>ARROW 2023 74% BENCHMARK 68%</p>
<b>Arrow 2023 vs. Arrow 2021</b>	<p>Favorable</p> <p>ARROW 2023 83% ARROW 2021 79%</p>	<p>Favorable</p> <p>ARROW 2023 80% ARROW 2021 75%</p>	<p>Favorable</p> <p>ARROW 2023 76% ARROW 2021 67%</p>	<p>Favorable</p> <p>ARROW 2023 91% ARROW 2021 88%</p>	<p>Favorable</p> <p>ARROW 2023 74% ARROW 2021 67%</p>



Additionally, we conducted focus groups globally throughout the organization to delve deeper into the survey results. The focus groups reinforced the survey results with employees, confirming their awareness of our compliance program, resources, and reporting channels.

Focus groups also provided targeted feedback that helped define opportunities to enhance and strengthen the compliance program.

### Policies and standards

We believe our continued success depends on the trust we foster with our employees, with our customers and suppliers, and with the communities where we live and work.

#### WORLDWIDE CODE OF BUSINESS CONDUCT AND ETHICS

Our [Worldwide Code of Business Conduct and Ethics](#) (the “Code”) is our guide for living our values while also following the laws and regulations that govern our global operations. It serves as a framework for the behavior expected from every employee and Board member.

The Board reviewed and approved updates to the Code at the end of 2023. Notable updates included:

- Cybersecurity
- Human rights
- Engaging in political activities\*
- Artificial intelligence

The principles and values in the Code are further defined in our portfolio of compliance policies and procedures, available and communicated to all employees.

All our policies are reviewed periodically and regularly updated to reflect changes to applicable laws and regulations, as well as to maintain the effectiveness of our compliance program.

\* No political contributions were made by Arrow in 2023.



### BUSINESS PARTNER CODE OF CONDUCT AND ETHICS

We seek to form relationships with businesses that share our commitment to ethical business conduct and legal and regulatory compliance. We hold all our business partners — including component manufacturers, customers, vendors, consultants, representatives, subcontractors, resellers, and other third parties — to the highest ethical standards.

Our Business Partner Code of Conduct and Ethics is a cornerstone of our supply chain management program, articulating expectations for responsible conduct in many key areas:

- Prohibition of forced labor and child labor
- Prohibition of discrimination and harassment
- Protection of labor rights, including freedom of association and rights to fair wages and hours
- Environmental stewardship
- Fair dealing and fair competition
- Risk management in third-party relationships
- Regulatory compliance

We extend these obligations and others to the parties we do business with through our third-party agreements. We expect our business partners to uphold these standards in their own value chains and undertake third-party due diligence where appropriate. Any suspected violations of the [Business Partner Code of Conduct and Ethics](#) can be reported via our [AlertLine](#).

### HUMAN RIGHTS

We conduct business in a manner that respects the rights of all people, including those of employees, contractors, workers in our supply chain, and others outside our organization who may be impacted by our operations. Our approach is guided by internationally recognized standards, including those set forth by the International Labour Organization, the United Nations, and the Responsible Business Alliance (RBA).

We do not tolerate forced, bonded, indentured, involuntary, or any other form of exploitative labor in our operations or in our supply chain. We also prohibit the use of child labor that does not comply with applicable minimum age requirements. We strive to honor the fundamental principles of fair labor, including the rights to lawful free association and collective bargaining, equitable wages and reasonable working hours, and a safe work environment, as well as protection against discrimination, harassment, and other violations of fundamental worker rights.

We expect every party with whom we do business to hold themselves to these same standards with respect to human rights — and to extend the same obligations to others in their value chain.

Our policies, supplier agreements, and external statements reinforce our position on human rights. Employees receive training on these topics to ensure they are equipped to identify potential violations of these rights in their work and escalate concerns via our [reporting channels](#). These materials undergo annual and ad hoc reviews to address changes in supply chain risk, operational risk, and applicable law and international standards.

## Compliance training

We maintain a comprehensive global training and awareness program to ensure that our employees conduct themselves in an ethical, lawful, and respectful manner. Employees receive training on a range of compliance topics (including our Worldwide Code of Business Conduct and Ethics; bullying and harassment prevention; anti-bribery and anti-corruption; protection of confidential information; data privacy and security; human rights; insider trading prevention; conflicts of interest; and antitrust and fair competition).

Courses are delivered in local languages, in both online web-based and instructor-led formats. We review and update compliance training regularly to ensure that it is current, relevant, and effective.

Our overall online web-based training completion rate is 99% in 2023.



Office in Neu-Isenburg, Germany

### 2023 online web-based compliance training completion rate

99%

completion for compliance training topics launched

- Code of conduct

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- Conflicts of interest

---

- Exports controls compliance

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- Preventing bribery and corruption: global edition (facilitation payments prohibited)

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- Preventing workplace harassment

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- Fraud and financial crime

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- Anti-money laundering and combating terrorist financing: global edition

## Reporting channels

We commit to providing a workplace that operates with integrity and openness.

Employees have a responsibility to report concerns of potential violations of law or policy or other misconduct. Our company maintains an open-door policy, as well as a wide variety of other reporting channels, including our AlertLine, human resources department, and the global legal and compliance department. Employees are reminded of available escalation channels on an ongoing basis through communications and training.

The **AlertLine** is a whistleblower hotline, operated by an independent third party, providing a 24/7 anonymous and confidential means of reporting alleged violations of our Code or applicable law. It is accessible to employees, customers, suppliers, and other external parties anywhere in the world, by phone or online, in the reporter's local language.

Retaliation in any form is prohibited and is a violation of our Code.

The global legal and compliance department is responsible for review of escalations and oversight of investigations into potential ethics and compliance concerns. Where appropriate, disciplinary and/or corrective action is taken.

The chief compliance officer briefs the Audit Committee on AlertLine activity through quarterly reporting and other updates when warranted.

## Global trade compliance

Our global operations are subject to both import and export trade regulations in the countries and regions where we do business. Compliance with these regulations is more than a legal obligation; it is a responsibility to prevent the diversion of products, avoid supporting terrorist activity, and ensure that we only work with third parties who share our values.

Our global trade compliance risk management (TCRM) team, reporting to the chief compliance officer, is responsible for developing, maintaining, and enhancing our comprehensive approach in compliance with these regulatory requirements. Our TCRM team is staffed globally with engineers and other experienced trade compliance professionals and is supported by our global due diligence team. The team reviews transactions, conducts "know your customer" assessments for red flags, makes license determinations, and screens customer and third-party names against various sanctions lists.

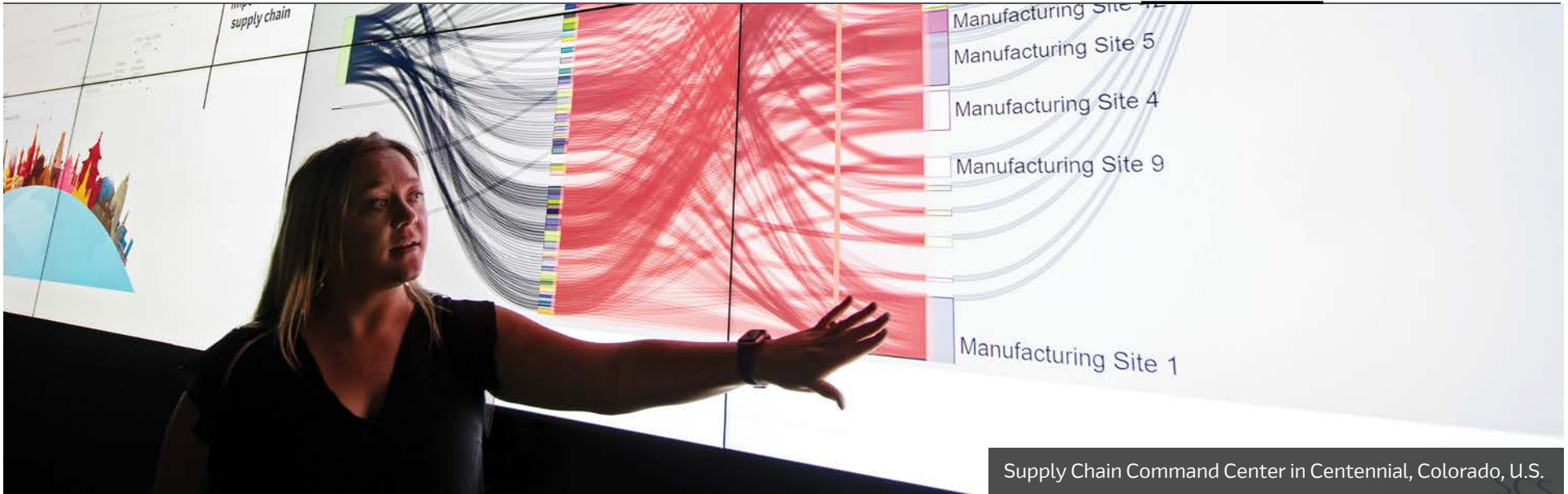
In 2023, we invested in an enhanced platform that offers improved functionality, greater efficiency, and comprehensive automation, making it more efficient for us to comply with our obligations and country-specific regulations and export laws.

## Third-party due diligence

We seek to conduct business with companies that share our commitment to integrity, honesty, and ethical behavior. Our third-party due diligence program allows us to avoid doing business with parties that may be engaged in bribery, corruption, human rights abuses, and money laundering, as well as other violations of law or violations of our own policies and values. Every employee has a role to play in identifying and managing these specific risks.

All third parties must adhere to our **Business Partner Code of Conduct and Ethics**, including cooperation with our due diligence processes. We utilize a variety of risk-based controls to vet third parties, including automated screening via specialized platforms, self-assessments, ongoing monitoring, and enhanced due diligence. Red flags during the due diligence process result in the implementation of enhanced controls and remedial action where appropriate. Unresolved red flags can lead to — and have led to — termination of the relationship.





Supply Chain Command Center in Centennial, Colorado, U.S.

## Supply chain management

We take a values-driven approach to supply chain management. Advancing technology that improves people’s lives requires us to manage quality and business continuity risks alongside socially and environmentally conscious initiatives.

Our approach is informed by the standards set by the [Responsible Business Alliance](#) (RBA) — of which we are a Supporter member level — as well as by internationally recognized standards.

We have relationships with numerous component manufacturers, trade and service providers, transportation and logistics companies, and other key stakeholders in the global supply chain. Our position in the supply chain provides us with a unique opportunity to be resilient and to promote ethics, sustainability, and performance throughout our vast network of relationships within the industry.

Our supply chain is managed regionally and locally with global oversight. 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, and efficiency to address our customers’ unique needs.

We strive to embed our commitment to responsible business practices through oversight across functions, roles, and controls, including periodic audits, ongoing monitoring, and escalation of risks.

In 2023, we implemented enhanced due diligence procedures for our strategic suppliers. In addition to the [trade compliance](#) and [third-party due diligence](#) standards applied to our business relationships, these processes were designed to better identify and manage supply chain risks associated with human rights, environmental protection, and quality. Through supplier engagement and use of third-party due diligence platforms, we assessed our top suppliers against environmental, social, and performance criteria.



United Nations  
Universal Declaration of  
Human Rights



International Labour  
Organization (ILO)  
conventions



United Nations Global  
Compact (UNGC)



International  
Organization for  
Standardization

## Confirming commitment to Business Partner Code of Conduct and Ethics

As part of our enhanced supplier due diligence processes, we asked 30 of our top suppliers, representing 60% of global sales for 2022, to recertify their commitment to the principles of the [Business Partner Code of Conduct and Ethics](#) in 2023. Through this engagement, we confirmed our strategic partners' continued commitment to the values and responsibilities that drive ethical and responsible practices throughout the supply chain.

## Human rights supply chain due diligence

In 2023, we assessed our top suppliers' management of human rights and environmental risks through two key initiatives:

- Surveyed our top suppliers to assess their compliance program and obtain relevant data
- Screened suppliers against publicly available resources utilizing a leading third-party platform; monitored the suppliers, using the same platform, for new information

These approaches allowed us to assess risk in critical areas:

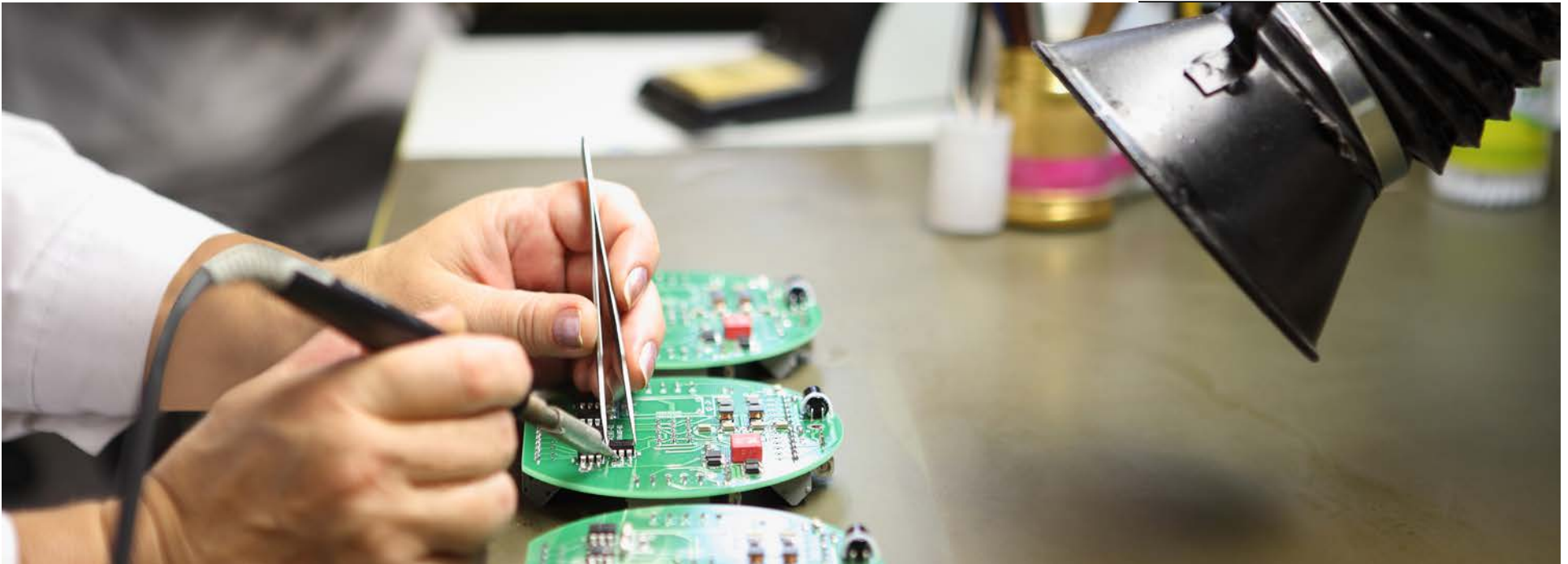
 <p><b>Discrimination and harassment</b></p>	 <p><b>Forced labor and child labor</b></p>	 <p><b>Hazardous chemicals</b></p>
 <p><b>Environmental impact</b></p>	 <p><b>General labor principles</b></p>	 <p><b>Supply chain management</b></p>

To ensure compliance with our policies, including the [Business Partner Code of Conduct and Ethics](#), red flags identified through these processes are addressed through supplier engagement on remedial action plans or termination of the business relationship.



Office in Hong Kong





## Quality supply chain due diligence

As a distributor and value-added service provider, we work with many suppliers to ensure our supply chain is managed effectively with high-quality outcomes and reduced risks. In 2023, as part of the larger enterprise quality program, our new supplier onboarding self-assessment processes were successfully audited by external third-party registrars against international quality standards. This updated program allows us to assess and remediate identified risks during the initial stages of supplier engagement.

As committed in 2022, we implemented and completed a quality self-assessment program with our identified key suppliers in multiple regions to better understand and map quality risk profiles. These assessments were sent to key suppliers representing approximately 60% of our volume.

Finally, in 2023, we implemented a process to monitor identified supplier commitments to quality and certifications across several key international standards, including environmental and energy management systems. We currently monitor the status of approximately 2,000 unique supplier quality certifications across more than 900 supplier sites.

## Conflict minerals

The U.S. Dodd-Frank Wall Street Reform Act requires that companies engaged in manufacturing file an annual special disclosure (Form SD) with the SEC outlining the due diligence applied in the sourcing of conflict minerals used in their products. Our Form SD, Conflict Minerals Report, and Conflict Minerals Policy are available at [arrow.com](https://www.arrow.com).

We perform the assembly and integration of electronic products; we do not directly purchase or import raw ore or unrefined minerals from conflict regions. Similarly, we expect our suppliers to responsibly source any conflict minerals used in their products.

We are exempt from complying with EU directive 2017/821 and other similar regulations.

## Vendor diversity

Choosing vendors that align effectively with our organization is crucial for our business success because it fosters healthy competition within our vendor network, contributes to economic growth in various communities, and expands our range of materials and services through diverse sources. Aligning with our ESG strategy, in 2023, we launched an initiative aimed at broadening pipelines of vendors to include opportunities for diverse vendors in the U.S. and Canada.

This initiative aims to cultivate a pool of reliable, competitive, and qualified vendors that align with our strategic goals of optimizing procurement opportunities, cost reduction, and support for local vendors. We aim to identify highly qualified vendor candidates who are women and/or are from an underrepresented community, as well as vendors with diverse backgrounds, industry experience, and other unique characteristics. This includes those with ownership and control by historically underrepresented ethnic groups, the LGBTQ+ community, people with disabilities, veterans, and women. We believe that the varied perspectives and experiences resulting from having vendors with diverse backgrounds create shareholder value, drive competition in our vendor base, and support economic growth and empowerment in all communities. We are committed to equal opportunity in vendor selection.

### Elevating our commitment

- Hired a leader focused on vendor diversity
- Integrated best practices into the sourcing and procurement process by developing inclusive strategies and equitable contracting practices
- Completed opportunity analysis by category to develop spend goals for 2024
- Partnered with councils that provide access to qualified vendor candidates with diverse backgrounds, industry experience, and other unique characteristics



## Data privacy and cybersecurity

We understand the importance of data security and fully commit to safeguarding information assets and personal data. Our robust cybersecurity and data privacy program is designed to be responsive to regulatory updates and evolving cyber threats. The program is supported by executive oversight, a comprehensive security framework, updated policies and procedures, and employee awareness and training.

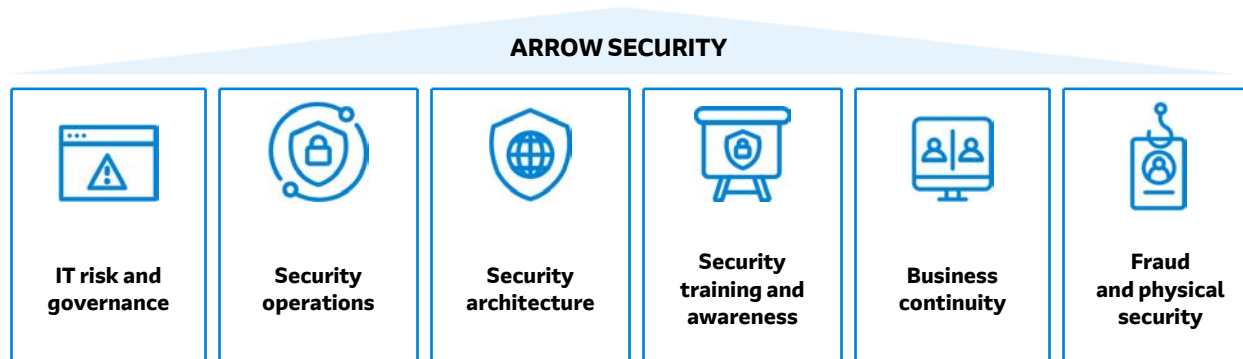
### OVERSIGHT

Our chief information officer, chief security officer, and chief legal officer oversee our cybersecurity and data privacy program. Our Board of Directors and Audit Committee receive technology and cybersecurity training and updates that focus on program governance, control maturity, and third-party information security.

For more information on our oversight and management of our cybersecurity program, see Item IC of our [Form 10-K](#) for fiscal year 2023, filed on February 13, 2024.

### SECURITY FRAMEWORK

Our chief security officer, reporting to the chief information officer, is responsible for our comprehensive security framework, which we developed using industry best practices. It includes the following security pillars:



**Our security framework is supported by functional expertise in responsible data sharing, process implementation, and monitoring security threats for security posture.**

We also maintain nine [ISO 27001](#) certifications for key areas around the globe to focus on the validation and effectiveness of security controls in specific parts of the business that require additional customer or partner assurances. These security pillars align with the NIST Cybersecurity Framework (CSF) guidelines for mitigating organizational cybersecurity risks and enable us to quickly identify and remediate threats.



National Institute of Standard and Technology and (including) 800-171 government standard



Center for Internet Security Controls



International Organization for Standardization (ISO) SO27001



SANS Institute's Critical Security Controls (CSC)



In response to the increased sophistication and frequency of cyberattacks in the marketplace, we have enhanced our incident response plan for addressing security incidents. The plan includes collaboration among internal and external stakeholders to identify, detect, and respond to attacks.

We regularly improve our security framework through monitoring, internal and external assessments, stress testing, and promoting employee awareness through training and other knowledge resources.

**DATA PRIVACY**

Our chief compliance officer, reporting to the chief legal officer, leads our data privacy program, which focuses on protecting the personal information of our employees, customers, and suppliers as well as honoring people’s rights to determine how their data is managed. We strive to earn and maintain trust by integrating globally recognized privacy principles, such as accountability and transparency, into our processes and procedures. Our commitment to these principles is outlined in our global [privacy policy](#).

In 2023, we increased our investment in data privacy compliance through integration with a third-party platform that enables us to more efficiently and comprehensively manage evolving global security, compliance, and privacy risks.

Our approach to global data privacy compliance includes monitoring for legislative developments; regularly reviewing and updating policies and procedures; and training employees on how to practice proper data hygiene, protect personal information, and identify and report potential data security risks.

**ARTIFICIAL INTELLIGENCE**

We are aware of the growing role Artificial Intelligence (AI) plays in all aspects of business, which is why we are taking a responsible approach to harness these new capabilities. This approach has included the establishment of guidelines for the lawful, safe, and equitable use of AI that are enshrined in internal policies and our [Worldwide Code of Business Conduct and Ethics](#).



Office in Guadalajara, Mexico

Arrow is certified under the new European (E.U.) – United States (U.S.) Data Privacy Framework, which allows for the transfer of data from the E.U. to the U.S. in compliance with the E.U.’s General Data Protection Regulation (GDPR). The certification requires an explicit commitment to GDPR’s privacy safeguards and is enforceable by the U.S. Federal Trade Commission.

## Enterprise risk management

### RISK MANAGEMENT

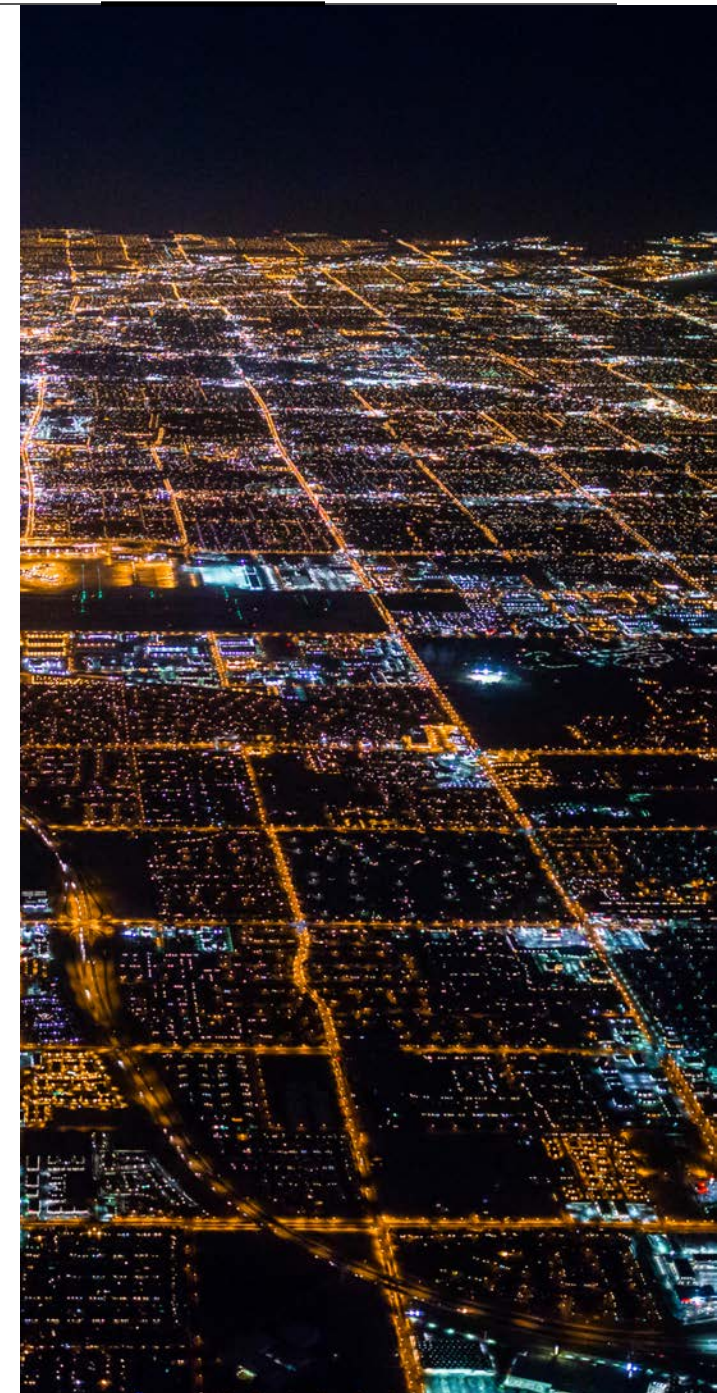
Our risk management team is responsible for providing information relating to known and arising risks within the organization. This includes identifying risks facing the company, assessments, data analysis, and proposed solutions, as well as exploring financial and nonfinancial risks across the company.

At various points in the business cycle, the team identifies internal and external issues affecting the ability to achieve established objectives. During the planning and review stages, the team also evaluates the risk landscape and market conditions to determine key risks and opportunities facing individual business units. The risk management function supports the business units by providing expertise, guidance, and mitigation strategies throughout the process.

Management, which includes various risk functions, determines the most effective way to address identified risks. To monitor mitigation plans and responses, the risk management team works closely with the business units to enforce performance, adequacy of controls, compliance, and effectiveness.

The full Board oversees key enterprise-level risks, while the Audit Committee oversees our Enterprise Risk Management (ERM) process. The Audit Committee also oversees and regularly discusses risk management with company management. Management provides the Board, and appropriate committees of the Board, with regular briefing and information sessions on the significant risks that the company faces and how the company seeks to control those risks.

As a best practice, business strategies and decisions are designed to account for key risks, mitigation plans, compliance, and continual monitoring for changes in risk appetite or profile. Our approach to enterprise risk management is described in more detail in the “Enterprise Risk Management” section of our [Proxy Statement](#) filed March 26, 2024.



## Business continuity

Our global business continuity program proactively prepares for and responds to issues that might adversely affect employee health and safety, critical business processes, physical assets, and our supply chain. Our business continuity department conducts a business impact analysis (BIA) to evaluate existing and potential continuity risks and then develops cross-functional mitigation strategies to address them.

In 2022, we completed BIAs for all shared services teams — and, in 2023, BIA activities focused on operations at the primary distribution centers. As a result, the number of plans we maintain expanded to stay in line with our critical business sites and the latest global risk.

Our business continuity, crisis management, and disaster recovery plans, as well as related trainings, help ensure we can deliver a rapid and intelligent response when incidents occur.

New hires receive training on our business continuity program during onboarding, while employees receive additional training covering varying risks and planning strategies throughout the year, with a spotlight in May for our annual business continuity awareness week. The business continuity department tests the plans through exercises, at least annually, and then refines the strategies within the plans to ensure the plans remain effective and reflect the steps taken to recover during the exercise. Plans are tested throughout all levels of the organization, including for our primary distribution centers, covering a wide range of scenarios.

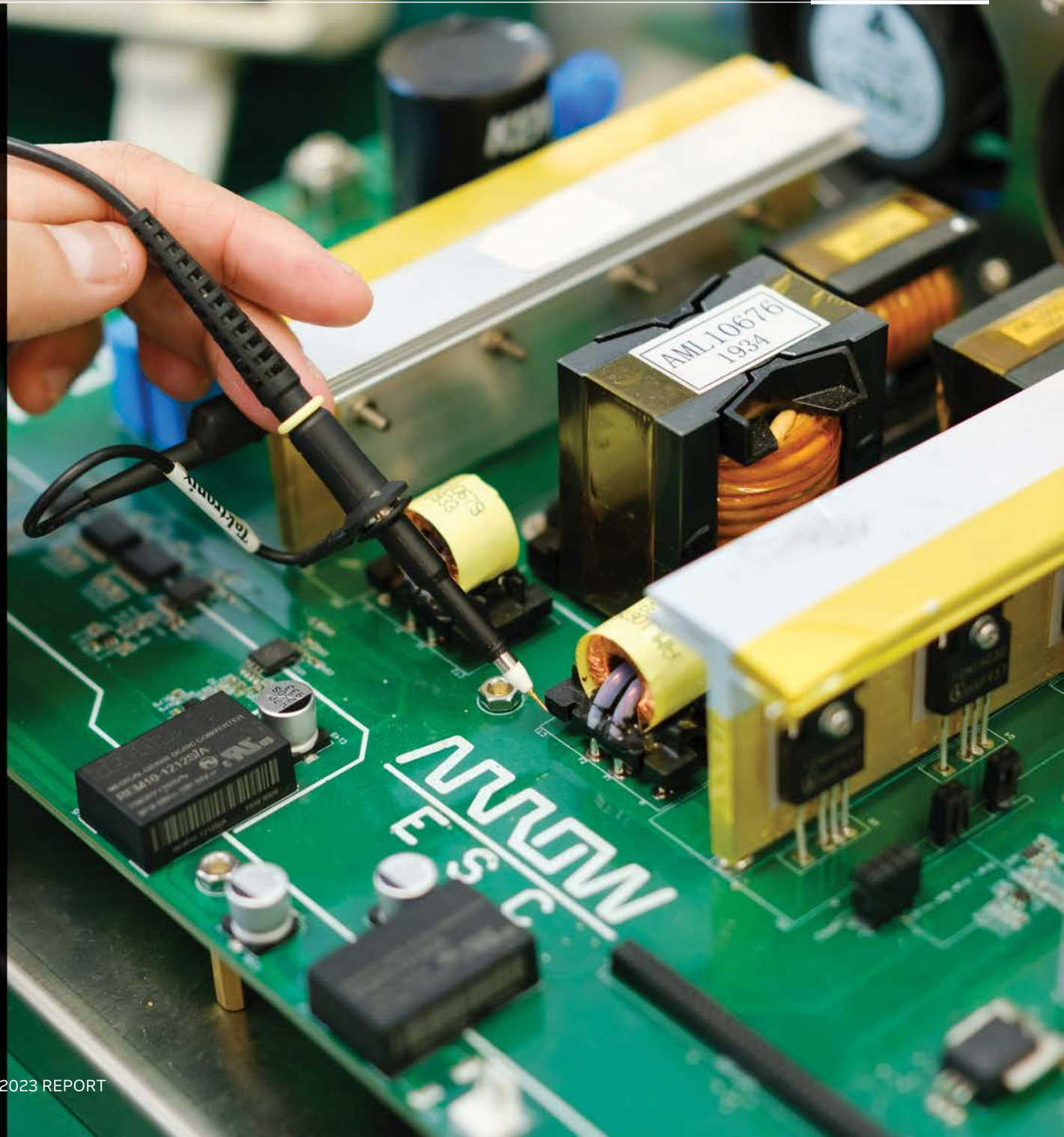
We use a global risk monitoring system that automatically notifies company leaders of potential business impacts caused by anything from severe weather to workforce stoppages to health risks to transportation delays. It provides a near real-time look at potential impacts, as well as predictive weather analytics, allowing the business to respond quickly and appropriately to minimize business disruption.



Office in Shenzhen, China

# ESG data and performance

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## Sustainable Accounting Standards Board (SASB)

TOPIC	METRIC	SASB CODE	ARROW DISCLOSURE
<b>Energy management in retail and distribution</b>	(1) Total energy consumed, (2) percentage grid electricity, and (3) percentage renewable	<b>CG-MR-130a.1</b>	(1) Total energy consumed in megawatt hours (MWh): 94,233 (2) Percentage of energy consumed that is grid electricity: 67% (3) Percentage of energy consumed that is renewable: 26%
<b>Data security</b>	Description of approach to identifying and addressing data security risks	<b>CG-MR-230a.1</b>	In 2023, we increased our investment in data privacy compliance through integration with a third-party platform that enables us to more efficiently and comprehensively manage evolving global security, compliance, and privacy risks.
	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), and (3) number of customers affected	<b>CG-MR-230a.2</b>	There were no significant breaches in FY 2023. For more information on Arrow's cybersecurity program, please refer to our <a href="#">Form 10-K</a> for fiscal year 2023, filed on February 13, 2024.
<b>Labor practices and conditions</b>	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	<b>CG-MR-310a.1</b>	Arrow does not have in-store employees; however — (1) Average hourly wage (USD) for light industrial (LI) employees where our largest distribution centers are based: U.S.: \$22.38 Netherlands: \$17.73 Hong Kong: \$10.95 (2) 100% of light industrial (LI) employees are paid at or above applicable minimum wage, globally
	(1) Voluntary and (2) involuntary turnover rate for in-store employees	<b>CG-MR-310a.2</b>	Arrow does not have in-store employees; however — (1) Voluntary turnover rate for light industrial (LI) employees: 18.3% (2) Involuntary turnover rate for light industrial (LI) employees: 3.6%
	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	<b>CG-MR-310a.3</b>	While we closely monitor this information, it is not publicly disclosed at this time.



TOPIC	METRIC	SASB CODE	ARROW DISCLOSURE
<b>Workforce diversity and inclusion</b>	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	<b>CG-MR-330a.1</b>	<p><b>GENDER REPRESENTATION</b></p> <p><b>Management:</b></p> <ul style="list-style-type: none"> <li>(a) Women: 33.3%</li> <li>(b) Men: 66.7%</li> </ul> <p><b>Non-management:</b></p> <ul style="list-style-type: none"> <li>(c) Women: 43.3%</li> <li>(d) Men: 56.7%</li> </ul> <p><b>RACIAL/ETHNIC GROUP REPRESENTATION (U.S. ONLY)</b></p> <p><b>Management:</b></p> <ul style="list-style-type: none"> <li>(e) Asian: 13.5%</li> <li>(f) Black: 3.2%</li> <li>(g) Hispanic: 7.9%</li> <li>(h) White: 73.5%</li> <li>(i) Other: 1.9%</li> </ul> <p><b>Non-management:</b></p> <ul style="list-style-type: none"> <li>(j) Asian: 15.7%</li> <li>(k) Black: 5.0%</li> <li>(l) Hispanic: 15.5%</li> <li>(m) White: 60.6%</li> <li>(n) Other: 3.2%</li> </ul>
<b>Workforce diversity and inclusion</b>	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	<b>CG-MR-330a.2</b>	While we closely monitor this information, it is not publicly disclosed at this time.

TOPIC	METRIC	SASB CODE	ARROW DISCLOSURE
<b>Product sourcing, packaging, and marketing</b>	Revenue from products third-party-certified to environmental and/or social sustainability standards	<b>CG-MR-410a.1</b>	Arrow does not manufacture products nor certify services to environmental and/or social standards.
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	<b>CG-MR-410a.2</b>	Arrow operations do not involve chemicals from product sourcing, packaging or marketing at this time.
	Discussion of strategies to reduce the environmental impact of packaging	<b>CG-MR-410a.3</b>	<p>Different packaging initiatives are in place at our largest warehouses to help maximize efficiency. At one of our distribution centers in North America, third-party packaging engineers assessed our parcels and shipping data to help us identify optimal box sizes to fit our most commonly shipped goods.</p> <p>At our largest distribution center in Europe, we utilize an automated system that fits a box to its contents to eliminate unused space while transitioning to the use of recyclable paper from plastic peanuts and cushioning. Additionally, in Europe, we are consolidating multiple order lines into a single parcel to reduce the number of packages used as well as the amount of cardboard and packaging material used; this has resulted in a 8.4% reduction in cartons shipped over the past year. We have also modified our label printing processes to reduce labels by 153,592 annually.</p> <p>Many of our packages stem from inbound electronic components manufacturers that also work to optimize their packaging to reduce costs, emissions, and excess material usage. These manufacturer partners often use paper, wood, and recyclable content to avoid generating plastic and non-recyclable waste. While we do not control manufacturer packaging practices, we do reuse packaging and filling materials where feasible across our global operations. As we continue to mature our environmental supplier engagement program, we commit to encouraging and sharing packaging optimization practices.</p>

ACTIVITY METRICS	SASB CODE	ARROW DISCLOSURE
Number of (1) retail locations and (2) distribution centers	<b>CG-MR-000.A</b>	<p><b>Total number of:</b></p> <p>(1) Retail locations: Arrow does not operate any retail locations</p> <p>(2) Distribution centers: 39</p>
Total area of (1) retail space and (2) distribution centers	<b>CG-MR-000.B</b>	<p><b>Total area of:</b></p> <p>(1) Retail space: Arrow does not operate any retail locations</p> <p>(2) Distribution centers: 3,826,601 cubic meters</p>

The data is as of December 31, 2023 unless otherwise noted.

## Task Force on Climate-related Financial Disclosures (TCFD)

Our approach to environmental sustainability focuses on the operations of our business and our impact throughout our supply chain. We are continuing our journey to better identify and address climate-related risks and opportunities. This year, we engaged with external consultants to conduct climate scenario analyses, which focused on key risks and opportunities identified in the previous year utilizing the TCFD framework. We note that we are not indicating that any risks or impacts identified below are material to the company from a securities law perspective. We refer all readers to Item 1A (“Risk Factors”) of our annual report on [Form 10-K](#) for fiscal year 2023 (the “Arrow 10-K”) for a discussion of the material factors that make an investment in the company speculative or risky, which should be read in conjunction with the following information. We undertake no obligation to update information set forth below should any such information become untrue and refer all readers to the statements in [information regarding forward-looking statements](#). With the recent disbandment of TCFD, we recognize the evolving landscape of sustainability reporting and are exploring the newly introduced International Sustainability Standards Board (ISSB) standards as potential guidelines for future reporting.

THEME	RECOMMENDED DISCLOSURES	FY 2023 RESPONSE/DISCLOSURE LOCATION
<b>GOVERNANCE</b> <b>The organization’s governance around climate-related risks and opportunities</b>	Describe the board’s oversight of climate-related risks and opportunities	<p>Arrow’s ESG responsibility starts at the top and permeates throughout our business. The Board, primarily through committees, is accountable for ensuring ESG risks and opportunities are integrated into our long-term strategy. It receives regular updates on ESG matters at meetings, reviews and approves company goals and ESG-related disclosures, and advises on significant strategic investments.</p> <p>While the Board maintains ultimate governance oversight, at the Board level, our governance function is primarily overseen by the Corporate Governance Committee (in active collaboration with the Audit and Compensation committees).</p> <p>The Corporate Governance Committee is tasked with primary responsibility for overseeing the company’s policies and practices relating to ESG matters to the extent not specifically delegated to other committees.</p> <p><a href="#">See the Board of Directors and committees section for more information.</a></p>
	Describe management’s role in assessing and managing climate-related risks and opportunities	<p>Within management, we have appointed executive-level leadership of ESG matters to the senior vice president, chief governance, sustainability, and human resources officer, who reports to the CEO and oversees our cross-functional ESG program.</p> <p>Our ESG Operating Committee (ESGOC) identifies our ESG-related risks, opportunities, and impacts and comprises leaders in the sustainability, legal and compliance, real estate, facilities, corporate affairs, and human resources departments.</p> <p>We also maintain an ESG working group to support ESG implementation, goal-setting, and monitoring. This group includes the same departments as the ESGOC in addition to finance and risk management, IT and data security, procurement, supply chain operations, and marketing and communications. It also features our global business units, which are critical cross-functional departments for implementation and goal-setting and monitoring.</p> <p>See the <a href="#">ESG Governance</a> section for a detailed internal ESG governance structure.</p>

THEME	RECOMMENDED DISCLOSURES	FY 2023 RESPONSE/DISCLOSURE LOCATION
<p><b>STRATEGY</b>  <b>The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning</b></p>	<p>Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term</p>	<p>In 2022, Arrow worked with an external third party to conduct a qualitative assessment of Arrow's climate risks and opportunities. In 2023, Arrow expanded on the findings from this qualitative assessment by engaging with the same third party to build upon this work and conduct quantitative scenario analyses assessing the most relevant climate risks and opportunities.</p> <p>The qualitative assessment included interviews with various Arrow functions. This assessment identified risks and opportunities in alignment with the TCFD framework.</p> <p>The qualitative assessment identified aligning products and services to a low-carbon economy and using more efficient distribution processes as the areas of greatest climate opportunity for Arrow. This identification led to the decision to model the shift in consumer preferences to silicon carbide and LED lighting for the quantitative analysis. Additional interviews were conducted with key stakeholders across multiple regions in Arrow's sales teams and components businesses to assist in developing this model. Results from this analysis helped Arrow identify the need for better data tracking of products related to a low-carbon economy to identify areas where investment should be made to capitalize on transition opportunities in the future.</p> <p>The impact of physical risks on Arrow's operations and supply chain was evaluated during the qualitative assessment, with a specific focus on weather events, changes in precipitation patterns, changes in weather patterns, and rising mean temperatures. This identification led to the decision to model business interruptions from power outages resulting from heat stress and potential impacts from tropical cyclones. Results from this model provided valuable information to support Arrow's business continuity team in attempting to implement adequate mitigation strategies and insurance protections. As Arrow relies on both domestic and international distribution as part of our global multitiered supply chain, variations in current and future weather patterns may impact Arrow's upstream supply chain as well as the ability to distribute products to customers. Weather variability complicates the planning, timing, and execution of the transportation of goods.</p> <p>Arrow has the long-term aspiration to achieve 100% renewable electricity by 2030, pending market availability. This target influenced the decision to model the potential financial impacts that energy efficiency upgrades and changing electricity costs could have on the company's renewable electricity strategy. Arrow will use this model to help evaluate renewable energy options across all regions to determine the most financially and environmentally favorable procurement strategy.</p> <p>The qualitative assessment also identified enhanced emissions-reporting obligation as a potential policy and legal risk. As part of enhanced emissions-reporting regulations, companies may be required to disclose detailed emissions data, including intensity metrics and Scope 3 emissions, which would 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>Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning</p>	<p>Arrow is developing a broader strategic approach to incorporating climate-related risks and opportunities into financial and operational strategies. The continued development of this strategy is a priority for Arrow. Arrow plans to refine this approach over time and ensure transparent annual reporting on any strategic updates, as well as progress toward related goals, to the extent senior management desires or the law requires.</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 identify resilient and low-harm solutions.</p>
	<p>Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario</p>	<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 engaged a third party to complete scenario analyses to assess the resilience of the company's strategy in different climate-related scenarios. We conducted analyses for six risks/opportunities to understand how our current business model would perform under different climate scenarios. This assessment included evaluating potential impacts on our operations and resources, renewable energy procurement strategy, and product demand. The insights gained from our analyses will help us navigate through climate-related challenges effectively as well as take advantage of new opportunities presented by these scenarios.</p>

THEME	RECOMMENDED DISCLOSURES	FY 2023 RESPONSE/DISCLOSURE LOCATION
<b>RISK MANAGEMENT</b> <b>The processes used by the organization to identify, assess, and manage climate-related risks and opportunities</b>	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 events and 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 of climate-related risks in alignment with the TCFD framework to determine which risks and opportunities are more relevant for Arrow.</p> <p>In 2023, Arrow engaged with a third party to conduct quantitative scenario analyses. The work utilized results from the qualitative assessment to help identify which risks and opportunities to focus on. The third party performed a scenario analysis for six risks/opportunities to assess the quantitative resilience of the company's strategy in different climate-related scenarios.</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. See "The company is subject to environmental laws and regulations and sustainability initiatives, and may be impacted by climate change, in ways that could materially adversely affect its business" in Arrow's <a href="#">Form 10-K</a> for fiscal year 2023, filed on February 13, 2024, for a discussion of the risk of noncompliance with environmental laws and regulations.</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 analysis and review of the key risks facing Arrow. This requires timely identification of key risks, assessing those risks, and establishing metrics to monitor risk mitigation effectiveness and risk controls and strategies relating to significant business activities.</p>

THEME	RECOMMENDED DISCLOSURES	FY 2023 RESPONSE/DISCLOSURE LOCATION
<p><b>METRICS AND TARGETS</b>  <b>The metrics and targets used to assess and manage relevant climate-related risks and opportunities</b></p>	<p>Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process</p>	<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 enterprise risk management assessment.</p>
	<p>Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks</p>	<p>Throughout 2023, Arrow continued to make progress against our Scope 1 and 2 emissions reduction goals. In 2023, Arrow's market-based Scope 1 and 2 emissions were 13,300 and 20,666 metric tons of CO<sub>2</sub>e, respectively. In 2023, Arrow also completed a baseline of all relevant Scope 3 emissions categories, including purchased goods and services, capital goods, fuel and energy, upstream transportation and distribution of goods, waste generated in operations, business travel, employee commuting, use of sold products, and end-of-life treatments of sold products. Our total Scope 3 emissions in 2023 were 9,053,010 metric tons of CO<sub>2</sub>e. For additional details, see the <a href="#">Environmental metrics</a> section.</p>
	<p>Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets</p>	<p>Arrow plans to continue reporting annual progress toward carbon-reduction goals through this TCFD report and publicly available CDP disclosures.</p> <p>In 2024 Arrow plans to:</p> <ul style="list-style-type: none"> <li>Continue to reduce Scope 1 and 2 emissions, supporting our multiyear 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</li> </ul> <p>Additionally, Arrow plans to:</p> <ul style="list-style-type: none"> <li>Set science-based targets in alignment with the Science Based Targets initiative by 2025 and reinforce the long-term aspiration to achieve 100% renewable electricity as may be available by 2030</li> </ul>

**Qualitative assessment key findings**

Climate-related opportunity category	Impact
<b>Resource efficiency</b>	Arrow's distribution-based business model provides ample opportunity to leverage logistics and supply chain optimization to reduce our Scope 3 footprint. Leveraging systematic data to garner new insights and deploying efficiency improvements will allow Arrow to realize an opportunity to reduce fuel costs and GHG emissions as well as increase resiliency.
<b>Energy source</b>	Customers are engaging Arrow to better understand the environmental impact of their suppliers; thus, Arrow has an opportunity to disclose life-cycle environmental impacts of products to facilitate our customers to a low-carbon economy and market products. Arrow is well positioned to be a proactive leader in products and services related to climate change.
<b>Products and services</b>	Digital innovation and strategy are key areas for opportunity. Arrow has the ability to invest in research, development, and innovation. 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.
<b>Markets</b>	Consistent with "Products and services"
<b>Resilience</b>	Consistent with "Energy source"

Climate-related risk category	Risk category	Impact
<b>Transition risks</b>	Policy and legal	Increased pricing of GHG emissions and mandates on and regulation of existing products and services present short- and medium-term risks to Arrow. One policy and legal risk is enhanced emissions reporting obligations. Emissions reporting requirements continue to expand globally, including the recently adopted SEC rules in the U.S. and CSRD regulations in the EU. 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 the potential substitution of existing products and services with lower-emissions options if customers prefer. While this is an opportunity to be a leader in innovation and efficiency, the cost and logistics of the transition pose medium-term and long-term risks.
	Market	Changes in customer behavior resulting from evolving customer preferences for more environmentally-friendly products could pose medium- to long-term risks to Arrow, while the increased cost of raw materials poses a short-term risk to Arrow's operations and supply chain.
	Reputation	A potential shift in consumer preferences for environmentally sustainable products could pose a long-term risk for Arrow if we are unable to keep pace with the industry transition to low-emissions technology and services.
<b>Physical risks</b>	Acute	The frequency and severity of extreme weather events have increased considerably in recent years. This trend is expected to continue to worsen in the future 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 multitiered supply chain, extreme variations 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 may rise; this could increase Arrow's energy demand for cooling rising operating costs, cause transportation delays, and impact employee health and wellbeing.

**Quantitative scenario analysis key findings**

**Business continuity model**

Risk/opportunity	Manifestation	Climate scenarios	Key findings
Extreme variability in weather patterns	Business interruption impacts from power outages	High emissions: IPCC's SSP 5-8.5 Low emissions: IPCC's SSP 1-2.6	<ul style="list-style-type: none"> <li>This model ranked Arrow facilities based on heat stress exposure to identify locations that are likely to be exposed to power outages and business interruption from tropical cyclones</li> <li>This model highlighted facilities in APAC as the most likely to be impacted by rising mean temperatures and weather unpredictability, allowing Arrow to better prepare for any potential future impacts</li> </ul>
Increased frequency and severity of extreme weather events	Building damage, content loss, and business interruption from tropical cyclones		<ul style="list-style-type: none"> <li>This model identified the need to ensure generators are effective and able to supply the power needed to fully support operations in areas that are particularly vulnerable to heat stress</li> <li>This model provided valuable information to support Arrow's business continuity team in confirming that adequate mitigation strategies and insurance protections are effectively in place</li> </ul>

**Operating expense model**

Risk/opportunity	Manifestation	Climate scenarios	Key findings
Use of more efficient processes	Renewable energy and efficiency upgrades	High emissions: NGFS's current policies Low emissions: Net zero 2050	<ul style="list-style-type: none"> <li>This model combined both physical risk impact (captured through changing electricity demand as a result of rising mean temperatures) and transition risk impacts (captured through changing electricity prices) using low and high emissions scenarios</li> <li>Results found that Arrow's renewable energy strategy is highly sensitive to projected growth in Arrow's electricity consumption and the minimum electricity consumption threshold for virtual power purchase agreements</li> </ul>
Rising mean temperatures	Changes in heating and cooling costs	High emissions: IPCC's SSP 5-8.5 Low emissions: IPCC's SSP 1-2.6	<ul style="list-style-type: none"> <li>Arrow will be able to leverage this model to evaluate procurement options across all operating regions to determine the most financially favorable renewable energy strategy</li> </ul>

**Revenue model**

Risk/opportunity	Manifestation	Climate scenarios	Key findings
Shift in consumer preferences to silicon carbide	Changing demand for silicon carbide products	High emissions: NGFS's current policies	<ul style="list-style-type: none"> <li>Projected changes in variables such as the number of vehicles on the road, energy generation sources, and the efficiency of buildings within various climate scenarios pose both a risk and opportunity for Arrow's product offerings</li> <li>Results from this model identified sales of silicon carbide and other technology products related to electric vehicles as a significant opportunity for Arrow</li> </ul>
Shift in consumer preferences to LED lighting	Changing demand for LED products	Low emissions: Net Zero 2050	<ul style="list-style-type: none"> <li>Developing this model emphasized the necessity to enhance data tracking of products linked to the climate transition to ensure Arrow will be able to capitalize on new opportunities in the future</li> <li>This model allows us to identify areas to make investments in products to be able to take advantage of transition opportunities and earn a larger portion of the share of revenue</li> </ul>



## Metrics and references

Quick reference	Link
<b>About Arrow</b>	<a href="#">2024 fact sheet</a>
<b>Company year in review</b>	<a href="#">2023 year in review</a>
<b>Company website</b>	<a href="#">arrow.com</a>
<b>Proxy Statement</b>	<a href="#">SEC filings</a>
<b>Company financials</b>	<a href="#">Financial results</a>
<b>Policies and reports</b>	<a href="#">Reporting and governance</a>
<b>ESG at Arrow</b>	<a href="#">Environmental, social, governance</a>
<b>Quality policies and certifications</b>	<a href="#">Arrow supplier quality</a>
<b>SASB index</b>	<a href="#">Page 72</a>
<b>TCFD disclosure</b>	<a href="#">Page 75</a>

## Environmental metrics and references

### Quick reference

**Global environmental sustainability policy**

[Global environmental sustainability policy](#)

**Global greenhouse gas (GHG) reporting policy**

[Global greenhouse gas \(GHG\) reporting policy](#)

**CDP responses**

[CDP - Arrow Electronics, Inc.](#)

Metrics	Unit	2021	2022	2023
<b>GHG emissions</b>				
<b>Total GHG emissions (1+2+3)</b>	tonnes CO2e	N/A	N/A	9,086,976
<b>GHG emissions from operations (Scope 1 + Scope 2)</b>	tonnes CO2e	42,958	38,412	33,966
<b>Total emissions intensity by revenue</b>	tonnes CO2e / US \$M revenue	1.3	1.0	1.0
<b>Scope 1</b>				
<b>Total GHG emissions</b>	tonnes CO2e	13,058	13,351	13,300
<b>Location-based</b>	tonnes CO2e	13,058	13,351	13,300
<b>Market-based</b>	tonnes CO2e	13,058	13,351	13,300
<b>Emissions by type</b>				
<b>Natural gas</b>	tonnes CO2e	6,945	6,755	5,562
<b>Fleet</b>	tonnes CO2e	6,113	6,596	7,680
<b>Other</b>	tonnes CO2e	—	—	58
<b>Emissions by region</b>				
<b>APAC</b>	tonnes CO2e	2,539	2,645	2,384
<b>AMER</b>	tonnes CO2e	2,852	3,000	2,225
<b>EMEA</b>	tonnes CO2e	7,667	7,707	8,691
<b>Other</b>				
<b>Building energy usage</b>	MWh	40,636	39,326	31,114
<b>Percentage of square footage with actual utility bills</b>	Percentage	38%	32%	1.6%

Metrics	Unit	2021	2022	2023
<b>Scope 2</b>				
<b>Total GHG emissions</b>	tonnes CO2e	29,900	25,061	20,666
<b>Location-based</b>	tonnes CO2e	30,513	28,437	28,718
<b>Market-based</b>	tonnes CO2e	29,900	25,061	20,666
<b>Emissions by type</b>				
<b>Purchased electricity</b>	tonnes CO2e	29,900	25,061	20,666
<b>Other</b>	tonnes CO2e	N/A	N/A	N/A
<b>Emissions by region</b>				
<b>APAC</b>	tonnes CO2e	12,582	13,969	13,022
<b>AMER</b>	tonnes CO2e	13,490	8,419	5,139
<b>EMEA</b>	tonnes CO2e	3,828	2,673	2,504
<b>Other</b>				
<b>Building energy usage</b>	MWh	68,462	63,272	63,120
<b>Percent of square footage with actual utility bills</b>	Percentage	71%	69%	67%
<b>Scope 3</b>				
<b>Total</b>	tonnes CO2e	—	—	9,053,010
<b>Category 1: Purchased goods and services</b>	tonnes CO2e	—	—	6,151,159
<b>Category 2: Capital goods</b>	tonnes CO2e	—	—	14,837
<b>Category 3: Fuel and energy related activities</b>	tonnes CO2e	—	—	6,280
<b>Category 4: Upstream transportation and distribution</b>	tonnes CO2e	—	—	258,533
<b>Category 5: Waste generated in operations</b>	tonnes CO2e	—	—	892
<b>Category 6: Business travel</b>	tonnes CO2e	—	—	7,847
<b>Category 7: Employee commuting</b>	tonnes CO2e	—	—	175,311
<b>Category 8: Upstream leased assets</b>	tonnes CO2e	—	—	N/A
<b>Category 9: Downstream transportation and distribution</b>	tonnes CO2e	—	—	N/A
<b>Category 10: Processing of sold products</b>	tonnes CO2e	—	—	N/A

Metrics	Unit	2021	2022	2023
<b>Category 11: Use of sold products</b>	tonnes CO2e	—	—	2,421,979
<b>Category 12: End-of-life treatment of sold products</b>	tonnes CO2e	—	—	16,172
<b>Category 13: Downstream leased assets</b>	tonnes CO2e	—	—	N/A
<b>Category 14: Franchises</b>	tonnes CO2e	—	—	N/A
<b>Category 15: Investments</b>	tonnes CO2e	—	—	N/A
<b>Efficiency</b>				
<b>Global locations receiving energy audits</b>	Number	—	—	24
	Percentage	—	—	10%
<b>Renewable energy</b>				
<b>Global electricity derived from renewable sources</b>	MWh	—	7,266	16,232
	Percentage	—	12%	26%
<b>AMER</b>	MWh	—	5,399	13,744
	Percentage	—	18%	48%
<b>APAC</b>	MWh	—	73	88
	Percentage	—	0.3%	0.4%
<b>EMEA</b>	MWh	—	1,794	2,399
	Percentage	—	16%	20%
<b>Electricity derived from renewable resources, by category</b>				
<b>Onsite solar</b>	MWh	—	234	158
<b>Utility programs</b>	MWh	—	7,032	16,073
<b>Unbundled RECs</b>	MWh	—	0	0
<b>Other</b>	MWh	—	0	0
<b>Fleet</b>				
<b>Global vehicle count</b>	Number	—	1,647	1,702
<b>EMEA</b>	Number	—	1,553	1,619
<b>Global electric/hybrid fleet vehicles</b>	Number	—	417	679
	Percentage	—	25%	40%

## Climate and energy metrics methodology

All emissions categories are calculated in accordance with the Greenhouse Gas Protocol.

**Important Note:** Updated calculations for 2021 and 2022 Scope 1 fleet emissions are included in this report. In prior year reports, Arrow had not included emissions from electricity consumption used to power electric and plug-in hybrid vehicles. While updating prior year fleet emissions to include those from electric and plug-in hybrid vehicles, Arrow has also updated data for 2021 and 2022 to replace a portion of mileage data with updated fuel data that is now available. These updates impact historical reporting for total Scope 1 emissions (both location-based and market-based), GHG emissions from operations, and emissions intensity by revenue.

### SCOPE 1 AND SCOPE 2

- All building energy usage data has been converted to its MWh equivalent for comparison purposes and does not include fleet data.
- Building energy usage and location-based and market-based emissions data is representative of all Arrow sites globally.
- Actual data was not available for all sites (table summary below)
  - For sites with no Scope 1 (Non-Fleet) usage data available, the assumption was made that all sites are using natural gas for stationary combustion. For these sites, usage was extrapolated using CBECS 2018 emissions factors by building type. Sites were excluded only where no on-site natural gas usage was confirmed through an energy audit performed in 2023.
  - Scope 2 usage data was extrapolated using a third-party vetted custom energy use intensity by region and building type where actual data was not available. The EUI estimate was applied to any site where less than 6 months of actual data was available.
- Scope 1 Fleet emissions were calculated using annual fuel use, fuel cost, or distance driven and emissions factors from USA EPA MRR Final Rule (40 CFR 98) - Commercial Sector 2013, DEFRA and the IEA. Annual distance driven was captured using actual mileage data, where available, or the maximum allowable mileage per Arrow's vehicle contracts.
- Other sources of Scope 1 emissions such as refrigerants and on-site generator fuel were currently deemed immaterial and not captured in the data.
- Emissions factors used to calculate metric tons of carbon dioxide equivalent were sourced from: 2006 IPCC Guidelines for National Greenhouse Gas Inventories (AR6), the U.S. EPA Emission Factors for Greenhouse Gas Inventories, the U.S. EPA Emissions & Generation Resource Integrated Database (eGRID), UK DEFRA, and RE-DISS European Residual Mix 2022 v2.0, and the IEA. To calculate Scope 2 emissions based on a market-based approach, up-to-date emission factors for specific utilities were used. These factors were provided by Schneider Electric's annual research project, which maintains a comprehensive library of such data.

### SCOPE 3

- **Categories 1, 2, 4: Purchased goods and services (1), capital goods (2), upstream transportation and distribution (4)**
  - Calculation method: Spend-based
  - Data used: Actual; except for category 1 data from one business entity, Ultrasource Taiwan, where 2022 values were used to estimate 2023 and category 4 data from one logistics carrier where precalculated emissions covered all of 2023
  - Emissions factor(s): Summary-level commodity factors from the EPA 2022 library, Supply Chain GHG Emissions Factors for US Commodities and Industries v1.1, calculated from USEEIO models. For category 1, Arrow leveraged the factors without margins. For categories 2 and 4, Arrow leveraged the factors with margins.
- **Category 3: Fuel and energy-related activities**
  - Calculation method: Average data
  - Coverage: Transmission and distribution (T&D) loss, well-to-tank (WTT) for electricity and natural gas; other activities within category 3 were considered de minimis.
  - Data used: Actual electricity and natural gas consumption
  - Emissions factor(s): 2023 IEA T&D Loss, US EPA EGrid T&D Loss, 2022 DEFRA - WTT
- **Category 5: Waste generated in operations**

- Calculation method: Average data
- Coverage: Disposal in landfill, recovery for recycling, and incineration. All other activities were considered de minimis.
- Data used: Actual for waste mass and type, in cases where waste is reported purely in terms of volume, a volume-to-mass estimation factor was assumed. Estimations were not used to gap fill where actual data was not available as emissions related to this data were considered de minimis.
- Emissions factor(s): EPA 2022 Waste Generated in Operations or End-of-Life Treatment of Sold Products
- **Category 6: Business travel**
  - Calculation method: Distance-based for most modes of business travel; fuel-based for select air travel
  - Data used: Actual for dates, country, mileage, fuel consumption, and hotel nights. For some rail data, estimated distance data was leveraged.
  - Emissions factor(s): Multiple libraries, depending on location and business travel type, including from the EPA and DEFRA
- **Category 7: Employee commuting**
  - Calculation method: Average data
  - Coverage: Automobile, bus, and other (biking/walking) travel
  - Data used: Actual employee records for in-office days along with actual zip code data. In cases where employee records for in-office days were unavailable, in-office days were assigned based on the average value of the records with actual values. In cases where zip codes were unavailable, distance was assigned based on the median value of the records with distances.
  - Emissions factor(s): Two libraries, including from the EPA and DEFRA
- **Category 11: Use of sold products**
  - Calculation method: Average product
  - Coverage: Direct-use phase for the ECS business unit only
  - Data used: Estimated product quantity sold by category based on average revenue per unit in USD and total estimated lifetime kWh usage by product category.
  - Emissions factor(s): Location-based electricity emissions factors, consistent with those used in Scope 2 inventory
- **Category 12: End-of-life treatment of sold products**
  - Calculation method: Average product
  - Coverage: Downstream end-of-life treatment of products for the ECS business unit only
  - Data used: Estimated product quantity sold by category based on average revenue per unit in USD
- **Categories 8, 9, 10, 13, 14, 15: Upstream leased assets (8), downstream transportation and distribution (9), processing of sold products (10), downstream leased assets (13), franchises (14), and investments (15)**
  - Coverage: Not included, deemed not relevant or de minimis to Arrow's business or operations.

## Social metrics and references

Metrics	Unit	2021	2022	2023
<b>Global workforce distribution</b>				
<b>Employees</b>	Number	20,766	22,347	22,129
	Percentage	95.9%	95.8%	96.6%
<b>Employees who are people leaders</b>	Percentage	18%	17%	16%
<b>Employees who are individual contributors</b>	Percentage	82%	83%	84%
<b>Median tenure of employees</b>	Years	4	4	4
<b>Number of counties with employees</b>	Number	53	54	53
<b>Contingent workers</b>	Number	882	972	770
	Percentage	4.1%	4.2%	3.4%
<b>Engineering</b>	Percentage	10%	9%	7%
<b>Sales</b>	Percentage	19%	16%	14%
<b>Light industrial</b>	Percentage	33%	36%	39%
<b>Business professional</b>	Percentage	38%	39%	40%
<b>Ratio of employees to contingent workers</b>	Ratio	24:1	23:1	29:1
<b>Employee distribution</b>				
<b>Employees by classification</b>				
<b>Regular employees</b>	Percentage	98.2%	98.3%	97.9%
<b>Temporary, fixed-term, and interns</b>	Percentage	1.8%	1.7%	2.1%
<b>Ratio of employees to temporary, fixed-term, and interns</b>	Ratio	54:1	56:1	46:1
<b>Employees by segment</b>				
<b>Engineering</b>	Percentage	17%	18%	18%
<b>Sales</b>	Percentage	28%	28%	28%
<b>Light industrial</b>	Percentage	10%	10%	9%
<b>Business professional</b>	Percentage	45%	44%	45%

Metrics	Unit	2021	2022	2023
<b>Employees by region</b>				
<b>AMER</b>	Number	6,100	6,500	6,500
<b>Employees who are people leaders</b>	Percentage	18%	16%	16%
<b>Employees who are individual contributors</b>	Percentage	82%	84%	84%
<b>Median tenure of employees</b>	Number	5	4	4
<b>Number of countries with employees</b>	Number	6	6	6
<b>EMEA</b>	Number	6,800	7,400	7,600
<b>Employees who are people leaders</b>	Percentage	18%	15%	15%
<b>Employees who are individual contributors</b>	Percentage	82%	85%	85%
<b>Median tenure of employees</b>	Number	5	4	5
<b>Number of countries with employees</b>	Number	33	34	33
<b>APAC</b>	Number	7,800	8,400	8,000
<b>Employees who are people leaders</b>	Percentage	20%	20%	17%
<b>Employees who are individual contributors</b>	Percentage	80%	80%	83%
<b>Median tenure of employees</b>	Number	3	3	3
<b>Number of countries with employees</b>	Number	14	14	14
<b>Inclusion and diversity</b>				
<b>Gender distribution</b>				
<b>Percentage of men in global employee population</b>	Percentage	57.6%	58.0%	58.3%
<b>AMER</b>	Percentage	58.2%	58.5%	58.4%
<b>EMEA</b>	Percentage	57.6%	57.0%	57.0%
<b>APAC</b>	Percentage	57.2%	58.5%	59.4%
<b>Percentage of women in global employee population</b>	Percentage	42.4%	42.0%	41.7%
<b>AMER</b>	Percentage	41.8%	41.5%	41.6%
<b>EMEA</b>	Percentage	42.4%	43.0%	43.0%
<b>APAC</b>	Percentage	42.8%	41.5%	40.6%



Metrics	Unit	2021	2022	2023
<b>Women representation by employment type</b>				
<b>Executives</b>	Number	3	3	4
	Percentage	27.3%	27.3%	33.3%
<b>Vice presidents/senior management</b>	Number	23	22	23
	Percentage	22.8%	22.4%	22.8%
<b>Directors</b>	Number	123	153	168
	Percentage	27.6%	29.9%	30.9%
<b>Managers</b>	Number	739	757	698
	Percentage	29.8%	30.4%	30.4%
<b>Supervisors</b>	Number	355	390	302
	Percentage	45.8%	50.3%	47.6%
<b>Individual contributors</b>	Number	7,483	7,967	7,950
	Percentage	44.7%	43.7%	43.3%
<b>Underrepresented race/ethnicity representation (U.S. Only)</b>				
<b>U.S. employees of underrepresented race/ethnicity</b>	Percentage	35.1%	36.9%	37.1%
<b>Underrepresented race/ethnicity by employment type (U.S. Only)</b>				
<b>Executives</b>	Number	2	3	3
	Percentage	18.2%	27.3%	25.0%
<b>Vice president/senior management</b>	Number	8	7	8
	Percentage	13.8%	12.3%	14.5%
<b>Directors</b>	Number	35	45	44
	Percentage	16.4%	17.9%	17.1%
<b>Managers</b>	Number	146	150	148
	Percentage	27.0%	30.0%	31.4%
<b>Supervisors</b>	Number	40	35	29
	Percentage	42.6%	40.2%	37.2%
<b>Individual contributors</b>	Number	1,456	1,620	1,552
	Percentage	37.4%	39.2%	39.4%

Metrics	Unit	2021	2022	2023
<b>Underrepresented race/ethnicity diversity, by race/ethnicity (U.S. only)</b>				
<b>White</b>	Percentage	64.9%	63.1%	62.9%
<b>All underrepresented races/ethnicities</b>	Percentage	35.1%	36.9%	37.1%
<b>Black</b>	Percentage	4.4%	4.5%	4.7%
<b>Hispanic</b>	Percentage	13.5%	14.1%	14.1%
<b>Asian</b>	Percentage	14.2%	15.1%	15.3%
<b>Other</b>	Percentage	3.0%	3.2%	3.0%
<b>Promotions by underrepresentation categories (U.S. only)</b>				
<b>Percentage of promotions into supervisor and above positions that were underrepresented race/ethnicity</b>	Percentage	27%	32%	23%
<b>Percentage of promotions at the individual contributor level that were underrepresented race/ethnicity</b>	Percentage	-	45%	45%
<b>Employee engagement</b>				
<b>Employee net promoter score (eNPS)</b>	Number	-	50	53
<b>Service anniversary survey participation</b>	Percentage	-	-	70%
<b>New hire survey participation</b>	Percentage	-	-	67%
<b>Employee tenure</b>				
<b>&lt;1 year</b>	Number	-	4,773	2,775
	Percentage	-	21.4%	12.5%
<b>1-4.9 years</b>	Number	-	8,035	9,416
	Percentage	-	36.0%	42.6%
<b>5-9.9 years</b>	Number	-	4,279	4,579
	Percentage	-	19.1%	20.7%
<b>10-14.9 years</b>	Number	-	1,876	1,927
	Percentage	-	8.4%	8.7%
<b>15-19.9 years</b>	Number	-	1,506	1,502
	Percentage	-	6.7%	6.8%
<b>20+ years</b>	Number	-	1,878	1,930
	Percentage	-	8.4%	8.7%

Metrics	Unit	2021	2022	2023
<b>Underrepresented race/ethnicity Diversity, by Race/Ethnicity (U.S. Only)</b>				
<b>New hire diversity by race/ethnicity (U.S. only)</b>				
<b>White</b>	Number	–	646	330
	Percentage	–	51.0%	54.1%
<b>All underrepresented races/ethnicities</b>	Number	–	620	280
	Percentage	–	49.0%	45.9%
<b>Black</b>	Number	–	92	57
	Percentage	–	7.3%	9.3%
<b>Hispanic</b>	Number	–	255	121
	Percentage	–	20.2%	19.8%
<b>Asian</b>	Number	–	198	77
	Percentage	–	15.6%	12.6%
<b>Other</b>	Number	–	75	25
	Percentage	–	5.9%	4.1%
<b>New hire diversity by gender (global)</b>				
<b>Women new hires</b>	Percentage	–	38%	38%
<b>Men new hires</b>	Percentage	–	62%	62%
<b>Turnover</b>				
<b>Global voluntary turnover rate of regular employees</b>				
<b>AMER</b>	Percentage	17.6%	15.5%	10.5%
<b>EMEA</b>	Percentage	21.1%	18.8%	12.0%
<b>APAC</b>	Percentage	12.6%	13.4%	9.2%
<b>APAC</b>	Percentage	19.3%	14.8%	10.4%
<b>Global training and development</b>				
<b>Training for all</b>				
<b>Number of employees with access to training</b>	Number	–	–	19,719
<b>Employees who visited Career Hub</b>	Percentage	–	–	38%
<b>Employees who highlighted Arrow career path interests within Career Hub</b>	Percentage	–	–	35%
<b>Employees who initiated mentorships</b>	Number	–	–	700
<b>Employees who engaged in voluntary learning</b>	Percentage	–	–	63%
<b>Total amount invested in digital training</b>	USD	–	–	\$860,000.00

Metrics	Unit	2021	2022	2023
<b>Leadership development</b>				
Leadership development program participants	Number	-	-	854
Retention of program participants for the last two years	Percentage	-	-	91%
Average company investment per participant	USD	-	-	\$1,771
<b>Career opportunity growth</b>				
Internal job movement into VP+ positions	Percentage	73%	76%	71%
External hires into VP+ positions	Percentage	27%	24%	29%
Internal job movement into director positions	Percentage	73%	72%	72%
External hires into director positions	Percentage	27%	28%	28%
Internal job movement into manager positions	Percentage	70%	72%	78%
External hires into manager positions	Percentage	30%	28%	22%
Internal job movement into supervisor positions	Percentage	78%	85%	81%
External hires into supervisor positions	Percentage	22%	15%	19%
<b>U.S. safety data</b>				
<b>Number of cases</b>				
Total number of fatalities	Number	0	0	0
Total number of cases with days away from work	Number	145	385	83
Total number of cases with job transfer or restriction	Number	1,112	863	900
Total number of other recordable cases	Number	11	13	13
<b>Number of days</b>				
Total number of days away from work for all cases	Number	145	385	83
Total number of days of job transfer or restrictions	Number	1,112	863	900
<b>Rates</b>				
Total recordable (TRIR)	Number	4.57	11.95	3.72
Lost work day (DAFWII)	Number	3.72	10.65	3.30
Days away restricted time (DART)	Number	4.28	11.59	2.66
Experience modification rate (EMR)	Number	0.52	0.52	0.69

Metrics	Unit	2021	2022	2023
<b>Community engagement</b>				
<b>Volunteer engagement score</b>	Number	-	-	79
<b>Organizations supported via volunteering and/or giving</b>	Number	-	-	515
<b>Number of employees that volunteered globally</b>	Number	-	-	2,641
<b>Total global volunteer hours</b>	Number	-	-	11,813

The data is as of December 31, 2021, December 31, 2022, and December 31, 2023.

**EQUAL EMPLOYMENT OPPORTUNITY 2022 EMPLOYER INFORMATION REPORT EEO-1 CONSOLIDATED REPORT (US ONLY)**

Job categories	Hispanic or Latino		Not Hispanic or Latino											Overall totals	
	Male	Female	***Male***						***Female***						
			White	Black or African American	Asian	Native Indian or Pacific Islander	American Indian or Alaskan Native	Two or More Races	White	Black or African American	Asian	Native Indian or Pacific Islander	American Indian or Alaskan Native		Two or more races
Executive/Sr. officials and mgrs	1	—	42	3	4	—	—	—	16	2	—	—	—	—	68
First/mid officials and mgrs	37	28	365	12	88	—	2	11	227	15	27	1	1	5	819
Professionals	94	76	705	45	251	2	5	22	483	24	89	3	5	16	1,820
Technicians	6	—	20	3	6	1	—	1	2	1	3	—	—	—	43
Sales workers	46	35	452	18	26	3	1	10	340	8	17	—	—	5	961
Administrative support	22	32	110	13	14	—	1	9	187	32	21	2	2	9	454
Craft workers	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Operatives	149	206	162	37	109	9	9	10	81	19	120	7	6	5	929
Laborers and helpers	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service workers	—	—	1	—	—	—	—	—	—	—	—	—	—	—	1
Current 2022 reporting year total	355	377	1,857	131	498	15	18	63	1,336	101	277	13	14	40	5,095
Prior 2021 reporting year total	318	341	1,845	119	447	14	16	55	1,360	94	253	17	9	32	4,290

## Governance metrics and references

### Quick reference

#### Policies and reports

[Reporting and governance](#)

#### Quality policies and certifications

[Arrow supplier quality](#)

#### Investor relations

[Investor relations](#)

#### Ethics and compliance

#### Code of Conduct

[Worldwide Code of Business Conduct and Ethics](#)

Policy on insider trading

Page 12

Policy on antitrust and fair competition

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Policy on conflict of interest

Page 12

Policy on export controls

Page 10

Policy on political engagement

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Policy on non-harassment

Page 8

Policy on safe work environment

Page 8

Confidential reporting

Page 7 and 18

#### Percent of compliance training completed

2022 = 99%

2023 = 99%

#### Business Partner Code of Conduct

[Business Partner Code of Conduct and Ethics](#)

Human rights

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Conflict minerals

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Sustainability

Page 14

Reporting violations

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#### Conflict minerals

[Conflict minerals statement/report](#)

#### Human rights

[Slavery and human trafficking statement](#)

#### Responsible Business Alliance (RBA)

2022 = Supporter member

2023 = Supporter member

#### Frequency of mandatory data privacy training

Annual

#### Privacy policy

[Privacy policy](#)

#### Business continuity

[Global business continuity program overview](#)

## 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 Arrow’s Annual Report on [Form 10-K](#) for the year ended December 31, 2023, filed with the U.S. Securities and Exchange Commission (“SEC”) on February 13, 2024, 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.

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While Arrow is actively working to achieve its ESG goals, these goals are forward-looking statements that reflect expectations as of the date of this statement, not historical facts or guarantees of future performance, achievement, or results. There is no guarantee that Arrow will meet either its goals or increasing stakeholder ESG expectations. In addition, the standards by which certain ESG goals are measured are evolving and subject to assumptions that could change over time.



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