



Corporate

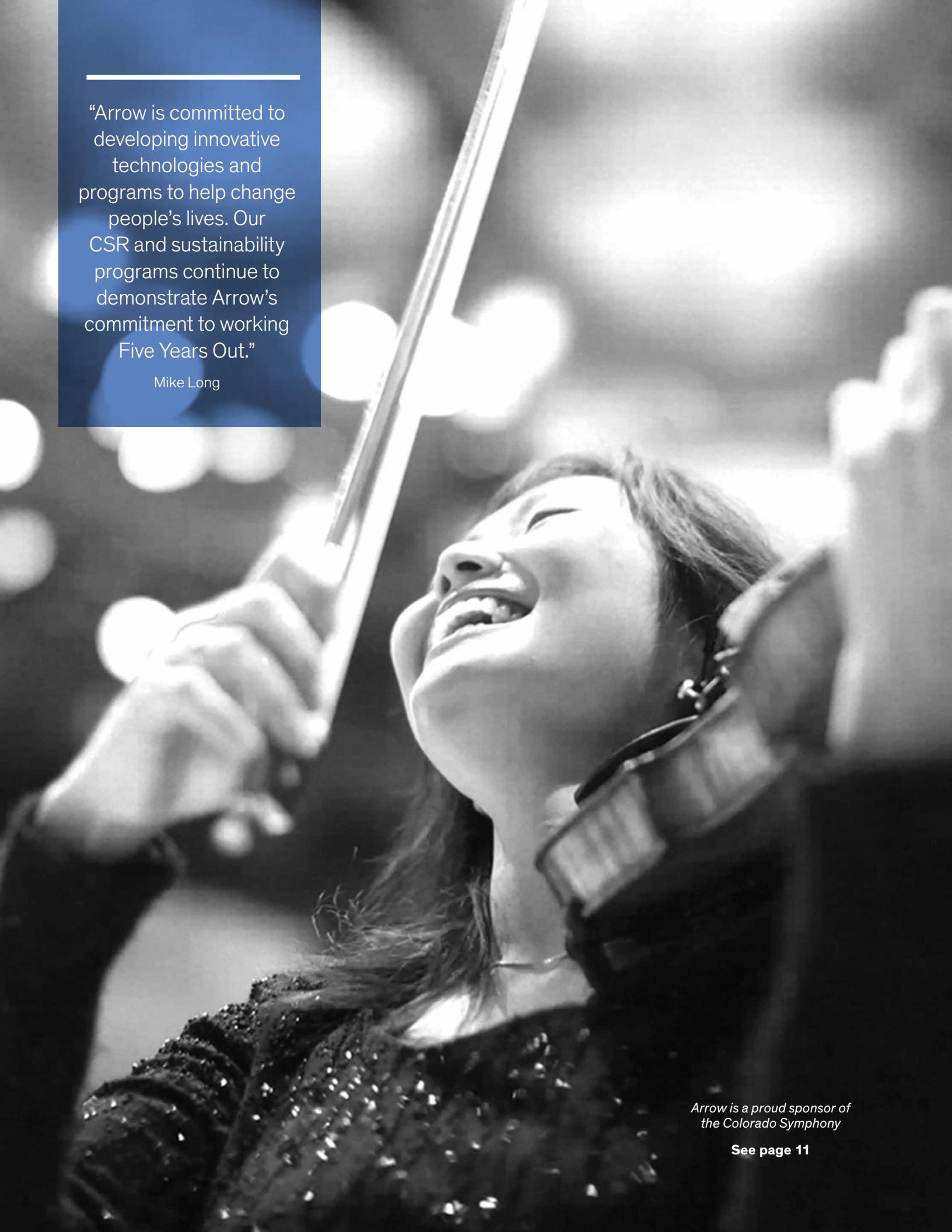
Global Marketing and Communications

Corporate Social Responsibility and Sustainability Report 2015



"Arrow is committed to developing innovative technologies and programs to help change people's lives. Our CSR and sustainability programs continue to demonstrate Arrow's commitment to working Five Years Out."

Mike Long



*Arrow is a proud sponsor of
the Colorado Symphony*

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The Arrow SAM car advances technology and mobility innovations for the disabled community.

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Arrow sponsored and deployed DigiTruck, a mobile solar-powered classroom to bridge the digital divide in Africa.

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Arrow's Sustainability Program guides innovators to a better tomorrow.

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Arrow CSR and its partners reach three million people annually.

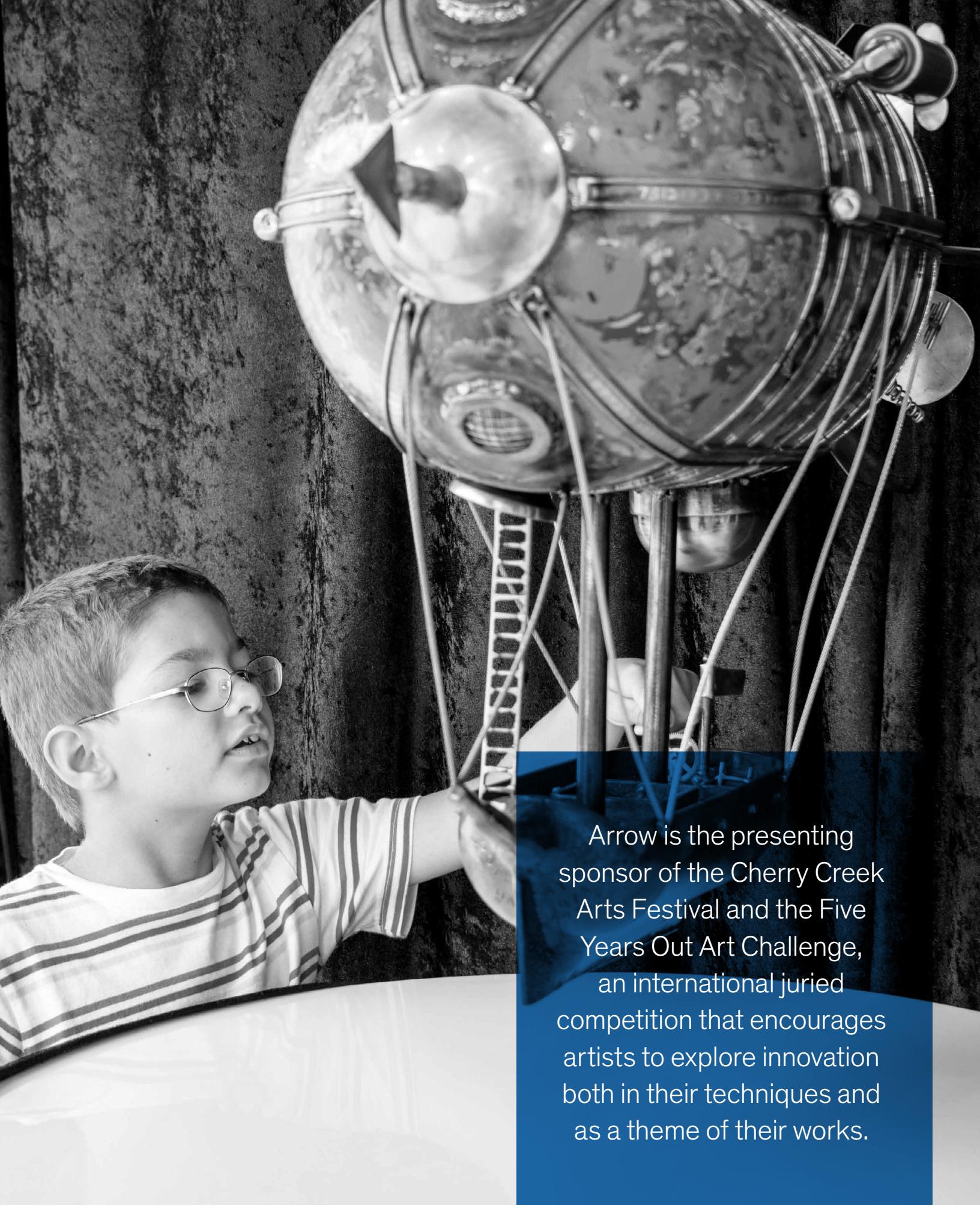
Mission Statement

Arrow Electronics' corporate social responsibility (CSR) program guides today's innovators to a better tomorrow. With our help, our partners will transform their ideas into real and influential achievements that will help people and the communities in which Arrow works.

And just as technology touches all facets of our lives, we intend to foster new, cross-cutting collaborations between Arrow, our CSR partners, customers and suppliers, so their efforts yield astonishing and unforeseen results. Working together, we can make the world a better place — now and Five Years Out.

Our view of CSR goes beyond traditional corporate philanthropy and community relations. It is a business strategy that creates competitive advantages by establishing partnerships around shared values and pursuing innovations that strengthen Arrow's reputation and brand. We prefer to take on a few transformational projects that leverage the company's expertise and scope, in addition to making a limited number of financial contributions to organizations that share our values and vision.



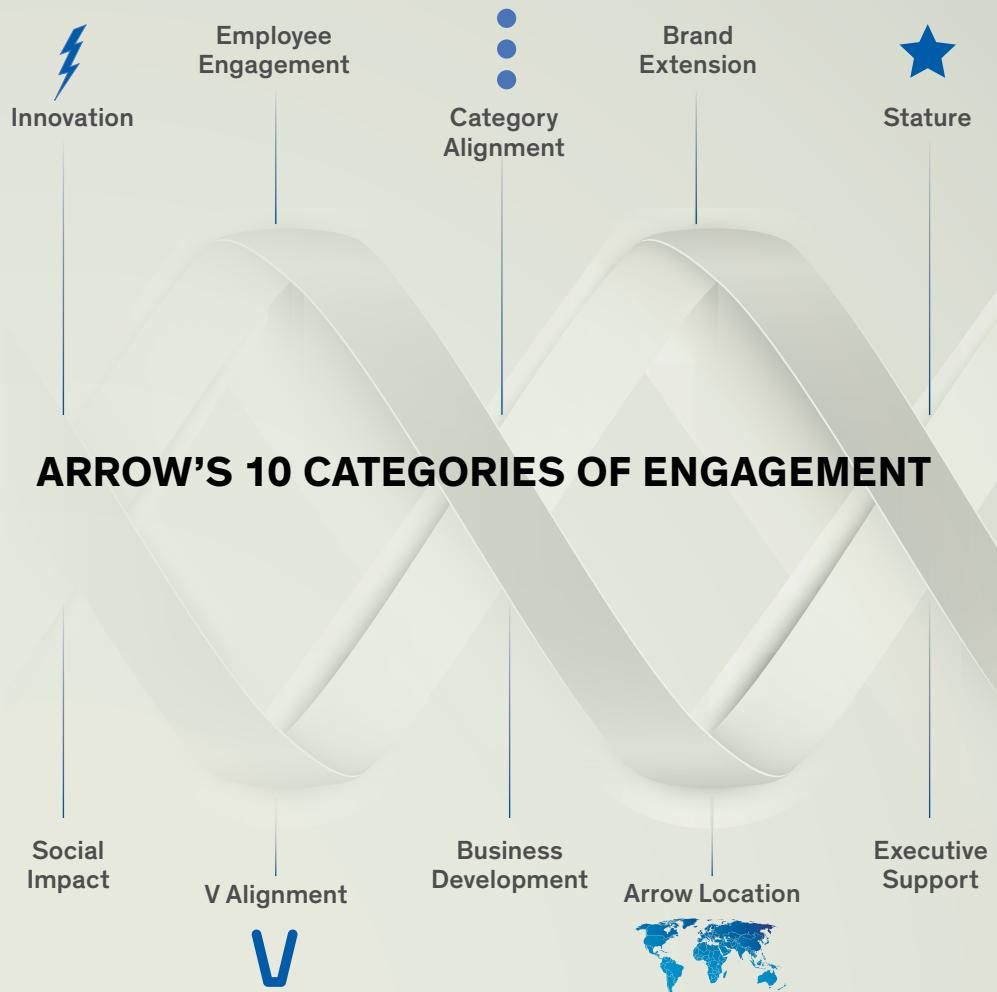


Arrow is the presenting sponsor of the Cherry Creek Arts Festival and the Five Years Out Art Challenge, an international juried competition that encourages artists to explore innovation both in their techniques and as a theme of their works.

CSR Metrics

Arrow has developed an engagement rating system by which we evaluate CSR partners and projects. The Arrow balanced scorecard includes elements from similar evaluation tools used by the Boston College Center for Corporate Citizenship, a leading CSR think tank, and the National Conference on Citizenship, a nonprofit chartered by Congress in 1953 to enhance civic participation.

Arrow's engagement rating has ten categories: Innovation, Brand Extension, Arrow Category Alignment, Arrow V Alignment, Stature, Social Impact, Business Development, Arrow Location, Employee Engagement and Executive Support.



Application and Guidelines

HOW TO APPLY

Arrow reviews proposals for CSR partnerships once a year. Our deadline is September 15. We do not use a standard application form, as we would like to see how you best present your ideas and demonstrate innovation. As you develop a proposal, please reflect our scorecard categories and giving guidelines. Provide details to substantiate your request, especially as it relates to innovation. Our program is tightly focused and limited to very few new proposals annually. So while every proposal will be considered, we are looking for those few transformative ideas.

Send requests to:

Alex West
CSR Manager
AWest@arrow.com

CSR GIVING GUIDELINES

We request that potential CSR partners adjust their requests to meet the following criteria:

- > Proposals for new projects and partnerships will be reviewed in the Fall for support the following calendar year.
- > Proposals should demonstrate a specific innovation.
- > Projects are strongly preferred over general sponsorships or donations.
- > Proposals should include specific timelines and deliverables.
- > Proposals should include specific goals and deliver tangible progress and outcomes according to a monthly and annual schedule, as well as a summative evaluation at year's end.
- > Proposals should specify a technology or business expertise that Arrow can uniquely provide.

- > An Arrow executive should serve on the partner's board of directors or as a strategic advisor to the project.

ARROW DOES NOT SUPPORT:

- > Non-501 c3 charities or organizations
- > Political candidates, campaigns or PACs
- > Individuals
- > Sectarian or denominational religious organizations
- > Organizations that limit membership based on race, gender or sexual orientation
- > Fraternal or labor organizations
- > Sporting events or teams
- > Unrestricted gifts
- > Capital campaigns
- > Travel and tours
- > Basic research

CSR Partnership Categories



Health and Medicine — Innovating Lives

Semi-Autonomous Motorcar (SAM) — Year 2

Our partner and driver Sam Schmidt was severely disabled 16 years ago in a racing accident. Now with Arrow's help, he can drive using only head movements – reaching speeds as high as 107 mph on the iconic Indy 500 oval track.

Beginning in 2013, **Arrow modified a 2014 Corvette C7 Stingray** with integrated advanced electronics and a human-to-machine interface. Schmidt steers, accelerates and brakes the car through mouth controls and four infrared cameras tracking his head as he turns it left and right. He is accompanied by a trained, able-bodied co-driver with separate, back-up controls.

Why are we doing this? To help and inspire Schmidt — and millions of people like him.

The U.S. Centers for Disease Control estimates that **20 percent of adult Americans are disabled, including 45 percent of the 1.6 million veterans returning from the wars in Iraq and Afghanistan.** One in 50 Americans is paralyzed. And according to a recent survey, disabled people feel twice as likely to miss out on careers, family life and education compared to able-bodied people.

In 2014, Schmidt and the SAM car debuted in celebrated demo laps at the Indy 500. In 2015, he drove on three road and street courses – the Long Beach Grand Prix, the Circuit of the Americas in Austin, TX, and the Sonoma Grand Prix. The **courses were up to three miles long and included, hills, banked curves and 180-degree hairpin turns.** He reached a top speed of 105 mph.

NBC anchor Harry Smith interviewing Sam Schmidt for the NBC Nightly News at the racetrack in Fontana, CA.

In an additional modification, Arrow's Systems Integration (SI) business and Microsoft helped the SAM team add an Internet of Things platform to the Corvette, capturing car and driver data for real-time display as well as ongoing performance analysis.

In October 2015, Schmidt began to practice street driving – including traffic signals, hazards and pedestrians – on a private instructional track in southeast Denver in anticipation of legally driving on public streets in 2016.

In December, he participated in an online race based in Los Angeles against 25 able-bodied professional race car drivers. While the rest of the field competed in typical simulators programmed with the Watkins Glen road course, Schmidt drove a modified simulator using the SAM car technology. Driving only with his head, he finished 16th.

The SAM car was displayed at the Smithsonian National Museum of American History in Washington DC to mark the 25th anniversary of the Americans with Disabilities Act.

The SAM car was featured at technology events nationwide, including Internet of Things conferences in Boston and San Jose, as well as advanced transportation conferences in Colorado and Nevada with the U.S. Department of Energy/National Renewable Energy Laboratory. This year, **thought-leaders like Colorado Governor John Hickenlooper and New York Times columnist Thomas Friedman, test drove the SAM car at events around the country.**



2016 GOAL

Continuing to modify the SAM car technology
to safely drive on more challenging race
courses and public roads.

Engagement Rating: 97



“I have never met a group of executives this focused on doing good things for humanity in addition to watching the bottom line. This program proves you can do both.” – Sam Schmidt



2016 GOAL

Partner with technology competitions and demonstrate select innovations for humanitarian purposes and business development.



Technology Incubators — Innovating Today

Good ideas are everywhere, but innovators are rare. Innovators punch through the status quo to deliver a solution that is both practical and provides exciting new opportunities.

To identify innovators and guide them forward, Arrow partners with technology incubators, accelerators and competitions. We pursue these partnerships in the conviction that the organized process of iteration, presentation, mentorship and competition distills interesting ideas into real innovations that may benefit society and improve people's lives.

Clean Tech Open (CTO)

The CTO is the world's largest accelerator for startups devoted to a sustainable planet and communities. Based in Silicon Valley, CTO entrepreneurs from 39 countries are mentored by experts and pitch their plans to the investor community. Arrow sponsored the CTO's computer and information systems category, while offering all competitors business development and electronics consultation.

Winners included:

- > Grand prize: **Tank Utility**, a Boston-based startup that developed a low-cost Internet-connected monitor for propane fuel tanks.
- > Sustainability: **SmartCharge** of Matthews, NC for its energy-efficient LED light bulb that supplies four hours of battery backup during a power outage.

Engagement Rating: 86

Collegiate Inventors Competition (CIC)

Now in its 25th year, the CIC brings 14 undergraduate and graduate school teams to the nation's capital, where their early-stage inventions are judged by members of the National Inventors Hall of Fame and U.S. Patent and Trademark Office. Arrow sponsors the CIC through the nonprofit group Invent Now.

Winners included:

- > Undergraduate: **Western Michigan University**, NeoVent: Dual Pressure Respiratory Equipment.
- > Graduate: **Harvard University**, 3D Bioprinting Vascularized Human Tissue.

Engagement Rating: 87

MassChallenge

This Boston-based startup accelerator program awarded \$1.5 million to 16 startups. Arrow provided sponsorship and offered business development and electronics consultation to 38 competing start-ups.

Winners included:

- > **Biorasis Inc.**, for its biosensor that will vastly improve the quality of life of diabetics and restore their active lifestyle.
- > **Lumii Inc.**, for its glasses-free 3D digital and print displays.

Engagement Rating: 86





Environment – Innovating Our World

Human activity changes our world every day. Technology can help prevent environmental damage and allow us to live more sustainably. But technology can create problems too. Soon there will be 60 billion electronic devices globally. Unfortunately, millions of tons of discarded electronics are dumped in East Asia, India and Africa with catastrophic results.



Denver Zoo

The Denver Zoo is the most popular cultural institution in Denver with two million visitors annually. Arrow supports the zoo in its efforts to become the nation's most sustainable zoo, sponsoring more than 100 recycling locations on the zoo's 80-acre grounds.

Engagement Rating: 81



DigiTruck and Close the Gap

This Brussels-based nonprofit helps Arrow bridge the digital divide in developing nations by distributing refurbished computers and other equipment to schools, clinics and micro-finance organizations, as well as establishing environmentally responsible e-waste facilities. **Since 2004, our partnership has processed 500,000 computers and other devices from companies and reached more than 1.5 million new users, mostly in Africa.**

In 2015, Arrow and Close the Gap launched the DigiTruck program in Africa.

The **DigiTruck** is a mobile classroom or clinic that can operate off-grid in remote areas. The unit, built from a 40-foot steel cargo container, is **triple-insulated to protect against tropical heat** and reinforced to deter vandalism. Energy-saving technologies include LED interior lighting and rooftop solar that can power the unit for two days. Added electronics include refurbished laptops, mobile devices, an LED flat screen monitor,



"Arrow has the power to turn lives around. Education and a career are no longer dreams for my kids. They are possibilities."

– Mandy Stein, executive director, NEEMA International.

a printer, two routers and two solid state drives. The entire unit is fitted to a commercial truck and trailer.

In August, Arrow and Close the Gap deployed the first DigiTruck at the Tuleeni Orphanage, a group home and school, in a village on the southern slope of Mount Kilimanjaro near the city of Moshi, Tanzania.

Arrow also installed basketball courts at the orphanage with a non-profit called Hoops of Hope. Tuleeni teachers are using the classroom to teach 80 secondary school students how to use a computer, as well as online lessons in reading, math, English and other academic subjects. Arrow employees, encouraged by a company match, have donated their own funds to sponsor the education of Tuleeni children in 2016.

DigiTruck will move to a new East Africa location in 2016. Arrow and Close the Gap will provide Tuleeni with a permanent computer education center at its Kilimanjaro location.

2016 GOAL

Expand the mobile container concept in a demonstration that addresses both food shortages and agricultural sustainability.

Engagement Rating: 90



Education – Innovating Tomorrow

Innovation is the fuel of the 21st century – and Arrow's future. At Arrow, we believe innovation must not only be encouraged, but also taught. Our program begins in K-12 schools with organizations that support promising innovators and encourage competition, often involving technology.

Junior Achievement Business Week

Business Week is a unique **residential camp in Denver for 275 high school students**. Teams must develop products, write a business plan, obtain financing, manage supply chain, determine pricing and market their products. They run their plans using gaming software that simulates economic conditions and the impact of their choices on their businesses over a three-year period. On the final day, teams present their plans and results to a panel of business executives.



Students come to Business Week from diverse neighborhoods and backgrounds. **More than half attend on scholarships.**
Arrow is the title sponsor of Business Week;

our employees mentor student teams and serve as judges for the final presentations in addition to providing financial support.

In 2015, three JA Business Week winners went on to win an early stage entrepreneurial award at the JumpStart BizPlan competition, an annual citywide innovation event held by the Denver Office of Economic Development.

Engagement Rating: 92

The Women's Foundation of Colorado

Arrow is the co-chair of the Foundation's first Girls STEM Coalition. Beginning in 2015, this three-year initiative brings educators, policymakers and major employers together to recruit girls to science, technology, engineering and math programs.

Colorado has the highest number per capita of entry-level STEM jobs in the country due to a growing information technology sector and strong research universities. Women in STEM fields earn 33 percent more than in other fields. Yet, more than 580,000 women live at or near poverty in Colorado, and women represent only 24 percent of the STEM workforce.

The Coalition looks to identify causes for why young girls turn away from STEM careers and endeavors to develop programs that can reverse the trend.

Engagement Rating: 84

FIRST Robotics

This organization includes 71,000 high school students, in the U.S. as well as China and Mexico. FIRST treats robotics like a varsity sport, holding regional and global competitions based on a new game and technology kit every year. Arrow sponsors the Western Regional Finals competition at the University of Denver, as well as teams in Colorado and other states.

Engagement Rating: 90



Arrow/Denver Broncos Tackle STEM Initiative

The **Tackle STEM initiative** is a joint venture between Arrow and the Denver **Broncos** to inspire Colorado secondary and college students to complete academic

studies and job training in science, technology, engineering and math. We distribute curriculum and activity kits to teachers to extend our activities in their classrooms, as well as **recognize a Colorado teacher as Tackle STEM "Coach of the Month"** during the football season. We hold large, interactive learning events for 30,000+ students and teachers at Sports Authority Field, schools and college campuses. These events include **mentorship by company volunteers, Broncos players, coaches and cheerleaders with STEM degrees**. Tackle STEM's outreach campaign was amplified by video, social media and in-game messaging at Broncos games during the NFL season.

Partners include Ten 80 STEM, Colorado State University, the Boys and Girls Clubs of Metro Denver, Resource Area for Teachers

(RAFT), Learn Fresh Education Co., the Colorado Technology Association and school districts statewide.

Engagement Rating: 83

Denver Scholarship Foundation

DSF provides scholarships to dozens of first-generation college students from Denver high schools. It operates “futures centers” within high schools to identify and guide promising college applicants. Then DSF extends that guidance through the scholar’s college experience. The result: 80 percent of DSF scholars graduate with four-year degrees.

Engagement Rating: 83

2016 GOAL

Create a new partnership or expand an

existing partnership to include innovation instruction.

Cherry Creek School District/Cardboard Engineering Challenge

Catapults, race cars, fashion, even a bakery with decorated cakes – all were made from cardboard and other scrap materials by Arrow community schoolchildren as part of a global cardboard engineering challenge.

Arrow is the title sponsor of the Cardboard Engineering Challenge at the Cherry Creek School District, the public school district serving the company's headquarters in southeast metro Denver. The district's third cardboard challenge drew 400 teams and 850 students.

And for the first time, **Arrow expanded its support to a cardboard engineering challenge in an overseas Arrow community**. The Cool Mum Super Dad Academy, a small private school in Penang, Malaysia, held its own challenge in October with 20 teams.

The Chief Minister of Penang visited the competition, as well as a team of local Arrow volunteers.

The cardboard engineering challenge is an ideal first step in our program to nurture new innovators. There are no barriers in terms of money or tools. That means the students can focus all their energy into transforming their ideas into fun, working models.

Around the world, **more than 100,000 children in 50 nations participated** in cardboard engineering challenges in 2014.



The events are facilitated by the Imagination Foundation.

Engagement Rating: 91





Innovating Communities

Arrow has established partnerships in our metro Denver headquarters' community out of the fundamental conviction that **the creative process in the arts and innovation in technology are intrinsically connected and must be nurtured.** We engage in innovative social initiatives with the belief that technology can address persistent social concerns in new ways, while also helping clients in more productive and innovative ways.



The Androm Center

Rose Androm Center

This innovative center combines **40 domestic violence agencies, programs and community organizations under one roof** to streamline and improve service delivery to more than 3,000 victims annually. Services include advocacy, counseling, crisis intervention, law enforcement services, housing referrals, employment training, health care and counseling. The center in downtown Denver is scheduled to open in 2016. Arrow support includes data center design, employment counseling and communications services, as well as refurbished electronics for staff and clients.

Engagement Rating: 77



Cherry Creek Arts Festival

For the third year, Arrow sponsored the Cherry Creek Arts Festival and a **national juried art contest, the Arrow Five Years Out competition.**

In 2015, the festival drew 350,000 visitors over the July 4 holiday weekend. The Arrow-sponsored performance stage featured musicians and acrobats.

Arrow's Five Years Out competition attracted submissions from 75 artists; five finalists were selected. The finalists were added to the company's collection of commissioned artwork at Arrow's

headquarters in southeast metro Denver, as well as Arrow offices around the world.

The winning submission, "Metamorphosis" by Jennifer Ivanovic is a large-scale, brilliantly colorful acrylic painting on plywood in which the artist combines brushwork and pouring techniques.

Engagement Rating: 81



the colorado symphony

Colorado Symphony

In 2015, the Colorado Symphony Orchestra (CSO) performed the entire Arrow "Five Years Out" overture. This original musical composition reflects Arrow's commitment to innovation and represents the orchestra's expansion into creating original music. Arrow is the Symphony's presenting sponsor for the 2016 season.

In 2016, Arrow will support the CSO's innovative Young Composers Program, which helps 4th grade students in Denver learn to become innovators by composing their own music. The music will be performed by members of the orchestra at the students' schools and in a special CSO performance. Our intent is to nurture the innovation process in younger students as a step towards developing innovators in the arts and sciences in high school and beyond.

Engagement Rating: 78

2016 GOAL

To foster a new

collaboration between our
community partners.

Community Participation

Arrow supports a wide variety of community organizations, including executive board service.

American Red Cross

Anschutz Center for Women's Health Research*

Anschutz Wellness Center *

Bedrock Foundation

Boys and Girls Clubs of Metro Denver

Boy Scouts of America

Center of Hope – Haiti*

Clean Tech Open

Cherry Creek Arts Festival*

Cherry Creek School District Foundation*

Close the Gap

Colorado Business Community for the Arts

Colorado Council for Economic Education

Colorado Golf Foundation

Colorado State University Global Leadership Council*

Colorado Symphony*

Colorado Women's Chamber of Commerce

Conquer Paralysis Now

Craig Hospital Foundation

Denver Center for the Performing Arts

Denver Dumb Friends League

Denver Metro Chamber of Commerce*

Denver Tech Center Chamber of Commerce*

Denver Scholarship Foundation*

Denver Zoo*

Excelsior Youth Center*

FIRST Robotics*

Gates Center for Stem Cell Biology and Regenerative Medicine*

Girl Scouts of America

Global Downs Syndrome Association

Habitat for Humanity

Invent Now

Job Creators Network

Landmark School

MassChallenge

Metro Denver Economic Development Corp.

Muscular Dystrophy Association

National Sports Center for the Disabled*

Project Linus

Project Pave*

Public Education and Business Coalition

Rocky Mountain MS Center

South Metro Denver Chamber of Commerce

Smart-Girl Inc.

St. John's University

Tri Cities Family Services*

University of Denver Josef Korbel School of International Studies

U.S. Chamber of Commerce

Women's Foundation of Colorado*

* Indicates Arrow executive service



Sustainability



Mission and Vision

Mission

Arrow Electronics guides innovators to a better tomorrow. Our Sustainability Program upholds principles of human rights, environmental stewardship and responsible economic growth to ensure a desirable planet. We are accountable to employees, customers, shareholders and to the communities in which we operate, from the sourcing of the materials in our products to the end of life of the products we help create. Our success is built on the sustained application of our core values in our daily operations and within our sphere of influence.

Vision

Arrow's global approach to sustainability focuses on the operation of our business. We strive for efficiency and maximizing waste utilization in our offices, facilities and distribution centers. We distinguish ourselves by providing specialized services and expertise across the product life cycle. We seek to provide our suppliers and customers with solutions designed to help them produce products that are inherently more sustainable.

Environmental Policy

Arrow committed to managing environmental impact as an integral part of our business by providing services and operations that make a positive contribution to our environment and communities in which we live and operate in.

To enact this policy, Arrow will:

1. **Operate an Environmental Management System** compliant with the International Environmental Management Systems standard, ISO 14001.
2. **Maintain ISO 14001 certification** by independent, accredited certification bodies for Arrow operations deemed to have a significant environmental impact.
3. **Comply with or exceed the regulations and laws pertaining to environmental performance** in the countries in which we operate.
4. Maintain and continuously strive to **enhance managerial processes and operational procedures** to minimize pollution.
5. **Progressively improve levels of environmental protection** and reduce resource use and waste generated by the company.
6. **Use only appropriately licensed resource and waste management organizations** for recycling and management of waste.
7. **Continuously monitor and improve worker health and safety** practices to minimize the risks of accidents and ensure an emergency response capability to cope with accidental pollution incidents.
8. **Use the Environmental Management System** to provide the framework for setting and reviewing environmental objectives and targets.
9. The Arrow Environmental Policy is implemented and maintained by all Arrow personnel with specific responsibility allocated within the Arrow Global Real Estate Organization.



Environment

Arrow continues to focus on the environment in both established policy and practice. As a global provider of products, services and solutions to industrial and commercial users of electronic components and enterprise computing solutions, we seek to ensure that our products comply with all applicable laws, regulations and approval standards to protect the environment and human life or health. We strive to handle products in our distribution network and provide value-added services in an environmentally friendly way. This means the use of environmentally friendly technologies, avoidance of emissions and waste, and the use of energy-saving solutions.

Environmental Responsibility

Our framework for defining our environmental objectives and targets and measuring performance encompasses four priorities:

- > **Deliver environmentally responsible products and services** through our Value Add Programs and global components organizations on behalf of our supplier partners.
- > **Demonstrate environmental responsibility** by adopting an environmental position that ensures compliance with future regulations and policies.
- > **Continually improve and evaluate our environmental performance** and foster a culture of environmental responsibility and employee engagement.
- > **Reduce waste and prevent pollution** by operating Arrow global facilities in compliance with relevant environmental requirements, and work to conserve resources and minimize harmful environmental impacts.





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

Environmental Highlights and Accomplishments

- > **Arrow was recognized as a Gold Leader for 2015 by the Colorado Environmental Leadership Program**, a function of the Colorado Department of Health and Environment. Arrow was recognized for diverting 54,000 tons of e-waste through recycling and refurbishment.
- > Arrow's environmental responsibility initiatives encompass a wide range of operational activities, including procurement practices, limits on hazardous substances, eco-efficient packaging, systems to reduce energy consumption and harvest natural lighting, water conservation and recycling.
- > **Arrow utilizes "telepresence" technology in four strategic locations in order to reduce business travel**, which in turn, reduces the company's carbon footprint.
- > **Arrow hosted several sustainability fairs** for employees and offered refurbished electronics at discounted pricing.
- > **Arrow held electronics donation events in North America to promote responsible e-waste handling.** At one such event in Denver, nearly 1,300 people delivered and donated more than 154,000 pounds of electronic devices. Items collected included computer hardware and peripherals, home-office machines, mobile devices, televisions, gaming equipment and small appliances. The collected devices were recycled and some of the items refurbished and donated to charity.
- > **Arrow continues implementing company-wide energy-saving upgrades** including new Energy Star appliances, window tinting, conversion of kitchen facilities to natural gas from electricity, touch-less bathroom fixtures to save water, and new workspaces with low barriers to increase natural lighting. Facility infrastructure upgrades continue for more energy efficient HVAC and other base built systems to reduce energy consumption overall.
- > **In April, Arrow's Value Recovery business opened its first Asia-Pacific facility for IT asset disposition and reverse logistics services.** The Singapore site provides secure and environmentally responsible logistics, asset tracking and reporting, data sanitization, testing, screening, recycling, service part and product return management for a wide range of customers' electronic equipment. With this site, Arrow's value recovery partner network has extended to 171 nations. [Read more.](#)
- > **The Arrow Green Team continues to:**
 - » Obtain environmentally friendly procurement for office remodels
 - » Seek solar options for large warehouses
 - » Investigate installing LED lighting in primary office and global warehouses
 - » Consolidate and improve waste streams
 - » Strengthen recycling initiatives globally
 - » Minimize gas, electric and water usage
 - » Add EV charging stations
 - » Implement a green initiative with our Global Fleet Program
 - » Submit annually to the Carbon Disclosure Project (CDP)
 - » Participate in the CDP's action exchange initiative
 - » Complete the EcoVadis Survey, a sustainability rating platform for global supply chains
- > **Arrow was one of the 25 Denver-area companies to compete in the 2015 Go-Tober Challenge.** The challenge involved trying eco-conscious ways to commute to work at least four times per person in the month of October (i.e. walking, biking, carpooling, public transit).
- > Arrow has processes in place for timely and accurate utility measurement and reporting (see next page). Reductions include a coal-to-gas conversion, reduced gas consumption, more energy efficiency and reduction of square footage.



- > **Arrow installed seven SemaConnect electric vehicle (EV) charging stations** at its corporate offices on Dry Creek Road in Centennial and Lima Street in Englewood.

Consumption Trend

ARROW USAGE NATURAL GAS



ARROW USAGE ELECTRICITY



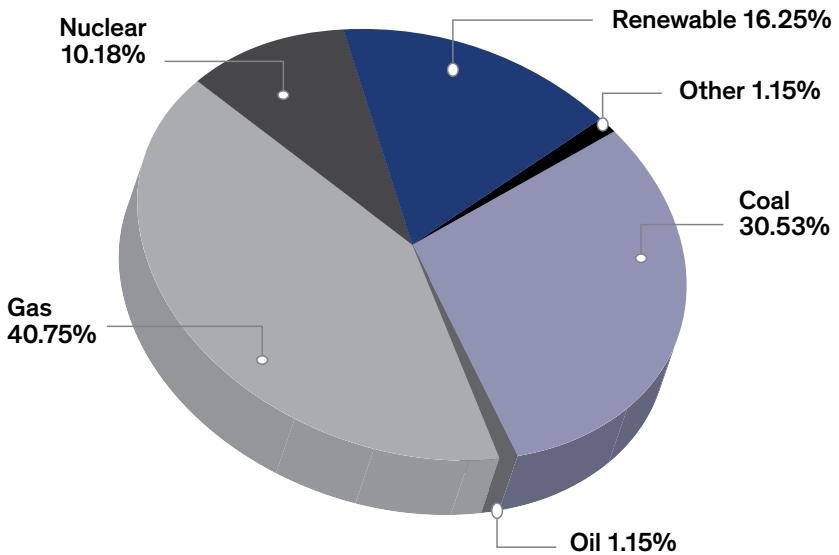
Monthly CO₂

ARROW USAGE IN TONNES

Currently North American data only, but we are working to expand globally.

Arrow Electricity Generation Mix

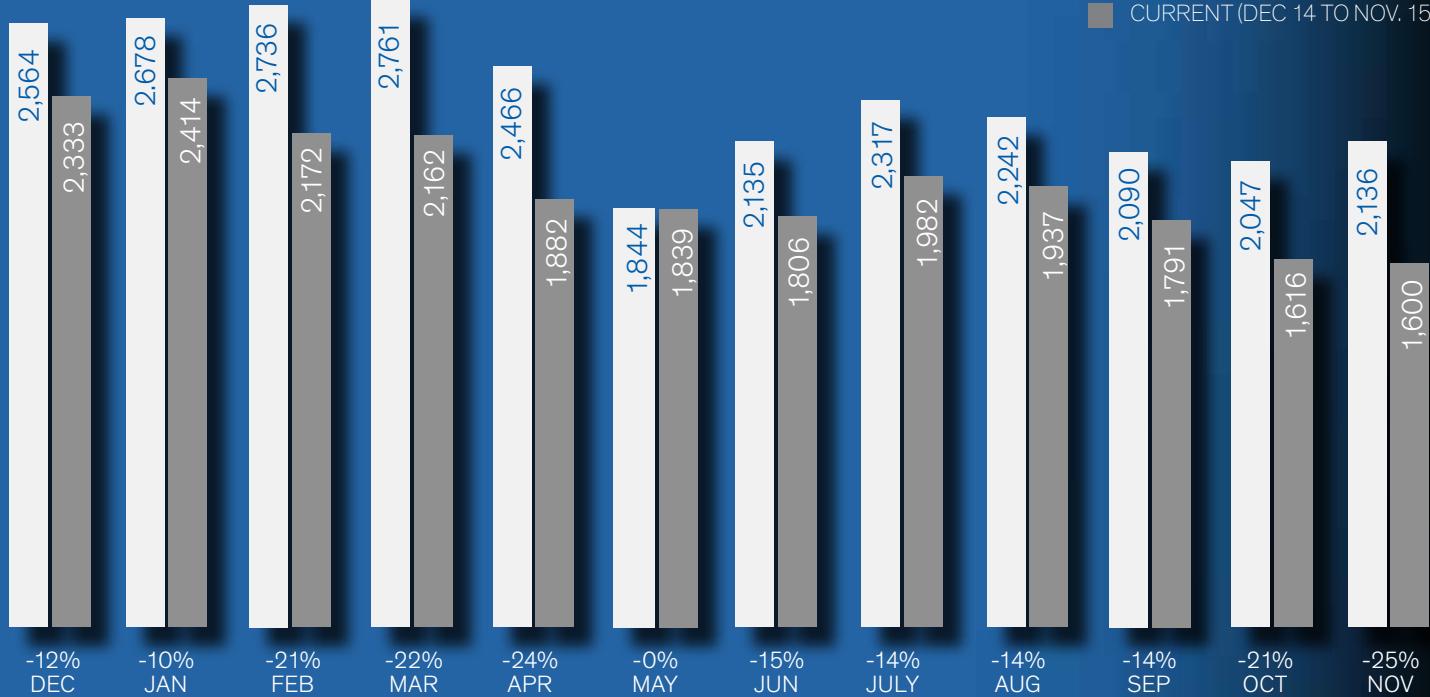
NOVEMBER 2014 - OCTOBER 2015



Two-Year Comparison of Combined Utility CO₂

ARROW USAGE IN TONNES

PREVIOUS (DEC 13 TO NOV. 14)
CURRENT (DEC 14 TO NOV. 15)





Arrow in the Supply Chain

In the circular economy, closing the loop means reclaiming the materials from used products so they can be used again in new product manufacturing. **With a vision toward closing the loop for electronics, Arrow created its Value Recovery business (AVR) in 2010.** Through acquisition and organic growth, AVR now provides the highest standard of environmental stewardship in managing end-of-life electronic assets for customers around the globe, returning more than one hundred million pounds of material to the manufacturing stream.

The original manufacturing of electronics often is the most energy-intensive phase in the life cycle of a device. To avoid unnecessary manufacturing, as well as unnecessary energy and materials use,

AVR stresses re-use first and foremost. When an asset can find a new life with a simple repair, upgrade or simply a new owner, AVR does all it can to facilitate that new life – through **remarketing, redeployment within an organization or through facilitating donations on the behalf of our customers.** When an asset cannot be repaired, AVR harvests usable parts for the repair of other assets. Finally, **assets are de-manufactured using Arrow's Retire IT Right methodology** to break assets down to as close to commodity as possible. The commodities are then sent to our stringently vetted downstream processors for environmentally sound recycling, returning these valuable materials to the manufacturing stream and reducing future minerals extraction.

In partnership with international non-profit **Close the Gap, AVR has facilitated the donation of more than 500,000 computers and other devices to schools, clinics and microbusinesses in Africa.**

Going even further to bridge the digital divide, AVR and Close the Gap have created the DigiTruck – a repurposed, mobile, solar powered cargo container that has been outfitted with AVR computers and deployed to an orphanage in Tanzania. The DigiTruck is an excellent example of upcycling as part of the circular economy.

AVR facilities are certified ISO 14001, ISO 9001, R2, RIOS, OHSAS 18001 and ADISA. **In 2014, AVR kept more than 50,000 tons of electronics out of landfills, and returned more than 100,000,000 pounds of materials** to the manufacturing stream.

Our impact from white paper recycling in the Americas alone is:



Conserved the equivalent of **2,385,524,508 gallons of water**



Preserved **1,460,330 trees** by recycling



Saved enough **electricity to power 272.101 homes**



Removed **474,900 cars** from the road



Recycled the weight of **20,400 bricks** in hazardous waste reduction



Certifications

We measure and track compliance with numerous quality and regulatory standards at our 46 warehouse and processing locations.

- > **Thirty-four of our locations are certified as ISO 14001 compliant.** The ISO 14000 environmental management standards exist to help organizations:
 - » Minimize how their operations (processes, etc.) negatively affect the environment (i.e., cause adverse changes to air, water or land).
 - » Comply with applicable laws, regulations and other environmentally oriented requirements.
 - » Continually improve in the above.
- > **Twenty-two of our locations are certified as OHSAS 18001 compliant.** OHSAS 18000 is an international occupational health and safety management system specification.
- > **Fifteen of our locations are certified as R2 compliant for responsible recycling.** The R2 standard is a voluntary, market-based mechanism for ensuring best practices, which would also provide essential information/assurance to prospective customers. The standard builds on an ISO-style, Plan-Do-Check-Act management system as a platform, and integrates environmental, health and safety management, media sanitization, export and disposal restrictions, chain-of-custody accountability and transportation controls.
- > **Ten of our locations are certified as Recycling Industry Operating Standard (RIOS ®) compliant.** RIOS provides a framework for a comprehensive, integrated management system that includes key operational and continual improvement elements for quality, environmental health and safety (QEH&S) performance for the recycling industry.



Hazardous Substances

At Arrow, we measure and track compliance with numerous quality and regulatory standards at our 46 warehouse and processing locations.

- > **Arrow is also committed to eliminating hazardous substances** and recognizes the importance of such information to our customers, particularly in light of the China Restriction of Hazardous Substances (RoHS) labeling laws, EU Registration, Evaluation, Authorization and Restriction (REACH) regulation, as well as both the current and proposed EU RoHS directive. In order to address these issues, Arrow has approached its suppliers to request that they provide us with a method of identifying the RoHS status of products, China RoHS labeling information, REACH, and other relevant hazardous substance information.
- > **All primary distribution centers have in-house recycling programs** in place to minimize landfill impact. Consideration of recycled content is given when purchasing commodities to be used within these facilities. Additionally, new equipment purchased is assessed for energy efficiency.
- > **Arrow has developed a range of solutions** that are intended to support compliancy efforts. In all cases, our suppliers are the original source of this information, and Arrow is making it available to customers via these methods:
 - RoHS compliance status and detailed technical information on a part-by-part basis available through manufacturer datasheets on www.arrownac.com.
 - EU and/or China RoHS status on a reasonable number of part numbers available through Arrow's local sales offices (dependent upon receipt of this information from the component supplier).



Human Rights /Conflict Minerals

Arrow is committed to uphold the dignity of all people and oppose human rights abuses around the world. We respect all international human rights standards throughout our global operations at our 460 locations in 56 nations. Human rights practices are embedded within the company's various policies, including the Worldwide Code of Business Conduct and Ethics (the "Code"). Our 17,000 employees are required to review and certify their understanding and compliance on an annual basis. The Code covers all regions and business units. It is also posted on the company's external website, investor.arrow.com.

Specifically within the global electronics supply chain, we are committed to investigating and reporting on the Conflict Minerals content of inventory — used in assembly and integration — as a way to improve conditions and reduce the distress of people working in mines in the Democratic Republic of Congo and other nations. We have

developed and posted a company policy regarding Conflict Minerals. For the second consecutive year, we have filed a Conflict Minerals Report with the U.S. Securities and Exchange Commission. To date, we have validated that at least 57 percent of the components in our supply chain are conflict free.

arrow.com/about-arrow/overview

Did you know?

Arrow's subsidiary, Silicon Expert, is the world's most complete electronics components database and its inclusion of conflict minerals information for every listed component (where available) was an instrumental source for customers in their own Dodd-Frank compliance reports.



United Nations
Global Compact

**Arrow has been an active member of the
United Nations Global Compact since 2011.**

Each year Arrow submits a report policy initiative demonstrating that we have aligned our strategy and operations to ten principles in the areas of human rights.

[Click here](#) to read our report.



Are You Five Years Out?

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

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

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

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

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



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