



Global Environmental Sustainability

Overview, Strategy, & Engagement

April 2023



The background image is a high-angle aerial photograph of a tropical landscape. It features several large, rounded hills covered in dense green vegetation, likely rice terraces or a similar agricultural system. In the lower right foreground, there are two prominent palm trees with large, yellow-green fronds. The overall scene conveys a sense of natural beauty and environmental stewardship.

ESG at Arrow

Learn, grow, and innovate
together—to create a better,
sustainable, tomorrow for all.

Understanding Environmental, Social, Governance

ESG is a set of principles that help guide organization's operations and investors' decisions

E

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Environmental

- Energy Efficiency
- Greenhouse Gas Emissions
- Materials Sourcing
- Renewable Energy
- Product Packaging
- Waste Management
- Water Usage
- Resource Consumption

Social

- Diversity, Equity and Inclusion
- Employee Health and Safety
- Human Capital Management
- Pay Equity
- Recruitment and Retention
- Philanthropy and Volunteerism
- Access and Training

Governance

- Business Ethics and Integrity
- Regulatory Compliance
- Privacy and Data Security
- Risk and Opportunity Management
- Tax Transparency
- Competitive Behavior
- Responsible Investment
- Supply Chain Management

2022 Environmental Goal Results

Our 2022 goals underscored our commitment to managing our ESG impact

Goal 1

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

Result: **Overachieved goal.** Reduced emissions by 29.4%

Goal 2

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

Result: **Achieved goal.** Received certifications effective December 2022

2022 Social Goal Results

Our 2022 goals underscored our commitment to managing our ESG impact

Goal 1

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

Result: Overachieved goal. Grew representation of women leaders by 1.5% and leaders of underrepresented race/ethnicity by 1.3%

Goal 2

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

Result: Achieved goal. Completed analysis for countries with 100 or more employees (96.5% of global employee population) and adjusted close gaps.

2022 Governance Goal Results

Our 2022 goals underscored our commitment to managing our ESG impact

Goal 1

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

Result: **Overachieved goal.** Increased rate to 99%.

Goal 2

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

Result: **Achieved goal.** Convened multiples meetings for a cross-functional ESG (a) leadership team and (b) operating committee

2023 ESG Goals

Our 2023 goals continue to underscore our commitment to managing our ESG impact

Environmental Goals

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

GOAL 2: Baseline three categories of our 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 Goals

GOAL 1: Continue to grow representation of women leaders globally and leaders who are of underrepresented race/ethnicity in the U.S. in 2023, supporting our multi-year goal to grow representation by two percentage points in each category by the end of 2025.

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

Governance Goals

GOAL 1: Reaffirm Arrow's strategic partners' commitment to the principles of Arrow's Supplier Business Code of Conduct by the end of 2023.

GOAL 2: Ensure that Arrow's top suppliers complete a supplier self-assessment and due diligence questionnaire by the end of 2023.

Learn More: Visit esg.arrow.com

Environmental, Social, and Governance

At Arrow, making life better with technology is good for business and our global community. Applying the power of technology and innovation to address the world's economic, social, and environmental challenges continues to drive enhancements to our product suite, expansions to our customer and supplier roster, and increased value for our shareholders.

To learn more about our commitment to responsible environmental, social, and governance (ESG) practices, including our progress to date and future goals, we invite you to download our ESG Report.

[Read full report](#)





Arrow's Global
Environmental
Sustainability Team





Nichole Wiley-Marks
VP of Global Real Estate
and Sustainability



Lindsay Tyson
Director of Global
Sustainability



Brendan Molony
Senior Manager of
Global Sustainability



Jacob Sanchez
Manager of Global
Sustainability



Darby Steinberger
Sustainability
Analyst



Carson Noel
Sustainability
Specialist



Vision

To inspire sustainable transformation that moves people, technology, and the planet forward.

Mission

We empower individuals to be environmental changemakers through engaging with our community, executing on ideas, and evolving with the changing technology landscape.

Collaboration Drives Environmental Sustainability

Distribution Center in Europe



Distribution center built for sustainability, with BREEAM certification, efficient energy systems, and optimized packaging.

Energy Certifications in US



Efficiency improvements at the largest North American distribution center reduced energy consumption and waste.

Waste Reduction at HQ



Arrow headquarters reduced employee use of single-use plastic water bottles, keeping more than 37,000 bottles out of landfills.

Environmental Sustainability Drives Financial Benefit

Market Differentiation



Customers, suppliers, and employees are increasingly considering sustainability programs when evaluating their options.

Operational Efficiency

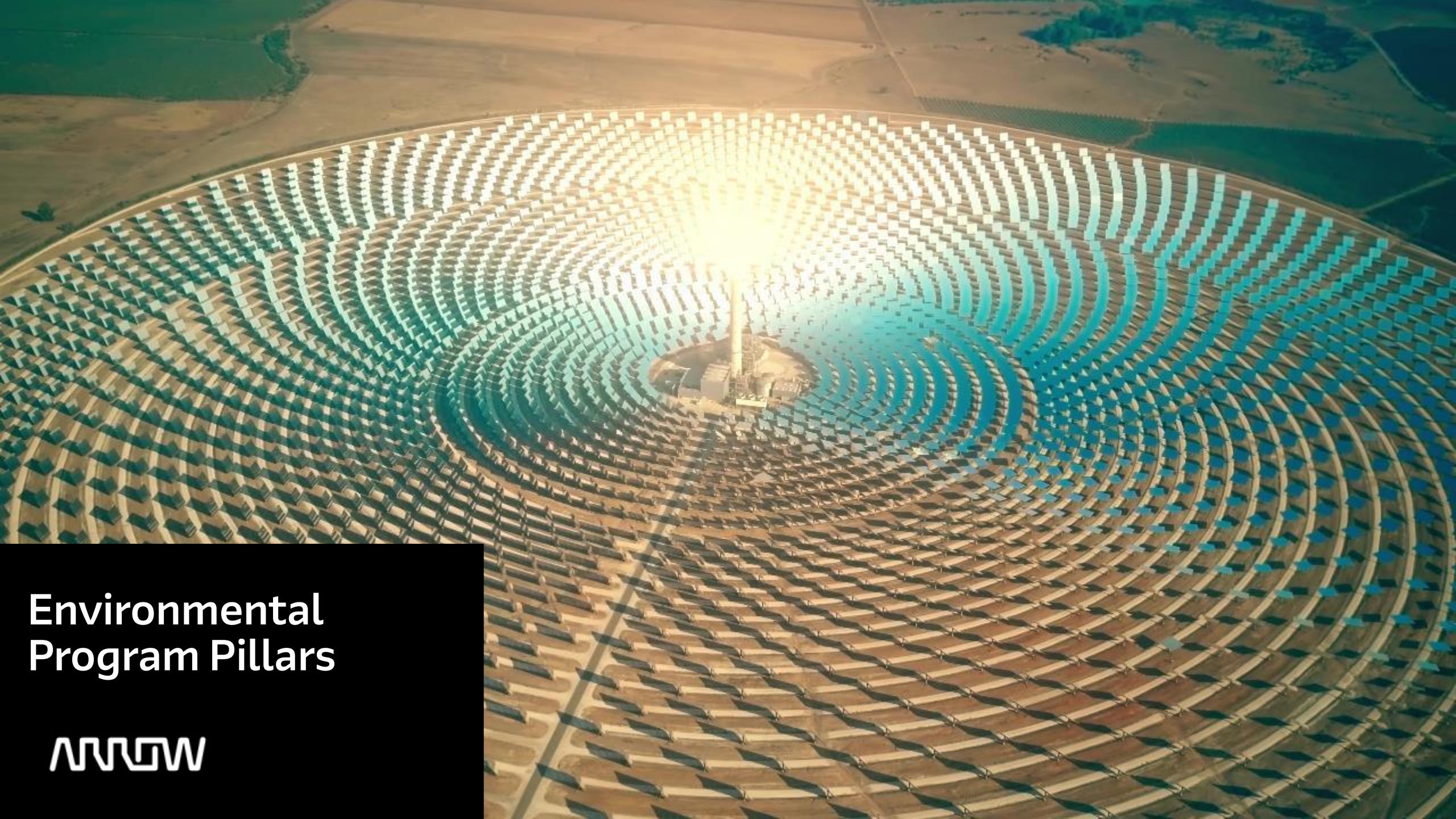


Environmental efficiency improvements results in operational ease and operational expense reduction.

Compliance



Environmental compliance allows for business units to focus on customer service excellence and retention.



Environmental Program Pillars

NRGW

Global Environmental Sustainability Pillars



Climate and Energy



Sustainable Partnerships



Employee Engagement



Climate and Energy

Greenhouse Gas Emissions

- Scope 1 – 3 Measurement
- Public Disclosures & Reporting
- Goal Setting

Energy Management

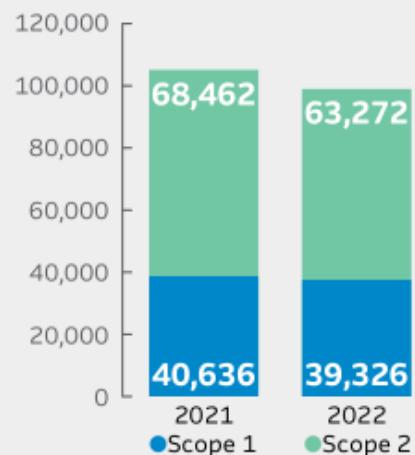
- Energy Efficiency
- Renewable Energy
- Electrification



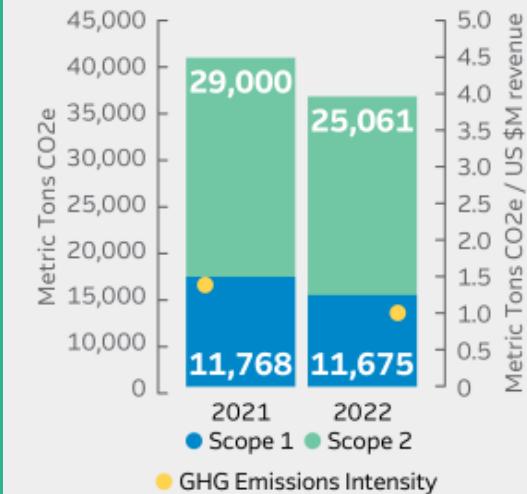
Sustainable Partnerships

Building Energy Usage¹

in MWh



Market-Based Carbon Emissions¹



Employee Engagement



Climate and Energy



Sustainable Partnerships



Employee Engagement

Buildings

- Green Building Certifications
- Waste & Water Management



Operations

- Sustainable Packaging
- Shipping Optimization

Supplier / Customer Engagement

- Survey Support
- Collaboration / Innovation





Climate and Energy



Sustainable Partnerships



Employee Engagement

Green Team

- Education
- Bi-directional Idea Sharing

Events

- Earth Month
- Transit Month
- Volunteerism

Employee Engagement

NROW



Opportunities to Make an Impact

Arrow offers many fun ways to make an environmental difference.



Learn

Read the annual ESG Report, sign up for the Sustainability Newsletter, and explore the educational resources on the SharePoint.



Join the Green Team

Become a member of the global Green Team to share your ideas and collaborate on initiatives with employees across Arrow.



Participate in Events

Global Sustainability will host three global events in 2023: Earth Month, On-the-Go Arrow, and the year-end Sustainability Summit.



Make a Difference

Use the guides and resources housed on the Sustainability SharePoint to learn how you can make an impact at Arrow.

Join the Green Team

The Green Team empowers environmental changemakers at Arrow through education, collaboration, and implementation.

Objectives of the Green Team:

- Educate and engage our community.
- Connect employees across Arrow.
- Identify opportunities for greater environmental impact at Arrow.
- Reflect Arrow with our group representation.
- Make environmental stewardship fun.



Connect with Us

Visit our SharePoint

Global Environmental Sustainability

Home Resources Earth Month ... Edit ★ Following Share

Environmental Resources

Learn more about Arrow's environmental sustainability program and how to implement sustainable practices in the workplace.

Join our Newsletter Mailing List

Sign Up

Email Sustainability@arrow.com

Attend Upcoming Speaker Series Events

- **Sustainability Stories**
- **Green Team**
- **Upcoming Events**
- **12 Months of Green**
- **Resources**
 - Newsletters
 - Guides
 - Educational Materials
 - Waste Reduction
 - Emissions Reduction
 - External