



Corporate

Global Marketing and Communications

Corporate Social Responsibility  
**CSR Report 2013**



**V** | **Five Years Out**

Hosted by  CorporateRegister.com

[arrow.com](http://arrow.com)

## CSR Mission Statement

Arrow Electronics CSR guides today's innovators to a better tomorrow. With our help, our partners will transform their ideas into real and influential achievements.

And just as technology touches all facets of our lives, we intend to foster new, cross-cutting collaborations between Arrow's CSR partners so their combined efforts will yield astonishing and unforeseen results. Our innovations can make the world a better place for us all – now and five years out.

To achieve these transformational results with our partners, Arrow seeks board service for executives, in-kind donations of the company's expertise and equipment, employee engagement opportunities and other collaborative roles, in addition to making financial contributions.

Our view of Corporate Social Responsibility goes beyond traditional corporate philanthropy and community relations. It is a business strategy that creates competitive advantages by integrating social and environmental programs that make the company more successful, improve operations, enhance reputation and strengthen the brand.

# CSR Metrics

According to a 2011 Harvard study of 180 large U.S. companies, the stock price of companies with robust CSR programs outperformed those with a low CSR commitment by 65 percent over an 18-year period (1992-2010.)

Stock price is just one way to measure CSR's impact on a company. Like many large companies, Arrow's method of measuring the impact of its CSR program is evolving. There is no single way to measure CSR success; most large companies use a combination of internal metrics, while also joining one or more of the international, voluntary CSR initiatives, such as the UN Global Compact or the Global Reporting Initiative.

In 2013, Arrow CSR filed a UN Global Compact submission to the international body – Arrow's second consecutive report and a more detailed version than 2012's report.

Arrow CSR also has developed an engagement rating system by which it evaluates existing and potential partners. The Arrow system 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 in 1953 by Congress to enhance civic participation.

Arrow's engagement rating has 10 categories, including: Innovation, Brand Extension, Cause Alignment, V Alignment, Prestige, Social Importance, Promotion Potential, Arrow Location, Employee Engagement and Executive Support. (Top score = 100.) In this report, the Arrow engagement rating is included in the description of our CSR partnerships.

Under development is a more comprehensive approach to measuring Arrow CSR's return on investment known as a "balanced scorecard". A balanced scorecard typically takes 2-3 years to develop. This typically includes a variety of specific measures across environmental and social categories.

In CSR partnerships where brand extension and reputation-building are paramount, the balanced scorecard also will apply measures such as Arrow's innovation brand alignment, public awareness, media impressions and awards, as well as survey results.

In CSR partnerships that focus on business development, we will measure the positive impact the partnership has on Arrow's business.

In Arrow's workforce development initiative, Arrow CSR will work with Arrow Human Resources to measure the positive impact our programs, scholarships and internships have on recruiting new employees from select universities.

## CSR Giving Guidelines

Potential partners are asked to consider whether their requests for support meet the following criteria:

- Every investment should create a partnership that specifically describes and demonstrates innovation.
- Every investment and partnership should list specific goals that deliver tangible improvements and demonstrate progress in a period not to exceed five years.
- Every investment should specify a difference-making technology or business capability that Arrow can uniquely bring to the partnership.
- Investment and partnership should include an evaluation plan, with a percentage of funding directed for the purpose.
- In most cases, an Arrow executive should serve on the organization's board of directors or as a strategic adviser to the project.

Arrow does not support the following:

- Organizations that are not 501(c)(3) charities.
- Grants to individuals, including sponsorships.
- Sectarian or denominational religious organizations.
- Organizations that limit membership based on race, gender or sexual orientation.
- Political activities, parties or candidates.
- Fraternal or labor organizations.
- Sporting events or teams.
- Unrestricted gifts to national or international organizations.
- Capital campaigns.
- Travel or tours.
- Basic research.

# CSR Partnership Categories

## 1. Innovating Today (technology incubation)

Good ideas are everywhere. But innovations are rare. An innovation is a solution that punches through the status quo and delivers new, tangible value. Innovators sift through all that might be possible and deliver what's practical.

To identify innovations and guide them forward, Arrow is partnering with incubators and technology contests. We are pursuing these partnerships out of a conviction that the process of iteration, presentation and competition inherent in these events distills interesting ideas into real solutions. With Arrow's help, some innovators may develop products and services that create commercial value and meet society's needs.

### Some incubators we are supporting include:

#### Clean Tech Open

This six-year-old global technology accelerator has attracted 800-plus start-ups, and 75 percent remain in business today. It is based in San Jose, Calif. and operates in six regions in the United States as well as 15 countries. Recent winners include companies from Arrow markets in Silicon Valley, Denver and Minneapolis, as well as Germany and Australia. A 2013 deal with the United Nations will extend the program to 33-plus nations.

**Engagement Rating: 86.**

<http://www2.cleantechopen.org/cleantech-open-announces-winners-2013-national-accelerator/>

#### International Sustainable Electronics Competition

(University of Illinois)

This global competition for college students and recent graduates explores solutions to e-waste generation, from product design to refurbishment and recycling technologies. Recent winners include teams from California, Wisconsin, Australia, Mexico Hong Kong and Ireland. This is a smaller, focused competition that has the potential to grow with promotional support.

**Engagement Rating: 78.**

<http://www.ewaste.illinois.edu/awards.cfm>

#### Pardee Center for International Forecasting

(University of Denver Korbel School of International Studies)

Arrow has helped launch this center for the development of cutting-edge tools and integrated systems for the long-term forecasting and global analysis of social, political and economic trends and events. CEO Mike Long was awarded the 2013 International Bridge Builders Award by DU for Arrow's global humanitarian efforts and support of the Pardee Center at a gala dinner with former President George W. Bush and 1,200 supporters. Arrow CSR hosted more than 100 executives at the event and a private reception, including executives from six Arrow suppliers, and featured entertainment by our partner, the Colorado Symphony Orchestra.

**Engagement Rating: Not Applicable.**

(This was a one-time donation.)

<http://www.ifs.du.edu/pardee/>

2014 Goal: Identify and partner with at least one more significant global incubator with a different focus than clean tech. Work with Marketing to develop outreach programs to participating startup companies and a supplier event to provide a first look at the best early-stage technologies across Arrow sectors.

2014 Goal: Establish a significant national partnership that adds innovation to STEM programming and establishes Arrow as a national/global leader in innovation education.

## 2. Innovating Tomorrow (education)

Innovation is the fuel of the 21st economy – and Arrow's future. But we can't wait for a new generation of innovators to ring our doorbell. To deliver innovation – and the growth it generates – we need to develop new innovators.

In education, Arrow is determined to extend STEM education efforts by adding innovation components to our classrooms and informal education settings, such as science museums.

Internally, we have launched a work force development strategy to find and nurture new innovators so they will be ready to join the company Five Years Out.

Today, our programs begin in high schools in partnerships with organizations like FIRST Robotics and Junior Achievement. Together, we aim to develop promising young technology and business innovators who can grow ideas involving electronics into coherent and useful ventures, while also demonstrating effective planning, presentation and collaborative skills.

When our young innovators apply to colleges, we encourage them to consider programs where Arrow is establishing scholarships.

Internally, Arrow's internship program recruits and pays college students nationwide to work in the company's Enterprise Computing Solutions, Finance, Engineering, HR, Sustainability, Marketing, Global Asset Disposition and other departments. Executive mentors help them complete meaningful assignments, including developing web-based engineering tools, researching a sustainability plan for headquarters and implementing knowledge management software for key customer relationships.

### Our partners include:

#### FIRST Robotics

This international organization includes 71,000 high school students in the U.S., as well as China and Mexico. FIRST treats robotics like a high school sport and holds regional and national competitions based on a new game and technology kit every year. Arrow is pursuing a national partnership with FIRST, while supporting a state program in Colorado (52 teams) and individual teams in Denver, Atlanta, Seattle and Huntington Station, N.Y.

**Engagement Rating: 95.**

<http://www.youtube.com/watch?v=Ac8Xem6pWIs>

#### Denver Scholarship Foundation

DSF provides scholarships to dozens of first-generation college students from Denver high schools every year. Its two-step innovation is to not only operate its own "futures centers" within high schools to identify and guide promising applicants, but to extend that guidance through the scholar's entire college experience. The result: 80 percent of scholars graduate with four-year degrees.

**Engagement Rating: 83.**

<http://www.denverscholarship.org/>

#### University of Colorado LEEDS School of Business

LEEDS is offering business minor scholarships for engineering majors. That way, they will combine their engineering expertise with a real understanding of how a corporation works. Arrow is pursuing similar scholarships with engineering schools at Colorado State University and the University of Denver.

**Engagement Rating: 82.**



### 3 . Innovating Lives (health)

Nowhere is innovation more apparent – and yet still urgently needed - than in health care. Technology advancements in the past century have helped to revolutionize medicine and advance human longevity by 30 years. In every significant health issue and in every country, technology offers opportunities to improve our health, cure disease and recover capabilities once believed to be lost forever.

#### Our partners include:

##### Semi-Automated (SAM) Race Car

Arrow and its partners are integrating the latest technology into the first-ever fleet of cars for paralyzed racers to get behind the wheel again and drive safely at speed. Beginning with a prototype modified Corvette for paraplegics, the program will not only to allow a community of expert drivers to reclaim their dreams, but inspire innovations that can improve transportation and mobility for all of us. Partners include other technology companies and organizations serving the disabled and veterans communities.

**Engagement Rating: 97.**

##### Craig @ Home

With other corporate partners, we are helping to develop an innovative tablet-based system for paralyzed “graduates” of Craig Hospital’s world-class rehabilitation program in Englewood, Colo. The tablet is programmed with applications to provide 200-plus newly paralyzed patients per year with virtual support to manage their days and medical care when they leave the hospital and return home. Arrow’s participation is being championed by Americas Components; further role refinement expected in Q1 2014.

**Engagement Rating: Incomplete.**

##### Gates Center for Regenerative Medicine and Stem Cell Biology

With the University of Colorado Anschutz Medical Campus, Arrow is supporting the advance of “personalized medicine” with the application of innovative stem cell technologies to cure disease and repair or replace damaged organs and tissues.

**Engagement Rating: Incomplete.**

<http://www.ucdenver.edu/academics/colleges/medicalschoo/centers/StemCell/Pages/StemCell.aspx>

2014 Goal: Debut the next, more advanced SAM race car and aggressively pursue a national/global demonstration and marketing program with partners to establish Arrow as an innovation leader.



#### 4. Innovating Our World (environment)

Human activity changes our world every day. With the help of technology, we can prevent environmental damage, live more sustainably and, in some places, restore our surroundings to a state much closer to their natural condition.

##### **Our partners include:**

##### Close the Gap

This Brussels-based non-profit organization helps Arrow Value Recovery facilitate the donation of refurbished electronics to schools, clinics and training centers throughout Africa. To date, more than 300,000 computers and other devices have been donated to help bridge the “digital divide” in South Africa, Kenya, Ethiopia and other nations. Other partners in the effort include the Desmond Tutu Foundation; in 2013, the Nobel Peace Prize winner made a video tribute to Arrow.

**Engagement Rating: 88.**

2014 Goal: Identify and establish national/global innovative programs with new environment partners. Increase employee engagement in this category. Develop a Close the Gap- style initiative for North America.

## 5. Innovating communities (civic/community involvement, arts)

Arrow has a strong history of supporting the arts since our founding eight decades ago in New York. When we consolidated our headquarters in metro Denver in 2011, we established partnerships with the local arts community out of a fundamental conviction that the creative process in the arts and innovation in Arrow's world of electronics are intrinsically connected.

Our innovative support of the arts has a synergistic effect. We guide the artists as they create and express their unique messages to our culture. Our partnerships with art organizations extend this inspiration to about 3 million Colorado residents and visitors every year. Finally, our support of the arts encourages our own 17,000 employees in Colorado and around the world to apply the same spirit of innovation and creativity to their own work and lives.

### Our partners include:

#### Colorado Symphony Orchestra

Arrow commissioned a new musical composition with the CSO that would reflect the company's commitment to innovation. What emerged was an original piece representing the Arrow brand, "Five Years Out." In this piece, CSO Resident Conductor, Scott O'Neil utilizes themes of technology and a five-note scale to generate the new refrain for the overture. The composition debuted in 2013, and we now use it as our musical logo in advertisements and on our website. If you listen closely, you will hear A-R-R-O-W spelled in musical notes, while the rhythm spells 'Arrow' in Morse Code. Maestro O'Neil is working to expand the original overture into a full orchestral composition.

The CSO's performs for 500,000 people a year. Arrow's support includes branded sponsorship of its Pops Series, which extends the orchestra's music to a younger audience in performances at venues in Denver and statewide. The collaboration remains one where the CSO provided uniqueness to Arrow's brand, and Arrow elevated the CSO's talent to the worldwide stage.

**Engagement Rating: 73.**

Following is a video that reveals the innovative creative process behind the Arrow Overture:

<http://www.youtube.com/watch?v=nJVWWel1upg>

And a full performance:

[http://www.youtube.com/watch?v=uk\\_z6c3La-Q](http://www.youtube.com/watch?v=uk_z6c3La-Q)

#### Denver Zoo

The Denver Zoo is the most popular cultural institution in Denver with 2 million annual visitors. It is Arrow's most enduring CSR partner; CEO Mike Long serves on the board of directors. In 2013, Arrow extended its innovation branding to more than 100 recycling locations on the zoo's 80-acre site, ensuring direct branding connection with visitors. In 2014, Arrow's support will be applied to the planned completion of the Zoo's innovative biomass cogeneration facility, turning zoo trash and waste into a renewable power supply. Arrow's support is instrumental in the Zoo's goal to be recognized as the nation's most sustainable zoo. Arrow CSR also is working with Zoo staff to develop ways to use electronics in wildlife conservation projects around the world.

**Engagement Rating: 81.**





2014 Goal: We will develop new ways to bring our partners into Arrow with performances and exhibitions at the company, while also emphasizing employee volunteering at our partners' events. To foster innovation, we will require our partners to demonstrate considerable collaboration on shared events and programs, and to find innovative technology opportunities.

## Cherry Creek Arts Festival

Arrow joined with the nation's leading summer outdoor arts festival to launch introduction of the "Five Years Out Arrow Art Challenge." This national art competition inspires artists to take the concept of innovation and express what Five Years Out looks like in their artistic media. The competition for artists extends the festival's reach nationally, while helping to attract nearly 400,000 visitors to the 2013 event. As a result, the 2013 CCAF and the art challenge were awarded the Gold Grand Pinnacle Award by the International Festival & Events Association. The award recognizes the CCAF as the top event worldwide in its budget category.

In just two months, more than 120 artists throughout the U.S. submitted artwork of various mediums, including paintings, videos and sculptures. Through a competitive and collaborative selection process, a jury of regional artists and art professionals chose seven finalists whose work was displayed at the festival in a special Arrow "Innovators Club" tent hosted by festival and company officials, including a company reception for 200 employees. Each of the seven finalists demonstrated a vision toward innovation, reflecting the diverse process required to generate unique creations and solutions.

The finalists' works are included in an innovation-inspired collection of artwork at Arrow and featured in the company's offices around the world.

Here is an image of the winning submission "Innovation Engine" by artist Stefan Beget.



Arrow also sponsored a performance stage featuring Tim Decker, a performance speed artist who painted portraits of famous innovators to music during three scheduled performances daily and drove attendance to the Arrow exhibit.

**Engagement Rating: 76.**

Here is KUSA-TV coverage of the event:

<http://www.9news.com/rss/story.aspx?storyid=343402>

And here is a link to a noteworthy Denver Post feature article:

[http://www.denverpost.com/ci\\_23615980/cherry-creek-arts-festival-shows-glimpse-future?IADID=Search-www.denverpost.com-www.denverpost.com](http://www.denverpost.com/ci_23615980/cherry-creek-arts-festival-shows-glimpse-future?IADID=Search-www.denverpost.com-www.denverpost.com)

2014 Goal: Arrow CSR seek national and global board opportunities for top executives; identify and develop a CSR program in China involving Arrow employees and communities; foster innovative collaborations between new and existing community partners.

## Executive Community Participation

In 2013, Arrow executives answered a challenge by CEO Mike Long to join non-profit boards and offer their expertise of the communities where we work and live. We began the year with three executives serving on a total of five boards; by year's end the total had grown to 21 Arrow executives serving on 22 boards in metro Denver.

- Central City Opera
- Cherry Creek Arts Festival
- Cherry Creek School District Foundation
- Colorado FIRST Robotics
- Colorado Symphony Orchestra
- CU Denver School of Business
- CU Leeds College of Business
- CU Clean Tech
- Denver Scholarship Foundation
- Denver Tech Center Chamber of Commerce
- Denver Zoo
- Excelsior Youth Center
- Gates Center for Stem Cell Biology
- Girl Scouts of America
- Habitat for Humanity
- Junior Achievement
- Metro Denver Chamber of Commerce
- Mile High Youth Corps
- National Sports Center for the Disabled
- Ronald McDonald House
- Rose Andom Center
- World Trade Center

# Corporate sustainability

Arrow Electronics is a changing company in a changing world. We focus on how electronics can improve lives and make the world a better place – safer, cleaner, smarter, and more productive.

But our commitment to innovation is not limited to electronics. Devices alone won't make a difference if we don't pay attention to the contexts in which they are created, sold and used. Arrow's CSR vision is to build environmental sustainability into each business function and process, and to extend the effects of our commitment to our suppliers and customers throughout the global electronics supply chain.

Arrow's evolving sustainability program is built on the company's participation in several voluntary environmental compliance programs and regulatory systems that are monitored by established third-party organizations. In addition, Arrow seeks to leverage its core strengths to establish sustainable electronics through assiduous, ethical reclamation of electronics and diligent protection of the electronics supply chain, backed by commitment to transparency and accountability.

Detailed information about the company's policies can be found at:  
[http://www.arrow.com/about\\_arrow/index.html](http://www.arrow.com/about_arrow/index.html)

## Conflict Minerals

Certain minerals essential for the manufacture of electronics produced in the eastern provinces of the Democratic Republic of the Congo, where armed militias profit from the trade of these metals and millions of civilians have died. Arrow supports the 2010 Dodd-Frank Act and the related U.S. Securities and Exchange Commission rule that promotes transparency and consumer awareness regarding the use of "Conflict Minerals" and seeks to cut direct and indirect funding of armed groups engaged in conflict and human rights abuses in the Conflict Region.

Click here for more information:  
[http://www.arrow.com/about\\_arrow/arrow\\_conflict\\_minerals\\_policy.pdf](http://www.arrow.com/about_arrow/arrow_conflict_minerals_policy.pdf)

## E-Stewards

A third-party-audited certification program for electronics recyclers and refurbishers. To achieve e-Stewards certification, companies are subject to yearly audits to ensure they comply with the standard, including having a registered ISO 14001 environmental management system in place and following numerous performance requirements such as assuring that hazardous electronic waste is not illegally exported.

Click here for more information: <http://www.e-stewards.org/>



## UN Global Compact

A strategic policy initiative for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labor, environment and anti-corruption.

Click here for more information:  
<http://www.unglobalcompact.org/>



## Carbon Disclosure Project

An organization based in the United Kingdom that works with 3,000 of the world's largest corporations and their shareholders to help ensure that an effective carbon emissions/reductions strategy is integral to their business.

Click here for more information:  
<https://www.cdp.net/en-US/Pages/HomePage.aspx>

2014 Goal: Formalize the structure and leverage the recommendations of the Arrow-wide "Green Team", a volunteer group recruited internally to identify feasible sustainability improvements and savings.

# CSR In-Kind Donations

Arrow receives numerous requests for donations of refurbished electronics. The company's supply is unpredictable and Arrow does not keep a large inventory on hand. Donations will depend, in part, on the timing of the request and equipment availability. Arrow gives priority to its partner organizations.

In Europe, Arrow's Value Recovery business partners with the Brussels-based non-profit Close the Gap to facilitate equipment donations. Currently in North America, in-kind equipment donations are considered by Arrow CSR on a case-by-case basis.

Please email requests to the global communications department ([GlobalCommunications@arrow.com](mailto:GlobalCommunications@arrow.com)) with "equipment donation" in the subject line. Be sure to include the following information:

Describe the organization and provide nonprofit documentation

- Briefly describe the organization's needs and reasons for the request
- Briefly describe who would use the equipment and how it would benefit the organization

In the case of large requests, confirm that a shipping/receiving facility capable of handling the donation is available.

2014 Goal: Arrow CSR will work with its Value Recovery division to develop a refurbished electronics donation program for North America similar to the Close the Gap model.



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# Disaster Recovery Donations

Arrow Electronics operates in 58 countries around the world. Many times a year – and often without warning – the company's business operations have the potential to be temporarily impacted by weather and natural calamities such as storms, floods, wildfires and earthquakes.

In 2013, with Arrow CSR's help, the company streamlined its disaster recovery response policy. Arrow focuses its initial disaster response on the safety and of its employees and the recovery of its business operations and facilities. The company's priority is to restore normal business operations and extend assistance to employees who have been directly impacted.

In locations where Arrow's employees, facilities or operations have been seriously impacted, the company may participate in fundraising drives or make other donations, including in-kind donations of equipment and services, to relief and community organizations.

These decisions are made on a case-by-case basis with consideration the severity of the disaster, the impact on employees and Arrow operations and the company's position to support disaster recovery efforts financially.

2014 Goal: Broadly and effectively communicate this new policy to Arrow employees.

