Introduction

Arrow Electronics, Inc. (hereinafter, “Arrow”, “we”, “us” or “our”) is firmly committed to maintaining the highest ethical and legal standards. We continually strive to comply with both the letter and spirit of all applicable laws and regulations. This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015, and includes the activities of all our majority owned subsidiaries. Arrow maintains effective business controls as well as a dynamic and robust compliance program designed to detect and prevent violations of applicable laws, including laws regarding slavery, human trafficking and forced or compulsory labor, throughout our operations. Local policies and practices are reviewed and audited against corporate guidelines. Consequently, Arrow’s compliance program is not static but is ever evolving to meet changing business circumstances and regulations.

Employees are encouraged to contact Arrow’s law department, including the General Counsel and the Chief Compliance Officer, or the finance department, including the Chief Financial Officer, with questions regarding any of our policies and practices. Employees also have the option of using Arrow’s AlertLine which is a confidential reporting line for all employees.

Arrow’s Structure

We are a global provider of products, services and solutions to industrial and commercial users of electronic components and enterprise computing solutions. Our Corporate Head Office is in Denver, Colorado, USA, however we have a global reach including multi sites within the UK and EMEA region. Arrow had sales in excess of $23bn in 2016.

Our Business

Our business is broadly organized into four divisions: ECS, Global Components, Arrow Value Recovery and Specialty Businesses.

Our Supply Chains

Arrow serves as a supply channel partner for over 100,000 original manufacturers, contract manufacturers and commercial customers through a global network.

Our Policy on Slavery and Human Trafficking

At Arrow, we are committed to ensuring that there is no slavery, servitude, forced or compulsory labor or human trafficking in our supply chain or in any part of our businesses.

Arrow’s senior managers promote and encourage transparency, ethical conduct and a commitment to comply with anti-slavery and human trafficking laws. Our employees are provided with resources and training to help them meet Arrow’s ethical and legal obligations with regards to anti-slavery and human trafficking laws, including the Modern Slavery Act 2015. Arrow’s Worldwide Code of Business Conduct and Ethics (the “Code”) is a central component of our overall compliance program. Arrow’s Code is administered by our Chief Compliance Officer and requires all employees to comply with the Code and obey the law. The Code contains policies aimed at combating slavery and human trafficking.
The audit committee of Arrow’s Board of Directors reviews the Code annually to ensure that it continues to meet or exceed the current regulatory framework and Arrow’s operational strategies.

Proposed changes to the Code are reviewed and approved by the Board of Directors before being implemented and communicated to our employees. Additionally, the Board requires that all Arrow employees, officers and directors review and certify their understanding and acceptance of the Code annually. Arrow’s Code can be accessed on the company’s web site at: http://phx.corporate-ir.net/phoenix.zhtml?c=85834&p=irol-govConduct.

Arrow’s anti-bribery policies apply to all Arrow officers, directors, and employees worldwide and all of its subsidiaries and affiliated companies. Its general principles and prohibitions also apply to agents, distributors, consultants, and any other third parties acting on Arrow’s behalf, regardless of country of residence or citizenship.

**Due Diligence Processes for Slavery and Human Trafficking**

As part of our initiative to identify and mitigate risk –

- Where possible we build long standing relationships with manufacturers, suppliers and customers and make clear our expectations of business behavior;
- With regards to our supply chains, we expect each entity to have suitable anti-slavery and human trafficking policies and processes, and we conduct third party due diligence in accordance with our procedures. We expect each entity to, at least, adopt ‘one-up’ due diligence on the next link in the chain. With the number of manufacturers and suppliers that we deal with on a regular basis, it would not be practical for Arrow (and every other participant in the chain) to have a direct relationship with all links in the supply chain, as this starts ultimately with the sourcing of the applicable raw materials;
- We have in place robust systems to encourage the reporting of concerns and the protection of ‘whistle blowers’. The Arrow AlertLine is a confidential means of reporting any concerns for all employees, in accordance with applicable local rules and regulations; and
- Failure to comply with anti-slavery laws will not be tolerated. Any Arrow employee who engages in conduct that results in a violation of these laws is subject to discipline, up to and including termination of employment. Similarly, consultants, agents or third party service providers that provide services to or on behalf of Arrow should expect to have their contracts terminated if they violate anti-slavery laws.

**Business Partner Adherence to Our Values**

Arrow has a zero tolerance approach to slavery and human trafficking. Arrow believes in the importance of its business partners to adhere to our high ethical and legal standards, and therefore requires all of its business partners to review and comply with our Business Partner Code of Conduct. This Code is based on the same principles as Arrow’s employee Code of Conduct. Arrow also offers training to its partners to make certain of their understanding of all applicable laws, rules and regulations while conducting Arrow business. The Business Partner Code of Conduct can be accessed on Arrow’s website at: http://www.arrow.com/about_arrow.

All managers are responsible for compliance in their respective departments and supplier relationships.
Training

Our compliance training program includes both online and instructor led training courses which are delivered in the local languages of our employees. Training covers many relevant topics including legal requirements and Arrow’s Code of Conduct, and we are currently engaged in expanding the training materials to specifically address the definition of modern slavery, and increase employee awareness on this issue, and have a tailored training scheduled for later this year. Additionally, we periodically provide key employees informational notices on high-risk issues, where a greater potential for bribery, corruption or practices in violation of the Code may exist.

Arrow maintains a strong whistle-blower program and provides protection for any employee who reports misconduct through confidential reporting and a clear no-retaliation policy. As part of our Open Door policy employees are encouraged to come forward with questions or information regarding observed improprieties, including any related to slavery and human trafficking. Arrow maintains the AlertLine twenty four hours a day/seven days a week, which provides employees with a mechanism for reporting to the Chief Compliance Officer, the General Counsel and, where appropriate, Arrow’s Board of Directors. Employees using the AlertLine have the option, where permitted by local law, to remain anonymous. Calls to Arrow’s AlertLine are responded to without delay. Details of the program are communicated to our Board of Directors as well as to our external auditors and the program is tested frequently throughout the year. Information on the AlertLine is included in the Code and is available on the company’s intranet sites across the regions as well as our public web site at: http://phx.corporate-ir.net/phoenix.zhtml?c=85834&p=ir=govConduct.

Our Effectiveness in Combatting Slavery and Human Trafficking

We use the following key performance indicators (KPIs) to measure how effective we have been in working to ensure that slavery and human trafficking is not taking place in any part of our business or supply chain:

- Use of payroll systems and HRIS to ensure that all employees are registered and paid fairly for the work they do;
- The building of relationships/partnerships with the next link in the supply chain and their understanding of, and compliance with, applicable laws and Arrow expectations;
- Measuring completed/outstanding trainings, and the corresponding increase in employees awareness of risk; and
- Monitoring Arrow AlertLine use and issue resolution.

For additional information about Arrow and our efforts to combat slavery, human trafficking and forced or compulsory labor, we are providing the following links to our public web site:

Arrow Electronics, Inc. Investor Relations page including annual reports and proxy statements: http://phx.corporate-ir.net/phoenix.zhtml?c=85834&p=ir=irhome.


Our Corporate Governance page including a link to our Code of Conduct: http://phx.corporate-ir.net/phoenix.zhtml?c=85834&p=ir=govConduct.

We thank you for your continued support and for your confidence in our organization.
Sincerely,

Carine Jean-Claude

Vice President, Legal Affairs & Chief Compliance Officer