



**Arrow Electronics Canada Ltd. and Arrow ECS Canada Limited  
Statement on Forced Labor and Child Labor in Supply Chains  
for the Year Ended December 31, 2023**

**1 Introduction**

- 1.1** Arrow Electronics Canada Ltd. and Arrow ECS Canada Limited (collectively, “Arrow Canada”) 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. We conduct business in a manner that respects the rights and dignity of all people, including our employees and contractors, workers in our supply chain, and others outside our organization who are impacted by our operations. We strive to engage our suppliers to ensure that their operations and supply chains are free from forced labor, child labor, and any other form of labor exploitation. At the heart of our mission lies a commitment to honoring human rights and sourcing products responsibly.
- 1.2** This is Arrow Canada’s first modern slavery statement pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (S.C. 2023, c. 9), and it will be reviewed annually hereafter. This report details Arrow Canada’s dynamic compliance framework designed and continuously evolving to detect and prevent any form of forced or compulsory labor or child labor in our business or supply chain.

**2 Our organizational structure, business operations and supply chains**

- 2.1** This joint statement is made by Arrow Electronics Canada Ltd. (BN 868516162RC0004) (“Arrow Components”) and Arrow ECS Canada Limited (BN 834809857) (“Arrow ECS”).
- 2.2** Arrow Canada’s ultimate holding company is Arrow Electronics, Inc, headquartered in Centennial, Colorado, USA (“Arrow”). Arrow is a global provider of products, services, and solutions to industrial and commercial users of electronic components and enterprise computing solutions.
- 2.3** Arrow Components distributes electronic components to original equipment manufacturers, contract manufacturers and other commercial customers. It employs 212 people. Arrow Components’ customers, business operations and workforce are located in Canada.
- 2.4** Arrow ECS distributes enterprise computing solutions to value-added resellers and managed service providers. It employs 70 people. Arrow ECS’s customers, business operations and workforce are located in Canada.
- 2.5** Arrow Canada sources the products it distributes primarily from suppliers located in the USA and Europe. Our supply chain also includes ancillary services that contribute to our distribution operations, such as transporters and carriers.
- 2.6** More information about our business is available on our website at [www.arrow.com](http://www.arrow.com).

**3 Our supply chain risk profile**

- 3.1** We have assessed Arrow Canada’s operational risk profile as low in the area of forced labor, child labor, and other forms of labor exploitation. All of our workers are employed in Canada, where we have fair and responsible employment practices in place to protect and promote workers’ rights.
- 3.2** That said, Arrow Canada recognizes that risks of forced labor and child labor may be present in our supply chain in areas such as raw materials extraction, raw materials processing and technology manufacturing. While Arrow Canada’s suppliers are mainly based in the USA and Europe, we recognize that they, or their suppliers, may also maintain operations in countries of concern for modern slavery. We also utilize subcontractors for certain services and recognize that there are inherent risks in outsourcing or subcontracting, including less control and visibility over working conditions.



## 4 Actions taken to combat forced labor and child labor risks

4.1 Arrow Canada assesses and manages the risks associated with forced labor, child labor, and other forms of labor exploitation in our operations and supply chain by maintaining a robust compliance program informed by internationally recognized standards and built around best-practice guidance. This program is designed and administered by the Global Legal and Compliance department, with support from Human Resources, Quality, Finance, Procurement, Supplier Management, Sales and various other functions across the organization. The program includes:

- (a) Policies prohibiting forced labor and child labor in our operations;
- (b) Policies prohibiting forced labor and child labor in our supply chain, which are extended to the parties with whom we do business through contractual obligations;
- (c) Due diligence in our hiring processes;
- (d) Due diligence in our supplier relationships; and
- (e) Channels for escalation of concerns related to forced labor or child labor.

## 5 Our policies on modern slavery

5.1 Arrow's Worldwide Code of Business Conduct and Ethics ("Code") reflects our commitment to acting ethically and with integrity in all our actions and business relationships. The Code prohibits forced or compulsory labor of any kind in our operations or in our supply chain. All Arrow employees, officers, and directors review and certify their understanding and acceptance of the Code each year. Arrow's Code is reviewed annually by Arrow's Board of Directors to ensure that it continues to meet or exceed current regulatory frameworks and international standards. A copy of our Code can be found on our website at <https://www.arrow.com/company/overview/corporate-governance/reporting-and-governance>.

5.2 Arrow Canada seeks to form relationships with businesses that share our commitment to ethical business conduct and legal and regulatory compliance. Arrow's Business Partner Code of Conduct and Ethics ("Business Partner Code") sets forth our expectations of all our business partners — including component manufacturers, customers, vendors, consultants, representatives, subcontractors, resellers, and other third parties — related to human rights and ethical business practices. We extend these obligations to the parties we do business with through our third-party agreements and our standard terms and conditions. We expect our business partners to uphold these standards in their own value chains and undertake third-party due diligence where appropriate. The Business Partner Code is reviewed annually by the Global Legal and Compliance Department to ensure that we continue to hold the parties with whom we do business to the same high ethical standards we expect within our own operations. A copy of our Business Partner Code can be found on our website at <https://www.arrow.com/company/overview/corporate-governance/reporting-and-governance>.

5.3 Employees and external parties can report concerns regarding Arrow Canada's business operations through our AlertLine. The AlertLine is available globally 24 hours a day, 7 days a week, in multiple languages. Reporters can use the AlertLine to raise concerns about forced labor or other exploitative labor conditions, as well as other suspected violations of the Code, the Business Partner Code, Arrow policy, or applicable law. Persons raising concerns through the AlertLine may choose to remain anonymous. Employees are also encouraged to raise concerns to their direct manager, the Global Legal and Compliance department, Human Resources, or any other member of management. All questions and concerns are handled professionally and in a confidential manner. Any person escalating concerns in good faith is protected from retaliation under the Code. Employees are reminded of available escalation channels, and our commitment to protection of "whistleblowers," on an ongoing basis through communications and training.



## 6 Due diligence processes

- 6.1** In order to identify and manage risks of forced labor and child labor in our own business, Arrow Canada's hiring processes include review of government-issued identification and background checks for all prospective employees. We periodically reassess our hiring and employment practices to ensure we meet or surpass employment standards in all jurisdictions in which we operate.
- 6.2** With regard to our supply chain, Arrow Canada expects each entity with whom we do business to have appropriate policies and controls in place to prevent labor exploitation in their operations, and to extend this requirement to their own business partners. Where possible we build long-standing relationships with suppliers and other third parties in our supply chain, reinforcing our expectations of business conduct through these interactions.
- 6.3** Arrow Canada takes a risk-based approach to supplier due diligence, considering factors including the nature of the relationship and key characteristics of the third party. Typical due diligence activities include:
- (a) Screening suppliers against various resources – including government sites, public records, and online media – for indicators of human rights risks, and monitoring these suppliers on an ongoing basis;
  - (b) Asking key suppliers to complete our comprehensive due diligence questionnaire, addressing processes for identification and management of human rights risks;
  - (c) Confirming suppliers' commitment to the principles of our Business Partner Code; and
  - (d) Supplier engagement in enhanced due diligence to address red flags or heightened risk factors.

Red flags identified in the due diligence process can result in the implementation of enhanced controls and remedial action where appropriate. Unresolved red flags can lead to termination of the relationship.

## 7 Training

- 7.1** Arrow Canada's compliance training program includes online and instructor-led courses aimed at educating our workforce on legal requirements, the principles of Arrow's Code and policies, and other standards, values and commitments of Arrow Canada. Multiple training modules address risks related to labor exploitation, including our *Human Trafficking Prevention* training ("HTP Training"). The HTP Training is focused on enabling our employees to better understand forced labor and child labor risks and impacts, and to recognize red flags in our business and supply chain. This training must be completed at least every two years by all Arrow Canada employees that interact with our supply chain or provide certain supporting functions, and it is available to all employees through our learning center. The HTP Training encourages employees to report any concerns with potential violations of Arrow's Code, including violations related to labor exploitation, via the AlertLine or other available escalation channels. Arrow Canada's training materials, including the HTP Training, are reviewed periodically to ensure that the content and target audience appropriately the risks of forced labor and child labor in the regions and industries in which we operate.

## 8 Remediation measures

- 8.1** To date, Arrow Canada has not identified any instances of forced labor or child labor in our business or supply chains, therefore we have not been required to take remedial measures.



## 9 Remediation measures relating to loss of income to vulnerable persons

9.1 Arrow Canada has not identified any instances of forced labor or child labor in our business or supply chains, therefore we have not been required to take measures to remediate the would-be loss of income to vulnerable persons.

## 10 Effectiveness in combatting forced labor and child labor risks

10.1 Arrow uses the following key performance indicators (“KPIs”) to measure how effective we have been in our efforts to ensure that forced labor and child labor are not taking place in any part of our business or supply chain:

- (a) Use of payroll systems and human resource information to ensure that all employees are of legal working age and paid fairly for the work they perform;
- (b) Number of suppliers and other third parties screened for force labor, child labor and other human rights related red flags;
- (c) Number of employees completing training related to forced labor and other forms of labor exploitation;
- (d) Number of issues reported via Arrow’s AlertLine and other escalation channels related to potential forced labor or child labor;
- (e) Employee feedback on awareness of and experience with using Arrow’s AlertLine and other escalation channels; and
- (f) Number of instances of remedial action taken (if any).

## 11 Approval of the Statement

11.1 Arrow Canada has acted in consultation with Arrow Electronics Inc in preparing this statement.

11.2 This statement is made in accordance with Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* and constitutes Arrow Canada’s joint modern slavery statement for the financial year commencing on January 1, 2023 and ending on December 31, 2023.

11.3 This statement was approved by the Board of Directors of Arrow Electronics Canada Ltd. And Arrow ECS Canada Limited pursuant to Paragraph 11(4)(b)(i) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* on May 31, 2024.

Signed

By: /s/ Rick Marano  
**Rick Marano**  
**President, Global Components**

Date: May 31, 2024

I have the authority to bind Arrow Electronics Canada Ltd.

By: /s/ Carine Jean-Claude  
**Carine Jean-Claude**  
**Senior Vice President, Chief Legal Officer and Corporate Secretary**

Date: May 31, 2024

I have the authority to bind Arrow ECS Canada Limited