



REACH FURTHER TOGETHER

Avnet Sustainability Report / 2020

/ TABLE OF CONTENTS

Avnet Sustainability Report / 2020

About Avnet.....	1
About this report.....	1
CEO letter	2
Letter from the chairman of the board.....	4
Taking a value chain approach.....	5
Sustainability delivers long-term value to stakeholders	6
Our core values	6
Determining priorities through the lens of materiality	7
People and communities	9
Embracing a diverse and inclusive culture.....	9
Strong focus on occupational health and safety	12
Avnet Cares	12
Responding to COVID-19	14
Environment	16
A proactive stance on climate change.....	17
Raising the bar at Leeds distribution facility.....	17
Corporate governance.....	18
Ethics and compliance central to Avnet’s values-based culture.....	19
Committed to upholding human rights	21
In support of the U.N. Sustainable Development Goals	22
Case: harnessing technology to advance the SDGs	22
Avnet’s engineering communities apply ingenuity to the SDGs	23
Developing low-cost tools for COVID-19 detection	23
Advanced sensors help conserve Africa’s elephants.....	23
Calling on all #badass women engineers	23
Engaging stakeholders	24
Awards & recognition.....	25
GRI table	26
SASB table	28
Additional resources.....	28

INTRODUCTION

About Avnet

As one of the world's leading technology distributors, Avnet supports customers at each stage of the product development life cycle, from idea to design and from prototype to production. We work with more than 2.1 million customers in more than 140 countries and with global suppliers from every technology segment. Whether it's large-scale production or beginning-stage prototypes, we meet our customers' needs through individualized, end-to-end service.

Headquartered in Phoenix, Arizona, Avnet's team of nearly 15,000 employees operates throughout the Americas, Asia Pacific, Africa and Europe. Avnet controls 13 major distribution centers and approximately 300 secondary facilities. This expansive network enables us to streamline solutions and improve efficiency for all our customers.

We serve a range of markets, including aerospace and defense, automotive and transportation, communications, embedded vision, energy, healthcare, home and building automation, industrial, security, lighting and wearables.

In fiscal year 2020, our sales exceeded \$17 billion. Find more information about our financial performance at ir.avnet.com.

About this report

This sustainability report includes information on Avnet's environmental, social and economic impact. The report presents performance, risks and opportunities related to key areas, how the company manages them and how key areas are identified.

Unless otherwise stated, the information and data provided pertain to activities undertaken from our fiscal years 2019–20 (July 1, 2018 to Dec. 31, 2020). The report covers Avnet's global operations.

The report is in accordance with Global Reporting Initiative (GRI) core option standards. By applying the GRI's international guidelines, Avnet reports on sustainability-related content that is relevant to its stakeholders in a balanced and transparent way. The GRI guideline table on [page 26](#) shows published, disclosed information in this sustainability report and on Avnet's website. This report aligns with the industry-specific standard for the multi-line retailer sector as set by the Sustainability Accounting Standards Board (SASB), a voluntary, investor-focused sustainability accounting framework. The SASB table on [page 28](#) shows the location of relevant information in this sustainability report and on Avnet's website.

Avnet publishes other annual statements and reports related to responsible business, such as a [statement against modern slavery and human trafficking](#) and a [Conflict Minerals Report](#) on our website.

Avnet has reported to the Carbon Disclosure Project (CDP) for nine years. We're addressing data deficiencies that affect this year's score. We're building a rigorous data collection process so that we can develop robust and time-bound goals on emission reduction for FY21. Our aim is to consider science-based targets by FY23 using a robust approach built on solid data.

We welcome stakeholder feedback on this report as we continue to enhance our disclosures. Address communication to Corporate.Communications@Avnet.com. We're committed to regular, transparent communication of our sustainability work and progress. We will share ongoing updates via our website.

A MESSAGE FROM OUR CEO



Building resilience for the future with a focus on sustainability

Phil Gallagher, CEO

Ask around the electronics industry: What makes Avnet exceptional? You'll hear a remarkably consistent answer. It's our people.

Uniquely in our field, Avnet has many employees who have worked here for decades, like myself. These employees are part of an incredible company culture developed as Avnet continuously adapted to wave after wave of technological change in order to enable our customers' and suppliers' success.

The principles of resiliency and sustainability have been the bedrock of Avnet's business for 100 years. After the past year's events — a global pandemic, the consequences of climate change and the urgent need for more diversity and inclusion in business and society — these principles are even more relevant.

So, as we celebrate Avnet's first century in business in 2021, we're intensifying the company's focus on sustainability, or, as many in the industry have begun to call it, our environmental, social and governance (ESG) performance.

Sustainability is not only what our stakeholders expect, it also builds the resilience we need for the century ahead. It's a lever that improves our ability to execute Avnet's mission: to deliver value to customers, suppliers, employees and shareholders. What makes us different is that Avnet people bring the integrity, empathy, ingenuity, collaboration, objectivity and know-how customers need to succeed.

I'm proud of how our people performed during a tough 2020.

Our nearly 15,000 employees are the industry's very best, and they inspire me to put people first in every decision we make. I appreciate, thank and salute them.

Customers and suppliers see Avnet's employees as an extension of their internal teams. Never was this clearer than during the COVID-19 pandemic, when our people brought their

boundless ingenuity and adaptability to ensure continuity of supply and collaboratively kept operations running as smoothly as possible.

We continue to adapt our business by building an even more diverse, inclusive culture.

To succeed in business calls for people who bring diverse backgrounds, experiences and perspectives to the table. Accordingly, creating a high-performing culture by focusing on people, talent, diversity and inclusion remains one of our core strategies. We believe this focus will benefit our employees, customers and suppliers while keeping Avnet competitive.

In addition, diversity and inclusion will continue to be important areas of focus for boards. I am proud that our Board of Directors has focused on these areas, and 36% of our directors represent diverse populations.

We can do much more. Our executives are focused on diversity and inclusion. Even our compensation is tied to FY 2021 diversity goals.

Over time, our company will better reflect the diversity of our customers and communities. I'm convinced that our focus on diversity will become a competitive advantage for Avnet.

Still, to meet our goals, we need to collaborate across our industry to create pipelines of diverse job candidates. That's why I continue to serve on the advisory council of Women in Electronics, a nonprofit advocacy group building career paths for women in the electronics industry.

We're focused on ethics and governance.

A culture of strong ethics is another key to our company's longevity. Ethics and governance are at the heart of everything we do. In 2020, the Ethisphere Institute named Avnet one of the world's most ethical companies for the seventh consecutive year.

We're proud of this recognition, yet we must remain ever vigilant about ethics. As CEO and a director, it's my job to make sure our people remember that ethics is a high priority for the company, and we will increase our focus in this area. I count on Avnet people to always:

- **communicate with honesty.**
- **reflect the teamwork and inclusion we expect.**
- **show leadership at all levels.**
- **take ownership and responsibility for our results.**

Our commitment to the environment is growing.

Avnet acknowledges the importance of measuring and mitigating our impact on the environment. We can reflect on our long and proud history while also charting a decisive path forward. We remain committed to building a sustainable future for our company and all our stakeholders. As a large multinational corporation supporting the world's top technology companies, we have a responsibility and an opportunity to influence the future of our planet and society for the better.

We're making progress to reduce Avnet's environmental impacts. For example, our new Farnell distribution center in Leeds, U.K., is an automated, state-of-the-art warehouse and

distribution facility. Our Leeds facility achieves higher levels of efficiency with lower environmental impacts. It raises the bar for all our facilities.

In the next year, we'll be further shaping our sustainability strategy and goals. Over the next few years, Avnet will focus on issues where we can make the most significant impacts, such as climate change and waste reduction.

We're committed to reporting on our sustainability performance by using the Global Reporting Initiative (GRI) Standards as well as those set forth by the Sustainability Accounting Standards Board (SASB). We also continue to support the UN Global Compact.

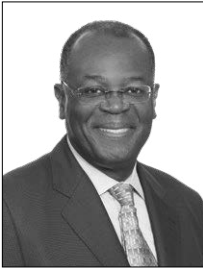
Looking ahead, our focus on sustainability and ESG performance will make us a much stronger and more resilient company – a benefit for all our stakeholders.

Sincerely,



Phil Gallagher
Chief Executive Officer
Avnet

A MESSAGE FROM OUR CHAIRMAN OF THE BOARD



Sustainability is the recipe for leadership performance

Rod Adkins, Avnet Chairman of the Board

In 2020, we witnessed how the world dealt with an unprecedented level of continuous disruption and relentless innovation, accelerating changes in how we live and work. These disruptions appeared in many forms – ranging from the devastating impacts of the global COVID-19 pandemic to geopolitical and domestic social instability, cybersecurity risks and worsening climate change.

We tend to think of innovation in terms of technological progress, but innovation is also about creating opportunity out of disruption. We were already seeing new innovations in the areas of alternative business models and expanded approaches to address changing patterns in customer consumption before the pandemic. It is now more multifaceted. Think of the exacerbated transformation in e-commerce, healthcare and video conferencing alone this year.

Continuous disruption and relentless innovation have driven companies to focus on transformation as an ongoing theme across their business operations. This has tested many companies in new ways, especially in how they remain committed to their core values and how they continue to meet the needs of their key stakeholders: employees, business partners, customers, shareholders and the various communities they serve.

Going forward, we will continue to face market uncertainty and, collectively, we will continue to embrace this challenge. In this constantly evolving environment, we must deploy new approaches to convert challenges into opportunities.

At Avnet, our aim is to promote a positive impact for our stakeholders as a core element of our business approach. This priority is driven by the seamless alignment of oversight by a strong board of directors, leadership commitment by management and the culture of service by all Avnet employees.

As Avnet board members, we play a critical role in ensuring our governance is strategic and closely aligned with the business model and operations.

Our focus will continue to be reflected in our environmental, social and governance (ESG) strategies, plans and ongoing assessments. ESG issues and opportunities impact corporate strategy, business objectives and performance over both the short and long terms. Environmental and social impacts influence every aspect of the core business.

So why is this important? Let's think through one example.

I have a strong belief that every global citizen aspires to have an opportunity for a better quality of life. A better quality of life has often been defined as affordable housing, good education, quality healthcare, access to jobs and a positive support structure, and safe communities.

If we consider, just for a moment, meeting some of these standards will empower new consumers with more spending capacity, significantly improving the gross domestic product and enabling new opportunities for growth. As a result, our actions as socially responsible global citizens promoting equity, diversity and inclusion can translate into real economic value.

Avnet will maintain its focus on delivering positive financial performance and value creation as we reduce environmental impacts, promote equity and a diverse and inclusive workforce and global economy, and lead ethically and responsibly at all levels in the company. We believe this is the right recipe for leadership performance in all dimensions and for achieving long-term success with our stakeholders.

We will build on our actions outlined in this sustainability report and continually work to demonstrate market leadership in every aspect of our business. While we still have much to do, we are proud of the progress we have made and are constantly striving to earn the trust and confidence of our stakeholders. We are excited to continue on this journey together with our many industry partners. If we reach further together, we will make even more inroads within sustainability in the years to come.

Sincerely,

Rodney C. Adkins

Chairman, Avnet Board of Directors

TAKING A VALUE CHAIN APPROACH

As part of our responsible business approach Avnet accounts for our impacts all along the value chain, aiming to increase the positive and decrease the negative at each stage.

Our full value chain spans product research and concept, design, prototype, production, logistics, distribution, service, maintenance and end-of-life. We consider sustainability at each phase of our upstream and downstream activities, recognizing that our role in society extends beyond our direct operations.

Avnet doesn't make its own products, but we seek to have a positive impact on the environment through the products

and solutions that we build for customers. We ship 157 billion units each year and make specific efforts to reduce the environmental impact of these shipments. We also expect suppliers to comply with the European Commission Restriction of Hazardous Substances (RoHS), conflict mineral legislation and applicable laws.

In summary, we engage with customers to understand their needs and requirements, hold suppliers to high sustainability standards, and work to optimize logistics and distribution to enhance efficiency and minimize negative environmental impacts.

Sustainability in Avnet's Value Chain

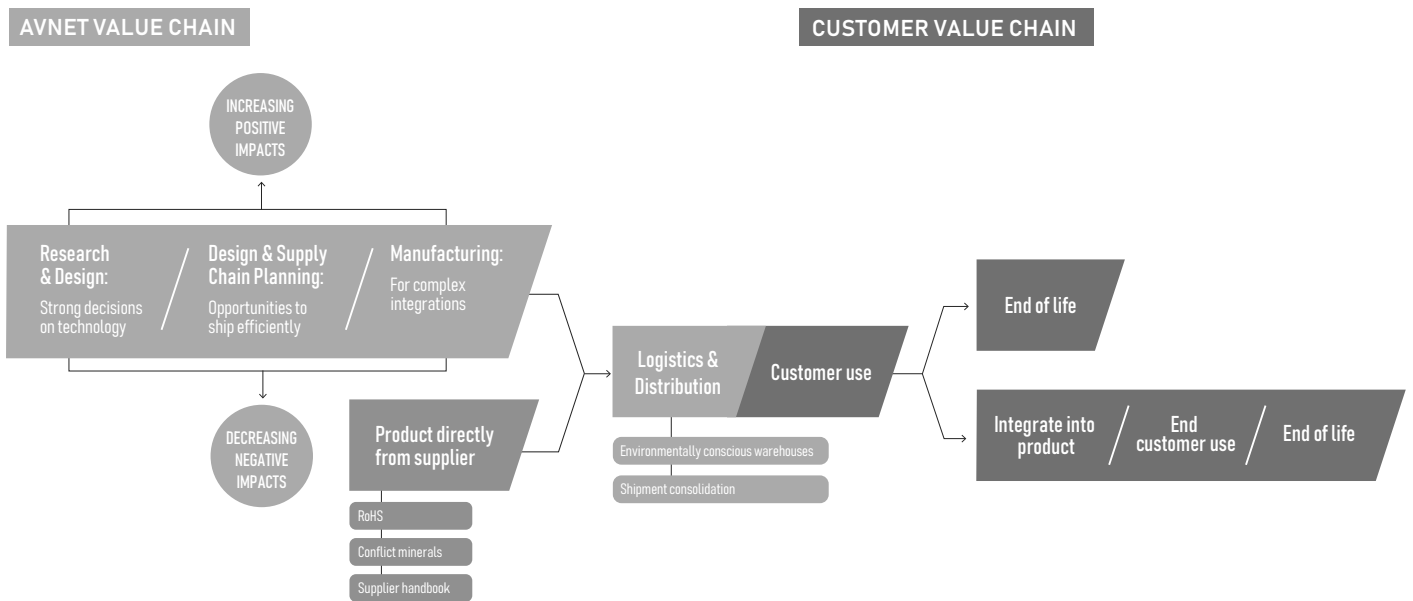


Figure 1

SUSTAINABILITY DELIVERS LONG-TERM VALUE TO STAKEHOLDERS

Our commitment to sustainability is critical to deliver long-term value to our stakeholders, as reflected in Avnet’s core values (see Figure 2). Across our business, we strive to enhance our positive impacts and minimize negative impacts. Sustainability is an ever-evolving journey and we are committed to it for the long haul. Over the next year, we will improve our reporting, set benchmarks and establish more potent goals.

With Avnet’s 2020 Sustainability Report, our second Global Reporting Initiative (GRI) Standards-compliant report, and our first Sustainability Accounting Standards Board (SASB) Standards-indexed report, we improved the scope, quality and transparency of reporting, and expanded our metrics on social, environmental and economic performance.

Our sustainability strategy is anchored in the top three issues identified in our materiality assessment ([page 7](#)), as follows:

Diversity and inclusion (D&I):

We prioritize a diverse and inclusive workplace. Our comprehensive approach includes addressing biases in hiring and promotion, enhancing supplier diversity, and supporting underrepresented groups.

Climate change and waste:

Reducing Avnet’s greenhouse gas footprint – in and beyond our operations – is the core focus of our environmental strategy. It includes reducing waste from all our activities.

Ethics and compliance:

Our strategy is about doing things right. That’s why our set of rules and policies, strong corporate governance system and internal compass guide Avnet culture to go well beyond compliance.

In light of these material issues, this report explores three topics:

- **People and communities, with a focus on diversity and inclusion.**
- **Environmental responsibility, with a focus on climate change and waste.**
- **Corporate governance and ethics, with a focus on ethics and compliance.**

Under our strategy, we set ambitious goals for FY21 and beyond in key focus areas. We will align our business to deliver on our strategy and goals, reporting progress annually.

We made strong progress on D&I in FY19-20. On climate change, we improved data gathering and set more ambitious goals and targets. As underscored by our CEO, we made progress on ethics and compliance, an area we continue to strengthen.

Our core values

Our core values of integrity, empathy, ingenuity, collaboration, objectivity and know-how inform our approach. These values help us improve sustainability. Integrity underpins our approach to responsible business. Our other values show how we work as an organization and in partnership with key stakeholders to achieve shared aims such as sustainability.

Those core values are not mere words on a piece of paper. They’re woven into the fabric of our corporate culture, which is founded on new ideas and emerging technology, harnessing innovators to set the pace of technological change.



Integrity

We mean what we say, we respect others and we do business the right way.



Empathy

We listen and see the world through the eyes of the customer.



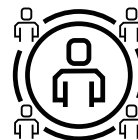
Ingenuity

We find innovative ways to leverage technology to solve our customers’ toughest challenges.



Collaboration

With each other, our customers and our suppliers, we put our heads together to get the job done.



Objectivity

We work with open minds and no bias – other than making our customers successful.



Know-how

Our technical and market expertise runs deep.

Figure 2

DETERMINING PRIORITIES THROUGH THE LENS OF MATERIALITY

We conducted our first comprehensive environmental, social and governance (ESG) and sustainability materiality assessment in 2020 to map key non-financial and ESG indicators important to both to our business and stakeholders.

The process included three key phases

- 1. Landscape assessment:** Phase one assessed the global sustainability and ESG trends that most affect Avnet. We assessed Avnet’s performance and identified opportunities for improvement. This work included examining ESG performance indicators, such as climate change and D&I, and selecting 17 key ESG topics to evaluate.
- 2. Stakeholder mapping:** In phase two, we surveyed more than 300 internal and 100 external stakeholders on sustainability issues from May through July 2020. Internal stakeholders included executives and team members who represented all global Avnet locations. External stakeholders included sustainability experts, customers, investors and community members. A short online survey asked respondents to rank the importance of each issue and our performance on each issue on a scale from zero to 10.
- 3. Topic analysis and prioritization:** In phase three, based on the landscape assessment, business impact and stakeholder feedback, we prioritized five key ESG topics.

Our materiality matrix showed findings and highlights on each ESG topic by focus area. The five topics that ranked highest in our materiality assessment are:

- ethics and compliance
- occupational health and safety (including COVID-19 response)
- climate
- diversity and inclusion
- economic performance

We determined that four of the top five topics are integral to our sustainability strategy roadmap. Since the fifth area, economic performance, is a basic expectation about how Avnet operates, it’s not part of our sustainability strategy.

Consistently, both internal and external stakeholders gave high rankings to ethics and compliance and occupational health and safety. External stakeholders ranked climate higher than internal stakeholders did. Waste emerged as a key topic in the electronics industry that’s important to our employees, so we are focusing here.

Going forward, the results of our materiality assessment will inform our strategy, shape decision-making and refine our disclosures.

Avnet's highest-ranking materiality topics

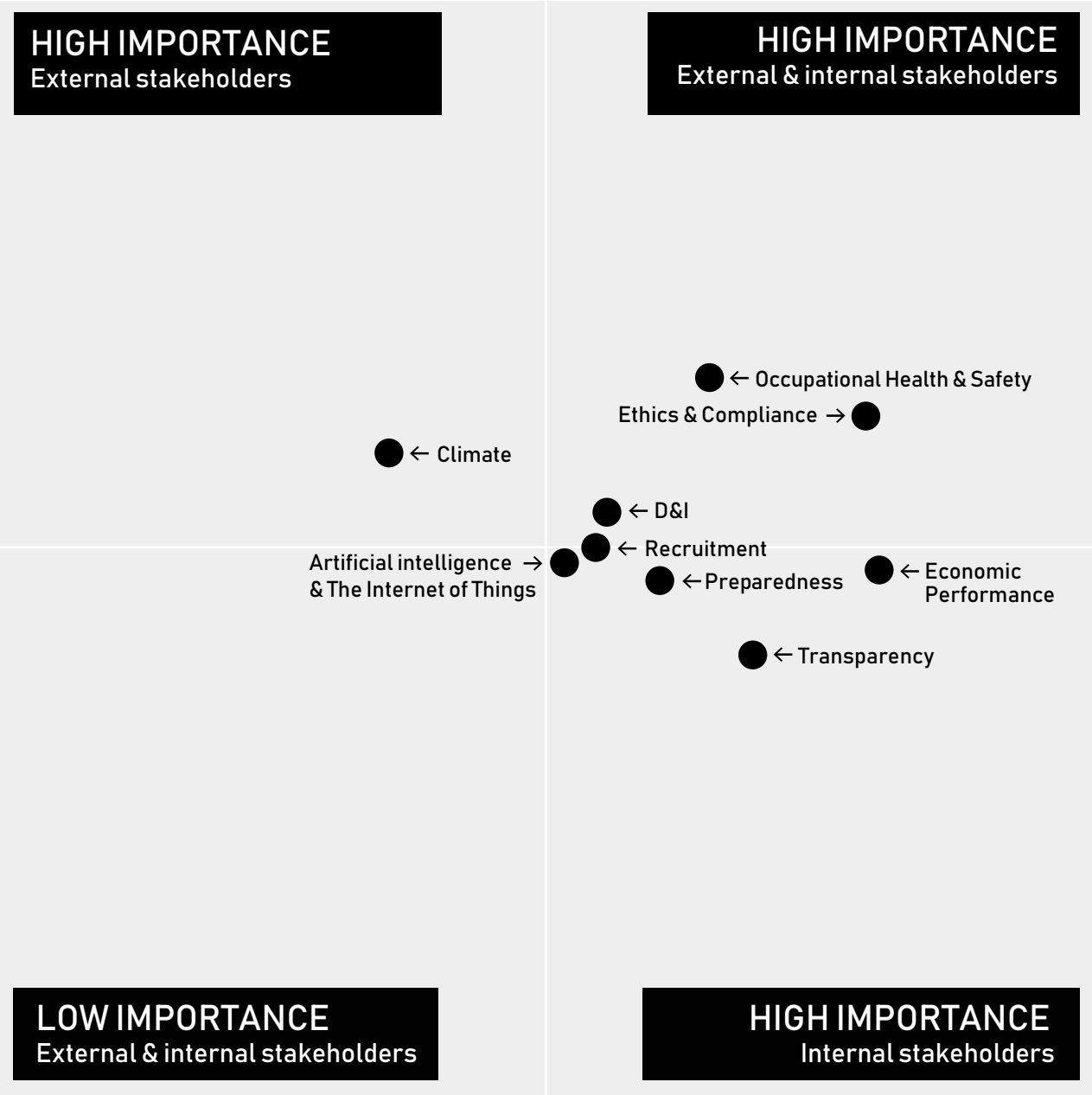


Figure 3

PEOPLE AND COMMUNITIES

Our employees are Avnet’s most important stakeholders. We foster a strong culture that emphasizes D&I, reinforces our core values and creates a workplace where people are treated with dignity and respect. Our approach helps attract and retain talent. It’s reflected in how we engage with suppliers, customers and communities. We strive to drive responsible, positive change in the communities where we work.

The Avnet Code of Conduct sets standards and expectations for a workplace that prioritizes health and safety, fair labor practices, equal opportunity and D&I. We prohibit discrimination, harassment and retaliation.

Embracing a diverse and inclusive culture

D&I is central to our culture and organization. We derive our greatest value and strongest competitive business advantage by seeking unique perspectives, experience and contributions from our diverse global team. When employees feel they belong, they’re more engaged, innovative and productive. By fostering a sense of inclusion, modeling inclusive behaviors and empowering leaders with appropriate resources, Avnet unleashes the full potential of our workforce.

Focused strategy and reinforced commitment

As noted on [page 8](#), D&I rank high among internal and external stakeholders. Our strategy underscores the importance of fairness and justice while ensuring equal opportunities. As set out in our vision, we are committed to sustaining an environment that respects all perspectives, values individual differences, and is committed to equity and equality for all.

In FY20, we took steps to reinforce our long-standing commitment to D&I in a more comprehensive way. Racial and social inequity captured the spotlight in 2020 and Avnet took this opportunity to reflect on how we could do more to support our employees and positively impact communities.

Avnet created its first global D&I role in FY20, appointing Claire Senga, former director for Human Resources, as senior director of Global Diversity and Inclusion, reporting to the Executive Leadership Team. Claire Senga’s mandate is to help Avnet build on our diversity foundation via an intentional approach that celebrates differences and considers the varying needs of Avnet employees, with the understanding and acceptance that diversity may signify different things in different countries, cultures and environments. Our strategy is globally focused and locally executed.

The work is framed around listening to employees, broadening awareness on topics around inclusion and belonging, supplementing training and education, buttressing policies and practices that support inclusive hiring and career development, expanding internal vehicles for feedback such as employee resource groups and supporting and partnering with communities.

In FY20, we increased internal accountability to foster inclusion and committed to enhancing our D&I practices. Our senior leaders openly support and focus on diversity and inclusion to promote a positive workplace culture. In fact, components of executive compensation are tied directly to Avnet’s FY21 diversity and inclusion goals.

Our strategy expands our global diversity activities and prioritizes the inclusion of historically marginalized or underrepresented groups.

The D&I strategy encompasses five main areas:

1. Listening and learning
2. Policies and practices
3. Education and awareness
4. Community and partnership
5. Business commitments

Listening and learning

We are holding regular listen-and-learn sessions in an open and safe environment where employees anywhere in the world can be heard. Building on what we have learned during our first four sessions in FY20, we plan to continue these sessions to highlight the experiences and concerns of historically underrepresented groups. We gather employee feedback as we implement actionable strategies to advance D&I globally.

In FY21, we have committed to hold at least six listen-and-learn sessions.

Policies and practices

We will implement more targeted recruiting, hiring and career opportunity practices. We will focus on diverse candidate inclusion, retaining talent and holding managers accountable for driving progress towards our goals.

Some of our progress to date and commitments ahead include:

- ensuring that a performance management goal is tied to executive compensation.
- systematically loading a universal D&I performance goal for all managers globally as part of our performance management process beginning in FY21.
- expanding representation of women and ethnically diverse individuals in management roles and leadership development programs.
- providing unconscious bias training to about 600 Avnet leaders at our Global Leadership Summit in FY20 and the remainder of the organization by year-end FY22.
- expanding our partnerships with universities, diverse student organizations and select diversity recruitment fairs and associations .

Education and awareness

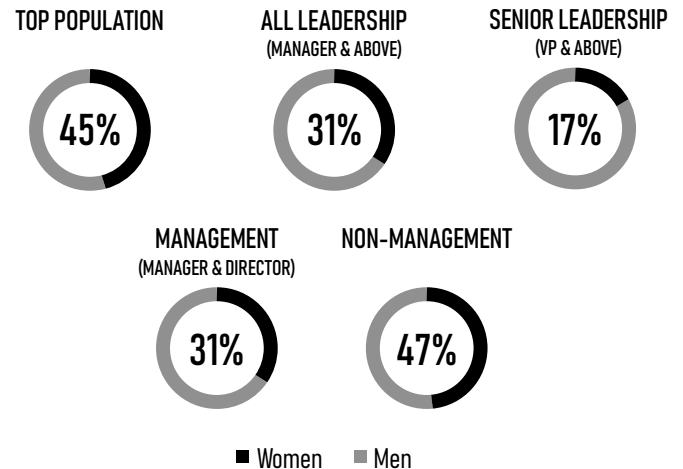
Cultivating an inclusive and respectful culture while building diverse teams is integral to how we do business.

Examples of our commitment in action include:

- Leveraging employee feedback from our listen and learn sessions as we implement actionable strategies to advance D&I globally.
- Continuing the practice of an official annual engagement calendar, with the additional step of making it publicly available to all Avnet employees in FY21.
- Recognizing Juneteenth (the emancipation of enslaved people in the U.S.) as an official Avnet holiday in the U.S. starting in FY21 as a step towards highlighting the history of black citizens.
- Adding a focused module on D&I to Avnet’s new hire orientation program in FY22.
- Launching a Global Diversity Council in FY21 representing all regions and business groups, enabling us to act locally by creating a formal community of employees interested in advancing D&I at Avnet.
- Empowering Employee Resource Groups as forums to address employees’ needs, concerns and ideas and provide a sense of community. We currently have a women’s group, RISE, with chapters across the company, and employees have already shown the intent to initiate a Black Employee Resource Group. We have developed a framework and structure for the formation of additional resource groups by the end of FY21, and we fully expect similar groups to form organically.
- In addition, we will support the formation of affinity networks or voluntary self-directed groups of employees who gather based on common interests and focus.

Avnet’s demographics* (as of 12/31/2020)

Gender by Management Level



U.S. Voluntary Turnover Rate

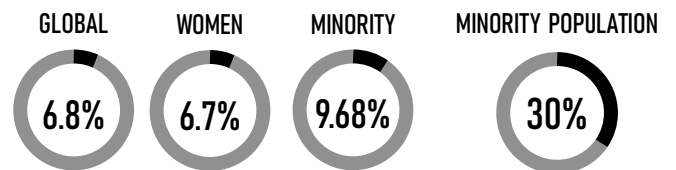


Figure 4 *excludes Softweb, Witekio, trainees, apprentices and interns



In order to make Avnet as strong and versatile as it can be, we are committed to sharing values of diversity and inclusion to achieve and sustain excellence in every aspect of our business. Our belief is that we can best promote excellence by attracting, developing and retaining a diverse group of employees and stakeholders by creating a climate of respect that is supportive of their success and providing opportunity and access to thrive. We also recognize that the responsibility for excellence, diversity and inclusion lies with all of us.”

**— Ken Arnold,
Chief People Officer**

Community and partnership

We demonstrate Avnet's commitment to diverse talent, suppliers and customers in the communities where we operate. Among our goals for FY21-22:

- Increase our spending with businesses owned by diverse individuals or groups by updating procurement practices and setting goals for increased equity in our sourcing. This work includes setting expectations with our service providers about diverse groups' representation on the teams that partner with us.
- Identifying opportunities to contribute to charitable organizations and/or social justice efforts geared to the support of the Black community.
- Highlighting volunteer opportunities to support Black-owned businesses through our Avnet Cares program. We will focus specifically on those affected by social unrest or on those struggling to recover from health, economic and other challenges related to COVID-19.
- Support efforts to increase diversity in the technology industry by providing resources to diverse-owned technology companies.

Business commitments

It is our objective to gain more visibility into key data and metrics that relate to D&I, focusing on:

- increased female representation in key leadership roles in the Avnet workforce globally.
- increased number of underrepresented people based on race and ethnicity in our U.S. workforce.

Baseline data from FY17 and FY18 data show the percentage of female employees in the total employee population held steady at 45%, but we have made strides since then. In fiscal year FY20, 30% of our employees in the U.S. were minorities and 31% of Avnet management were women. Our goal in FY21 is to increase these percentages.

In FY20, Avnet joined the Human Rights Council Business Coalition for the Equality Act. This group of leading U.S. employers supports the Equality Act, federal legislation that would provide the same basic protections to LGBTQ+ people that other protected groups receive under federal law. The Equality Act would create clear, consistent protections to prohibit discrimination on the basis of sexual orientation and gender identity in employment. It would ensure that LGBTQ+ employees are hired, fired and promoted based on their performance. For more on our approach to human rights, see [page 21](#).

A work in progress

D&I means different things to different people. Avnet is a large corporation made up of many small companies all over the world. We come together to learn, value and understand all the cultures we represent so that we embrace many different forms of D&I. Avnet has made progress, but we're not yet where we want to be. We've identified goals and made the issue top of mind for our senior leadership.

D&I goals

COMPLETED IN FISCAL YEAR 2020	FISCAL YEAR 2021	FISCAL YEARS 2022-2023
Established diversity awareness and education	Increase D&I community support	Set goals on pay equity by gender and ethnicity in the U.S.
Increased internal accountability to foster inclusion	Develop baseline D&I programs	Increase non-trade supplier diversity
Committed to increasing D&I practices	Set goals for increasing diversity training and hiring	Quantify impact of community support
	Set goals on Executive Leadership team diversity	Launch diversity in product development program
	Maintain board diversity at 40%	
	Evolve our Employee Resource Groups	

Figure 5

Strong focus on occupational health and safety

A commitment to safety is a commitment to doing things right. Avnet takes a comprehensive approach to employee health, safety and well-being to assure compliance with relevant and applicable laws at the minimum. Our goal is to provide safe and healthful conditions while reducing injuries and illnesses. No task or service is so important or urgent that it cannot be done safely.

Managers and supervisors are responsible for deploying, overseeing and actively supporting Avnet’s safety procedures and practices. These include monitoring and enforcing the use of safe working practices and safety rules, which differ by business unit, type of work and location. Safety is every employee’s responsibility and should not be compromised for any other business priority. Violating a safety procedure or practice will subject an employee to corrective action up to and including termination of employment. All of us, through leadership, commitment and engagement, must accept the challenge to work safely and actively pursue injury and illness prevention. Our employees, business partners, community and customers will all benefit.

Our robust set of practices and processes for ensuring workplace safety are guided by the Workplace Health and Safety Policy, which applies to all directors, officers, employees and agents of Avnet, its subsidiaries and affiliates. Our 13 distribution centers are ISO 9001 certified. All of our high-impact facilities are ISO 14001 certified. As such, we have documented processes at the process level, department level and individual task level.

Across our operations, key safety practices and programs include ensuring safe working conditions, complying with regulations, training, providing appropriate personal protective equipment (PPE) to all employees at company expense and providing medical services as required by law or dictated by existing circumstances or programs. Local and site-specific safety practices, emergency response and evacuation plans are in place for each location. For instance, every month at our distribution center in Gaffney, South Carolina, we conduct safety audits and managers meet to discuss the results. Globally, safety protocols are carried out similarly in all logistics facilities and senior leadership meets quarterly to review safety.

Policies and practices are in place to safeguard employees’ health and safety as they work from home. To create a positive safety culture, we emphasize awareness and prevention, and provide information, training and safeguards to employees regarding health and safety hazards. We offer annual training in our integration and programming centers.

We measure our performance on health and safety. Avnet recorded no fatalities in FY19 or FY20.

At the distribution center in Chandler, Arizona, employees have reported no injuries since March 2020 while working more than 225,000 hours. Further, employees there reported no lost time incidents since February 2020. We continue to bolster our safe working environments.

We consider strains, breaks, contusions, cuts, slips and falls as injuries:

Total injuries requiring medical treatment

FY 2021 - first half	30 total injuries
FY 2020	72 total injuries
FY 2019	84 total injuries

Figure 6

Avnet Cares

Working together is powerful. We partner with suppliers, customers and vendors to maximize our impact in the community through Avnet Cares, our employee-led volunteer and charitable giving program. In more than 20 countries, we invest in community programs and projects targeted at improving technology education for all and promoting energy conservation.

Through Avnet Cares, employees make a difference with hands-on and skills-based volunteering to meet the needs of local communities. As Avnet continues expanding our global reach, we engage with diverse local communities where we operate. By sponsoring initiatives important to our employees and advocating for communities where we do business, Avnet and our employees make a positive impact around the world.

One example is the Avnet Innovation Lab, in partnership with the Ira A. Fulton Schools of Engineering at Arizona State University (ASU). Inaugurated in 2015, the Avnet Innovation Lab spurs economic growth in the technology sector and enables aspiring entrepreneurs to advance their innovations. Additionally, Avnet and ASU provide mentorship and critical connections for engineers that help them bring technology to market.

Avnet Cares



Bloomer Tech:

a female-led team designed a patented medical-grade bra and platform that collects physiological data to help women worldwide make informed medical decisions and better understand their own health.



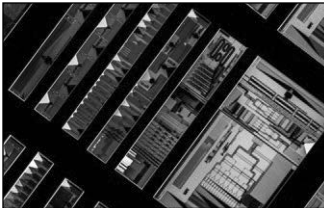
Frost Control Systems:

is building and deploying a dense network of IoT sensors to capture and send critical road weather data to create safer roadways. Its weather forecasting software alerts city operators to worsening road conditions.



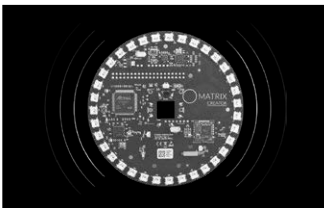
Haystack Ag:

is a regenerative agriculture developer that has developed a scalable, high-accuracy soil organic carbon measurement system to help drive affordable regenerative farming practices.



Kyber Photonics:

is commercializing state-of-the-art chip-scale light detection and ranging sensors, enabling autonomous machines to perceive and navigate the world around them.



MATRIX Labs:

is building developer communities that are working to improve edge computing by moving computation and data storage closer to the devices where it is being gathered rather than relying on remote data centers.

Avnet supports two giving programs:

Matching Grants matches dollar for dollar funds raised for charitable endeavors, and Dollars for Doers, which matches every employee volunteer hour with a specified dollar contribution. In addition, Avnet sponsors the ASU Innovation Open, an annual competition with a \$100,000 prize for collegiate teams with innovative business ideas. The contest attracts student teams nationally.

FY19 GIVING

\$505,000
community causes

FY20 GIVING

\$227,000
local community causes

\$180,000
COVID-19 disaster relief

RESPONDING TO COVID-19

The global COVID-19 pandemic caused an unprecedented health emergency with millions of cases worldwide and lives lost. The pandemic required seismic shifts across the global economy and society. Businesses and every sector of society had to rise to the challenge.

At Avnet, our responses included:

- **taking immediate measures to protect employee health and safety in all our worldwide operations.**
- **working closely with customers to resolve complex supply chain issues, enabling them to deliver urgently needed medical equipment in a prompt and smooth manner.**
- **supporting employee contributions to their local communities.**

Protecting our workforce

When the severity of the pandemic became apparent, Avnet acted swiftly to protect the health and safety of our employees. We started prompt and continuous communication with employees about our response. We also identified appropriate measures to ensure the safety of Avnet's offices and facilities as employees returned to the workplace. Communications include a dedicated page on the company intranet with COVID-19 updates, a weekly newsletter, a COVID-19 hotline and CEO regional question-and-answer sessions.

As the global COVID-19 pandemic evolved, Avnet put necessary precautions in place to slowly and safely reopen our facilities. We adhere to recommendations and guidelines from the U.S. Centers for Disease Control and Prevention (CDC) and the World Health Organization (WHO). Measures to protect the health and safety of employees include expanded facility cleaning routines, social distancing and mask-wearing in common areas and during meetings.

In the future, some employees may be asked to return to the office based on business necessity. As of early 2021, Avnet is strongly encouraging employees who are able to effectively work remotely to continue doing so. Additionally, if employees have underlying health conditions that compromise their ability to return to the office, we encourage them to continue to work remotely. Regions are at different levels of reopening depending on local conditions.

- **A Return to the Office Task Force is leading these efforts, which include producing a comprehensive 27-page manual, "Returning to the Office: A Guide for Avnet Employees." It sets guidelines and realistic expectations for employees who wish to work in their cubicles. The task force meets regularly for the foreseeable future as we navigate the pandemic.**

Employee Assistance Program

Our long-established Employee Assistance Program (EAP) provides valuable wellness support during the pandemic. This Avnet-sponsored benefit provides all global employees with resources to help in areas like family or marital issues, workplace concerns, financial or legal matters, emotional problems, and grief and loss. Available in several languages at no charge to employees, the EAP is a confidential, voluntary service.

Highlights of a FY20 survey on remote and on-site work completed by 1,400 employees:

89%

said they had access to essential health and wellness information

94%

were satisfied with a safe environment at work locations

88%

were satisfied with senior leadership's consideration of employee safety and well-being

85%

said they had clarity about company actions in response to the pandemic through communications

Figure 7

Avnet's 2020 employee survey revealed insights about how employees were coping with the COVID-19 pandemic. The survey asked employees how they felt about their current work situation on a scale of 1-7, 1 being "terrible" and 7 being "great." Responses from employees working both on-site and remotely averaged 4.

Supporting our customers in challenging times

To ensure we could meet customers' needs during this time, Avnet focused on ensuring business continuity. We did not see major disruptions to our business thanks in part to a business continuity plan in place at every facility to comply with state and country government mandates and regulations.

Avnet worked closely with supplier partners to ensure information flowed throughout the supply chain. Here's how.

- **We collected real-time data from our manufacturing partners and freight forwarders to establish a clear picture of the flow of goods and the delivery situation in each country. We**

maintained a COVID-19 Information Center dashboard where employees could view regional updates and fresh supplier/ supply chain information.

- **We created a coronavirus business updates page on Avnet.com and posted the latest supplier statements as the pandemic hit.**
- **We informed customers promptly of any delays and made sure sales representatives were available to discuss specific orders and situations in addition to continuing our suite of existing self-service online tools to support customers' ongoing business.**

We worked to secure essential business designations and prioritized keeping our employees safe so our facilities could remain open. Avnet moved quickly to support our customers and partners as they fought the pandemic and ramped up rapid production of much-needed medical equipment such as ventilators, respirators and vaccines.

For example, through our nimble response to suppliers, we were able to help:

- **customers quickly adapt home influenza kits to tackle COVID-19.**
- **medical manufacturers keep their supply chains running smoothly.**
- **accelerate production of essential respirators and provide support to customers producing face shields at home.**

In Hunan, China, Avnet teamed with a customer, the startup Kingshen Intelligent Technology (XIT), to help businesses struggling to arrange meals for workers after the peak of the outbreak in China. When the public was instructed not to go out in order to reduce the risk of viral infection, many people turned to local delivery services for meals. The crux of the problem: Many employees responsible for local delivery could not work due to isolation, creating safety and staffing issues for delivery companies.

Avnet Asia supported XIT to develop an unmanned delivery vehicle. XIT donated two vehicles to deliver meals in Hunan's Science Park, a highly populated area. With these vehicles, residents use their mobile devices to order meals with an app. When the food arrives, they can pick up their orders without human contact.

Our online communities also leapt into action. Avnet and Hackster.io, together with the UN Development Program and 10 leading tech companies, launched the COVID-19 Detect and Protect Challenge. It aimed to design low-cost, easily deployable technology for developing countries ([see page 22, SDGs](#)). Our element14 community launched its Fighting Germs contest to encourage engineers to develop solutions to fight COVID-19.

Employees reach out to offer support

We introduced the CEO-led Avnet in Action program in spring 2020 to highlight the tremendous work being done by Avnet and our employees during the pandemic. This included "Project Thank You," in which hundreds of employees created videos to thank our colleagues working on the front lines to keep our business operating.

Another initiative was a LinkedIn Learning challenge called "Learning for a Cause – COVID-19." If employees reached our goal of 9,000 hours of learning during the month, Avnet would donate \$30,000 to the COVID-19 Solidarity Response Fund for the WHO. Employees from 125 locations worldwide amassed a total of 9,843 hours of learning, resulting in a \$30,000 donation to the COVID-19 response fund. This initiative was a part of our overall commitment to match employee donations to the U.N. Foundation's COVID-19 Solidarity Fund. Avnet matched each employee donation of up to \$1,000, providing a total match of \$50,000. In all, Avnet donated a total of \$130,000 to the U.N. Foundation.

Many employees worldwide stepped up to make a difference. Their actions evoke the spirit of the Avnet culture, demonstrating our core values of know-how, collaboration, ingenuity and empathy.

- **A husband-and-wife team in Leeds, U.K., crowdsourced funds to buy materials to make 1,800 protective visors, 1,200 ear protectors and 400 anti-germ door openers donated to local health centers, care homes and hospices that were desperate for supplies.**
- **As Avnet workplaces transitioned to working remotely, many people struggled with feelings of loneliness and isolation. When two colleagues in India learned that other colleagues were living far from their families and coping with isolation, they opened their homes.**
- **A father-and-daughter team in South Carolina made more than 200 masks from donated materials from a fabric shop, delivering masks to front-line workers. As the word spread, they received enough fabric donations to create hundreds more masks.**

Through our nimble response to suppliers, we were able to help customers quickly adapt home influenza kits to tackle COVID-19, help medical manufacturers keep their supply chain running smoothly, and helped another major manufacturer accelerate production of essential respirators.

ENVIRONMENT

We take a responsible approach to our impact on the environment, with a particular focus on how we manage our carbon footprint in light of global climate change. We explain how we manage greenhouse gas emissions on [page 17](#), “Proactive stance on climate change.”

Avnet commits to abide by all environmental regulations and laws in countries where we operate. Compliance with environmental regulations is complemented by our Global Environmental Policies and ISO-based management practices. The precautionary principle in environmental science is part of our management approach. Our 13 distribution centers are ISO 9001 certified. All of our high-impact facilities are ISO 14001 certified and we perform environmental audits and operational risk assessments, which include emergency response and evacuation exercises, as well as fire and spill drills. We also routinely perform preventative maintenance.

Climate and waste goals

FISCAL YEAR 2021
Complete carbon and waste footprint
Develop strategy to: <ul style="list-style-type: none"> • Increase renewables • Reduce emissions • Reduce waste • Streamline process for communicating to stakeholders
FISCAL YEARS 2022-23
Add waste and water to reporting
Deepen emissions reporting (scope 3) and goals
Execute on strategies set in FY21 to increase renewables, reduce emissions, reduce waste and streamline communications process.

Figure 8

Prioritizing product stewardship

We consider environmental impact when we source, package and market products as part of product stewardship. Along with ensuring regulatory and legal compliance, we seek to responsibly source, distribute and reclaim products. Avnet strives to minimize potential environmental risks throughout our product lifecycles. In addition to holding our own operations to high stewardship principles, we will encourage third-party vendors and partners to adopt similar principles, including improved transparency, waste reduction and responsible sourcing.

We strive to reduce unforeseen environmental impacts created by our products. Avnet manages materials used for production and works to create innovative solutions for reusable and easily recycled packaging. We work with partners and third parties

to improve practices and processes, including encouraging our suppliers and manufacturers to provide product information to relevant stakeholders and enhance the environmental aspects of their design principles.

Moving forward, we seek to expand our capacity for product stewardship practices. We aim to implement projects aimed at minimizing waste, improving efficiency and reclaiming products and their packaging.

Our approach to conflict minerals

Avnet is working towards a conflict-free supply chain and fully supports the aims of conflict minerals legislations such as the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act and the EU Conflict Minerals Regulation (EU) 2017/821. Conflict minerals (CM) include tantalum, tin, tungsten and gold, and are used in many electronic components and computer products. We strive to avoid buying products that directly or indirectly support armed groups in Conflict-Affected and High-Risk Areas (CAHRAs).

Avnet is multiple steps away from the companies that source the minerals used in our products, and we do not directly purchase any minerals. This is true for all the products that we distribute and the few products that we manufacture or contract to manufacture. Therefore, Avnet must rely, in good faith, on our direct suppliers to provide us with valid and complete information. Avnet can provide only reasonable, but not absolute, assurance regarding the country of origin and chain of custody of the necessary CMs in our products.

Our CM due diligence program follows the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. This due diligence process is based on Avnet requesting information from our direct suppliers, with those suppliers requesting similar information from their suppliers and so on, up the supply chain, to eventually identify the original sources of the necessary CMs. However, those companies that purchase CMs directly from smelters or refiners may not be able to discern which of their product lines include specific CMs from each smelter or refiner, and so it is common practice for such purchasers to list all smelters and refiners they may purchase from within the reporting period. We do we ask the suppliers that have reported using certain high-risk smelters to remove them from their supply chain.

We incorporate our supplier information in our own aggregated Conflict Minerals Reporting Template (CMRT), which we make available to customers since we believe that our customers should be fully informed about the products they purchase.

In addition, Avnet has adopted a Conflict Minerals Policy, which has been communicated to Avnet’s suppliers and the public. We continue to refine our conflict minerals policy and practices with the goal of meeting our customers’ needs and reflecting our stakeholders’ values.

A proactive stance on climate change

Doing our part to address the impact of climate change across our global operations is important to Avnet, our customers, investors and all our stakeholders. We are committed to taking meaningful action, in both the short and long terms, to reduce greenhouse gas emissions and increase use of renewable energy.

Climate action and reducing greenhouse gas emissions are among our most material topics ([see page 7](#)). We monitor our energy and direct and indirect emissions (Scope 1 and Scope 2, respectively) at our major facilities. Next year we aim to measure Scope 1 and 2 for all facilities, and aim to measure Scope 3 emissions in the near future. Our long-term objective is to reduce greenhouse gas emissions and increase energy efficiency throughout our operations, upstream in our supply chain and downstream to our customers. Even as our business grows, our goal is to continue to reduce our energy use and emissions intensity.

In FY20 we focused on improving our emissions data and setting more ambitious goals. We have more work to do to ensure we set goals based on complete data. In FY21, we aim to perform a complete carbon and waste footprint study, developing a strategy to increase renewables and reduce emissions and waste. In addition, we aim to streamline our process for communicating climate goals to stakeholders.

Our goals for FY22 and FY23 include adding waste and water data to our sustainability reporting, and deepening emissions reporting to include Scope 3 with accompanying goals. Further, we intend to explore ways to integrate emissions reductions into the design phase of product development.

Raising the bar at Leeds distribution facility

A shining example of the ongoing progress to reduce Avnet’s environmental impacts is our new Farnell distribution center in Leeds, U.K., an automated, state-of-the-art warehouse and distribution facility. The 360,900-square-foot facility is certified by BREEAM, an international scheme with independent third-party certification of the sustainability performance of individual buildings, communities and

infrastructure projects. The building achieved a BREEAM Very Good rating of 58.7 % in December 2019. The building rates an Energy Performance Certificate category A on a scale of A-G, where C is considered good for a large industrial facility.



Leeds facility

The Leeds facility took these measures to address BREEAM certification.

Protect the environment:

- Retained excavated materials for reuse
- Protected trees and wildlife
- Redirected surface water to reduce drainage and improve ecology
- 94% of waste is recycled or recovered

Save energy:

- Efficient condensing boilers and heat recovery system
- Low-energy, sensor-controlled lighting
- Insulation and solar control glass
- Energy is generated from zero carbon sources

Eco-friendly transportation:

- Electric vehicle charging in parking lot
- Space for up to 50 bicycles
- Park-and-ride option

We also have:

- Solar panels and electric vehicle charging in parking areas at our Phoenix corporate headquarters and distribution center
- LEED (Leadership in Energy and Environmental Design) certified buildings in North Reading, Mass. and Guadalajara, Mexico

CORPORATE GOVERNANCE

Ethically and environmentally sound business practices are fundamental to our culture and identity. At Avnet, integrity is a core value: *“We mean what we say, we respect others and we do business the right way.”* Our aim is to promote fairness, seek to prevent corruption and unethical behavior, and provide accountability for actions.

We work continuously to improve and strengthen corporate governance and responsible business practices related to sustainability. Operating responsibly and with integrity generates long-term value for stakeholders to help ensure positive business outcomes. We take a proactive stance on issues such as anti-corruption and human rights. Not only do we comply with local and global regulations, we work to maximize our positive impacts and minimize negative impacts. We do so by setting goals and measurable KPIs in specific areas and by demonstrating leadership in action.

Our Code of Conduct

We are guided by policies such as the Avnet Code of Conduct, which sets standards in areas such as human rights, anti-corruption, data security and privacy, non-discrimination, diversity and equal opportunity, and workplace health and safety. The Code of Conduct applies to all employees, officers, members of our Board of Directors and the company’s subsidiaries around the world. Our Code of Conduct is translated into 16 languages. All new employees must review the Code of Conduct and existing employees are trained on it at least every two years.

Risk management

Avnet maintains a comprehensive Enterprise Risk Management program. Our program demonstrates a structured, consistent and coordinated process involving quantification, analysis and mitigation of risks across the enterprise. The program is anchored by a cross-functional Risk Council composed of executives from each major facet of our business.

Additionally, Avnet protects supply chain resiliency through its extensive Business Continuity Management system. Through this system, we identify potential impacts to our business, build resiliency to systemic events and seek to generate effective management processes for recovery or continuity in the event of a disaster or disruption. Based on our operational requirements, the program includes risk assessment, business impact analysis, recovery strategy development, detailed emergency response, business continuity and IT data center recovery plans.

Responsible management of suppliers

As part of responsible management of our supply chain, we are careful to select suppliers and other business partners who share our commitment to conducting business ethically, with social responsibility and quality. Avnet expects all suppliers to comply with the Responsible Business Alliance (RBA) code of conduct or another code or policy with substantially the same terms. All products supplied to Avnet also must comply with the essential requirements of the Dodd-Frank Act (U.S.) Section 1502.

Avnet expects its supply base to have a quality-management system in place that complies with ISO 9001 at a minimum, or as defined by specific purchase order and/or contract. Avnet works with suppliers who are committed to being responsible corporate citizens through ongoing environmental health and safety programs. Preferred suppliers to Avnet demonstrate this commitment by establishing ISO 14001 registration at a minimum.

Avnet has established a comprehensive supply chain management program to effectively identify, qualify, monitor, manage and communicate with our supply chain. Our subcontractor performance scorecards and supplier performance data processes effectively communicate to our supply chain vendors their quality performance and approval status. Avnet also manages performance reviews, supplier corrective action requests and process improvement programs for suppliers who fall short of expectations.

Data security and privacy

Data security and privacy are jointly managed by our Chief Information Security Officer and Chief Legal Officer. We seek to reduce Avnet’s risk of data loss via proactive cybersecurity controls and to demonstrate compliance with data privacy regulations such as the EU General Data Protection Regulation (GDPR) and the California Privacy Rights Act (CPRA). Cybersecurity and data privacy controls are governed by Avnet’s Global Information Security Policy and Data Privacy Policy, respectively. We establish control objectives and processes to identify and respond to potential data breaches or losses. For the period of reporting, we received no complaints from outside parties or regulatory bodies. To ensure the security of our customer data, we do not disclose security information.

Ethics and compliance central to Avnet’s values-based culture

Ethics and compliance are top priorities, reflected in Avnet’s six core values, which include integrity ([See Core Values, page 6](#)).



We are committed to conducting our business with high ethical standards and in compliance with all applicable laws and regulations. To live up to our commitment, our comprehensive global ethics and compliance program is designed to prevent, detect and remediate misconduct and maintain a strong culture of legal compliance and ethical conduct. We prioritize ethics and business integrity not only because it is the right thing to do, but also because responsible business practices make us a more trusted employer and business partner.

A comprehensive ethics program

The ethics and compliance program includes eight central components:

1. Ensure oversight of ethics and compliance (e.g., of business operations).
2. Establish and implement relevant policies (e.g., the Code of Conduct, and the Global Anti-Corruption Policy, [see page 20](#)).
3. Require ethics and compliance training for all employees globally.
4. Create awareness and communications around ethics.
5. Conduct auditing and monitoring (e.g., anti-corruption risk assessments).
6. Provide a mechanism for reporting concerns (the Ethics Alertline; [see page 20](#)), conduct investigations and take corrective action as needed.
7. Report on ethics and compliance to both executive management and the Board of Directors.
8. Carry out continuous assessment and readjustment of the program.

This program has been recognized externally. Ethisphere named Avnet one of the World’s Most Ethical Companies in 2020 for the seventh consecutive year. Our goals in this area appear in this table:

FISCAL YEAR 2021
Incorporate “moment of ethics” at Executive Leadership Team meetings, senior leader and town hall meetings
Report on ethics training
Strengthen language in job descriptions and onboarding
FISCAL YEAR 2022
Expand ethics training
Maintain most ethical company status

Figure 9

Highlights of our approach and progress in FY20

Oversight

Avnet's commitment to responsible, ethical conduct starts at the board and senior management levels, includes the CEO and Executive Leadership Team, and is implemented across the company through specific policies and initiatives. The Board of Directors oversees the overall strategy related to ethics and compliance, and the Audit Committee of the board receives updates regarding ethics and compliance.

Under the leadership of a Chief Ethics Officer, the Ethics and Compliance Office (ECO) works to implement the strategy, policies, training and other aspects of the program. This office is represented by a Global Director for Ethics and Compliance, members of Corporate Counsel, a Compliance Program Manager and attorneys supporting various business units. The ECO includes a network of Code of Conduct advisors and partners closely aligned with Human Resources, Legal, Finance and business units to ensure support and implementation of the company's compliance strategy and policies.

Our Corporate Ethics and Compliance Committee consists of Avnet executive leaders including the Chief Ethics Officer, the Chief Financial Officer, the General Counsel, the Chief People Officer and the Vice President of Global Audit. The Committee supports management and the Audit Committee by enabling Avnet to continue living up to our high ethical standards.

In addition, Avnet operates a Regional Ethics and Compliance Committee for both EMEA and APAC, which provides guidance and oversight on the program in those regions. The committee is cross-functional. It includes the Regional Ethics and Compliance Director and representatives of Legal, Finance, Human Resources, Audit and the Regional Business Unit.

Training

The ethics and compliance training program consists of four core compliance courses. We offer the first two to all global employees in odd-numbered years:

- **Code of Conduct**
- **Privacy and Security**

We offer the second two courses to all global employees, except some Logistics staff, in even-numbered years.

- **Anti-Corruption**
- **Export Compliance**

In FY19, the Code of Conduct and Privacy and Security training reached 96% completion globally. After a slight delay due to the COVID-19 pandemic, the Anti-Corruption and Export Compliance training is underway and on track.

Avnet regions also create an instructor-led training plan annually, which includes specific trainings based on the results of the anti-corruption risk assessment or other necessary focus areas.

Awareness and communications

To reinforce the importance of ethics in our company's culture, Avnet incorporates "moments of ethics" – relevant information, reminders and updates for employees on ethics and compliance. These discussions reinforce Avnet's commitment to responsible business at Executive Leadership Team meetings, regional staff meetings, senior leader meetings and all-employee Town Halls.

Auditing and monitoring

The Global Audit team performs an annual anti-corruption risk assessment based on pre-defined anti-bribery/anti-corruption (ABAC) risk factors, with regional scoring by business unit and country. The Global Audit team addresses any ABAC risks under the Sarbanes-Oxley (SOX) Act, which regulates corporate disclosures where applicable. Based on the results of our yearly anti-corruption risk assessments, the Audit team carries out targeted audits. The team assessed 99% of Avnet's operations in FY19 and FY20 for risks related to corruption.

The Global Audit's anti-corruption risk assessments and audit projects focus on corruption and bribery.

The team identified no significant issues related to corruption, yet we are mindful that we work with third parties and ensure appropriate due diligence is carried out.

Reporting concerns

Avnet has established a 24/7/365 Ethics Alertline available to employees and third parties globally. It enables people to report (including anonymously) or seek guidance on compliance and ethics-related matters. The Ethics Alertline is managed by our Ethics and Compliance Office. Training and awareness about the hotline is provided in ethics and compliance training for employees. Other stakeholders find the Ethics Alertline on our website. Avnet does not currently assess user satisfaction for its Ethics Alertline.

When the Ethics and Compliance Office receives a new report (via the Alertline or another way), a team member contacts the reporter to confirm receipt of a report, then works to investigate the report thoroughly, typically partnering with

local contacts such as HR, Legal or Finance. Once a report is investigated and appropriate actions taken, the reporter is made aware that the issue has been investigated and handled as needed. Details about the investigation are documented in the case management tool.

External partnerships

We also engage in external partnerships with industry peers to combat corruption, bribery and related human rights issues. Partnerships include Trace International, a globally recognized anti-bribery business association.

Committed to upholding human rights

Avnet values and seeks to uphold basic human rights in all our operations globally and we expect our supply chain partners

to uphold the same standards. Avnet is a participant in the U.N. Global Compact and its Ten Principles in the four areas of human rights, labor, environment and anti-corruption. We are committed to respecting human rights as expressed by the U.N. Guiding Principles on Business and Human Rights.

We provide reasonable working hours and fair wages. We do not use or tolerate others' use of forced labor or human trafficking practices, including the exploitation of children. We respect the rights of all workers to associate, peaceably assemble and communicate concerns with management without fear of discrimination or harassment. We recognize and respect the rights of all individuals and do not discriminate based on race, color, ethnicity, national origin, gender, gender identity or expression, sexual orientation, religion, age, disability or any other legally protected trait. We are taking steps to work toward a conflict-free supply chain and conform to modern-day slavery legislation.

Below we map our most salient human rights risks to related policies, oversight responsibility, rightsholders and stakeholder engagement.

SALIENT RISK	VALUE CHAIN PHASE	RELATED POLICIES	OVERSIGHT/ RESPONSIBILITY	RIGHTSHOLDERS	STAKEHOLDER ENGAGEMENT
Discrimination	Operations	Equal Opportunity and Diversity Guidance	HR Department	Employees	Internal: team trainings
	Supply Chain	<u>Responsible Business Alliance (RBA) commitment letter</u>	Strategy Office	Supply Chain workers – through all tiers of supply chain	External: RBA participation
		Supplier Code of Conduct	Quality Team	Suppliers	Global Supplier Quality Handbook
Slavery and Forced Labor	Supply Chain	<u>Avnet Anti-Slavery and Human Trafficking Policy Statements</u>	HR Department	Supply Chain workers – through all tiers of Supply Chain	Internal: HR Department
		RBA commitment letter	Strategy Office		External: Conflict Minerals Report, Form SD, filed with SEC
Conflict Minerals	Supply Chain	<u>Conflict Minerals Policy</u>	Strategy Office	Miners of conflict minerals	Internal: Legal, supply chain managers
					External: Conflict mining report to SEC, ASSENT
Health and Safety	Operations	Environmental, Health and Safety	Environmental Health & Safety	Employees	Internal: Supply Chain management
	Supply Chain	RBA commitment letter	Strategy Office	Supply Chain workers	External: Government Safety regulators
Legal Wages	Supply Chain and Operations	RBA commitment letter	HR Department	Supply Chain workers	Internal: HR, business unit managers
					External: RBA
Data Privacy	Operations	<u>Data Privacy Policy</u>	Legal Department	Customers	External: RBA, customers

Figure 10

IN SUPPORT OF THE U.N. SUSTAINABLE DEVELOPMENT GOALS

Harnessing technology to advance the SDGs

We're pleased to report our progress on the U.N. Sustainable Development Goals (SDGs) for the first time in this report. The 17 SDGs are an urgent call to action by all U.N. Member States, adopted in 2015 to provide a blueprint for peace and prosperity, for people and the planet.

Also known as the Global Goals, the SDGs recognize that ending poverty and tackling other global challenges must go hand in hand with strategies to improve health and education, reduce inequality and spur economic growth while tackling climate change and working to preserve oceans and forests.

In FY20, we mapped the SDGs where Avnet could make the most meaningful contribution and have the greatest influence

through our products, services and business strategy (see Figure 11). Where relevant, we link activities described in this report to the relevant SDG. In this mapping process, we considered how Avnet reduces or mitigates the risks to people and the planet. We also considered how Avnet's enterprise generates benefits to specific SDGs. In addition, our selection of the most relevant goals is driven by our materiality assessment ([page 7](#)).

We report on our actions in 2020 that contribute to the SDGs as part of setting a baseline. We will continue to expand our reporting on Avnet's contribution to the SDGs in future years, as we identify other relevant goals where we can have an impact. This table summarizes ways that Avnet contributes toward the goals. We intend to build on this framework in coming years.

GLOBAL GOALS	CONTRIBUTION
GOAL 1 End poverty in all its forms everywhere	<ul style="list-style-type: none"> · Provided excellent employment opportunities in countries with traditionally low wages for manual, technical and professional labor. · Paid wages at or above the minimum wage in India, Malaysia, Taiwan, Mexico and Poland, at or above the minimum industry level or regional market level in India and above the living wage in Serbia and Spain. · Provided above statutory required benefits packages in all of these countries, including medical insurance, paternity leave and job-related educational assistance. · Provided other benefits such as dental insurance, life insurance and marriage leave, which varies by country.
GOAL 3 Ensure healthy lives and promote well-being for all at all ages	<ul style="list-style-type: none"> · Helped employees stay safe during COVID-19 · Avnet community Hackster.io created the COVID-19 Detect and Protect Challenge (see case study, page 23). Our element14 community launched its Fighting Germs contest to encourage engineers to develop solutions to fight COVID-19. · Reduced accidents through strong health and safety performance.
GOAL 5 Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"> · Created a senior-level global position for diversity and inclusion. · Focused on strengthening the quality of diversity data. · CEO serves on advisory council for Women in Electronics, a trade group focused on advancing women in the electronics industry. Avnet is a founding sponsor of the group. · Avnet community element14.com was recognized for its award-winning #Badass Women Engineers Contest to recognize excellence in female engineers (see case study, page 23).
GOAL 13 Climate action: Take urgent action to combat climate change and its impacts	<p>Improving carbon footprint</p> <ul style="list-style-type: none"> · In FY20 we further improved data collection, enabling us to develop robust and time-bound goals on emission reduction for FY21. Our aim is to consider science-based targets by FY23. We intend to build a robust approach built on solid data. <p>Setting renewable goals</p> <ul style="list-style-type: none"> · Most of the buildings within our facilities are leased. We are looking into options to increase the share of renewables and emissions reductions and intend to set these targets in FY21.
GOAL 15 Life on land	Avnet community Hackster.io in partnership with Smart Parks provides advanced sensor solutions to conserve endangered wildlife (see case study, page 23).

Figure 11

Avnet's engineering communities apply ingenuity to the SDGs

Other examples of innovation come from Hackster.io and element14, Avnet's community platforms that form the world's largest community of engineers. Element14 has 750,000 registered members and Hackster has 1.5 million.



These platforms have applied members' ingenuity to solve some challenges laid out in the SDGs. Here are three examples:



Developing low-cost tools for COVID-19 detection

In collaboration with the UN Development Program, UNICEF and a host of technology partners, Hackster.io created the COVID-19 Detect and Protect Challenge in support of SDG 3: Good Health and Well-being. The aim was to design replicable, low-cost tools to support developing countries as they address COVID-19. Judges selected 10 grand prize winners from more than 350 submissions from over 50 countries. Half of these submissions came from low- to lower-middle-income countries. Many of these open-source, low-tech, inexpensive hardware solutions cost less than \$50 to build; some cost only \$10. Most can be built from globally available, easy-to-source components. The competition was commended by the UN for addressing the needs and realities of communities by fostering micro-innovation with strong local ownership.



Advanced elephant tracking collars with sensors help conserve Africa's elephants

Another creative example addresses Goal 15: Life on Land. To address the growing crisis facing Africa's diminishing elephant population, Hackster.io worked with Smart Parks, which provides advanced sensor solutions to conserve endangered wildlife and efficiently manage park areas. They joined with leading technology and conservation partners to develop the world's most advanced elephant tracking collar. The aim is to help park rangers reduce animal loss from illegal ivory poaching, trophy hunting, human conflict and environmental degradation. Engineers are invited to submit their machine learning models and telemetry dashboard models using the Avnet IoTConnect® Platform.



Calling all #Badass Women Engineers

Element14 Avnet community won the Community Roundtable's Outstanding Program of the Year Award for its #Badass Women Engineers Contest. The program brought together 21 women engineers from Scotland, U.K., Australia, U.S. and India to demonstrate their technical skills by encouraging them to create an electronic project video in the style of the popular element14 Presents series. The Grand Prize winner, Surbhika Rastogi from Uttar Pradesh, India, created an instructional video on how to make an automatic soap/sanitizer dispenser system with low-cost, recycled items – a contact-free way to reduce the spread of germs during the pandemic.

ENGAGING STAKEHOLDERS

Avnet's long-term success as a company and as a positive contributor to society depends on understanding all of our stakeholders' expectations, requirements and concerns. Engagement with stakeholders provides insight into risks as well as opportunities that help shape our business strategy and priority areas for action.

Avnet engages on an ongoing basis with six stakeholder groups: our global workforce, customers, suppliers, shareholders, government authorities and communities/nongovernmental organizations. In these discussions, we cover sustainability topics such as advancing responsible use of technology and tech for good, human rights, anti-corruption, diversity, equity and inclusion, supply chain management, climate action and energy performance.

Stakeholder engagement takes many forms: joint projects and initiatives, dialogues, meetings, surveys, participation in industry groups, joint research with academia, institutions and industry peers. For example, our Hackster.io and element14 community platforms form the world's largest community of engineers. Members can consult with more than

2 million peers to learn about the latest trends, products and technologies.

In a July 2020 employee culture survey, 82% of Avnet employees agreed or strongly agreed that Avnet has a positive impact on the world. Asked if the organization responds quickly and consistently to verified or proven unethical behavior, 78% agreed or strongly agreed. Some 82% agreed or strongly agreed that they could report instances of dishonest or unethical practices to the appropriate level of authority without fear of reprisal. When it comes to diversity and inclusion, 89% agreed or strongly agreed that people at the company treat each other with dignity and respect.

The 2020 survey results align with the results of an ethics and compliance employee pulse survey in November 2019, which showed favorable views in the 89 to 95% range on a variety of topics. This included employees' favorable views on how Avnet operates with integrity internally with employees and externally with customers and suppliers. Employees said Avnet conducts its activities with honesty and integrity and provides awareness and training to employees on ethics and compliance issues.

Types of engagement in FY20 by stakeholder group

	ENGAGEMENT ACTIONS	BENEFITS AND RESULTS
Global workforce (employees)	<ul style="list-style-type: none"> Employee engagement surveys Annual census and employee retention metrics by region and demographic Annual performance management results and appraisal interviews Materiality survey Listen-and-learn sessions Avnet Intranet (COMPASS) and internal newsletters Town hall meetings Ethics and compliance programs, Ethics Alertline Onboarding and training 	<ul style="list-style-type: none"> Input and feedback on Avnet's plans and initiatives Feedback on ESG priorities Improved productivity and performance
Customers	<ul style="list-style-type: none"> Customer Engagement Survey and Net Promoter Score Materiality survey Quarterly Business Reviews and account manager engagement Customer appreciation events, industry conference and tradeshow Avnet Sustainability Report Ethics Alertline 	<ul style="list-style-type: none"> Strong business relationships Transparency of our operations Feedback to improve practices and performance Feedback on ESG priorities
Suppliers	<ul style="list-style-type: none"> Supplier Relations Management Team Business reviews Materiality survey Industry events, industry conference and tradeshow Required regulatory compliance Ethics Alertline 	<ul style="list-style-type: none"> Best-in-class delivery Deep executive relationships Feedback on ESG priorities Opportunities to showcase suppliers' technology Adherence to regulatory requirements
Shareholders and investors	<ul style="list-style-type: none"> Annual shareholder meeting, investor conferences and Investor Day Quarterly earnings webcasts Avnet financial, press releases and SEC filings Avnet Sustainability Report One-on-one shareholder calls Ethics Alertline 	<ul style="list-style-type: none"> Insight into shareholder and investor information interests Feedback on our financial performance Understanding of ESG priorities
Government and public authorities	<ul style="list-style-type: none"> Oversight by our government partners and internal legal department on all applicable laws and regulations 	<ul style="list-style-type: none"> Compliance across our operations
Community/ nongovernmental organizations	<ul style="list-style-type: none"> Volunteerism and charitable contributions to local organizations Voluntary participation with leading social responsibility surveys Materiality survey 	<ul style="list-style-type: none"> Bonds between employees and the community on key issues Improved action on climate change, materiality, human trafficking, D&I and other social issues

Figure 12

AWARDS AND RECOGNITION

In 2020, the Ethisphere Institute named Avnet one of the World's Most Ethical Companies for the seventh consecutive year.

This award from a global leader in defining and advancing the standards of ethical business practices honors our consistent commitment to leading with integrity and purpose. Avnet has been recognized every year since 2014. We are the sole honoree in the electronic components industry. In 2020, Ethisphere recognized 132 honorees from 21 countries and 51 industries.

Avnet was also recognized during FY19 and FY20 as follows:

2020

Named one of the "**Best Workplaces in Electronics**" in India by the Great Place to Work® Institute for the second year in a row

Avnet Asia awarded "**Employer of Choice Award**" by Human Resources Director Asia

2019

Recognized by 2020 Women on Boards (2020WOB) as 2020WOB's 2019 **Corporate Board of the Year** in Arizona for exceeding their 20% representation goal for women on boards

Recognized with "**Best Workplace Award**" in China for the second consecutive year by AIA Group Limited, HRoot and the School of Public Health Policy University

Ranked among Barron's **100 Most Sustainable Companies**

Named by Fortune as one of the **World's Most Admired Companies** for the 14th time, and 10th consecutive year (2009-2019)

Named one of the **World's Most Ethical Companies** by the Ethisphere Institute

GRI TABLE

* Click on row to go to page number or documentation

GRI STANDARD		DISCLOSURE
GRI 101: Foundation 2016		
General Disclosures		
GRI 102: General Disclosures 2016	Organizational profile	
	102-1 Name of the organization - pg.1	
	102-2 Activities, brands, products, and services - pg.1	
	102-3 Location of headquarters - pg.1	
	102-4 Location of operations - pg.1	
	102-5 Ownership and legal form - pg.1	
	102-6 Markets served - pg.1	
	102-7 Scale of the organization - pg.1	
	102-8 Information on employees and other workers - pgs.9-13	
	102-9 Supply chain - pg.5 pgs.14-17 pg.21 pg.24	
	102-10 Significant changes to the organization and its supply chain - (Does not apply)	
	102-11 Precautionary Principle or approach - pg.16	
	102-12 External initiatives - pgs.10-15	
	102-13 Membership of associations - pg.24	
	Strategy	
	102-14 Statement from senior decision-maker - pg.2	
	Ethics and integrity	
	102-16 Values, principles, standards, and norms of behavior - pg.2 pg.6	
	Governance	
	102-18 Governance structure - pgs.18-21	
	Stakeholder engagement	
	102-40 List of stakeholder groups - pg.24	
102-41 Collective bargaining agreements - ●		
102-42 Identifying and selecting stakeholders - pg.24		
GRI 101: Foundation 2016		
General Disclosures		
GRI 102: General Disclosures 2016	Organizational profile	
	102-43 Approach to stakeholder engagement - pg.24	
	102-44 Key topics and concerns raised - pgs.7-8 pg.24	
	Reporting practice	
	102-45 Entities: included in Avnet's consolidated financial statements on ir.avnet.com	
	102-46 Defining report content and topic Boundaries - pg.1	
	102-47 List of material topics - pg.7	
	102-48 Restatements of information (Does not apply)	
	102-49 Changes in reporting (Does not apply)	
	102-50 Reporting period - pg.1	
	102-51 Date of most recent report - Fiscal year 17-18	
	102-52 Reporting cycle - Moving to annual	
	102-53 Contact point for questions regarding the report (corporatecommunications@avnet.com)	
	102-54 Claims of reporting in accordance with the GRI Standards - pg.1	
	102-55 GRI content index - pg.26	
	102-56 External assurance (Does not apply)	

→ **Collective bargaining: 102-41 (Excerpt from Avnet Code of Conduct) :**

Avnet believes that direct communication between management and employees is the most efficient and effective way to identify and resolve workplace issues. Avnet also respects employees' legal rights to engage in protected activities like organizing, free association, designating representatives or collective bargaining. Avnet complies with all applicable laws on labor relations and does not engage in any unfair labor practices such as obstructing employees' legal rights to representation or collective action. No provision in [Avnet's] Code of Conduct is intended to limit or obstruct the exercise of legal rights to employee representation or collective bargaining.

Figure 13

GRI TABLE

* Click on row to go to page number or documentation

GRI STANDARD		DISCLOSURE
Material Topics		
200 series (Economic topics)		
Anti-corruption		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary - pg.18
	103-2	The management approach and its components - pg.18
	103-3	Evaluation of the management approach - pg.18
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption - pg.20
	205-2	Communication and training about anti-corruption policies and procedures - pg.20
300 series (Environmental topics)		
Emissions		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary - pg.16
	103-2	The management approach and its components - pg.16
	103-3	Evaluation of the management approach - pg.16
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions
	305-2	Energy indirect (Scope 2) GHG emissions
400 series (Social topics)		
Diversity and Equal Opportunity		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary - pg.9
	103-2	The management approach and its components - pg.9
	103-3	Evaluation of the management approach - pg.9
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees - pg.10
Customer Privacy		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary - pg.18
	103-2	The management approach and its components - pg.18
	103-3	Evaluation of the management approach - pg.18
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data - pg.18

Figure 13

SASB TABLE

* Click on highlighted row to go to page number or documentation

TOPIC AND SASB STANDARD	ACCOUNTING METRIC FOR DISCLOSURE
Energy management (CG-MR-130a.1)	Total energy consumed
	Percentage grid electricity
Data Security (CG-MR-230a.1)	Description of approach to identifying and addressing data security risks - pg.18
	Number of breaches - pg.18
Workforce Diversity & Inclusion (CG- MR- 330.a.1)	Percentage of gender and racial/ethnic group representation for management and all other employees - pg.10
Product Sourcing, Packaging & Marketing (CG-MR-410.a.3)	Discussion of strategies to reduce the environmental impact of packaging - pg.16
Activity Metrics (CG-MR-000.A)	Number of distribution centers - pg.1

Figure 14

ADDITIONAL RESOURCES

COVID-19	ETHICS & HUMAN RIGHTS
COVID-19 Response	Avnet Code of Conduct Manual in multiple languages
Coronavirus Business Updates and Supplier Statements	Conflict Minerals Statement
BUSINESS PERFORMANCE & GENERAL	SEC Conflict Minerals Filing
Financial Performance	Core Values
Quality Certifications	Data Privacy Policy
World Most Ethical Companies - Ethisphere Institute	Human Rights
UN Global Compact Communication on Progress	Human Rights Council Business Coalition for the Equality Act
Careers at Avnet	Modern Slavery Statement
SUPPLIERS	Responsible Business Alliance Code of Conduct
Supplier Handbook and Code of Conduct	ENVIRONMENT
D&I	Carbon Disclosure Project (CDP) report
Equal Opportunity and Diversity Guidance	REACH and RoHS

Figure 15

