



Sustainability



Vision

We help technology make the world a better place to live, work and play

CORPORATE SOCIAL RESPONSIBILITY REPORT 2014

Message from the CEO

In today's technology-driven world, Avnet has the opportunity to play a critical role in every aspect of technology from innovation to execution to responsible end-of-life recycling and reuse. We are able to influence the use of technology at each step, ultimately helping technology make the world a better place to live, work and play.

We've come a long way from our roots on Radio Row in 1920's New York City, but our foundation remains the same. For more than 90 years, Avnet has kept its promises to our customers through our strong values, entrepreneurial spirit and responsible culture. As our business expands, Avnet constantly evolves to meet the needs of its customers.

The design chain and value-added services Avnet provides is in direct response to our customers' relentless pursuit of growth, innovation and clear roadmaps to the future. In turn, we pursue the same. As our customers require global scale, combined with local knowledge, we use our strong personal partnerships and technical expertise to guide them into new ventures, across oceans and toward transformative business results.

We balance the strength of our knowledge in technology with a focus on innovation and the commitment to never let ideas rest. We fulfill our promise to accelerate the success of everyone we work with.

Our position also comes with great responsibility and Avnet works each day to balance the fiscal obligations we have to our shareholders with our social responsibility to all our stakeholders.



Avnet's inaugural Corporate Social Responsibility Report marks another milestone in Avnet's history. While our global team has always been committed to ensuring we are good stewards for the environment and our stakeholders, this report is the first of its kind for Avnet, showcasing the collective impact of our commitment to the supply chain and economy, the environment, our people and our communities.

As one of the world's largest distributors of electronic components, computer products and embedded technology, Avnet's positive impact on the technology industry is undeniable. As a public company, we have a responsibility to our stakeholders. We also are dedicated to smart business practices and constant innovation to ensure our company's long-term success.

In this report we share our vision for social stewardship and sustainability, and report on efforts in the following areas:

- [Avnet in the Supply Chain](#)
- [Environmental Impact](#)
- [People and Culture](#)
- [Community Involvement](#)

The Avnet Corporate Social Responsibility Report is just one way we are sharing more about how we do business. We also invite you to read our [Avnet Cares Giving Report 2013](#) and our [2014 Annual Report](#) for a detailed look at Avnet's global impact.

Sincerely,

Rick Hamada
Chief Executive Officer

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A group of four business professionals (three men and one woman) are seated in a modern office environment. They are all smiling and looking towards the camera. They are holding large, white, 3D block letters that spell out the word 'AVNET'. The man on the far left is holding the letter 'A', the man next to him is holding 'V', the woman is holding 'N', and the man on the far right is holding 'T'. The background features a white wall and a large window with a view of a city skyline. A green horizontal bar is overlaid across the middle of the image, and a red bar is at the bottom right.

About Avnet

Accelerating Your Success™

Who We Are

Headquartered in Phoenix, Ariz., U.S., Avnet is one of the world's largest global distributors of electronic components, computer products and embedded technology. We serve customers in more than 120 countries and connect the world's leading technology companies with more than 100,000 customers by providing cost-effective, value-added services and solutions.

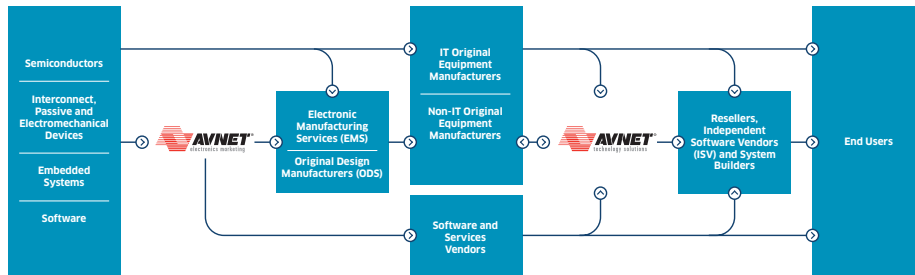
Avnet comprises two operating groups:

- **Avnet Electronics Marketing.** Serving electronics equipment manufacturers and electronic manufacturing services providers globally, Avnet Electronics Marketing distributes electronic components and embedded systems from leading manufacturers and provides associated design-chain and supply-chain services. In FY14, Avnet Electronics Marketing accounted for \$16.54 billion in revenue.
- **Avnet Technology Solutions.** A global IT solutions distributor, Avnet Technology Solutions collaborates with customers and suppliers to create and deliver services, software and hardware solutions that address the business needs of end-user customers locally and around the world. Avnet Technology Solutions accounted for \$10.96 billion in revenue in FY14.



FY13	FY14
Revenue: \$25.5B	Revenue: \$27.5B
Global Employees: 18,000+	Global Employees: 18,000+
Global Offices/Locations: 400+	Global Offices/Locations: 400+
Fortune 500 Ranking: 117 (2013) Fortune Global Ranking: 457	Fortune 500 Ranking: 117 (2014) Fortune Global Ranking: 474

Forward and Reverse Logistics - Integrated Supply Chain Expertise



Our Purpose

We help technology make the world a better place to live, work and play.

Our Vision

We aspire to be the premier partner of choice for our customers, suppliers, employees and shareholders by accelerating their success through our global technology marketing and distribution resources, services and culture.

Our Core Values and Code of Conduct

As a leader in global technology distribution, Avnet has built its global business and reputation by delivering superior value and maintaining the highest ethical standards in our business practices. Our Core Values, Code of Conduct and company policies reflect our commitment to doing business with integrity.

In 2014, Avnet was recognized by the Ethisphere Institute, an independent center of research promoting best practices in corporate ethics and governance, as a 2014 World's Most Ethical Company®.



We believe that earning trust is a privilege and doing the right thing is always the best course of action and, ultimately, leads to success.

Our Core Values are:

- Integrity
- Customer Service
- Accountability
- Teamwork
- Innovation

Our Code of Conduct guides us in our business decisions and conveys to our stakeholders that they can count on Avnet to operate honestly and fairly. A dynamic document, it is updated regularly to reflect evolutions in the business environment such as the rise of social media and our growing global footprint. The **Avnet Code of Conduct** is just one of the many ways we reinforce to those we work with that for us, it is not just what we do, but how we do it that is important.



Core Values

Integrity
Customer Service
Accountability
Teamwork
Innovation



Corporate Accountability

Structure and Oversight

Avnet's Board of Directors provides general oversight for the company, consistent with corporate governance guidelines, and sets high standards for the organization, its leadership and employees. Independent director William H. Schumann, III serves as Chairman of the Board of directors. He presides over the nine-member Board with each director bringing value and experience in disciplines such as global business operations, finance, sales and marketing, distribution, technology and regulatory compliance as well as other relevant and general industry experience.

The Avnet Executive Board (AEB) is responsible for leading the enterprise, while the Global Executive Council (GEC) manages regional business operations. Richard C. Hamada, chief executive officer, leads the eight-member AEB consisting of experienced business and group function executives who determine and implement Avnet's strategic plan.

Serving customers in more than 120 countries, Avnet recognizes the need for meaningful dialogue, collaboration and idea sharing among its leadership team. The Global Executive Council, comprising the AEB, regional presidents and group finance executives addresses high-level issues, builds international relationships and encourages thinking globally while acting locally. Avnet places a high degree of emphasis on meaningful dialogue, collaboration and idea sharing among its leadership team.

Doing Business Ethically Around the World

As a global organization, Avnet does business with individuals and entities around the world. Because laws governing our global interactions can be strict, it is important that we understand and abide by the rules and regulations in place in the areas where we work. These include the U.S. Foreign Corrupt Practices Act, the UK Bribery Act and similar laws globally aimed at preventing corruption. Avnet's Anti-Corruption Compliance Program helps the company conduct its global business ethically through a global anti-corruption policy, regular training, localized communications, third-party due diligence, and ongoing auditing and monitoring.



International Trade Controls

With a global base of suppliers and customers, Avnet is subject to international trade laws and sanctions. We comply with export and import control regulations and laws of the countries in which we conduct business.

Exports are generally determined to be products, services, technologies or pieces of information that are shipped to a person in another country. Under some laws, including U.S. law, an export can also be technology, technical information or software provided to a non-exempt person (such as a non-U.S. citizen) regardless of where that person is located. Before exporting product, we have a duty to verify the eligibility of both the delivery location and the end user (the person receiving the export). We also are required to obtain all necessary licenses and permits, and pay all applicable duties.

Imports are goods purchased from an external source and brought into another country. They are also subject to various laws and regulations. In particular, import activity may require us to pay duties and taxes, and submit certain filings.

Ethics and Compliance

Avnet's Ethics and Compliance Program is supervised by the highest levels of the organization, with support from Avnet employees across the enterprise. The program was established to help ensure we adhere to laws, regulations and the Avnet Code of Conduct. This program is global and uses education, communication, assessments and process improvement to promote the "Avnet Way"—that is, getting results the right way in all of Avnet's business dealings.

Integrity is our number one core value by design. It comes first and guides our day-to-day decisions wherever we do business. Avnet's Ethics and Compliance Program works to protect our culture and reputation by providing resources that help employees make ethical decisions at work. The program develops and distributes awareness materials including the Code of Conduct, provides legal compliance and ethics training and guidance, assesses compliance risks, investigates reports of misconduct, manages the Ethics Alertline available to employees worldwide on a 24/7 basis to report compliance and ethics-related concerns, and reports on the program to Avnet executives and the company's Board of Directors.

Enterprise Risk Management

Enterprise Risk Management (ERM) is a structured, consistent and coordinated process involving quantification, analysis, and control of risks across the enterprise. While traditional risk management generally considers only hazard and operational risks associated with accidental losses, Avnet's ERM expands the process to include financial and strategic risks that may affect the company's ability to achieve its goals.

Avnet has implemented a formalized ERM program under the leadership of the vice president, finance—global audit and ERM, and the director, ERM program management office. The objective of the program is to:

- Ensure Avnet meets its corporate and social responsibility for ERM
- Provide Avnet's Board of Directors the information necessary to fulfill its risk oversight role
- Develop, implement and maintain an ongoing, structured and systematic method to identify, assess, prioritize and manage risks



A cross-functional ERM Council is in place, with executive-level sponsorship and active participation from all operational and functional areas of the business. The ERM Council has responsibility for identifying, assessing, and evaluating enterprise risk, establishing risk policies and tolerances, and controlling risk functions and infrastructure. The ERM program office tracks and monitors risk response plans and mitigation actions. A unique aspect of Avnet's ERM program is the inclusion of customer and supplier impacts in the risk analysis. While the majority of organizations consider risk from a strictly internal viewpoint, Avnet takes enterprise risk management a step further and additionally assesses the risk to customers and suppliers.

Avnet's ERM program focuses on four primary categories of risk: operational, hazard, financial and strategic. A formal risk assessment process is utilized to assess and prioritize risk with scoring based on the likelihood of the risk occurring and the severity or impact to the enterprise should the risk occur. Each identified risk has a risk owner and a detailed risk response plan is required for each risk item. All risk items and risk response plans are reviewed by the project management office, ERM Council, Avnet Board of Directors Audit Committee and Avnet's Global Audit Department.



Avnet in the Supply Chain

Global Supply Chain Operations

Avnet provides end-to-end supply chain services to original equipment manufacturers (OEMs), electronic manufacturing services (EMS) providers, electronic component manufacturers, value added resellers (VARs), independent software vendors (ISVs) and managed service providers (MSPs), enabling the ability to optimize supply chains around the globe. By combining internal competencies of global warehousing and logistics, finance, information technology, IT services and asset management with objective, external industry-wide data, Avnet's supply chain services allow customers to increase their overall business knowledge—helping them make more informed decisions. From forecasting to bill of materials to end-of-life components management, Avnet's supply chain experts arm customers with the data they need to ensure the smooth flow of production and speed time-to-market.

3.6 MILLION SQUARE FEET

5 MILLION ORDERS PROCESSED

81 BILLION UNITS SHIPPED

389,000 SYSTEMS INTEGRATED

292 MILLION DEVICES PROGRAMMED

Supplier Quality and Commitment

The relationship between Avnet and our suppliers is built on mutual trust, integrity and a commitment to world-class performance. Avnet customers, ranging from individuals to large multinational corporations, have chosen Avnet as a distributor because of the value and quality of our people, the speed and flexibility of our service and the reliability of the products we supply. This level of customer commitment means that Avnet works only with those suppliers that serve us the way we serve our customers.

The Avnet Supplier Quality Handbook is designed to acquaint potential and existing suppliers with our company, culture and supply chain direction.

In addition to certain protocols for effectively working with Avnet, we also request that our suppliers comply with international ethical standards. Their delivered goods must have been produced:

- Lawfully, through fair and honest dealing
- Without exploiting the people who made them
- In appropriate working conditions
- Without damaging the environment

EMEA Environmental Regulations

Most environmental regulations relating to products distributed by Avnet can be divided into two types—substance and waste regulations, with RECh, RoHS and WEEE as the most prominent representatives.

RECh, (Registration, Evaluation, Authorization and Restriction of Chemicals), a law regulating chemical substances in the EU, is designed to protect human health and the environment. The Directives 2011/65/EU on the Restriction of the use of certain Hazardous Substances (RoHS) and 2012/19/EU on Waste Electrical and Electronic Equipment (WEEE), target Electrical and Electronic Equipment (EEE) through restriction of certain hazardous chemical substances (RoHS) and by defining preventive and reductive measures associated with the generation and management of waste (WEEE).

As a distributor, Avnet does not certify compliance with RECh and RoHS on behalf of their original manufacturers. Avnet does encourage its manufacturers to make their environmental information available on their websites and works closely with its suppliers to provide its customers with relevant information / declarations available from its manufacturers.

Dodd-Frank/Conflict Minerals

U.S. Securities and Exchange Commission rules require certain companies to disclose the extent to which the products they manufacture or contract to manufacture contain so-called conflict minerals sourced from mines in the Democratic Republic of the Congo (DRC) or adjoining countries. Conflict minerals include tantalum, tin, tungsten and gold, which are used in many electronic components and computer products.

As a global value-added distributor of electronic components, enterprise computer and storage products, IT solutions and services, and embedded subsystems, Avnet promotes the traceability of these minerals and the transparency of the supply chain. Avnet firmly believes that its customers should be fully informed about the products they purchase. While Avnet, as a distributor, is not able to certify as to the country of origin of the minerals contained in the products manufactured by Avnet's suppliers, Avnet is committed to working with its customers to supply products that meet the customer's specifications.

With respect to those limited aspects of Avnet's business that manufacture or contract to manufacture products that contain conflict minerals that are necessary to the functionality or production of the product, Avnet does not directly purchase any conflict minerals from any source and endeavors not to purchase products that contain conflict minerals that directly or indirectly finance or benefit armed groups in the Democratic Republic of the Congo or adjoining countries. Avnet expects its suppliers to these aspects of its business to only source minerals from responsible sources and provide Avnet with proper verification of the country of origin and source of the materials used in the products they supply to it. Avnet fully understands the importance of this issue to its customers and is committed to supply chain initiatives and overall corporate social responsibility and sustainability efforts that work towards a conflict free supply chain. Avnet is encouraging all of its suppliers to likewise support these efforts and make information on the origin of their product components easily accessible on their websites.

Product Lifecycle Services

From procurement to disposal, managing hardware assets throughout their lifecycle is exceedingly time consuming and often requires multiple vendors. Avnet's Lifecycle Solutions reduce costs and minimize risk by customizing programs based on an organization's IT environment and business needs. Avnet's technical experts help with installations and implementations, integration of disparate technology, data center migration and asset disposition. Programs such as legacy trade-ins, short-term rentals and financial solutions help our customers maintain a fully functional infrastructure.

Avnet continually expands its portfolio, staying one step ahead of the changing needs of technology manufacturers and customers.

Repair and Refurbishment

Avnet maintains centralized locations where equipment and components are returned from the field and repaired, maintained, reworked, refurbished and/or receive further disposition. We can coordinate global programs with our operations in North America, the Netherlands and Singapore.

Through the Avnet Refurbishment Program, which increases the lifecycle of products by repairing or upgrading systems, the Avnet Global Solutions Center has kept approximately 252,000 pounds or 126 tons of electronic waste from entering landfills between October 2008 and October 2013.

Repair and refurbishment services include:

- Full logistics management
- Management of defective inventory
- System- and component-level repair
- Receiving and warranty management
- Serial number specific repair
- Functional, component, temperature, system, x-ray and frame/cabinet testing
- Certified refurbishment programs

Depot Repair Fast Facts:

- Five repair/refurbishment depots in three regions
- 420,000+ screen/repair events annually
- 300+ service technicians: A+ and OEM-certified with 2+ years' experience
- Level 1 to Level 4 repair expertise: from refurbishment to deep board-level repairs
- In-warranty and out-of-warranty repair support
- Certified in ISO 9001, ISO 14001, ISO 13485, TL 9000, CCC, FDA, & OHSAS 18001

IT Asset Disposition and Recycling Solutions

Surplus and obsolete IT assets need to be disposed of correctly to avoid data leaks and ensure proper environmental disposal.

Avnet's IT Asset Disposition (ITAD) and Recycling Solutions dispose IT equipment in the right way. We follow all federal, state and local laws regarding disposal.

Our services include:

- 100 percent green compliant recycling
- ISO 14001 Disposal and Responsible Recycling (R2) standards
- Department of Defense (DoD) 5220.220m to customer-level erasure standards
- Secure logistics and certified e-cycling services
- 750,000+ square feet of facility space
- Equipment valuations and programs for trade-ins

Electronics Recycling

With the rising proliferation of technology and consumer electronics comes the need for corporations to take a responsible stand at processing and dismantling these products when they reach end of life. Through our electronics recycling programs, our customers have the opportunity to keep electronic waste out of landfills.

e-Cycling Benefits at a Glance:

- Recycling solutions are vertically integrated, closed loop and 100 percent green compliant
- Minimize risk with certified, transparent and secure destruction
- Global support
- R2 Certification for all North American facilities
- Comprehensive reporting through our sophisticated warehouse management system
- Efficient and cost-effective logistics services

The Avnet Difference:

- Our proprietary Warehouse Management System (WMS) allows us to accurately collect over 100 different data points and provide customized reports regarding our e-cycling process
- Serial number-level reporting on a per asset basis, as required by client
- Suite of standard reports includes ITAD audit, ITAD settlement, commodity settlement, mass balance and reuse percentage reports



Environmental Impact

Our Commitment

Avnet is committed to further improving our environmental performance by doing everything within reason to minimize our organization's potentially adverse impact on the planet. As a global Fortune 500 company, we consider it our social responsibility to do so. And, as a technology distributor, we produce zero industrial waste and our energy consumption is relatively low by industry standards.

With our global presence, we make a positive difference on the environment by disciplined management of our many facilities and by adhering to our business strategy which supports our corporate social responsibility agenda.

We believe it makes good business sense to understand, be aware of, and proactively work on ways we can be an environmentally friendly global company. It's why we measure our carbon footprint and other environmental impacts, and strive to build greener buildings. Our goal is to continually improve our processes and evolve our policies so that we can reduce our impact on the planet.

We are proud to have received recognition for our efforts including:



Environmental Policy

The Avnet environmental policy covers all areas of Avnet's activities around the globe and provides a foundation for an environmental management system based on the principles of ISO 14001 (or stricter standards), which a number of our business partners, suppliers and customers have largely adopted. Our goal is for all sites to comply with recommendations and guidelines outlined in our environmental policy. In addition, a number of Avnet sites have also gone through the ISO 14001 certification process.

To ensure successful implementation of its environmental policy, Avnet has involved employees at all levels of the organization. All employees are encouraged to suggest ideas to help take Avnet's environmental programs to the next level and as a global initiative.

Green Initiatives

We are at the forefront of our industry in dealing with major initiatives like Restriction of Hazardous Substance (RoHS) and Waste Electrical and Electronic Equipment (WEEE), and we continue with internal initiatives to help contribute to a safer, healthier, cleaner and more sustainable world. While some of these may seem small in comparison to major legislative acts, small shifts over time make major lasting change.

Our Green Charter

To elevate the focus on green initiatives when developing business strategy, a Green Council comprising leaders from Avnet's business groups and support teams around the world, was formed. The council created the following charter to ensure opportunities for positive environmental impacts would be identified and actions would be incorporated into business strategy and development plans as appropriate.

1. Avnet incorporates in its business principles and processes efforts to maintain and improve the environment through careful use of resources, avoidance of waste and responsible conduct in all environmental issues.
2. Avnet will comply with all environmental laws and regulations as well as the requirements of customers and other business partners. Avnet will support business partners in achieving their regulatory objectives.
3. Avnet will establish ecologically responsible conduct as an integral element of its management review process and will define corporate goals for environmental protection.
4. Avnet will implement a documentation process for all environmental issues (related to its business activities), which will facilitate reviews and audits whenever required.
5. Avnet will seek preferred partner status with suppliers and customers, based on its environmental strategy.
6. Avnet will include all employees and other major stakeholders in regular communication regarding its environmental efforts.

Highlights of ongoing efforts:

- Separation and single-stream recycling in offices
- Recycling of packaging materials in logistics and integration facilities
- Environmentally friendly packaging at our distribution centers, consolidated pallets for shipping, box parameters for consolidated shipments (inbound and outbound)
- Efficient use of water and energy (including better power management equipment wherever possible)
- Substitution of energy sources with renewable sources
- Re-vegetation projects to offset carbon emissions
- Procuring office materials that use less solvents, lead-free paint, low VOCs, timber/paper from managed forests, phasing out of CFCs and other ozone-depleting substances
- Carpool and ride-share programs that encourage reduction of our carbon footprint

- Electric car charging stations installed at major facilities
- Using IT resources and expertise to help reduce energy consumption of our electronics infrastructure
- Partnering with local recycling organizations to host community recycling events
- Replacing styrofoam cups in break rooms with ceramic mugs
- Reducing paper usage by defaulting to two-sided copying and providing recycling bins in the majority of our offices and common kitchen areas
- Installing low water consumption toilets at several facilities
- Consolidating office spaces to reduce our overall real estate footprint and energy consumption, plus increasing bandwidth to support more remote employees which reduces Scope 3 emissions with fewer commuters on the road
- Installing light dimmers/motion sensors in office buildings to save energy from lighting unoccupied areas
- Installing solar panels at major facilities to generate green energy, create sustainability and reduce Avnet's carbon footprint
 - Tempe, Arizona: 3,720 solar panels commissioned in August 2014, estimated to reduce Avnet's carbon emissions by 996 metric tons annually
 - Phoenix, Arizona: 3,056 solar panels commissioned in August 2013

Spotlight on Poing, Germany



High-efficiency insulation materials

Germany mandates a minimum level of energy efficiency for new buildings; Avnet's new distribution center in Poing, Germany comes in 90 percent better than the mandated level.



Water saving technologies

The facility captures rainwater and uses it for cleaning machines and to water the landscape. The restrooms have waterless urinals, which can each save as much as 40,000 gallons of water a year.



Paperless picking

The new facility has a completely paperless picking process. The old facility used approximately five million sheets of paper every year which equates to approximately 600 trees.



Geothermal energy

A newly built power plant in Poing sends geothermally sourced energy to the new building.



Low energy automation

The facility's new automated picking system, Autostore, uses even less energy than the lights above it.



Office light dimmers

Automatic dimmers in the offices represent a significant energy savings. Sensors monitor movement in the office, and when there is none, or when sufficient light comes through the windows, the office lights automatically dim.

Avnet's Carbon Footprint

The estimated total carbon footprint (CF) for Avnet's international activities was 199,506 t CO₂eq in 2012 and 200,869 t CO₂eq in 2013, according to reports by DFGE, an independent consulting firm specializing in environmental issues. Avnet achieved a CF reduction based on revenue of more than five percent. This demonstrates the continuous improvement in efficiency and organization.

Carbon Disclosure Project

Avnet also participates in the Carbon Disclosure Project (CDP). With a disclosure score of 74 (out of 100) in calendar years 2011 and 2012, Avnet has demonstrated an above-average commitment to providing complete and accurate data on carbon emissions with the industry average at 49, according to FirstCarbon Solutions with a performance band score of D in CY 2012, we join 29.8 percent of the CDP participating companies and look for opportunities for improvement.

Environmental Management System

We are proud that 11 Avnet sites currently hold ISO 14001 certification:

- Avnet Logistics – Nogales, Mexico
- Avnet Logistics – Chandler, Arizona, U.S. (McKemy)
- Avnet Logistics – Chandler, Arizona, U.S. (Global Solutions Center)
- Avnet Logistics – Hong Kong, China
- Avnet Logistics – Newcastle, United Kingdom
- Avnet Logistics – Poing, Germany
- Avnet Logistics – Singapore
- Avnet Logistics – Taiwan
- Avnet Logistics – Tongeren, Belgium
- Avnet Technology Solutions – Tianjin, China
- Avnet Services – Columbus, Ohio



LEED Facility Certifications

LEED, or Leadership in Energy & Environmental Design, is a green building certification program that recognizes best-in-class building strategies and practices. To receive LEED certification, building projects satisfy prerequisites and earn points to achieve different levels of certification.

Avnet is proud to have three LEED-certified facilities in operation and one new facility poised for certification in 2014:

- Huntsville, Alabama (building core and shell): Gold
- Marlton, New Jersey (commercial interiors)
- North Reading, Massachusetts (commercial interiors)
- San Antonio, Texas (commercial interiors)





People and Culture

Inspiring and Engaging our People

Avnet's strategic framework is built upon a dynamic culture of operational excellence and performance. Our team of more than 18,000 employees serves more than 100,000 customers around the world. Time and time again, our customers rate our employees as the best in the business. Attracting, engaging, developing and rewarding the best talent in the industry is vital to our long-term financial success.

Avnet is committed to the professional success of our employees and is dedicated to promoting employee well-being. We believe that when employees have the tools and resources to succeed, along with the confidence that the company cares about their well-being, we will have increased employee engagement, increased employee retention and a more innovative, agile corporate culture.

As our organization has evolved, so too has the level of complexity in managing our workforce. Advances in our business strategy have required greater emphasis on attracting and building new skill sets, positioning ourselves as an employer of choice in new locations around the world, and developing a broad range of programs and infrastructure to support a multi-generational global team.

Attracting the Best Talent

At Avnet, we strive to attract, develop and retain top talent globally. We consider the voice of the employee and prospective employee to foster a deep understanding of what matters most to today's workers, using external research along with internal feedback methods.

We seek to understand:

- What influences their career decisions
- What helps them feel motivated and valued
- What is top of mind when they consider their needs from an employer

Understanding these elements enables us to more effectively determine our strategic HR priorities and shape our programs and communications. We have worked hard to align company people priorities with the employer attributes that our employees value most. That's one reason we are consistently recognized as a leader in people management, social responsibility, quality of management and quality of products/services by **Fortune** magazine. **Fortune** placed Avnet on its 2014 "World's Most Admired Companies" list, naming us No. 1 from 2009 to 2013 in the Wholesalers: Electronics and Office Equipment category. Our leading position on this prestigious list helps reinforce the culture and values we respect, as well as the key strategies we are committed to in driving Avnet's long-term value creation.



Commitment to Diversity

As a culturally and ethnically diverse global company, Avnet recognizes that it derives the greatest value through the unique perspectives and contributions of our people. While we are staunchly committed to meeting legal requirements regarding the equal treatment of employees and practice affirmative action, our diversity efforts are farther reaching. We consider diversity in recruiting, talent management, succession planning and leadership development, and we have been early adopters of practices and programs that address the needs of underserved groups. Avnet's employees come from many different backgrounds, cross generations, speak multiple languages and bring a variety of educational experiences and expertise to our business. It is our desire to create an atmosphere that brings out the best in everyone.

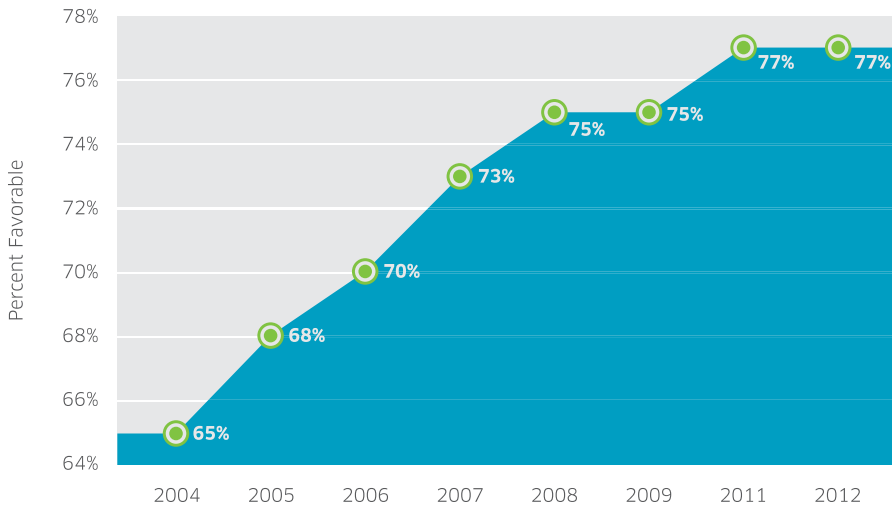
Employee Engagement

As we've experienced the organizational change that comes from growth and shifting economic and market cycles, we've maintained a strong focus on employee engagement. Sustained engagement relies on addressing employees' commitment to the organization and connection to the business over time, providing a work environment that supports productivity and performance and enables interpersonal and emotional well-being at work.

Avnet has formally measured employee engagement since 2004. In partnership with Towers Watson, a renowned global HR consulting firm, we conduct a formal survey every 24 months, allowing employees to rate Avnet's effectiveness in several categories related to their work experience. We maintain a core set of questions that allow us to compare our progress over time, and we introduce new questions relative to business priorities at a particular point in time. Through leadership accountability and targeted action planning, we have seen steady improvements in our engagement scores over the years and have been able to maintain engagement during business downturns.

With a score of 77 percent on our 2012 survey, Avnet's employee engagement is well above benchmarks. We also take pride in our world-class participation rate of 83 percent, which we believe indicates that our employees trust that their opinions do make a difference and they are invested in helping Avnet succeed.

Avnet Global Employee Engagement Scores

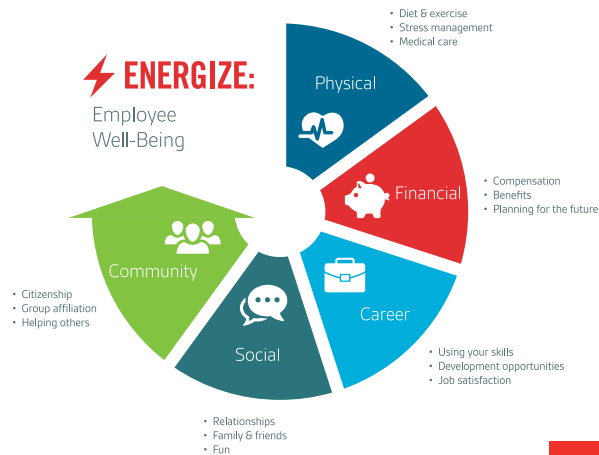


Employee Well-Being

To maintain engagement over time, we strive to enrich the work experience and enhance the well-being of our employees through progressive programs and practices.

Avnet's holistic approach to well-being focuses on five key areas:

- **Physical:** Healthcare, wellness, stress management and work-life matters
- **Financial:** Compensation, recognition and rewards, benefits and planning for the future
- **Career:** Performance and career development planning, learning, resources and educational assistance
- **Social:** Employee events, celebrations, global competitions and team building
- **Community:** Corporate event sponsorship, financial giving and volunteerism



Developing Our Team

Avnet is focused on accelerating the development and readiness of our talent through a strengths-based approach and application of leading talent management practices. This includes goal setting and performance management, succession planning, and development planning encompassing experiential learning, coaching and formal training.

At the start of each fiscal year, managers and employees set team and individual goals aligned with business goals. We encourage real-time performance feedback, as well as periodic reviews, to ensure employee performance meets and exceeds expectations. At the end of the fiscal year, employees complete a self-assessment of their performance and managers document employee performance in written appraisals. During annual performance appraisal discussions, employees and managers discuss accomplishments, strengths and areas for improvement, and agree on development plans to enhance current employee performance or prepare them for new career opportunities.

We take an organizational view of succession and development planning for critical roles, while adopting a personalized approach at the individual level that is based on employees' strengths and career desires. Our leadership continuum outlines the type of training required for each level, beginning with self-leadership and culminating with enterprise leadership. We offer classroom training, along with on-demand training and outside educational opportunities. Rotational assignments, coaching and mentoring are also vital elements of our talent management program.

Regardless of external factors affecting the business, Avnet has continued to invest in training programs on a global scale, giving employees access to tools and resources to help them in their careers and ensuring that Avnet's workforce is well-prepared to provide outstanding service to our customers.



Rewarding Employee Contributions

Avnet delivers a compelling rewards offering that differentiates compensation based on performance and provides benefits to fit a variety of needs. Our compensation strategy is designed to ensure Avnet's ability to attract, engage, develop and reward the best employees and promote retention of critical talent by monitoring pay levels and rewards mix, and establishing competitive practices within global, regional and local markets. It helps drive company and individual performance by encouraging and rewarding achievements aligned with Avnet's strategic goals and performance priorities, furnishing rewards that are tied closely to results. Those producing superior results receive superior rewards.

Avnet's benefit programs are intended to reach a broad population and address a variety of situations during the employment lifecycle. We seek to keep pace with marketplace trends and provide benefits consistent with our culture and people philosophy.

Avnet's people aspiration is to create an engaged global community, energized and enabled to surpass our most audacious goals. With this ideal in mind, we will accelerate the success of everyone we work with.

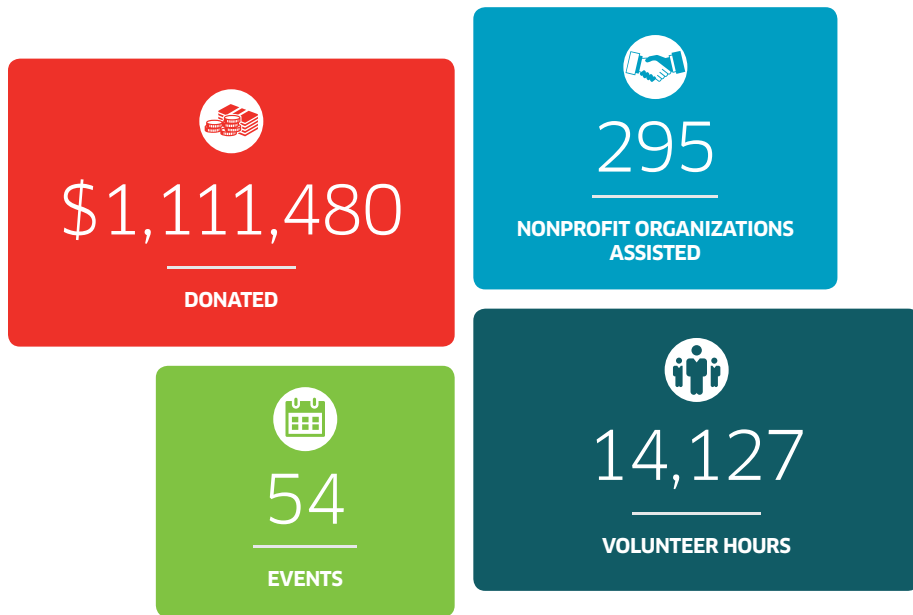


Community Involvement

Avnet is proud of its long history of community involvement both through financial giving and hands-on volunteerism. Our approach focuses on proactive company support for high impact areas aligned with our business strategy, promoting employee well-being by sponsoring initiatives important to employees, and advocating for the communities in which we do business by supporting local events and disaster relief.

Charitable Giving Snapshot

FY13



FY14



Strategic Focus Areas

Our financial giving centers on three key areas:

- Sponsoring technology education, beginning in middle schools
- Advocating for energy conservation
- Promoting employment opportunities for underserved groups

Each year, we develop a plan to fund and support specific organizations and events aligned with Avnet's strategic objectives. Proposals are brought forth by our business leaders and approved by Avnet executive leadership.

Avnet Cares—Employees Giving Back

Avnet recognizes that employee well-being extends to the community, and we believe it's important to encourage employees as they help make our communities a desirable place to live. From teaming together to serve meals at a homeless shelter or building homes to revitalize neighborhoods to employees' individual charitable efforts, Avnet provides financial support and paid time off through its Avnet Cares programs.

Avnet Cares provides a framework for employee-initiated community efforts reaching a broad range of nonprofit organizations. The Avnet Cares programs are managed by an employee-led governing board and supported by active employee-led committees at many Avnet offices. Employees support nonprofit organizations of their choice, leveraging Avnet Cares programs to maximize their impact.



DOLLARS FOR DOERS

Financial contribution to nonprofit based on amount of time employee volunteers: \$10 for each hour of service, up to \$800 per fiscal year



MATCHING GRANTS

Matches dollars raised for a nonprofit via employee-led fundraising event



VOLUNTEER RECOGNITION AWARDS

Quarterly and annual awards for individuals and teams with outstanding volunteer efforts



VOLUNTEER TIME

8 hours of paid release time, per calendar year, to volunteer during regularly scheduled work hours

FY13



FY14



Disaster Relief

When disaster strikes, in addition to reaching out to customers and employees who may have been impacted, Avnet responds by partnering with the American Red Cross and its global affiliates to enable employees worldwide to donate funds for disaster relief efforts. When employees collectively donate a minimum of \$10,000 for a specific natural disaster, Avnet matches employee donations dollar for dollar up to \$100,000. Through these efforts, Avnet and its employees have provided close to \$1 million to assist with relief efforts for disasters such as the Japan earthquake and tsunami, the tropical storms in the Philippines and the floods in the Balkans.

Avnet Tech Games

Avnet is proud to sponsor and participate in events in the communities in which we do business and have often partnered with our customers in such efforts. A prime example is the Avnet Tech Games in which Avnet provides students with an opportunity to apply what they learn in school to real-world scenarios and to earn scholarships for their performance.

The Avnet Tech Games began in 2006 as a partnership between Avnet, Inc. and the Maricopa County Community College District in Arizona as an effort to bridge the gap between college curriculum and high-tech industry standards. Subsequently, the Avnet Tech Games was opened to all Arizona college students and to college students nationwide through a virtual competition.

Since its inception, Avnet has awarded more than \$300,000 in scholarships and honorariums to students and faculty members from more than 80 colleges and universities. Over its history, the Avnet Tech Games has created public/private partnerships that have contributed to curriculum changes and enhanced the overall educational system. Curriculum changes helped to modernize and improve the way professors teach Science-Technology-Engineering-Math (STEM) concepts, enabling students to enter the workforce with a more realistic understanding of how to perform their jobs, thus making them easier to train and promote. This results in the ultimate Avnet Tech Games goal—creating a more qualified, high tech workforce.

Each year, the Avnet Tech Games' success is achieved because of a robust employee volunteer workforce and the participation of industry partners via sponsorships.



Addendum

The content presented in our inaugural Corporate Social Responsibility Report reflects policies and results material to Avnet's position as a leading distributor in the IT global supply chain. We reviewed and used GRI guidelines relevant to our business.

Corporate Accountability

Source: <http://www.avnet.com/en-us/careers/Pages/default.aspx?Tab=4>

International Trade Controls

Source: <http://www.avnet.com/en-us/careers/Pages/default.aspx?Tab=4>

Conflict Minerals Policy Statement

Source: <http://www.avnet.com/en-us/who-we-are/Pages/corporate-responsibility.aspx>

Materials Repair and Refurbishment

Source: <http://www.services.avnet.com/en-us/amer/lifecycle-solutions/Pages/Depot-Repair/Depot-Repair-and-Refurbishment.aspx>

Environmental Management System

Source: <http://www.services.avnet.com/en-us/amer/lifecycle-solutions/Pages/ITAD-and-Recycling-Options/ITAD-and-Recycling-Options.aspx>