

SHAREHOLDER PROPOSALS

We believe that effective corporate governance includes year-round engagement with our shareholders and other stakeholders. We meet regularly with both large and small investors to discuss business strategy, performance, compensation philosophy, corporate governance, and environmental and social topics. This direct engagement helps us better understand our shareholders' priorities, perspectives, and issues of concern, while giving us an opportunity to elaborate on our many initiatives and practices and to address the extent to which various aspects of these matters are (or are not) significant given the scope and nature of our operations and our existing practices. We take insights from this feedback into consideration and regularly share them with our Board as we review and evolve our practices and disclosures.

Items 4 through 14 are shareholder proposals that will be voted on at the Annual Meeting only if properly presented by or on behalf of the shareholder proponent. Some of these proposals contain assertions that we believe are incorrect, and we have not attempted to refute all of the inaccuracies.

This year, certain of the shareholder proposals relate to environmental, sustainability, social, or governance issues, often requesting that we prepare a report, adopt a policy, or take some other particular action. In many cases, we already support some of the initiatives or share the concerns addressed in such proposals, and we often already have taken actions that we believe address the underlying concerns of a proposal or that report on those aspects of a matter that are most relevant to us, but we may disagree with how the proposal seeks to prescribe the manner in which we approach or report on the issue.

For example, the following are some of Amazon's goals and initiatives highlighted on our website and in our sustainability report titled "All In: Staying the Course on Our Commitment to Sustainability":

- **The Climate Pledge.** With our co-founder Global Optimism, in 2019 we announced The Climate Pledge, a commitment to be net-zero carbon across our business by 2040, a decade ahead of the Paris Agreement's goal of 2050. We are proud that more than 50 companies have joined The Climate Pledge. As part of this commitment, we publish our carbon footprint and calculation methodology and announced in 2020 that we have joined the Science Based Target Initiative.
- **Renewable Energy.** In 2020, we announced that we are on a path to powering our operations with 100% renewable energy by 2025—five years ahead of our original target of 2030. We also published details about how we calculate our renewable energy use.
- **Shipment Zero.** Shipment Zero is our vision to make all Amazon shipments net-zero carbon, with a goal of delivering 50% of shipments with net-zero carbon by 2030. Shipment Zero means that the various parts of our fulfillment operations to deliver a customer's shipment are net-zero carbon—from the fulfillment center, to the packaging materials, to the mode of transportation that gets the package to the customer's door.
- **Electric Vehicles.** In 2019, we announced the order of 100,000 new electric delivery vehicles from U.S. electric vehicle manufacturer Rivian. We plan to have 10,000 of these vehicles on the road as early as 2022 and all 100,000 vehicles on the road by 2030.
- **Sustainable Packaging.** We created our Frustration-Free Packaging program to encourage manufacturers to package their products in easy-to-open, 100% recyclable packaging, and since 2015, we have eliminated more than one million tons of packaging material.
- **Right Now Climate Fund.** We established the Right Now Climate Fund, a \$100 million fund to remove or avoid carbon emissions by restoring and conserving forests, wetlands, and grasslands around the world.
- **The Climate Pledge Fund.** In 2020, we announced The Climate Pledge Fund, with an initial \$2 billion in funding, to support the development of technologies and services that decarbonize and help preserve the natural world.
- **The Housing Equity Fund.** In 2021, we established the Housing Equity Fund to provide more than \$2 billion in below-market loans and grants to preserve and create over 20,000 affordable homes for individuals and families earning moderate to low incomes in our three hometown communities.
- **Global Responsible Sourcing.** In 2019, we updated our Supply Chain Standards, published a supplier list and map for our Amazon-branded products, including apparel, consumer electronics, and home goods, provided more public information on how we work with suppliers to build their capacity and remediate issues, and announced our key commitments to a

number of issues, including fair wages, safe workplaces, and women's empowerment. In 2020, we expanded our supplier map to include additional suppliers, capacity building programs, and product categories.

- **Human Rights.** In 2019, we codified our commitment to human rights in our Amazon Global Human Rights Principles and made a public commitment to understand our greatest human rights risks and assess the impact of these issues across our global supply chain and operations. As part of this commitment, in 2020, we launched an assessment of salient human rights risks across the Company, executed our first human rights impact assessment, and expanded human trafficking awareness programs for employees around the world. This information is included in the People section of our sustainability report detailing Amazon's commitment to our employees, the workers in our supply chains, and the communities in which we operate, and our approach to human rights under the United Nations Guiding Principles Reporting Framework.
- **Human Capital.** We continue to support our employees through initiatives focusing on workplace health and safety, including committing \$11.5 billion in 2020 on COVID-19-related initiatives to help keep employees safe and to get items to customers; investments in benefits and opportunities; and employee engagement.
- **Diversity, Equity, and Inclusion.** We continue to prioritize pay equity and publish details on gender and racial/ethnic group pay statistics. We are investing in internal and external programs to assist diverse leaders to advance into more senior roles. For example, we are one of the initial twelve launch employers participating in the MLT Black Equity at Work Certification Program, which is a clear and comprehensive new standard that requires employers to assess and make meaningful progress toward achieving Black equity internally while supporting Black equity in society. Additionally, in 2020, we set and achieved a goal to double the number of Black directors and vice presidents at the Company, which was accomplished through external hiring as well as internal promotions, and we are committed to doubling representation again in 2021. Our 12 employee-led Affinity Groups, which engage employees across hundreds of chapters around the world, further foster our commitment to diversity, equity, and inclusion.

These ambitious and impactful goals and initiatives build on Amazon's long-term commitment to sustainability, as well as our commitment to supporting our employees, partners in our supply chain, and our communities. These are just some examples of the sustainability, environmental, social, and human capital initiatives we have underway, as we seek to constantly invent across the Company.

For these reasons, we generally oppose proposals requesting other specific reports, policies, or initiatives as they do not take into account the actions we are already taking or have already reported on to address such issues, the decisions we have made in prioritizing our initiatives, or the unique and evolving nature of our operations. We devote significant time and resources to enhancing transparency about our many sustainability, environmental, social, and human capital initiatives and our progress towards meeting our goals. We encourage you to review our sustainability report titled "All In: Staying the Course on Our Commitment to Sustainability" and website at sustainability.aboutamazon.com, our views on certain issues at www.aboutamazon.com/about-us/our-positions, and other postings on our "About Amazon" website at www.aboutamazon.com.

We will promptly provide each shareholder proponent's name, address, and, to our knowledge, share ownership upon a shareholder's oral or written request to the Corporate Secretary of Amazon.com, Inc. at Amazon.com, Inc., 410 Terry Avenue North, Seattle, Washington 98109.

ITEM 4—SHAREHOLDER PROPOSAL REQUESTING A REPORT ON CUSTOMER DUE DILIGENCE

Beginning of Shareholder Proposal and Statement of Support:

Resolved, Shareholders request the Board of Directors commission an independent third-party report, at reasonable cost and omitting proprietary information, assessing Amazon’s process for customer due diligence, to determine whether customers’ use of its products or services with surveillance or computer vision capabilities or cloud products contributes to human rights violations.

Whereas, Amazon’s surveillance and cloud products may exacerbate systemic inequities, compromise oversight, and contribute to mass surveillance. Amazon Web Services (AWS), the top cloud provider with 2019 revenue of \$35 billion, serves all U.S. intelligence agencies, and international governments.

In 2019, the UN Special Rapporteur on freedom of opinion and expression recommended “an immediate moratorium on the global sale and transfer of private surveillance technology until rigorous human rights safeguards are put in place.”¹

“Know Your Customer” due diligence mitigates clients’ risks and human rights impacts,² and informs decisions around which business to pursue or avoid. It can reveal whether “the technologies provided by the company will be used to facilitate governmental human or civil rights or civil liberties violations.”³ In 2020, the Department of State offered due diligence guidance for companies on foreign sales of “products or services that have surveillance capabilities,” including to consider if “the end-user will likely misuse the product or service to carry out human rights violations.”⁴

Inadequate due diligence around surveillance and cloud products presents material privacy and data security risks. Negative perceptions about Amazon’s ties to U.S. government surveillance may impact competitiveness with other governments.

Amazon’s surveillance technologies perpetuate human rights impacts, including systemic racism, even if used according to Amazon’s guidelines:

- Amazon’s work with U.S. Immigration and Customs Enforcement (ICE) and Palantir drew employee and customer protests over ICE’s human rights abuses.
- Ring’s 1,600 police partnerships threaten civil rights and civil liberties, and may threaten sales.⁵ Police disproportionately seek surveillance footage from Black and brown communities. Lawmakers have requested information on police partnerships. Civil rights groups asked Congress to investigate Amazon’s “surveillance empire.”⁶ Senator Markey’s 2019 Ring investigation found “no oversight/compliance mechanisms” protecting privacy.⁷
- Despite content moderation, racist speech is rampant on Ring’s Neighbors application, and users disproportionately labeled people of color as “suspicious.”⁸
- After police murdered George Floyd, Amazon announced a yearlong moratorium on Rekognition sales to police. While it is unclear how this impacted existing customers, Amazon facilitated increased police surveillance: Ring established 280 new police partnerships following Floyd’s killing.⁹ In 2020, Amazon reported increased police requests for customer data.
- Amazon lacks systems to effectively monitor customer use of its technologies. AWS’s top executive said: “I don’t think we know the total number of police departments that are using facial recognition technology.”¹⁰ Jackson, Mississippi police used Ring footage for real-time surveillance without Amazon’s involvement.¹¹

Despite potential misuse and lack of effective oversight, Amazon continues releasing surveillance products (home drone, vein scanner) with civil liberties concerns.

¹ <https://www.ohchr.org/EN/Issues/FreedomOpinion/Pages/SR2019ReporttoHRC.aspx>

² https://www.humanrights.dk/sites/humanrights.dk/files/media/document/Phase%204_%20Impact%20prevention%2C%20mitigation%20and%20remediation_n.pdf

³ <https://www.eff.org/deeplinks/2018/07/should-your-company-help-ice-know-your-customer-standards-evaluating-domestic>

⁴ <https://www.state.gov/key-topics-bureau-of-democracy-human-rights-and-labor/due-diligence-guidance/>

⁵ <https://gizmodo.com/dont-buy-anyone-a-ring-camera-1840070640>

⁶ <https://thehill.com/policy/technology/471903-civil-rights-groups-press-for-congressional-investigation-into-amazons>

⁷ <https://www.markey.senate.gov/news/press-releases/senator-markey-investigation-into-amazon-ring-doorbell-reveals-egregiously-lax-privacy-policies-and-civil-rights-protections>
⁸ <https://media-alliance.org/2020/11/ringing-alarm-bells/>
⁹ <https://mediajustice.org/news/mediajustice-finds-280-new-amazon-police-partnerships-since-george-floyd-killing-launches-campaign-for-black-brown-and-allied-holiday-shoppers-to-sever-ties-with-online-giant/>
¹⁰ <https://www.youtube.com/watch?v=RVVfJVj5z8s&t=5007s>
¹¹ <https://www.bbc.com/news/technology-54809228>

End of Shareholder Proposal and Statement of Support

RECOMMENDATION OF THE BOARD OF DIRECTORS ON ITEM 4

Amazon is committed to the responsible use of our technology products and services, including Amazon Web Services ("AWS") services, like Amazon Rekognition, and Ring home security products and services. Amazon has continuously taken steps to address illegal and discriminatory use of such technology through customer contractual requirements, policies, practices, and advocacy efforts. In our view, the proponent mischaracterizes our technology and ignores the many concrete steps we have taken to mitigate risks of potential misuse of such technology. The following are key developments and considerations, which are also detailed further below:

1. Amazon Rekognition is an image analysis service that can analyze objects, people, text, scenes, and activities in images and videos. Contrary to the proponent’s mischaracterization, it is not a surveillance system. Amazon Rekognition allows customers to provide images or video they want to have analyzed or compared, and does not provide images or databases to customers. The service analyzes the customer’s images or video and returns an output (e.g., identifying the presence of an umbrella in an image), including a confidence score indicating how accurate the service believes the output to be (e.g., 67% confidence the image contains an umbrella). Common use cases include online content moderation and detecting text and objects in images to organize photos.
2. Amazon understands the capability of facial recognition technology to solve complex problems that benefit society, as well as the risks if the technology were to be misused. We have urged governments and lawmakers to regulate use of technology to ensure it is used appropriately and have proposed guidelines for effective regulatory frameworks and guardrails that protect individual civil liberties and ensure that governments are transparent in their use. In addition to these policy efforts, we have contractual restrictions that prohibit the use of Amazon Rekognition for anything illegal, harmful, fraudulent, infringing, or offensive, as well as specific guidance and requirements regarding public disclosure, training, and other safeguards. We also announced a one-year moratorium on police use of Amazon’s facial recognition technology to give lawmakers time to implement appropriate rules.
3. AWS has internal mechanisms to address issues related to responsible use of Amazon Rekognition’s face comparison features. For example, we have science and technical experts that help design, test, and audit our services for fairness and accuracy and to mitigate potential bias, and we dedicate significant resources to ensuring that our technology is accurate. We also have cross-functional experts from engineering, science, product, legal, and policy backgrounds that establish processes and procedures to drive responsible use of AWS’s artificial intelligence and machine learning (AI/ML) services, including Amazon Rekognition, and we have reviewed and turned down potential customers that would violate our Acceptable Use Policy. We also have a mechanism to allow third parties to report potential abuses of the technology, and in the four-plus years AWS has been offering Amazon Rekognition, we have not received a single report of use in the harmful manner posited in the proposal.
4. Ring limits potential misuse of its products and services in numerous ways, including designing its Neighbors App to allow users to choose whether and what to share, enforcing strict limitations on a public safety agency’s use of Neighbors to ask users for video recordings, and requiring users to abide by community guidelines that prohibit racial profiling, hate speech, and other forms of discrimination.

When used properly and responsibly, the technology products and services offered by Amazon provide material benefits to society and the communities and organizations that use them. For example, since being introduced in 2016, non-profit, advocacy, and government groups have used Amazon Rekognition’s facial recognition capabilities to protect human rights,

including tracking and stopping child exploitation and rescuing victims of human trafficking, as well as locating hundreds of missing children. It has also been used to build educational apps, enhance security through multi-factor authentication, identify suggestive or explicit website content in order to block or remove those images, and provide identity verification as part of mobile banking services for underbanked individuals in emerging geographies, among numerous other examples. Similarly, Ring strives to fulfill its mission to help make neighborhoods safer by assisting community members in sharing important safety information and connecting with each other, as well as helping reunite families with their missing loved ones.

Amazon Rekognition

We understand the risks associated with potential misuse of facial recognition technology and, in connection with extensive discussions with customers, researchers, academics, policymakers, and civil society groups, we have taken the following actions to review and address concerns around potential misuse:

- *Implemented Police Moratorium.* On June 10, 2020, AWS implemented a one-year moratorium on use of Amazon Rekognition's face comparison feature by police departments in connection with criminal investigations. We believe this moratorium will give governments time to implement appropriate rules, and we stand ready to help with any such initiatives. Since this announcement, several United States state and local jurisdictions have introduced, debated, and implemented such laws, and we anticipate additional activity and progress in this area. We support the calls for an appropriate national legislative framework that protects individual civil rights and ensures that governments are transparent in their use of facial recognition technology, and have provided guidance to those thinking about these issues.¹
- *Enhanced Legal Terms.* All customers using Amazon Rekognition must comply with the relevant AWS legal terms. In early 2020, prior to our implementation of the moratorium on police use, we spent significant resources and consulted with law enforcement customers, civil society groups, and other stakeholders to perform an extensive review of and update to our legal terms to require certain disclosures and practices around law enforcement use cases. For example, if a law enforcement agency uses Amazon Rekognition in connection with criminal investigations, AWS legal terms require it to publicly disclose its use of facial recognition systems, summarize the safeguards in place to prevent violations of civil liberties or equivalent human rights, and make the disclosure easily accessible; we also direct customers to resources made available by the U.S. Federal Bureau of Investigation and Department of Justice in this area.² In addition, if Amazon Rekognition is used to assist in identifying a person, and actions will be taken based on the identification that could impact that person's civil liberties or equivalent human rights, AWS legal terms require the decision to take action to be made by an appropriately trained person based on their independent examination of the identification evidence, and the agency to ensure that such personnel receive appropriate training on the responsible use of facial recognition systems.³ We believe this framework strikes a balance between the benefits and risks of use of facial recognition by law enforcement and helps address concerns around potential misuse.
- *Actively Engage in Policy Discussions.* Amazon believes that facial recognition technology should not be banned or condemned simply because there is a potential that people may misuse it. Many technologies, like cell phones or cameras, could also be misused. Instead, as we have made clear in our statement of positions, "we think that governments and lawmakers should act to regulate the use of this technology to ensure it's used appropriately, and we have proposed guidelines for effective regulatory frameworks and guardrails that protect individual civil rights and ensures that governments are transparent in their application of the technology."⁴ In addition to our implementation of the moratorium on police use, AWS continues to engage with a large number of diverse stakeholders on these issues, including civil society groups, academia, policymakers, and law enforcement officials.
- *Require Customer Agreement to Acceptable Use Policy.* As a condition to using Amazon Rekognition and every other AWS service, a customer (including government or law enforcement customer) must accept the AWS Acceptable Use Policy (the "AUP"), which prohibits use of AWS's services "for any illegal, harmful, fraudulent, infringing or offensive use," including "[a]ny activities that are illegal, that violate the rights of others, or that may be harmful to others, our operations or

¹ Available at <https://aws.amazon.com/blogs/machine-learning/some-thoughts-on-facial-recognition-legislation/>.

² See <https://aws.amazon.com/service-terms/> (Section 50.8.4). This term directs customers to example FBI statements, FBI privacy assessments, and the Facial Recognition Policy Development Template published by the U.S Department of Justice's Bureau of Justice Assistance; see also <https://www.fbi.gov/news/testimony/facial-recognition-technology-ensuring-transparency-in-government-use>; <https://www.fbi.gov/services/information-management/foipa/privacy-impact-assessments/facial-analysis-comparison-and-evaluation-face-services-unit>; <https://bja.ojp.gov/sites/g/files/xyckuh186/files/Publications/Face-Recognition-Policy-Development-Template-508-compliant.pdf>.

³ See <https://aws.amazon.com/service-terms/>.

⁴ Available at <https://www.aboutamazon.com/about-us/our-positions> and <https://aws.amazon.com/blogs/machine-learning/some-thoughts-on-facial-recognition-legislation/>.

reputation.”⁵ This includes the violation of any laws related to privacy, discrimination, and civil rights. AWS will suspend or terminate access to Amazon Rekognition if we determine a customer is violating our AUP or the updated terms mentioned above.

- *Provide Reporting Mechanisms.* AWS provides a website and e-mail address where any person can report suspected abuse, and AWS employs trained staff that review every report that is received. In the more than four years AWS has been offering Amazon Rekognition, AWS has not received a single report of Amazon Rekognition being used in the harmful manner posited in the proposal.
- *Dedicate Significant Resources to Machine Learning Accuracy and Bias Mitigation.* AWS dedicates significant resources to testing, auditing, and improving its technology so that it is constantly learning and improving accuracy, including providing diverse perspectives on its technology development teams, using training data sets that reflect gender, racial, ethnic, religious, and cultural diversity, and incorporating feedback from third parties. We have science and technical experts who help promote fairness by design in our products and services, including helping to design, test, and audit our services for fairness and accuracy and to mitigate potential bias, and who publish academic papers and provide thought leadership in this area.⁶ AWS also recently announced the availability of new capabilities that help customers detect bias in ML models and increase transparency by helping explain model behavior to stakeholders and customers.⁷ We continue to invest heavily in this area and work closely with customers and other stakeholders on addressing these important issues.
- *Provide Customer Guidance on Best Practices and Acceptable Use.* AWS provides guidance to customers on best practices for utilizing and analyzing the results from using facial recognition technology. For example, in line with the enhancements to the AWS legal terms described above, AWS recommends that in public safety use cases: a 99% or higher confidence threshold be used to reduce errors and false positives; human reviewers verify the system’s results; and decisions not be made based on the system output without additional human review. AWS also recommends customers be transparent about the use of face detection and comparison systems in such use cases, including, wherever possible, informing end users and subjects about the use of these systems, obtaining consent for that use, and providing a mechanism for end users and subjects to provide feedback to improve the system.⁸ As noted above, we have cross-functional experts from engineering, science, product, legal, and policy backgrounds who establish processes and procedures to drive responsible use of AWS’s AI/ML services, including Amazon Rekognition. When we are approached by customers with potential use cases that may implicate our AUP, these experts analyze the proposed use case and we have turned down customers whose proposed uses would violate our AUP.
- *Support Standardized Testing Methodologies and Benchmarks.* We believe it is important that there be standardized testing methodologies and benchmarks for cloud-based facial recognition technologies. AWS encourages and supports the development of independent standards by entities like the National Institute of Standards and Technology (NIST) and other independent and recognized research organizations and standards bodies to develop tests that support cloud-based facial recognition software. We are engaging with NIST and other stakeholders to offer our direct assistance towards this effort. We also support efforts by members of the academic community to establish independent and trusted criteria, benchmarks, and evaluation protocols around facial recognition services.

Ring

We have taken the following actions, among others, to limit potential misuse of Ring products and services:

- *Allow Users to Choose What to Share.* The Neighbors App by Ring is a free application designed to help community members connect with each other and the public safety agencies that serve them to share important safety information and stay informed about their communities. Ring designed Neighbors to protect user privacy and to keep users in control of what information, if any, they want to share. Users can choose to upload videos, photos, or text-based posts to Neighbors to publicly share crime and safety-related information with their communities. They can also choose not to do that. With Neighbors, public safety agencies can only view publicly available content on Neighbors or videos that a user explicitly and voluntarily chooses to share with a public safety agency. In particular, users choose whether to share videos or other information if local public safety agencies ask the community for assistance with an active case, and can opt out of receiving these notifications. Public safety agencies are also not able to see how many Ring users received a notification, who declined to share, or which users opted-out of receiving these notifications. Police and other public safety officials do

⁵ Available at <https://aws.amazon.com/aup/>.

⁶ Available at <https://arxiv.org/abs/2007.06570> and <https://www.youtube.com/watch?v=JCGUYFe6P2k>.

⁷ Available at <https://aws.amazon.com/sagemaker/clarify/>.

⁸ Available at <https://docs.aws.amazon.com/rekognition/latest/dg/rekognition-dg.pdf>.

not have access to users' devices, device locations, video recordings, or personal information when using Neighbors unless a user chooses to share. Ring also never provides police and other public safety officials access to device livestreams.

- *Provide Added Resources and Updates to Neighbors.* In 2020, Ring implemented several enhancements to Neighbors. Ring began allowing fire departments to join Neighbors and added a Community Resources section to the App. The Community Resources section provides users one place to access relevant health and safety resources, such as those related to homelessness, mental health, crisis intervention, victim support, animal support, and conflict resolution. Ring also eliminated the "Suspicious" and "Stranger" categories from Neighbors to encourage users to move away from describing people to describing activities. In addition, while users have had the ability to opt out of receiving notifications when local public safety agencies request assistance with an investigation, Ring added the ability for users to disable the Neighbors feature from appearing in the Ring App.
- *Enforce Strict Limitations on Requests for Video Recordings.* Ring also imposes strict limitations on public safety agencies when they ask the community for assistance in an active investigation. For example, Ring's policy expressly prohibits agencies from making a video request for lawful activities, such as protests, and the agencies must provide an active case or incident number related to a specific crime or safety incident before a video request can be shared with Ring users in the area. Additional safeguards include: restricting local public safety agencies to only asking for videos recorded during a specified 12 hour period, such as noon to midnight, in a given day; requiring a minimum 0.025 square mile and maximum 0.5 square mile geographic region each time a public safety official asks for assistance to avoid targeting specific residents or broad geographic requests; prohibiting public safety officials from asking for video recordings more than 45 days after the incident under investigation took place; and requiring that public safety officials submit their request for assistance individually, not "batched." Ring moderates every video request notification submitted before sharing the notification with Ring users to make sure it follows our guidelines, and Ring does not allow for open requests for footage. Further, in order to promote transparency, Ring discloses the number of such video request notifications sent per agency within the last calendar quarter.⁹
- *Require Customer Agreement to Community Guidelines.* Ring is committed to upholding a standard of trust and civility and does not tolerate racial profiling, hate speech, and other forms of profiling or prejudice on Neighbors. Ring requires all Neighbors users to agree to strict community guidelines, which prohibit racial profiling, hate speech, and other forms of discrimination. To monitor compliance with these standards, Ring also invests heavily in manual and automated content moderation. Ring has a dedicated group of team members, who are trained regarding critical and timely issues, proactively moderating Neighbors content and working to remove prohibited content prior to posting publicly, 24 hours a day, seven days a week. When posts are denied, an email is sent to the Neighbors user who submitted the post to inform them why, reinforcing our guidelines and helping users make responsible decisions. In addition, Neighbors users can flag incorrect or inappropriate content directly in the App. The moderation team will remove the flagged content if they determine that the content violates community guidelines.
- *Deliver on Privacy and Security Commitment.* Ring continues to innovate and identify new ways to help uphold customer privacy and security and give users even more control over their devices and personal information. Ring launched Control Center in early 2020, a feature in the Ring app that lets users manage important privacy and security settings from one simple, easy-to-use dashboard.

Finally, it is not true that our Board lacks oversight in this area. Our Board has reviewed Amazon Rekognition, along with many other programs, as part of numerous AWS business reviews, and has also reviewed Ring in several of its meetings since our acquisition of Ring. In addition, our Nominating and Corporate Governance Committee has provided oversight on behalf of the Board over the human rights aspects of Amazon's Rekognition technology and Ring, as well as our other technologies, and has specifically reviewed Amazon Rekognition's facial recognition capabilities and Ring in 2020. Under its charter, the Nominating and Corporate Governance Committee, which is comprised of directors with experience in emerging technologies and public policy, is given responsibility for overseeing and monitoring the Company's policies and initiatives relating to corporate social responsibility, including human rights and ethical business practices, and risks related to the Company's operations and engagement with customers, suppliers, and communities.

The proposal requests that the Company prepare a report about Amazon's process for customer due diligence to determine whether customers' use of our products or services with surveillance or computer vision capabilities or cloud products contributes to human rights violations. Conversations around responsible development and use of AI/ML systems are happening around the world among government, industry, academia, and other groups. Amazon is an active participant

⁹ See <https://support.ring.com/hc/en-us/articles/360035402811-Active-Agency-Map>.

and contributor to these conversations, and Amazon teams and subject matter experts are helping lead the industry on these very issues. As demonstrated above, we have conscientiously acted to review and address the concerns expressed in the proposal and transparently provided information regarding our actions to the public. In light of our commitment to customer trust, privacy, and security; the material benefits to both society and organizations of Amazon’s technology products and services; and our ongoing transparency and efforts to address potential misuse of those products and services, the Board recommends that shareholders vote against this proposal.

The Board of Directors recommends a vote “AGAINST” this proposal requesting a report on customer due diligence.

ITEM 5—SHAREHOLDER PROPOSAL REQUESTING A MANDATORY INDEPENDENT BOARD CHAIR POLICY

Beginning of Shareholder Proposal and Statement of Support:

RESOLVED: Shareholders of Amazon.com Inc (“Amazon” or the “Company”) urge the Board of Directors (the “Board”) to adopt a policy to require that the Chair of the Board shall be an independent director who has not previously served as an executive officer of the Company.

This policy should be implemented so as not to violate any contractual obligations, with amendments to the Company’s governing documents as needed. The policy should also specify the process for selecting a new independent Chair if the current Chair ceases to be independent between annual meetings of shareholders. Compliance with the policy may be excused if no independent director is available and willing to be Chair.

SUPPORTING STATEMENT

Amazon’s Chief Executive Officer (CEO) Jeff Bezos also serves as Board Chair. We believe the combination of these two roles in a single person weakens a corporation’s governance, which can harm shareholder value. The Board’s oversight of management can be diminished when the Chair is not an independent director.

According to Institutional Shareholder Services, “the past decade has witnessed a significant rise in the number of companies with independent Chairs and a corresponding decline in the prevalence of combined CEO-Chairs.”ⁱ In 2019, 34 percent of S&P 500 companies had an independent Chair, up from 31 percent in the previous year and 16 percent in 2009.ⁱⁱ

According to Glass Lewis, “shareholders are better served when the board is led by an independent chairman who we believe is better able to oversee the executives of the Company and set a pro-shareholder agenda without the management conflicts that exists when a CEO or other executive also serves as chairman.”ⁱⁱⁱ

An independent Chair will be particularly useful at Amazon to provide more robust oversight of risk, including on environmental, social, and governance issues. An independent Chair will strengthen the ability of the Board to provide objective feedback to the CEO and enhance management accountability.

Amazon has faced increasing criticism over its relationships with key constituencies, such as small businesses,^{iv} workers,^v and communities in which it operates.^{vi} Amazon has also been criticized regarding workplace safety practices related to COVID-19^{vii} and warehouse injuries.^{viii} The Company’s surveillance technology has provoked concerns.^{ix} The Company has also been criticized regarding gender^x and racial^{xi} diversity.

These controversies and operating challenges may have resulted from Amazon’s rapid growth, but they threaten to damage our Company’s corporate reputation and financial performance. An independent Chair would more likely result in improved policies and practices to mitigate these business risks.

ⁱ <https://www.issgovernance.com/library/independent-board-leadership-matters/>

ⁱⁱ https://www.spencerstuart.com/-/media/2019/ssbi-2019/us_board_index_2019.pdf

ⁱⁱⁱ <https://www.glasslewis.com/wp-content/uploads/2016/03/2016-In-Depth-Report-INDEPENDENT-BOARD-CHAIRMAN.pdf>

^{iv} <https://www.yalelawjournal.org/note/amazons-antitrust-paradox>; https://ilsr.org/amazons_tollbooth/

- ^v <https://www.vice.com/en/article/5dp3yn/amazon-leaked-reports-expose-spying-warehouse-workers-labor-union-environmental-groups-social-movements>; <https://www.vox.com/recode/2020/10/6/21502639/amazon-union-busting-tracking-memo-spoc>
- ^{vi} <https://www.nytimes.com/2019/02/14/opinion/amazon-hq2-new-york.html>; <https://www.theatlantic.com/business/archive/2018/02/amazon-warehouses-poor-cities/552020/>
- ^{vii} <https://www.nytimes.com/2020/05/07/technology/amazon-coronavirus-whistleblowers.html>
- ^{viii} <https://www.revealnews.org/article/how-amazon-hid-its-safety-crisis/>
- ^{ix} <https://www.washingtonpost.com/technology/2019/11/19/police-can-keep-ring-camera-video-forever-share-with-whomever-theyd-like-company-tells-senator/>; <https://www.nytimes.com/2020/11/27/opinion/amazon-halo-surveillance.html>
- ^x <https://www.nytimes.com/2017/10/20/technology/amazon-sexual-harassment.html>
- ^{xi} <https://www.nytimes.com/2020/06/24/technology/amazon-racial-inequality.html>

End of Shareholder Proposal and Statement of Support

RECOMMENDATION OF THE BOARD OF DIRECTORS ON ITEM 5

The Board is committed to strong, independent leadership of the Board, and believes that its current governance processes, which provide it with flexibility to establish the leadership structure that it determines best supports its operations and the Company at a particular time, are preferable to the rigid and prescriptive approach set forth in this proposal. Currently, the independent directors on the Board have appointed an independent director, Jonathan J. Rubinstein, to serve as lead director in order to promote independent leadership of the Board and address the purported governance concerns listed in the shareholder proposal. The lead director presides over the executive sessions of the independent directors, chairs Board meetings in the Chair's absence, works with management and the independent directors to approve agendas, schedules, information, and materials for Board meetings, and is available to engage directly with major shareholders where appropriate. In addition, the lead director confers from time to time with the Chair of the Board and the independent directors and reviews, as appropriate, the annual schedule of regular Board meetings and major Board meeting agenda topics. The guidance and direction provided by the lead director reinforce the Board's independent oversight of management and contribute to communication among members of the Board. The Board believes that this leadership structure improves the Board's ability to focus on key policy and operational issues and helps us operate in the long-term interests of shareholders, while maintaining a strong, independent perspective.

This proposal, if implemented, would require the Board to immediately remove Mr. Bezos from his position as Chair, rather than allowing the Board to assess the issue from time to time depending on the particular circumstances. The independent directors recently had the opportunity to reconsider the Board leadership structure and functions in connection with the February 2, 2021 announcement that Mr. Bezos plans to transition out of the role of Chief Executive Officer and President. After careful consideration, the Board determined it to be in the best interests of the Company and its shareholders for Mr. Bezos to serve as Executive Chair of the Board after he steps down as Chief Executive Officer and President. This is due in part to Mr. Bezos' significant ownership stake in Amazon since founding the Company in 1994, which provides a long-term focus that benefits the Board's decision-making and aligns his interests with those of our other long-term shareholders. In this regard, our stock has significantly outperformed the S&P 500 over the last 3, 5, and 10-year periods. For example, over the last five years, between December 2015 and December 2020, our stock has increased approximately 382% while the S&P 500 has risen approximately 103%. In addition, the role of Executive Chair will provide stability by allowing Mr. Bezos to continue to guide management and promote continued excellence among the management team. For example, in November 2020, the Drucker Institute recognized the effectiveness of our management team by naming Amazon as one of the top five companies in its Management Top 250 ranking, which assesses corporate performance on the following principles: customer satisfaction, employee engagement and development, innovation, social responsibility, and financial strength.¹⁰ We are at or near the top of other customer experience and reputation surveys, including ranking in the top three of the Axios Harris Poll 100 eight years running, #2 on the Fortune World's Most Admired Companies five years running, top five of the Internet Retail category of the American Customer Satisfaction Index for over 20 years running, and #2 on the

¹⁰ See <https://www.wsj.com/articles/the-best-managed-companies-of-2019and-how-they-got-that-way-11574437229>; <https://www.drucker.institute/2020-drucker-institute-company-ranking/>.

Forbes World's Best Employers, a survey of workers on satisfaction with their employers' COVID-19 response, talent development, gender equality, social responsibility, and more.¹¹

In light of the considerations discussed above, we do not believe that an immediate transition to an independent chair would be in the best interests of Amazon or our shareholders. Instead, consistent with our directors' fiduciary duty to routinely evaluate and determine the most appropriate leadership structure for Amazon and our shareholders, our governing documents provide the Board with the flexibility to determine the optimal leadership structure for Amazon in light of our specific characteristics or circumstances at any given time. This includes the ability to appoint an independent Chair of the Board if and when appropriate. The Board believes that Amazon and our shareholders benefit from this flexibility, and that the directors are best positioned to lead this evaluation given their knowledge of our leadership team, strategic goals, opportunities, and challenges.

The proposal's assertion that an independent Chair would provide more robust oversight of risk, including on environmental, social, and governance issues, fails to take into account that these issues are already overseen by Board committees consisting solely of independent directors. Specifically, the Leadership Development and Compensation Committee oversees and monitors the Company's strategies and policies related to human capital management within the Company's workforce, including with respect to policies on diversity and inclusion, workplace environment and safety, and corporate culture, the Audit Committee oversees legal compliance and controls, policies, and procedures, and the Nominating and Corporate Governance Committee oversees and monitors the Company's other policies and initiatives relating to corporate social responsibility, including human rights and ethical business practices, and related risks most relevant to the Company's operations and engagement with customers, suppliers, and communities. Furthermore, the Leadership Development and Compensation Committee's oversight of human capital management includes review of workplace safety and our response to the COVID-19 pandemic. The Leadership Development and Compensation Committee held seven formal meetings during 2020, and workplace safety and our response to the COVID-19 pandemic has been a significant topic of discussion and oversight at the Leadership Development and Compensation Committee's meetings since the onset of the pandemic. In addition, in regularly scheduled teleconference discussions, generally on a bi-weekly basis throughout 2020, the full Board was briefed on and reviewed the Company's response to the COVID-19 pandemic, including the Company's actions to address and mitigate the pandemic's impact on employees, reflecting the fact that the COVID-19 pandemic was significant to so many aspects of our operations that the updates should be provided to the entire Board.

Further, in the last few years, the Company has taken a leadership position on many environmental and social issues, including raising our employees' starting wage in the United States to \$15 an hour, co-founding The Climate Pledge, building a first-of-its-kind family shelter (the largest in Washington State) within an Amazon office building in the center of our Puget Sound headquarters which opened in 2020,¹² establishing the \$2 billion Housing Equity Fund to preserve and create over 20,000 affordable homes,¹³ making a \$700 million commitment to upskill 100,000 employees in the United States in response to the changing American workforce,¹⁴ and funding computer science courses for more than 5,000 schools and 550,000 students through the Amazon Future Engineer program.¹⁵ In 2020, we committed \$11.5 billion on COVID-19-related initiatives to help keep employees safe and to get items to customers, including paying over \$2.5 billion in special bonuses and incentives for our teams globally. Amazon has been transparent about our most carefully considered and deeply held positions—including the equitable treatment of Black people, LGBTQ+ rights, immigration reform, federal minimum wage, and more—and published them to provide customers, investors, policymakers, employees, and others our views on important issues.¹⁶

We believe that it is important for the Board to continue to determine on a case-by-case basis the most effective leadership structure for us, rather than take a rigid approach to board leadership, as called for by the shareholder proposal. In addition, in reviewing this proposal, the Board took into consideration relevant benchmarking data and concluded that the proposal's approach is not common practice. For example, as noted in the proposal's supporting statement, as of 2019, only 34% of

¹¹ See <https://www.aboutamazon.com/about-us/awards-recognition>.

¹² See <https://www.aboutamazon.com/news/community/building-a-home-with-heart>; <https://www.aboutamazon.com/news/community/new-shelter-on-amazons-campus-is-saving-grace-for-marys-place>.

¹³ See <https://www.aboutamazon.com/impact/community/housing-equity>.

¹⁴ See <https://www.aboutamazon.com/news/workplace/our-upskilling-2025-programs>.

¹⁵ See <https://www.aboutamazon.com/impact/community/stem-education>.

¹⁶ See <https://www.aboutamazon.com/about-us/our-positions>.

S&P 500 companies had an independent chair.¹⁷ In addition, our existing corporate governance practices reinforce the Board's alignment with, and accountability to, shareholders. The Board's committee charters delineate the significant authority and responsibilities of the Board committees, and the Board as well as its committees can retain outside advisors to assist in the performance of their duties. Other current governance practices include annual election of directors, majority voting for each director, proxy access, an annual director evaluation process, shareholders' right to call special meetings at which they can nominate director candidates or propose other business, shareholders' ability to submit names of director candidates directly to the Board for consideration, and shareholders' ability to communicate directly with the Board in the manner described in our Board of Directors Guidelines on Significant Corporate Governance Issues.

For the foregoing reasons, the Board recommends that shareholders vote against this proposal.

The Board of Directors recommends a vote "AGAINST" this proposal requesting a mandatory independent board chair policy.

ITEM 6—SHAREHOLDER PROPOSAL REQUESTING ADDITIONAL REPORTING ON GENDER/RACIAL PAY

Beginning of Shareholder Proposal and Statement of Support:

Pay Equity

Whereas: Pay inequity persists across race and gender. Black workers' hourly median earnings have fallen 3.6 percent since 2000, representing 75.6 percent of white wages. The median income for women working full time in the United States is 80 percent that of men. Intersecting race, African American women make 62 cents, Native women 60 cents, and Latina women 54 cents. At the current rate, women will not reach pay equity until 2059, African American women until 2130, and Latina women until 2224.

Citigroup estimates closing minority and gender wage gaps 20 years ago could have generated 12 trillion dollars in additional income and contributed 0.15 percent to United States GDP per year. PwC estimates closing the gender pay gap could boost Organization for Economic Cooperation and Development (OECD) countries' economies by 2 trillion dollars annually.

Diversity is linked to superior stock performance and return on equity. Actively managing pay equity is associated with improved representation. Of note, 26.5 percent of Amazon employees are black, but black employees represent only 8.3 percent of leadership. Women account for 43 percent of Amazon's workforce, but only 28 percent of managers.

Pay gaps are literally defined as the median pay of minorities and women compared to the median pay of non-minorities and men, considered *the* valid way of measuring gender pay inequity by the United States Census Bureau, Department of Labor, OECD, and International Labor Organization.

Best practice pay equity reporting consists of two parts:

1. *unadjusted* median pay gaps, assessing "equal opportunity" to high paying roles,
2. statistically *adjusted* gaps, assessing pay between minorities and non-minorities, men and women, performing similar roles—"equal pay for equal work."

Amazon reports near parity for statistically adjusted gaps but ignores unadjusted median gaps.

The Equal Employment and Opportunity Commission now mandates pay data reporting, across race and gender, as workforce diversity data alone is insufficient to assess pay inequity. The United Kingdom mandates disclosure of median gender pay gaps and is considering mandating race and ethnicity reporting. Amazon reported a one percent median gender base pay gap and a 4.1 percent bonus gap for United Kingdom employees.

¹⁷ See Spencer Stuart, 2019 U.S. Spencer Stuart Board Index, available at https://www.spencerstuart.com/-/media/2019/ssbi-2019/us_board_index_2019.pdf.

Resolved: Shareholders request Amazon report on *median* pay gaps across race and gender, including associated policy, reputational, competitive, and operational risks, and risks related to recruiting and retaining diverse talent. The report should be prepared at reasonable cost, omitting proprietary information, litigation strategy and legal compliance information.

Racial/gender pay gaps are defined as the difference between non-minority and minority/male and female *median* earnings expressed as a percentage of non-minority/male earnings (Wikipedia/OECD, respectively).

Supporting Statement: An annual report adequate for investors to assess performance could, with board discretion, integrate base, bonus and equity compensation to calculate:

- percentage median gender pay gap, globally and/or by country, where appropriate
- percentage median racial/minority/ethnicity pay gap, US and/or by country, where appropriate

End of Shareholder Proposal and Statement of Support

RECOMMENDATION OF THE BOARD OF DIRECTORS ON ITEM 6

We believe that people should receive equal pay for equal work, regardless of gender, race, or ethnicity, and we are committed to compensating our employees fairly and equitably. We also are strongly committed to promoting gender and racial diversity and inclusion in our workforce, including among our leadership ranks. In light of the extensive reporting we already provide on our progress and ongoing activities promoting these objectives, as detailed below and reported publicly, we do not believe that the additional report on vaguely-described “median pay gaps across race and gender” requested by this proposal would enhance understanding of or accountability for our diversity efforts.

Amazon already provides extensive statistical reporting on our workforce diversity and pay equity. We annually publish gender and race representation information on our diversity and inclusion website. To provide greater transparency, we have committed to publishing our consolidated 2020 EEO-1 Report. Amazon also annually provides information on compensation by gender and by race/ethnicity. As the proponent acknowledges, our reported gender and racial/ethnic group pay statistics demonstrate that Amazon pays our employees comparably when analyzing the work of people performing the same jobs. When evaluating 2020 compensation in the United States, including base compensation, cash bonuses, and stock, our reported data demonstrates that women earned a dollar for every dollar that men earned performing the same jobs, and racial/ethnic minorities earned 99.2 cents for every dollar that white employees earned performing the same jobs.¹⁸

We disagree with this proposal’s unsupported assertion that reporting unadjusted median pay gaps is a “best practice,” and we note that few U.S. companies report on an unadjusted basis. An unadjusted median pay statistic does not account for factors such as cost of living, job function and level, labor force participation rates, country currency, and geography that impact differences in compensation. Furthermore, the unadjusted median pay statistic does not provide the information our managers and leaders need to make hiring, promotion, and retention decisions in a way that drives representation of women and employees from underrepresented racial/ethnic groups in management and leadership roles. We believe that the pay information that we review and disclose publicly each year, which incorporates these differences, provides a more accurate picture of our pay policies and practices. As reflected by our published pay information, we are committed to fairly and equitably compensating our employees. Our compensation policies and practices are designed to provide that employees are compensated in accordance with their job and level, without regard to gender, race, or other protected categories. We monitor implementation of our policies and practices by annually reviewing employee compensation.

We also do not believe that reporting on a number of median pay gaps across race and gender, as requested by this proposal, is a practical or useful approach that would enhance understanding of or accountability for our diversity and inclusion efforts. The nature of racial disparities and discrimination issues, as well as the racial and ethnic composition of underrepresented groups, can vary greatly from region to region, even within the same country. Therefore, a determination as to which demographic groups are, or are not, underrepresented in a given geography may not be possible. Moreover, the laws of some countries prohibit employers from collecting race and ethnicity information from employees, as recognized

¹⁸ See <https://www.aboutamazon.com/news/workplace/our-workforce-data>.

by Institutional Shareholder Services (“ISS”) in a recent report.¹⁹ The proposal seems to recognize these limitations but does not explain how it would have companies solve them, instead stating only that companies may calculate “percentage median racial/minority/ethnicity pay gap” by “US and/or by country, where appropriate.” While we could provide a patchwork of additional statistics across our workforce, we do not believe it is a useful or productive effort.

We are proud to be an industry leader on pay and benefits. In the United States, Amazon already leads the way in pay with a \$15 starting wage and offers competitive benefits to our employees, like comprehensive healthcare and parental leave for both parents (birth parents are eligible for up to 20 weeks of leave and partners up to six). We also know that the American workforce is changing—there is a greater need for technical skills in the workplace than ever before, and a huge opportunity for people with the right skills to move into better paying jobs. In 2019, Amazon announced it will invest \$700 million in upskilling training programs designed to provide our employees access to the education and training they need to grow their careers. This initiative will provide 100,000 Amazon employees with access to training programs in high-demand areas like medicine, cloud computing, and machine learning. We are also now offering graduate-school-level training for our employees through Machine Learning University, a program designed to give current Amazon employees the chance to develop expertise in machine learning, growing critical skills in an area of rapidly expanding professional opportunities within Amazon.

We are equally committed to increasing gender and racial diversity, including among our leadership ranks. We believe “[d]iversity and inclusion are good for business—and more fundamentally—simply right,”²⁰ and, as our CEO has stated, “[t]hese are enduring values for us—and nothing will change that.” Our Board is likewise dedicated to promoting diversity, equity, and inclusion at Amazon. The Board’s Leadership Development and Compensation Committee oversees our strategies and policies related to human capital management, including specifically overseeing and monitoring our policies on diversity and inclusion, compensation and benefits, and retention. The Board is also committed to its own diversity. The Nominating and Corporate Governance Committee of the Board includes, and has any search firm that it engages include, women and individuals from underrepresented racial/ethnic groups in the pool from which it selects director candidates. Currently, of our independent directors, four are women, one is from an underrepresented racial/ethnic group, and all three Board committees are chaired by women.

With approximately 1.3 million employees worldwide, we have increased the percentage of women and U.S. employees from underrepresented racial/ethnic groups across our tech and non-tech corporate roles and in manager roles in each of the past three years. In 2020, we set and achieved a goal to double the number of Black directors and vice presidents at Amazon, and we are committed to doubling representation again in 2021. We have also launched Rise, a leadership development program for Black leaders across all businesses. In addition, we are one of the initial twelve launch employers participating in the Management Leadership for Tomorrow Black Equity at Work Certification Program, which is a clear and comprehensive new standard that requires employers to assess and make meaningful progress toward achieving Black equity internally while supporting Black equity in society.²¹ Moreover, we are continuing to invest in our efforts to bring more women and employees from underrepresented racial/ethnic groups into leadership positions at Amazon. We have hundreds of professionals in a central diversity, equity, and inclusion organization and in teams embedded in our businesses who are devoted full-time to promoting diversity, equity, and inclusion goals, initiatives, and mechanisms. We also have teams in every business and in executive recruiting dedicated to hiring diverse talent, and we participate in events and partnerships with groups like AnitaB.org, GEM Consortium Fellows, AfroTech, Lesbians Who Tech, and the American Indian Science and Engineering Society. We also ran a virtual summit, “Represent the Future,” in October 2020 that centered on Black, Latinx, and Native American talent (students and professional), and we are investing in internal and external programs to assist diverse leaders to advance into more senior roles.

Our commitment to diversity, equity, and inclusion is further fostered by our 12 employee-led Affinity Groups, which engage employees across hundreds of chapters around the world. These include Amazon People with Disabilities, Amazon Women in Engineering, Asians@Amazon, the Black Employee Network, Body Positive Peers, Families@Amazon, Glamazon, Indigenous@Amazon, Latinos@Amazon, Warriors@Amazon, Women@Amazon, and the Women in Finance Initiative. We also host annual and ongoing learning experiences with a diversity, equity, and inclusion focus, including our annual AmazeCon and Conversations on Race and Ethnicity (CORE) conferences. At AmazeCon, our largest global internal conference, Amazonians examine the intersection of gender with race, sexual orientation, disability status, veteran status, and other dimensions of diversity. This conference has included diversity-oriented talks from academics and external leaders on

¹⁹ See U.S. Environmental & Social Shareholder Proposals, 2020 Proxy Season Review, ISS, October 20, 2020, at 12, available at <https://insights.issgovernance.com/posts/2020-u-s-environmental-social-shareholder-proposals-proxy-season-review/> (subscription required).

²⁰ See <https://www.aboutamazon.com/about-us/our-positions>.

²¹ See <https://www.mltblackequityatwork.org/>.

technology, entrepreneurship, entertainment, and leadership and includes Amazon-specific training programs focused on personal and team development. Our focus on diversity, equity, and inclusion has been independently recognized by the Human Rights Campaign’s Corporate Equality Index; the NAACP Equity, Inclusion, and Empowerment Index; the Disability Equality Index; and the 2019 American Foundation for the Blind Helen Keller Achievement Award. More information about Amazon’s diversity and inclusion efforts and employee demographics is publicly available at <https://www.aboutamazon.com/workplace/diversity-inclusion>.

We also believe it is critical that we increase opportunities for underrepresented groups to enter the technology workforce. To find the best talent for technical and non-technical roles, we actively partner with academic institutions that reach underrepresented communities. Some examples of our efforts to recruit women globally and individuals from underrepresented racial/ethnic groups in the United States include recruiting from diverse colleges and universities (including Historically Black Colleges and Universities (“HBCUs”), Hispanic Serving Institutions, women’s colleges, and tribal colleges), hosting hiring fairs within underrepresented communities around the world, and committing to the HBCU Partnership Challenge to support greater engagement between private companies and HBCUs. In February 2020, we hosted a conference for students from HBCUs to bring together Amazon’s HBCU alumni and 225 students from 42 HBCUs together to learn, connect and think about their future paths. In September 2020, we announced that we will sponsor a summer program held at Howard University, an HBCU, aimed at increasing the pipeline of economists from underrepresented racial/ethnic groups. Amazon’s Student Programs also offer internships across Amazon’s business units and look for interns through campus organizations like the National Society of Black Engineers, the Society of Hispanic Professional Engineers, Society of Women Engineers, American Indian Science and Engineering Society, and others.²²

In addition to our hiring efforts, we are investing in building the next generation of diverse technical leaders from various backgrounds by providing broader access to STEM education. We have committed \$50 million to support computer science and STEM programs for underserved and underrepresented communities. Our Amazon Future Engineer program is a comprehensive childhood-to-career initiative to inspire, educate, and train children and young adults from underprivileged, underrepresented, and underserved communities to pursue careers in computer science. We aim to inspire more than 10 million kids each year to explore computer science through coding camps and online lessons, fund introductory and Advanced Placement courses in computer science for over 100,000 young people in 2,000 high schools in lower income communities across the United States, award 100 students from underserved communities pursuing degrees in computer science four-year \$10,000 annual scholarships, and offer internships at Amazon to provide students work experience. We also work with organizations like Code.org and Ada Developers Academy to promote diversity in the STEM pipeline. Other organizations with which we partner to inspire young girls in tech include Girls’ Brigade Singapore and Technovation Spain.

Given our focused attention on equal pay practices and workplace non-discrimination through our policies and practices, as reflected by our published pay statistics and our commitment to hiring and identifying the best talent from all backgrounds for diverse and inclusive teams, the Board recommends that shareholders vote against this proposal.

The Board of Directors recommends a vote “AGAINST” this proposal requesting additional reporting on gender/ racial pay.

ITEM 7—SHAREHOLDER PROPOSAL REQUESTING A REPORT ON PROMOTION DATA

Beginning of Shareholder Proposal and Statement of Support:

Whereas: Institutionalized sexism, compounded by racism, has become an undeniable, visible, widespread, and multifaceted problem in the tech industry:

- The topic of sexism in the tech industry has been covered by major media outlets:
 - (<https://www.washingtonpost.com/outlook/2019/02/19/women-built-tech-industry-then-they-were-pushed-out/>)
 - (<https://www.fastcompany.com/40477163/the-industry-is-fundamentally-broken-women-on-sexism-in-silicon-valley>)

²² See <https://www.aboutamazon.com/news/workplace/hiring-the-best-talent>.

- o (<https://www.theguardian.com/world/2018/mar/17/sexual-harassment-silicon-valley-emily-chang-brotopia-interview>)
- o (<https://www.newyorker.com/magazine/2017/11/20/the-tech-industrys-gender-discrimination-problem>)
- At Google, tens of thousands of workers walked off the job to protest the mishandling of sexual harassment. (<https://www.nytimes.com/2018/11/01/technology/google-walkout-sexual-harassment.html>)
- The media has reported on male employees at Microsoft and Google, openly questioning the innate capacity of women to be tech workers. (<https://www.nbcnews.com/business/business-news/google-employee-s-anti-diversity-manifesto-women-s-neuroticism-goes-n790401>) (<https://arstechnica.com/tech-policy/2019/04/now-its-microsofts-turn-for-an-anti-diversity-internal-revolt>)
- The presence of multiple high-profile lawsuits at peer companies regarding gender discrimination or gender and race discrimination are an indication of the severity of this problem. Cases include Pao v Byers, Massouris v Microsoft, Huang v. Twitter, Hong v Facebook, Blackwell and Boyd v Salesforce, Vandermeiden v. Tesla and the Oracle case which was brought by the federal government.
- Prominent social theorists assert that race and gender combine to create unique forms of discrimination. (https://en.m.wikipedia.org/wiki/Kimberl%C3%A9_Williams_Crenshaw)

Whereas: Numerous experts have noted that institutionalized sexism, compounded by racism, hurts corporate performance:

- A study of employees who left companies for reasons related to equity revealed significant costs (<https://www.smash.org/wp-content/uploads/2015/05/corporate-leavers-survey.pdf>)
- A McKinsey study revealed a correlation between more diverse leadership and superior financial performance (<https://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters>)
- Experts have shown that women are leaving the tech industry because of lack of career advancement opportunities (<https://hbr.org/2019/10/why-techs-approach-to-fixing-its-gender-inequality-isnt-working>) (<https://www.fastcompany.com/90274067/this-is-why-women-leave-jobs-in-tech>) (<https://medium.com/tech-diversity-files/the-real-reason-women-quit-tech-and-how-to-address-it-6dfb606929fd>)
- Other analysts have shown that race combines with gender to create even greater barriers to advancement for women of color (<https://medium.com/awaken-blog/intersectionality-101-why-were-focusing-on-women-doesn-t-work-for-diversity-inclusion-8f591d196789>) (<https://www.vox.com/2017/10/3/16401054/gender-race-executive-professional-roles-promotion-hiring-people-color-women>)

Whereas: Gender balance among Amazon's upper ranks is a challenge

- Amazon's overall workforce is 57.3% men and 42.7% women (<https://www.aboutamazon.com/working-at-amazon/diversity-and-inclusion/our-workforce-data>)
- Amazon's managers are 72.5% men and 27.5% women (<https://www.aboutamazon.com/working-at-amazon/diversity-and-inclusion/our-workforce-data>)
- Amazon's top 26 executives – the S-Team, and Jeff Bezos – are 84.6% men and 15.4% women (<https://www.cnn.com/2020/08/25/tech/amazon-first-black-executive-senior-leadership-team-bezos/index.html>)

Whereas: Researchers have noted that analyzing who a company promotes is an effective way of revealing bias against women and underrepresented minorities.

(<https://hbr.org/2019/10/why-techs-approach-to-fixing-its-gender-inequality-isnt-working>)

(<https://www.fastcompany.com/90274067/this-is-why-women-leave-jobs-in-tech>)

(<https://medium.com/tech-diversity-files/the-real-reason-women-quit-tech-and-how-to-address-it-6dfb606929fd>)

Whereas: Shareholders need data to determine the level of risk due to the possibility of institutionalized sexism and racism at Amazon;**Resolved:**

Shareholders request that Amazon prepare a public report, as soon as practicable, disclosing promotion velocity rates at Amazon. Promotion velocity is defined as the time it takes from the date of hire to promotion, or between one promotion and the next. The report should provide promotion velocity rates by title and level for different gender and racial identities. It should be prepared at reasonable expense and may exclude confidential information.

End of Shareholder Proposal and Statement of Support**RECOMMENDATION OF THE BOARD OF DIRECTORS ON ITEM 7**

We are committed to increasing gender and racial/ethnic diversity and are continuing to invest in our efforts to bring more women and employees from underrepresented racial/ethnic groups into leadership positions at Amazon. We know that diversity, equity, and inclusion matter and recognize that the advancement of diverse employees begins with proactive recruitment, retention, and development. We seek individuals from all backgrounds to join our teams, and we encourage people to bring their authentic, original, and best selves to work. We track representation of women and employees from underrepresented racial/ethnic groups because we know that diversity helps us build better teams that are obsessed over our global customer base. Our reported gender and racial/ethnic group pay statistics demonstrate that Amazon pays our employees comparably when analyzing the work of people performing the same jobs. When evaluating 2020 compensation in the United States, including base compensation, cash bonuses, and stock, our reported data demonstrates that women earned a dollar for every dollar that men earned performing the same jobs, and racial/ethnic minorities earned 99.2 cents for every dollar that white employees earned performing the same jobs.²³ To provide greater transparency, we have committed to publishing our consolidated 2020 EEO-1 Report. In support of our commitment to diversity, we have hundreds of professionals in a central diversity, equity, and inclusion organization and in teams embedded in our businesses who are devoted full-time to promoting diversity, equity, and inclusion goals, initiatives, and mechanisms. We also have teams in every business and in executive recruiting dedicated to hiring diverse talent, and we participate in events and partnerships with groups like AnitaB.org, GEM Consortium Fellows, AfroTech, Lesbians Who Tech, and the American Indian Science and Engineering Society. We also ran a virtual summit, "Represent the Future," in October 2020 that centered on Black, Latinx, and Native American talent (students and professional), and we are investing in internal and external programs to assist diverse leaders to advance into more senior roles. We built "We Power Tech" to make the future of technology more accessible, flexible, and inclusive.

Reporting on promotion statistics in the manner requested by the proposal would not advance our deep commitment to diversity, equity, and inclusion, or provide the information our managers and leaders need to make promotion decisions. Because promotion velocity can be affected by a combination of factors, including prior work experience and education, individual performance, time in role/level, and job scope, the proposed analysis would be uninformative and possibly misleading. Without relevant controls for these factors, simply comparing the speed with which different races and genders are promoted by title and level will not produce useful information about racial or gender disparities.

Rather than relying on misleading or unhelpful measures of promotion velocity, Amazon focuses on maintaining a process for vetting promotions that is robust, balanced, and considers a broad variety of perspectives. For example, managers promote employees based on a range of peer feedback and how an employee meets expectations for the next level. Manager training instructs managers on how to write effective promotion justifications that rely on consistent criteria to gauge an employee's knowledge, skills, and experience necessary to successfully perform at the next level. This manager training links managers to further content on how to recognize and interrupt potential unconscious biases in decision making. The promotion process also supports fairness by considering employees on their own merits, not comparing them to others.

We are making progress increasing diversity among our leadership. For example, in 2020, we set and achieved a goal to double the number of Black directors and vice presidents at the Company, which was accomplished through external hiring as

²³ See <https://www.aboutamazon.com/news/workplace/our-workforce-data>.

well as internal promotions, and we are committed to doubling representation again in 2021. Further, we have launched Rise, a leadership development program for Black leaders across all businesses. Additionally, we are collaborating with Management Leadership for Tomorrow ("MLT"), which partners with more than 150 leading companies, social sector organizations, and universities to strengthen recruitment and retention of Black, Latinx, and Native American talent. We are one of the initial twelve launch employers participating in the MLT Black Equity at Work Certification Program, which is a clear and comprehensive new standard that requires employers to assess and make meaningful progress toward achieving Black equity internally while supporting Black equity in society.²⁴ This program includes developing and implementing a rigorous plan to increase Black employee representation at every level of the organization.

We also work to develop diverse leaders internally through training and mentoring. We have Leaders' Workshops within our annual AmazeCon and Conversations on Race and Ethnicity (CORE) conferences, to help our leadership understand and build their team's culture of inclusion. At AmazeCon, our largest global internal conference, Amazonians examine the intersection of gender with race, sexual orientation, disability status, veteran status, and other dimensions of diversity. This conference has included diversity-oriented talks from academics and external leaders on technology, entrepreneurship, entertainment, and leadership and includes Amazon-specific training programs focused on personal and team development. In addition, our employees have multiple opportunities to seek mentoring relationships, including Company-sponsored mentoring programs, and affinity group-organized mentor pairings focused on various communities. Through our mentoring platform, employees are able to select preference for mentors, including by gender. Each month, over 500 new mentorship connections are made across the Company. Furthermore, in 2016 we launched an initiative in India for women-only delivery stations, aimed at empowering women and transforming their lives. Through this initiative, we engaged with women in India to open new employment and leadership opportunities for women in an area where they were not applying for traditional roles.

We also know that the American workforce is changing—there is a greater need for technical skills in the workplace than ever before, and a huge opportunity for people with the right skills to move into better paying jobs. In the United States, Amazon already leads the way in pay with a \$15 starting wage and offers competitive benefits to our employees, like comprehensive healthcare and parental leave for both parents (birth parents are eligible for up to 20 weeks of leave and partners up to six). In 2019, Amazon announced it will invest \$700 million in upskilling training programs designed to provide our employees access to the education and training they need to grow their careers. This initiative will provide 100,000 Amazon employees with access to training programs in high-demand areas like medicine, cloud computing, and machine learning. We are also now offering graduate-school-level training for our employees through Machine Learning University, a program designed to give current Amazon employees the chance to develop expertise in machine learning, growing critical skills in an area of rapidly expanding professional opportunities within Amazon.

In addition to our internal efforts, we recognize that there is an opportunity to build a strong diversity pipeline in technology-skilled employees, and we are investing in building out the next generation of talent for the industry and expanding the opportunities for students from underrepresented backgrounds. For example, we have deep partnerships with Historically Black Colleges and Universities, Hispanic Serving Institutions, women's colleges, and tribal colleges. We also bring college students to Amazon's campus for programs like the Amazon Finance Diversity Leadership Summit to learn from our finance and accounting leaders, and to interview for finance internships at Amazon.

Our recruiting efforts extend to building the next generation of technical leaders by providing broader access to STEM education. We have committed \$50 million to support computer science and STEM programs for underserved and underrepresented communities. Our Amazon Future Engineer program is a comprehensive childhood-to-career initiative to inspire, educate, and train children and young adults from underprivileged, underrepresented, and underserved communities to pursue careers in computer science. Amazon Future Engineer has also invested an additional \$20 million in organizations that promote computer science and STEM education across the United States. We also established a program called AWS InCommunities that builds long-term and innovative programs that will have a lasting impact in individual communities around the world. AWS sponsors Girls' Tech Day, a workshop emphasizing science, technology, engineering, the arts, and mathematics ("STEAM") for school-age girls and young women—designed to inspire future builders, showcase tech careers and women in the technology workforce, and introduce girls in underserved areas to STEAM. We aim to inspire more than 10 million kids each year to explore computer science through coding camps and online lessons, fund introductory and Advanced Placement courses in computer science for over 100,000 young people in 2,000 high schools in lower income communities across the United States, award 100 students from underserved communities pursuing degrees in computer science four-year \$10,000 annual scholarships, and offer internships at Amazon to provide students work experience. We also work with

²⁴ See <https://www.mltblackequityatwork.org/>.

organizations like Code.org and Ada Developers Academy to promote diversity in the STEM pipeline. Other organizations with which we partner to inspire young girls in tech include Girls' Brigade Singapore and Technovation Spain.

Our retention and development efforts are further fostered by our 12 employee-led Affinity Groups, which engage employees across hundreds of chapters around the world. These include Amazon People with Disabilities, Amazon Women in Engineering, Asians@Amazon, the Black Employee Network, Body Positive Peers, Families@Amazon, glamazon, Indigenous@Amazon, Latinos@Amazon, Warriors@Amazon, Women@Amazon, and the Women in Finance Initiative. Our focus on diversity, equity, and inclusion has been independently recognized by the Human Rights Campaign's Corporate Equality Index; the NAACP Equity, Inclusion, and Empowerment Index; the Disability Equality Index; and the 2019 American Foundation for the Blind Helen Keller Achievement Award.

Given our existing robust promotion process, our commitment to diversity, equity, and inclusion, our efforts to bring more women and employees from underrepresented racial/ethnic groups into leadership positions, our leadership development and mentorship programs, and our efforts to provide broader access to STEM education in underserved and underrepresented communities, the Board recommends that shareholders vote against this proposal.

The Board of Directors recommends a vote "AGAINST" this proposal requesting a report on promotion data.

ITEM 8—SHAREHOLDER PROPOSAL REQUESTING A REPORT ON PACKAGING MATERIALS

Beginning of Shareholder Proposal and Statement of Support:

WHEREAS: The ocean plastics crisis continues unabated, fatally impacting more than 800 marine species, and causing up to \$2.5 trillion in damage annually to marine ecosystems. Toxins adhere to plastics consumed by marine species, which potentially transfer to human diets. There could be more plastic than fish by weight in oceans by 2050.

Recently, Pew Charitable Trusts released a groundbreaking study, *Breaking the Plastic Wave*, which concluded that if all current industry and government commitments were met, ocean plastic deposition would be reduced by only 7%. Without immediate and sustained new commitments throughout the plastics value chain, annual flow of plastic into oceans could nearly triple by 2040.

The report finds that improved recycling will be insufficient to stem the plastic tide, and must be coupled with upstream activities like reduction in demand, materials redesign, and substitution. "Brand owners, fast-moving consumer goods companies and retailers should lead the transition by committing to reduce at least one-third of plastic demand through elimination, reuse, and new delivery models," the report states, adding that reducing plastic production is the most attractive solution from environmental, economic, and social perspectives.

Amazon does not disclose how much plastic packaging it uses but is believed to be one of the largest corporate users of flexible plastic packaging, which cannot be recycled. A recent report estimated that Amazon generated 465 million pounds of plastic packaging waste last year and that up to 22 million pounds of its plastic packaging waste entered the world's marine ecosystems. Flexible packaging represents 59% of all plastic production but an outsized 80% of plastic leaking into oceans. Amazon has no goal to make all of its packaging recyclable.

Unilever has taken the most significant corporate action to date, agreeing to cut plastic packaging use by 100,000 tons by 2025. PepsiCo has committed to substitute recycled content for 35% of virgin plastic in its beverage division. Amazon lags in its commitments, as it has no goal to make overall cuts in plastic packaging.

Reducing plastic packaging and making all packaging recyclable are necessary steps to combat the plastic pollution crisis. The company is long overdue on taking action.

BE IT RESOLVED: Shareholders request that the board of directors issue a report by December 2021 on plastic packaging, estimating the amount of plastics released to the environment due to plastic packaging attributable to all Amazon operations, and beginning with the manufacture of the plastic source materials, through disposal or recycling, and describing any company strategies or goals to reduce the use of plastic packaging to reduce these impacts.

SUPPORTING STATEMENT: Proponents note that the report should be prepared at reasonable cost, omitting confidential information, and include an assessment of the reputational, financial, and operational risks associated with continuing to use substantial amounts of plastic packaging and unrecyclable packaging while plastic pollution grows unabated. In the board's discretion, the report could also evaluate opportunities for dramatically reducing the amount of plastics used in packaging through redesign or substitution.

End of Shareholder Proposal and Statement of Support

RECOMMENDATION OF THE BOARD OF DIRECTORS ON ITEM 8

As a founding member of The Climate Pledge, a commitment to be net-zero carbon by 2040—10 years ahead of the Paris Agreement—Amazon is committed to protecting the planet. Amazon has made other long-term commitments to sustainability through programs such as Shipment Zero, a commitment that 50% of all Amazon shipments will be net-zero carbon by 2030, and renewable energy programs that have put us on a path to powering our operations with 100% renewable energy by 2025—five years ahead of our original target of 2030. We recognize the importance of reducing plastic waste by promoting reusable and recyclable packaging. As described in more detail below, including with respect to our goals, we have made progress in four primary areas in our efforts to reduce our use of plastics: (1) plastics in packaging for products manufactured by other companies that we sell to our customers (where we can make the biggest impact), (2) plastics in packaging to the extent we repackage a product for delivery, (3) plastics in Amazon devices and our private label products, and (4) plastics in physical stores, primarily Whole Foods Market and its use of plastic shopping bags and plastic straws.²⁵

Products Manufactured by Other Companies

Most of the products we sell are manufactured by other companies. We recognize that we can help manufacturers reduce their use of plastics and have partnered with them to scale sustainable packaging development across our supply chain. For example, we created the industry leading Frustration-Free Packaging (“FFP”) programs that financially incentivize manufacturers to package their products in 100% recyclable packaging, including plastics. The FFP programs also allow us to ship products in their own containers, eliminating all additional packaging material for these products, including plastics. Through the FFP programs and related packaging design and testing services, we have helped manufacturers develop more sustainable packaging, and now more than two million products are included in this program. In 2021, we plan to expand the program to provide incentives for even more products. We are also partnering with brands, vendors, and manufacturers to increase the use of sustainable packaging materials while simultaneously reducing the overall use of packaging materials.²⁶

Products Repackaged for Delivery

To the extent we cannot ship products in their own container under the FFP programs, we are driving innovation in packaging equipment to reduce the weight and size of our corrugated boxes by creating right-sized boxes for most of our box shipments, reducing overall packaging weight and use of corrugated boxes. Once fully operationalized, we expect this process will eliminate the need for plastic cushioning in these boxes. We also are working to increase, by the end of 2021, the recycled content used in our packaging from 25% to 50% for our plastic film bags, and from 15% to 42% for our plastic padded bags. These improvements are expected to eliminate more than 25,000 metric tons of new plastic each year.

We utilize machine learning algorithms to reduce unnecessary packaging weight while providing greater protection for products as they journey from the manufacturer to the customer. We also work with vendors, utilizing analytics, test methods, new materials, and new ways to build packaging that protect their products and to reduce the overall use of materials like plastic. We are also using machine learning tools to reduce our use of plastic film by identifying products that do not require the protection of bubble mailers, changing the shipment method to plastic bags for these products, and reducing the use of plastic by approximately 50% for these shipments. We recognize that plastic film is a difficult material to process and recycle

²⁵ While the proposal cites a recent report estimating our use of plastic packaging, the report dramatically miscalculates Amazon's use of plastic and exaggerates it by over 350%.

²⁶ See, e.g., <https://www.aboutamazon.com/news/sustainability/amazon-launches-climate-pledge-friendly-program>.

and is not accepted by most curbside recycling programs. To address this gap, Amazon is launching plastic film recycling at over 50 fulfillment centers across our network. We have also been looking across our entire operations network to incorporate more of our own recycled plastics in products, packaging, and operational processes.

In 2019, we invented a new recyclable paper padded mailer that allows customer orders to arrive undamaged and in recyclable packaging with a lower carbon footprint than a box. We are expanding this mailer across North America and expect to replace the use of mixed (paper/plastic) mailers with this recyclable paper padded mailer over the next two years.

In Europe, we are working to significantly reduce plastic in external packaging materials in Amazon-shipped products in 2021 by expanding our use of paper bags and paperboard envelopes. In 2020, Amazon removed single-use plastic products and products made from oxo-degradable plastics from our stores in the U.K., France, Italy, Spain, Germany, Netherlands, and Turkey.

Amazon Devices and Private Label Products

We have established an ambitious goal of reducing single-use plastics in our device packaging, with the intent to make this packaging 100% curbside recyclable and plastic-free by 2023. Our progress towards this goal is already evident. We eliminated over nine million bags from our device packaging in 2020 alone. In September 2020, we announced that the packaging for the Echo and Fire TV devices is made from more than 97% wood fiber based materials from responsibly managed forests or recycled sources.²⁷ We also incorporate recycled plastics, fabrics, and metals into many new Amazon devices, giving new life to materials that could have otherwise ended up in waste streams. For example, we launched new Echo and Fire TV devices in September 2020 that include 100% post-consumer recycled fabric, 100% recycled die-cast aluminum, and 30-50% post-consumer recycled plastic depending on the product. In addition, we incorporated 50% post-consumer recycled plastic into certain power adapters shipping with our devices. The recycled materials used in devices we launched in 2020 would have filled over 800 garbage trucks worth of plastics, fabrics, and aluminum.

We provide various programs and resources through our Amazon Second Chance website²⁸ to equip customers with information on how to trade in, recycle, or repair Amazon devices and products, how to recycle Amazon packaging, and how to find open-box and refurbished devices. All of these programs and resources reduce waste and encourage reuse.

Physical Stores

We switched to smaller produce bags at our Whole Foods Market stores in 2019, a change that saves over 200,000 pounds / 100 tons of plastic annually. In July 2019, Whole Foods Market stores became the first national retailer to remove all of the plastic straws from its cafes and coffee bars—a total of about 21 million straws annually. Further, as of October 2019, Whole Foods Market stores replaced all plastic rotisserie chicken containers with bags that use approximately 70% less plastic, which saves nearly 1.7 million pounds of plastic annually. We also eliminated all polystyrene/Styrofoam meat trays in all our Whole Foods Market stores in the United States and Canada.

Other Initiatives

In addition, we are developing an ambitious and innovative recycling infrastructure and investing in initiatives that support the recycling industry across the United States.²⁹ For example, to improve curbside recycling in the United States, we partnered with The Recycling Partnership, which supports communities and local governments with education, infrastructure, and measurement related to curbside recycling. We also committed \$10 million to the Closed Loop Infrastructure Fund to finance recycling and circular economy infrastructure in North America. Through this investment, Amazon aims to increase product and packaging recycling so that material goes back into the manufacturing supply chain. Over the next decade, our investment in the Closed Loop Infrastructure Fund is expected to improve curbside recycling for 3 million homes in communities across the United States, divert 1 million tons of recyclable material from landfills, and eliminate the equivalent of 2 million metric tons of carbon dioxide.³⁰

As evidenced by our existing initiatives, partnerships, investments, and progress, we are committed to reviewing and addressing the proposal's concern for reducing plastic pollution, a concern we share, by conscientiously taking steps to

²⁷ See <https://www.aboutamazon.com/news/devices/introducing-our-most-sustainable-devices-ever>.

²⁸ See <https://www.amazon.com/amsc>.

²⁹ See All In: Staying the Course on Our Commitment to Sustainability, at 32, 36, available at <https://sustainability.aboutamazon.com/pdfBuilderDownload?name=sustainability-all-in-december-2020>.

³⁰ See <https://www.aboutamazon.com/news/sustainability/how-amazon-is-investing-in-a-circular-economy>.

address this concern and sharing information regarding the steps we are taking and the progress we are making. In addition, we are focused on our goal of having the packaging for Amazon devices be plastic-free and made up of entirely curbside recyclable material by 2023. We will continue to share our efforts and progress to our shareholders and the public. We believe that the report requested by this proposal would not add meaningfully to our ongoing efforts. Accordingly, the Board recommends that shareholders vote against this proposal.

The Board of Directors recommends a vote “AGAINST” this proposal requesting a report on packaging materials.

ITEM 9—SHAREHOLDER PROPOSAL REQUESTING A DIVERSITY AND EQUITY AUDIT REPORT

Beginning of Shareholder Proposal and Statement of Support:

Civil Rights, Equity, Diversity and Inclusion Audit

Resolved

Shareholders of Amazon.com, Inc. (“Amazon”) request that the Board of Directors commission a racial equity audit analyzing Amazon’s impacts on civil rights, equity, diversity and inclusion, and the impacts of those issues on Amazon’s business. The audit may, in the board’s discretion, be conducted by an independent third party with input from civil rights organizations, employees, communities in which Amazon operates and other stakeholders. A report on the audit, prepared at reasonable cost and omitting confidential or proprietary information, should be publicly disclosed on Amazon’s website.

Supporting Statement

Recent events, including the murder of George Floyd, have galvanized the movement for racial justice and equity. That movement and the disproportionate impacts of the COVID-19 pandemic have focused the attention of media and policymakers on systemic racism, racial violence, and inequities throughout society. Companies would benefit from assessing the risks of products, services and overall corporate practices that are or are perceived to be discriminatory, racist, or increasing inequalities.

In May 2020, Amazon tweeted its solidarity with the fight against systemic racism.¹ But some of Amazon’s actions have been criticized as inconsistent with that pledge:

- After a Black warehouse worker led a walkout over safety concerns, he was fired and subsequently described by Amazon’s General Counsel as “not smart or articulate.”² The employee has since filed a lawsuit alleging discrimination against Black and Latino workers.³
- Amazon’s disproportionately Black and Latino warehouse workers are paid low wages and exposed to dangerous working conditions, including exposure to COVID-19.⁴ Amazon has also been criticized by employees, lawmakers, and regulators for biased promotion practices, discriminatory employee surveillance, and hiding workplace injury rates.⁵
- Amazon’s fulfillment and distribution facilities, and the air pollution they cause, are disproportionately located in nonwhite neighborhoods.⁶
- A class action lawsuit has been filed by employees alleging Whole Foods punished employees for wearing Black Lives Matter masks on the job.⁷

Amazon has faced criticism regarding its products and services:

- Ring doorbell cameras and its app Neighbors have been criticized for leading users to disproportionately tag people of color as suspicious.⁸
- Allegations that AWS’s facial surveillance technology violates civil rights by disproportionately surveilling people of color, immigrants, and civil society organizations.⁹
- Reports assert inconsistent implementation of policies prohibiting the sale of products on Amazon’s platform that promote hatred.¹⁰

Following controversies, Facebook and Starbucks conducted civil rights and equity audits that assisted each company to identify, prioritize, and implement improvements. These efforts provide an emerging model for such audits, typically conducted by a third party, in collaboration with experts in civil rights, and input from an array of stakeholders.

We urge Amazon to commission a racial equity audit of its policies, practices, products, and services to analyze the way Amazon impacts civil rights, equity, diversity and inclusion and the impacts of those issues on Amazon’s business.

- ¹ <https://twitter.com/amazon/status/1267140211861073927>
- ² <https://www.vice.com/en/article/5dm8bx/leaked-amazon-memo-details-plan-to-smear-fired-warehouse-organizer-hes-not-smart-or-articulate>
- ³ <https://www.law360.com/newyork/articles/1328761/amazon-case-shows-how-a-gc-s-barbs-can-sting-back>
- ⁴ <https://www.nytimes.com/2020/06/24/technology/amazon-racial-inequality.html> ; <https://www.bloomberg.com/news/articles/2020-06-30/amazon-covid-19-outbreak-worse-than-local-minnesota-community> ; <https://www.businessinsider.com/amazon-class-action-lawsuit-alleges-racial-discrimination-covid-19-response-2020-11> ; <https://www.bostonglobe.com/business/2017/01/31/fired-amazon-drivers-file-class-action-discrimination-complaints/tFIKVM12zNoxNXKmFJcqiN/story.html> ; <https://www.propublica.org/article/inside-documents-show-how-amazon-chose-speed-over-safety-in-building-its-delivery-network>
- ⁵ <https://www.reuters.com/article/health-coronavirus-amazon-com/amazon-workers-say-prime-day-rush-breaks-virus-safety-vows-bloomberg-news-idUSKBN2700E9> ; <https://gizmodo.com/exclusive-amazons-own-numbers-reveal-staggering-injury-1840025032> ; <https://revealnews.org/episodes/catching-amazon-in-a-lie/>
- ⁶ <https://amazonemployees4climatejustice.medium.com/environmental-justice-and-amazons-carbon-footprint-9e10fab21138>
- ⁷ <https://www.bostonglobe.com/2020/07/25/metro/whole-foods-protests-continues-days-after-workers-file-discrimination-lawsuit/>
- ⁸ <https://www.vice.com/en/article/qvyyzd/amazons-home-security-company-is-turning-everyone-into-cops>
- ⁹ <http://sitn.hms.harvard.edu/flash/2020/racial-discrimination-in-face-recognition-technology/>
- ¹⁰ <https://www.propublica.org/article/the-hate-store-amazons-self-publishing-arm-is-a-haven-for-white-supremacists>

End of Shareholder Proposal and Statement of Support

RECOMMENDATION OF THE BOARD OF DIRECTORS ON ITEM 9

We take very seriously our commitment to respect and value people from all backgrounds, including gender, race, ethnicity, religion, sexual orientation, veteran status, and disability. Diversity, equity, and inclusion are cornerstones of our continued success and critical components of our culture. Our ability to innovate on behalf of our customers relies on the perspectives and knowledge of people from all backgrounds. We serve diverse customers, operate in diverse communities, and rely on a diverse workforce.

The policies and procedures we have in place for our employees, sellers, and customers are intended to support this commitment to diversity, equity, and inclusion and we always look for ways to scale our impact as we grow. We believe “[d]iversity and inclusion are good for business—and more fundamentally—simply right.”³¹ Like many companies and institutions, we have more work to do on diversity, equity, and inclusion, but we are on the right path, and we understand our impact.

We have initiated numerous programs to assess and address racial justice considerations across key aspects of our operations that we believe fully address the objectives of this proposal, including those discussed below.

Human Rights

Our commitment to diversity, equity, and inclusion is reflected in a number of Amazon’s policies.³² For example, as we reaffirmed in our Amazon Global Human Rights Principles (the “Principles”),³³ we are committed to ensuring the people, workers, and communities that support our entire value chain are treated with fundamental dignity and respect. The Principles outline our approach to human rights across all aspects of our Company and help to frame the actions we take with

³¹ See <https://www.aboutamazon.com/about-us/our-positions>.

³² See, e.g., Amazon.com Code of Business Conduct and Ethics, available at <https://ir.aboutamazon.com/corporate-governance/documents-and-charters/code-of-business-conduct-and-ethics/default.aspx> (“Amazon.com provides equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment of any kind. For more information, see the Amazon.com policies on Equal Employment Opportunity and Workplace Harassment in the Amazon.com Owner’s Manual.”).

³³ Amazon Global Human Right Principles, available at <https://sustainability.aboutamazon.com/people/human-rights/principles> (“As outlined in our Code of Business Conduct and Ethics, we do not tolerate discrimination.”).

respect to civil rights, equity, diversity, and inclusion. The Principles include several key areas we are focusing on to promote safe, inclusive, and respectful workplaces throughout our operations and within the companies along our value chain, including: freely chosen employment; safe and healthy workplaces; diversity and inclusion; and freedom of association. Our commitment to the Principles requires that we continuously evaluate our operations and value chain to identify, assess, and address salient human rights risks, including the concerns raised by the proposal, and to prioritize key areas where we have the greatest opportunity to have a positive impact on workers and communities.

In addition to our existing robust policies for fostering diversity, equity, and inclusion, we also are continuously striving to further enhance these efforts. For example, we recently initiated a human rights saliency assessment in accordance with the United Nations Guiding Principles on Business and Human Rights (“UNGP”), which presents comprehensive guidance for companies to report on how they respect human rights and recommends a systematic review of risks as a way to prioritize a company’s human rights work. The UNGP pays particular attention to the human rights of those who may be disadvantaged, marginalized, or excluded from society, including people belonging to ethnic or other minorities, as well as children, women, indigenous peoples, or persons with disabilities.³⁴ In accordance with the guidance of the UNGP, we have partnered with the sustainability and human rights consulting firm Article One Advisors to identify salient human rights risks across our business, including in the areas of civil rights and racial equity. This partnership will help us to further identify, prioritize, and design initiatives to advance our human rights commitment, including human rights impact assessments, which we plan to communicate to customers and stakeholders.

Diversity Among Our Workforce

We also have made clear through the statement of our policy positions that “[t]he inequitable treatment of Black people is unacceptable,” and we are committed to building a country and a world where everyone can live with dignity and free from fear.³⁵ One example is our collaboration with Management Leadership for Tomorrow (“MLT”), which partners with more than 150 leading companies, social sector organizations, and universities to strengthen recruitment and retention of Black, Latinx, and Native American talent. We are also one of the initial twelve launch employers participating in the MLT Black Equity at Work Certification Program, which is a clear and comprehensive new standard that requires employers to assess and make meaningful progress toward achieving Black equity internally while supporting Black equity in society.³⁶ This program includes developing and implementing a rigorous plan to increase Black employee representation at every level of the organization. In 2020, we set and achieved a goal to double the number of Black directors and vice presidents at the Company, and we are committed to doubling representation again in 2021. We also have a goal to increase the hiring of Black mid-level employees by 30% in 2021. Also in 2021, we plan to inspect any statistically significant demographic differences in performance ratings and attrition to identify root causes and, as necessary, implement action plans. Further, we have launched Rise, a leadership development program for Black leaders across all businesses. Through recruiting and targeted development programs, we are making progress on increasing diversity among our leadership.

Our diversity and inclusion website³⁷ and sustainability report³⁸ also provide examples of the many proactive measures we have taken to promote gender and racial diversity and inclusion in our workforce, including among our leadership ranks. Our culture of inclusion is reinforced within our 14 Leadership Principles, which remind our team members to seek diverse perspectives and earn trust.³⁹ We track and publicly disclose data about the representation of women and employees from underrepresented racial/ethnic groups in our workforce because we know that diversity helps us build better teams that address our global customer base.⁴⁰ Our reported gender and racial/ethnic group pay statistics demonstrate that Amazon pays our employees comparably when analyzing the work of people performing the same jobs. When evaluating 2020 compensation in the United States, including base compensation, cash bonuses, and stock, our reported data demonstrates that women earned a dollar for every dollar that men earned performing the same jobs, and racial/ethnic minorities

³⁴ See United Nations Guiding Principles on Business and Human Rights (2011), available at https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf.

³⁵ See <https://www.aboutamazon.com/about-us/our-positions>.

³⁶ See <https://www.mltblackequityatwork.org/>.

³⁷ See <https://www.aboutamazon.com/workplace/diversity-inclusion>.

³⁸ See All In: Staying the Course on Our Commitment to Sustainability, available at <https://sustainability.aboutamazon.com/pdfBuilderDownload?name=sustainability-all-in-december-2020>.

³⁹ See <https://www.aboutamazon.com/news/workplace/building-an-inclusive-culture>.

⁴⁰ See <https://www.aboutamazon.com/news/workplace/our-workforce-data>.

earned 99.2 cents for every dollar that white employees earned performing the same jobs.⁴¹ Additionally, with approximately 1.3 million employees worldwide, we have increased the percentage of women and U.S. employees from underrepresented racial/ethnic groups across our tech and non-tech corporate roles and in manager roles in each of the past three years. We are continuing to invest in our efforts to bring more women and employees from underrepresented racial/ethnic groups into leadership positions at Amazon. We have hundreds of professionals in a central diversity, equity, and inclusion organization and in teams embedded in our businesses who are devoted full-time to promoting diversity, equity, and inclusion goals, initiatives, and mechanisms. We also have teams in every business and in executive recruiting dedicated to hiring diverse talent, and we participate in events and partnerships with groups like AnitaB.org, GEM Consortium Fellows, AfroTech, Lesbians Who Tech, and the American Indian Science and Engineering Society. We also ran a virtual summit, "Represent the Future," in October 2020 that centered on Black, Latinx, and Native American talent (students and professional), and we are investing in internal and external programs to assist diverse leaders to advance into more senior roles.

Our 12 employee-led Affinity Groups, which engage employees across hundreds of chapters around the world, further foster our commitment to diversity, equity, and inclusion. These groups include Amazon People with Disabilities, Amazon Women in Engineering, Asians@Amazon, the Black Employee Network, Body Positive Peers, Families@Amazon, Glamazon, Indigenous@Amazon, Latinos@Amazon, Warriors@Amazon, Women@Amazon, and the Women in Finance Initiative. We host annual and ongoing learning experiences with a diversity, equity, and inclusion focus, including our annual AmazeCon and Conversations on Race and Ethnicity (CORE) conferences. At AmazeCon, our largest global internal conference, Amazonians examine the intersection of gender with race, sexual orientation, disability status, veteran status, and other dimensions of diversity. This conference has included diversity-oriented talks from academics and external leaders on technology, entrepreneurship, entertainment, and leadership and includes Amazon-specific training programs focused on personal and team development. Our focus on diversity, equity, and inclusion has been independently recognized by the Human Rights Campaign's Corporate Equality Index; the NAACP Equity, Inclusion, and Empowerment Index; the Disability Equality Index; and the 2019 American Foundation for the Blind Helen Keller Achievement Award. In September 2020, the leader of the Black Employee Network noted that executives listen to feedback and issues raised not just by corporate employees, but also those in warehouses and delivery services, where the majority of our employees work. More information about Amazon's diversity and inclusion efforts and employee demographics is publicly available at <https://www.aboutamazon.com/workplace/diversity-inclusion>.

Investing in Our Communities

We also believe it is critical that we increase opportunities for underrepresented groups to enter the technology workforce. To find the best talent for technical and non-technical roles, we actively partner with academic institutions that reach underrepresented communities. Some examples of our efforts to recruit women globally and individuals from underrepresented racial/ethnic groups in the United States include recruiting from diverse colleges and universities (including Historically Black Colleges and Universities ("HBCUs"), Hispanic Serving Institutions, women's colleges, and tribal colleges), hosting hiring fairs within underrepresented communities around the world, and committing to the HBCU Partnership Challenge to support greater engagement between private companies and HBCUs. In February 2020, we hosted a conference for students from HBCUs to bring together Amazon's HBCU alumni and 225 students from 42 HBCUs together to learn, connect and think about their future paths. In September 2020, we announced that we will sponsor a summer program held at Howard University, an HBCU, aimed at increasing the pipeline of economists from underrepresented racial/ethnic groups. Amazon's Student Programs also offer internships across Amazon's business units and look for interns through campus organizations like the National Society of Black Engineers, the Society of Hispanic Professional Engineers, Society of Women Engineers, American Indian Science and Engineering Society, and others.⁴²

In addition to our hiring efforts, we are investing in building the next generation of diverse technical leaders from various backgrounds by providing broader access to STEM education. We have committed \$50 million to support computer science and STEM programs for underserved and underrepresented communities. Our Amazon Future Engineer program is a comprehensive childhood-to-career initiative to inspire, educate, and train children and young adults from underprivileged, underrepresented, and underserved communities to pursue careers in computer science. We aim to inspire more than 10 million kids each year to explore computer science through coding camps and online lessons, fund introductory and Advanced Placement courses in computer science for over 100,000 young people in 2,000 high schools in lower income communities across the United States, award 100 students from underserved communities pursuing degrees in computer

⁴¹ See <https://www.aboutamazon.com/news/workplace/our-workforce-data>.

⁴² See <https://www.aboutamazon.com/news/workplace/hiring-the-best-talent>.

science four-year \$10,000 annual scholarships, and offer internships at Amazon to provide students work experience. We also work with organizations like Code.org and Ada Developers Academy to promote diversity in the STEM pipeline. Other organizations with which we partner to inspire young girls in tech include Girls' Brigade Singapore and Technovation Spain. We publish additional information regarding investments we make in our communities through various pages on our website, such as our website dedicated to job creation and investment⁴³ and our news blog's community page.⁴⁴

We also regularly analyze the environmental and social impacts of our businesses and assess how we can positively contribute to the many communities in which we operate across the United States and the world. We report on many of these activities through our sustainability website⁴⁵ and in our sustainability report. These resources provide information on our sustainability efforts, our community impact and work, and how we strive to support underrepresented and underprivileged communities. We are taking steps to significantly reduce the environmental impact of our operations in communities, working to convert much of our transportation fleet from diesel and other fossil fuels to electric and to power our operations with 100% renewable energy by 2025, five years ahead of our original target of 2030, as part of our goal to reach net-zero carbon by 2040. We also strive to have a positive impact on other aspects of the communities in which we operate by driving economic growth, investing in affordable housing, and supporting non-profits and community organizations. For example, in 2021, we established the Housing Equity Fund to provide more than \$2 billion in below-market loans and grants to preserve and create over 20,000 affordable homes for individuals and families earning moderate to low incomes in our three hometown communities: Washington's Puget Sound region; Arlington, Virginia; and Nashville, Tennessee.⁴⁶ Amazon's first investments of more than \$567 million in 2021 will make up to 1,000 affordable apartment homes available in the Puget Sound region and up to 1,300 affordable apartment homes available in Arlington. As another example, we contribute monetary and in-kind donations to various groups in California's Inland Empire, including STEM and computer science programs at 73 schools, the Inland Empire United Way for COVID-relief, the San Bernardino Library Foundation, and the San Bernardino School District, and we have made similar contributions to support schools and organizations in other communities.⁴⁷ Moreover, when a fulfillment center is first established in a community, it is generally accompanied by significant capital investments by Amazon and others, the creation of new jobs with Amazon and other employers, and sizeable increases in sales tax revenue. Additionally, through a donation match program, Amazon and our employees have donated more than \$27 million to organizations working to bring about social justice and improve the lives of Black and African Americans, including groups focused on combating systemic racism through the legal system and groups dedicated to expanding educational and economic opportunities for Black communities.

Furthermore, we are committed to making the communities in which we operate better from an employment and financial perspective. We are proud to already be an industry leader on pay and benefits. We pay a starting wage of \$15 an hour to all of our full-time, part-time, temporary, and seasonal employees across the United States.⁴⁸ We also provide industry-leading and competitive benefits to our employees, like comprehensive healthcare and parental leave for both parents (birth parents are eligible for up to 20 weeks of leave and partners up to six). In 2020, in recognition of our front-line employees who play a vital role serving their communities, we paid over \$2.5 billion in special bonuses and incentives for our teams globally. Additionally, in 2019, Amazon announced that it has dedicated over \$700 million to provide 100,000 Amazon employees with access to training programs and courses in high-demand fields that will help them move into more highly skilled roles within or outside of Amazon.⁴⁹

Respecting Customer Diversity

Our commitment to diversity, inclusion, and respect for people from all backgrounds extends not only to our workforce and communities, but to the customer experience as well. Our policies prohibit the sale of products that promote, incite, or glorify hatred, violence, racial, sexual, or religious intolerance or promote organizations with such views. We maintain these policies to ensure a welcoming environment for our global customers and selling partners to do business while offering the widest selection of items on earth. If we find that a seller has supplied a product in violation of our offensive products policies, we take corrective actions, as appropriate, including but not limited to immediately removing the listing, suspending

⁴³ See <https://www.aboutamazon.com/impact/economy/job-creation>.

⁴⁴ See <https://www.aboutamazon.com/news/community>.

⁴⁵ See <https://sustainability.aboutamazon.com/>.

⁴⁶ See <https://www.aboutamazon.com/impact/community/housing-equity>.

⁴⁷ See <https://www.aboutamazon.com/news/job-creation-and-investment/the-amazon-effect-what-a-fulfillment-center-means-to-its-community>.

⁴⁸ See <https://www.aboutamazon.com/about-us/our-positions>.

⁴⁹ See <https://press.aboutamazon.com/news-releases/news-release-details/amazon-pledges-upskill-100000-us-employees-demand-jobs-2025>; <https://www.aboutamazon.com/news/workplace/building-an-inclusive-culture>.

or terminating seller privileges, and permanent withholding of payments. While the proponent cites a lawsuit regarding Whole Foods Market's dress code, we note that a federal judge has dismissed most of the claims, including all of the claims relating to racial discrimination.⁵⁰

Employee and Community Safety

Additionally, we are committed to helping keep our employees, customers, and communities safe and healthy. In response to the COVID-19 pandemic, we adapted numerous aspects of our logistics, transportation, supply chain, purchasing, and third-party seller processes. Beginning in the first quarter of 2020, we made significant process updates across our operations worldwide, and adapted our fulfillment network, to implement employee and customer safety measures, such as enhanced cleaning and physical distancing, personal protective gear, disinfectant spraying, and temperature checks. In addition, as part of our commitment to helping keep our employees informed, and our desire to share details and best practices for keeping employees safe with NGOs, governments, and other companies, in October 2020, we publicly shared the COVID-19 infection rates among Amazon front-line employees—something few, if any, other companies have done.⁵¹ Additionally, we continue to ramp up our in-house COVID-19 testing program as part of our investments to help keep our front-line employees safe, and our dedicated COVID-19 labs have processed more than one million tests globally. We will continue to prioritize employee and customer safety and comply with evolving federal, state, and local standards as well as to implement standards or processes that we determine to be in the best interests of our employees, customers, and communities.

Products and Services

Amazon Rekognition is an image analysis service that can analyze objects, people, text, scenes, and activities in images and videos. It is not a surveillance system. When used properly and responsibly, Amazon's facial recognition technology can help to protect civil rights, as demonstrated by non-profit, advocacy, and government groups using it for purposes including tracking and stopping child exploitation, rescuing victims of human trafficking, and locating hundreds of missing children. It has also been used to build educational apps, enhance security through multi-factor authentication, identify suggestive or explicit website content in order to block or remove those images, and provide identity verification as part of mobile banking services for underbanked individuals in emerging geographies, among numerous other examples. Similarly, Ring strives to fulfill its mission to help make neighborhoods safer, including by assisting community members in sharing important safety information and connecting with each other, as well as helping reunite families with their missing loved ones.

Amazon has continuously taken steps to address illegal and discriminatory use of such technology through customer contractual requirements, policies, practices, and advocacy efforts. As a condition to using Amazon Rekognition and every other AWS service, a customer must accept the AWS Acceptable Use Policy, which prohibits use of AWS's services "for any illegal, harmful, fraudulent, infringing or offensive use," including "[a]ny activities that are illegal, that violate the rights of others, or that may be harmful to others, our operations or reputation." We have reviewed and turned down potential customers that would violate our Acceptable Use Policy. We also have a mechanism to allow third parties to report potential abuses of the technology, and in the four-plus years AWS has been offering Amazon Rekognition, we have not received a single report of use in the harmful manner posited in the proposal. In addition to the contractual restrictions that prohibit the use of Amazon Rekognition for anything illegal, harmful, fraudulent, infringing, or offensive, we have in place specific guidance and requirements regarding public disclosure, training, and other safeguards. We have science and technical experts who help promote fairness by design in our products and services, including helping design, test, and audit our services for fairness and accuracy and to mitigate potential bias, and who publish academic papers and provide thought leadership in this area. AWS also recently announced the availability of new capabilities that help customers detect bias in machine learning models and increase transparency by helping explain model behavior to customers and other stakeholders. In the past year, we implemented a one-year moratorium on police use of Amazon Rekognition, to give lawmakers around the world time to implement appropriate rules.

The Neighbors App by Ring is a free application designed to help community members connect with each other and the public safety agencies that serve them to share important safety information and stay informed about their communities. Ring limits potential misuse of its products and services in numerous ways, including designing Neighbors to allow users to choose whether and what to share, enforcing strict limitations on requests for video recordings, and requiring customers and public safety agencies to abide by community guidelines that prohibit racial profiling, hate speech, and other forms of

⁵⁰ See <https://thehill.com/homenews/news/537619-judge-tosses-workers-claims-against-whole-foods-over-black-lives-matter-masks>.

⁵¹ See <https://www.aboutamazon.com/news/operations/update-on-covid-19-testing>.

discrimination. Ring has a dedicated group of team members, who are trained regarding critical and timely issues, proactively moderating Neighbors content and working to remove prohibited content prior to posting publicly, 24 hours a day, seven days a week.

In 2020, Ring implemented several enhancements to Neighbors. Ring began allowing fire departments to join Neighbors and added a Community Resources section to the App. The Community Resources section provides users one place to access relevant health and safety resources, such as those related to homelessness, mental health, crisis intervention, victim support, animal support, and conflict resolution. Ring also eliminated the “Suspicious” and “Stranger” categories from Neighbors to encourage users to move away from describing people to describing activities. In addition, while users have had the ability to opt out of receiving notifications when local public safety agencies request assistance with an investigation, Ring added the ability for users to disable the Neighbors feature from appearing in the Ring App. Ring is committed to making sure our products and services are used responsibly, and to helping communities build a more just, equitable society.

We understand the importance of, and are firmly committed to, civil rights, equity, diversity, and inclusion, as evidenced by the actions detailed above. We also understand that there is more that must be done by everyone to combat racial injustice. The proponent asserts that our best course of action is to spend, like Facebook, up to two years studying the impact of systemic racism, racial violence, and inequities throughout society. We are already doing the work. Our human rights saliency assessment implemented under the UNGP, any future human rights impact assessments on racial equity that we conduct as a result of that assessment, the MLT Black Equity at Work Certification Program, and the numerous other initiatives we already have underway are consistent with the objectives of this proposal and will help address many of the concerns raised in the proposal’s supporting statement. Because the Company is already proactively engaged in addressing these matters, we do not support conducting the additional audit and preparing the formal report requested by the proposal. As a result, the Board recommends that shareholders vote against this proposal.

The Board of Directors recommends a vote “AGAINST” this proposal requesting a diversity and equity audit report.

ITEM 10—SHAREHOLDER PROPOSAL REQUESTING AN ALTERNATIVE DIRECTOR CANDIDATE POLICY

Beginning of Shareholder Proposal and Statement of Support:

Policy to Include Hourly Associates as Director Candidates

RESOLVED: Shareholders of Amazon.com, Inc. (“Amazon”) urge the board to adopt a policy of promoting significant representation of employee perspectives among corporate decision makers by requiring that the initial list of candidates from which new board nominees are chosen (the “Initial List”) by the Nominating and Governance Committee include (but need not be limited to) hourly Associates. The Policy should provide that any third-party consultant asked to furnish an Initial List will be requested to include such candidates.

WHEREAS: There is growing consensus that the employees on corporate boards can contribute to the long-term sustainability of a company.

Policymakers have noted that maintaining the status quo of corporate governance contributes to “stagnant wages, runaway executive compensation and underinvestment in research and innovation.”¹ The business community makes similar observations: the Business Roundtable, which counts Amazon among its members, recently announced that it is reevaluating the purpose of a corporation to align with stakeholders’ interests and to generate shared prosperity for business and society, because investing in employees and communities offers “the most promising way to build long-term value.”²

New research suggests that employee representation grows the value of a company in several ways. According to the National Bureau of Economic Research, giving workers formal control rights raises capital formation and increases female representation.³ In Germany, the “co-determination” model of shared governance has been lauded as a check against short-termist capital allocation practices.⁴