



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
SCOTT M. STRINGER

July 1, 2020

Jeffrey P. Bezos
Chief Executive Officer
Amazon.com, Inc.
410 Terry Avenue North
Seattle, Washington 98109-5210

Dear Mr. Bezos:

Recent events highlighting the grave consequences of systemic racism in our society and the subsequent protests for racial justice have prompted many companies to announce the re-examination and affirmation of their commitments to racial equality and diversity. Amazon.com, Inc. is one of more than 75 S&P 100 companies that have issued statements in support of racial equality and/or to affirm their commitment to diversity and inclusion in both their company and in the community.

We commend Amazon for its June 3 statement. However, we urge you and your board to put real force behind this commitment and take action in the area in which you have direct impact—your own employees—by adopting a policy to publicly disclose the Amazon’s Consolidated EEO-1 Report reflecting the race, ethnicity and gender of your firm’s employees, with oversight provided by the independent members of the board.¹ Without EEO-1 disclosure, investors, as well as employees and the public, are unable to monitor, assess and benchmark the company’s performance in hiring, retaining and promoting black employees, other employees of color and women in the U.S.

Specifically, we request the Consolidated EEO-1 Report itself, which provides employee numbers for each employment category, rather than a simple percentage representation. This disclosure will give investors and the public a comprehensive breakdown of Amazon’s U.S. workforce by race, ethnicity and gender according to 10 employment categories, including, importantly, senior management, defined to incorporate individuals within two reporting levels of the CEO.

I am writing on behalf of three of the New York City Retirement Systems, the Teachers Retirement System of the City of New York (“TRS”), the New York City Employees’ Retirement System (“NYCERS”), and New York City Board of Education Retirement System (“BERS”) (collectively, “the Systems”). As Comptroller of the City of New York, I am a trustee of TRS and NYCERS and the investment advisor to the three Systems, which have approximately \$150 billion in assets under

management. The Systems are substantial long-term Amazon shareowners and consider effective human capital management to be fundamental to the creation of long-term shareowner value. Accordingly, we strongly support disclosure of quantitative metrics that will better enable us to evaluate the performance of our portfolio companies in terms of their ability to hire, promote and equitably compensate black employees, other people of color as well as women. The Consolidated EEO-1 Report represents the current “gold standard” for such disclosure.

We understand that some companies resist disclosing their Consolidated EEO-1 Report because they believe the mandated categories do not align with their particular organizational structure. Full disclosure of the EEO-1 Report, however, will provide investors with critical information that disclosure of diversity metrics selectively collected by management or partial EEO-1 disclosure will not. In particular, full public disclosure will provide:

- Standardized, quantitative, relevant and comparable employment data across companies and industries, so that investors can assess the representation and progress of black employees and other employees of color and women at various levels of the corporation;
- Specific data on senior management diversity - in addition to setting a strong tone at the top for diversity, research by McKinsey suggests that companies in the top quartile for gender and ethnic/cultural diversity on executive teams have stronger financial performance;²
- Particularized data that will allow investors to assess the representation and progress of specific racial and ethnic groups by gender, such as black female employees – disclosures of only percentage representations will prevent meaningful, year-over-year comparisons.

Disclosure of EEO-1 Report data also provides the board and management with distinct advantages. In the first instance, it provides a cost-effective means to demonstrate substantive progress in diversity and inclusion practices since the company already collects the data for submission to the U.S. Equal Employment Opportunity Commission (EEOC). Secondly, it does not prohibit any qualitative or quantitative disclosures that management believes reflect the company’s organizational structure or demonstrate the company’s performance. Moreover, to the extent there is widespread adoption, another salutary effect of the disclosure of EEO-1 Report data may be the ability of the board to benchmark the company’s own data to those of its peers, thereby facilitating the board’s oversight of company human capital management practices.

Additionally, we encourage you to take this opportunity to voluntarily include pay data identical to that previously reported in Component 2 of the Company’s EEO-1 Report, although it is not currently being collected by the EEOC.³ Such data break down pay levels by race, ethnicity and gender for the 10 standardized job categories. Intel, for example, has publicly disclosed pay data from its Component 2 Report.⁴

We ask that you provide a written commitment by August 30, 2020 that Amazon will publicly disclose its Consolidated EEO-1 Report effective upon its next submission to the EEOC in 2021. We are making similar requests of many of the S&P 100 companies that also do not disclose their

Consolidated EEO-1 Report. If a company is unresponsive, we may consider submitting shareholder proposals or factoring it in our evaluations of director nominees standing for re-election at the next annual shareholder meeting.

In the end, it is incumbent upon you to use this watershed moment to institute meaningful transparency that will benefit Amazon and your employees and support the creation of long-term shareholder value.

Please forward your response to Michael Garland, Assistant Comptroller for Corporate Governance and Responsible Investment, at mgarlan@comptroller.nyc.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott M. Stringer". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Scott M. Stringer
New York City Comptroller

¹ The EEO-1 Report is an annual compliance survey mandated by federal statute and regulations. The survey requires company employment data to be categorized by race/ethnicity, gender and job category. Both the U.S. Equal Employment Opportunity Commission (EEOC) and Office of Federal Contract Compliance Programs use the EEO-1 Report data, among other things, to analyze employment patterns including the representation of minorities and women within companies, industries or regions.

² Vivian Hunt, Sara Prince, Sundiatu Dixon-Fyle, Lareina Yee, “Delivering Through Diversity,” *McKinsey & Company*, January 2018, <https://www.mckinsey.com/business-functions/organization/our-insights/delivering-through-diversity>; Vivian Hunt, Dennis Layton, Sara Prince, “Why Diversity Matters,” *McKinsey & Company*, January 2015, available at <https://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters>.

³ While the EEOC amended its EEO-1 reporting requirements for 2017 and 2018 to include pay levels broken down by race and gender for various categories, the EEOC is not currently collecting this data.

⁴ Available at <https://www.intel.com/content/www/us/en/diversity/2017-2018-eo-1-pay-disclosure-report.html>.