



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
BRAD LANDER

March 11, 2022

Edith W. Cooper.
Member, Leadership Development and Compensation Committee

Daniel P. Huttenlocher
Member, Leadership Development and Compensation Committee

Judith A. McGrath
Member, Leadership Development and Compensation Committee

Shareholder-Board Communications
c/o Secretary
Board of Directors
Amazon.com, Inc.
P.O. Box 81226
Seattle, WA 98108-1226

Dear Directors Cooper, Huttenlocher and McGrath:

We believe the ability to establish and maintain robust human capital management practices is the hallmark of a sound, sustainable and profitable strategy for Amazon and that effective board oversight of the company's human capital is fundamental to the creation of long-term shareholder value. As Amazon.com, Inc. shareholders, with 1.7 million combined shares valued at approximately \$5.6 billion, we are concerned about potentially significant mismanagement of human capital at the company.

As members of Amazon's Leadership Development and Compensation Committee, you are invited to meet with the undersigned institutional investors at the Office of New York City Comptroller Brad Lander the week of April 11th. We would like to discuss how Amazon's board exercises oversight of the company's human capital management practices and how it is measuring management's performance with respect to these issues. This will inform our proxy voting decisions on directors at Amazon's upcoming 2022 shareholder meeting. We are particularly interested in the areas of health and safety, as well as freedom of association. We intend to invite some of Amazon's other large institutional shareholders. Since we would like to discuss independent Board oversight, we request keeping the meeting to the company's independent directors.

Over the past few years, investors, including signatories to this letter, have tried to engage Amazon's board and management on concerns related to the company's human capital management practices and oversight. These include:

- **Board Responsibilities:** The Leadership Development and Compensation Committee oversees human capital management, while the Nominating and Corporate Governance Committee has responsibility for human rights oversight; this presumably includes oversight of compliance with Amazon's Global Human Rights Principles, which address "safe and healthy working conditions" and Amazon's respect for

“freedom of association and [its] employees’ right to join, form, or not to join a labor union.” While the two Board committees appear to have overlapping responsibilities, there is no overlapping membership, creating the risk that oversight of these critical human capital management risks is fragmented.

- **Workplace health and safety:** While we acknowledge that Amazon recently issued a safety report, the report does not adequately address our concerns that Amazon has significantly higher injury rates at its warehouses before and during the COVID-19 pandemic.¹ In addition, we remain concerned that the company has not implemented adequate worker protection. Since 2017, according to one analysis of government data, Amazon reported a higher rate of serious injury incidents leading to missed work or to light-duty shifts at its warehouses than other retailers.² Data also show that Amazon facilities with greater automated technology had above-average injury rates.³ One national health and safety group included Amazon in its 2018 and 2019 “Dirty Dozen” list of most dangerous employers in the United States, citing it in 2020 for dishonorable mention.⁴

Work injuries and illnesses exact a tremendous toll on society and, according to the Centers for Disease Control, COVID-19 has unequally affected many racial and ethnic minority groups, by putting them more at risk of getting sick and dying.⁵ Amazon is the second largest employer in the United States; its health and safety issues have a significant impact on 1.3 million workers, their households and society. Accordingly, Amazon’s health and safety practices have attracted costly media, legal and regulatory scrutiny. In 2021, Amazon agreed to a fine and monitoring by California officials in connection with alleged COVID-related state law violations, while New York’s Attorney General sought a court appointed monitor to oversee Amazon’s implementation of COVID health and safety measures at one of its facilities. Failure to adequately address workplace health and safety issues poses significant risks to companies, including financial, legal, regulatory, and reputational risks, and also jeopardizes a company’s ability to hire and retain a quality workforce.

- **Freedom of Association:** Over recent years, Amazon has been accused of actively interfering with workers’ efforts to organize and discouraging them from exercising their freedom of association. Because of these actions, Amazon recently reached a settlement with the National Labor Relations Board (NLRB) to allow its employees to freely organize without retaliation. Furthermore, the NLRB recently called for a second election at Amazon’s Bessemer, Alabama facility following a determination that the company improperly interfered in the first election. Amazon’s actions in response to unionization efforts at its facilities have drawn negative publicity and further exacerbated the perception that Amazon is labor-unfriendly, which has raised concerns among shareholders and jeopardizes the company’s reputation. Moreover, anti-unionization efforts by Amazon, including hiring antiunion consultants and holding mandatory captive audience meetings with employees, run contrary to its stated corporate policies on human rights and freedom of association.
- **Diversity, Equity and Inclusion:** In 2020, Amazon tweeted its solidarity with the fight against systemic racism. However, Amazon continues to face controversies, some significant, that pose various risks and raise questions related to the company’s overall strategy and the company’s alignment with its public statements. This includes controversies related to workforce diversity and treatment of minority workers,

¹ For example, the report combines illness and injury rates. However, if illness rates are taken out, the gap between Amazon’s injury rate and that of grocery stores, home improvement stores, and warehouse clubs becomes apparent.

<https://www.bls.gov/iif/soii-data.htm>

² <https://www.washingtonpost.com/technology/2021/06/01/amazon-osha-injury-rate/>

³ <https://www.engadget.com/amazon-automated-injuries-211813202.html>

⁴ <https://www.coshnetwork.org/national-cosh-reports>

⁵ <https://www.cdc.gov/coronavirus/2019-ncov/community/health-equity/race-ethnicity.html>

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lawsuits alleging discriminatory hiring and promotion practices, and alleging failure to protect warehouse workers, who are mostly people of color. Companies that fail to assess and address these risks may face customer and employee attrition, negative press, significant fines or regulatory inquiries. These concerns may be among the reasons that 44 percent of Amazon shareholders supported a proposal at the company's 2021 annual meeting requesting the company conduct a racial equity audit. The company, however, has failed to adequately respond or engage on this proposal.

- **Unresponsive to Shareholder Concerns:** We believe that many Amazon shareholders share our concerns regarding Amazon's human capital management, as evidenced by the numerous shareholder proposals on the topic submitted to the company. By requesting no action relief from the Securities and Exchange Commission and potentially disenfranchising shareholders from voting at the company's 2022 annual meeting on shareholder proposals relating to health and safety, employee harassment and discrimination, working conditions and treatment, productivity quotas, and workforce turnover, Amazon's Board is denying itself the opportunity to gauge the breadth and depth of investor concerns regarding these critical human capital management risks.

We look forward to a productive conversation. Please contact Michael Garland, Assistant Comptroller for Corporate Governance and Responsible Investment in Comptroller Lander's Office (212-669-2517; mgarlan@comptroller.nyc.gov) to confirm your attendance and discuss appropriate arrangements.

Sincerely,



Brad Lander, New York City Comptroller, for the New York City Employees' Retirement System (NYCERS), Teachers' Retirement System of The City Of New York, New York City Police Pension Fund, and the New York City Fire Pension Fund



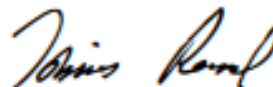
Michael W. Frerichs, Treasurer for the State of Illinois
Trustee and proxy voting fiduciary of the Bright Start College Savings Trust
Trustee and proxy voting fiduciary of the Bright Directions College Savings Trust



Thomas P. DiNapoli, New York State Comptroller, for the New York State Common Retirement Fund



Beth Pearce, Vermont State Treasurer, for Vermont Pension Investment Commission (VPIC)



Tobias Read, Oregon State Treasurer, for Oregon Public Employee Retirement Fund (OPERF)

cc: Jonathan J. Rubinstein, Lead Director, Amazon.com