



INTERFAITH CENTER ON CORPORATE RESPONSIBILITY

Inspired by faith. Committed to action

November 5, 2018

David A. Zapsolsky
Senior Vice President, General Counsel and Secretary
Amazon.com, Inc.
410 Terry Avenue North
Seattle, Washington 98109

CC: Kara Hurst, Mark Hoffman, Jen Kirchner, Dave Fildes

Dear Mr. Zapsolsky,

As institutional investors representing over *\$2.6 trillion* in assets under management, we are writing to express our concern about Amazon.com, Inc.'s (Amazon's) lack of meaningful engagement with its shareholders. The signatories below represent varying degrees of past engagement with the Company, and collectively believe that Amazon needs to engage with the investment community to improve the operational sustainability of the Company.

In our experience, Amazon has purposefully avoided constructive and substantive dialogue with its shareholders, often necessitating the filing of shareholder resolutions. When dialogues with investors have been granted, conversations rarely progress past a singular meeting and the agendas for calls are dictated by the Company, ultimately leading to unproductive outcomes. In contrast, many of the shareholder dialogues conducted by the undersigned investors span several conversations, over multiple years, with corporate decision-makers who are receptive to investor concerns regarding business risks.

Amazon's response to the filing of shareholder resolutions has also been noticeably striking: since 2013, Amazon has sought no action relief from the U.S. Securities and Exchange Commission (SEC) for twenty-four of thirty-five resolutions brought by its shareholders, as opposed to working collaboratively with investors on the Company's exposure to some of our society's most significant social issues. Most notably, Amazon has challenged shareholder proposals relating to issues such as addressing the gender pay gap within its operations, the organizational processes in place for identifying human rights risks within its operations and supply chain, and disclosure on the use of criminal background checks in hiring decisions, all of which were denied exclusion by the SEC. As investors concerned with the operational sustainability and risk exposure at Amazon, the fact that the Company has actively sought to avoid addressing these problems in a constructive manner with the investment community is highly troubling.

A 2018 report by the UN-supported Principles for Responsible Investment details that engagement with shareholders on ESG related issues can provide a host of corporate benefits including managing public impressions, receiving feedback and benchmarking on material risks, and enhancing the loyalty of long-term investors. The current chairman of Vanguard, F. William McNabb III, who has been a public champion of corporate engagement with investors, has stated that corporate willingness to engage is critical for "establishing common ground, getting to the things that the shareholder and the board both know to be true, and getting to the things that they're both trying to accomplish. There should be an extraordinary degree of alignment between the interests of the shareowners and the board, because the board represents the shareowners."

Investor-led engagement over the past few years has been rooted in concern related to Amazon's risk exposure due to its lack of disclosure regarding environmental, social, and governance matters. For context, over 70% of S&P 500 companies reported to CDP on operational climate change impact in 2017. According to the Governance & Accountability Institute, 85% of S&P 500 companies produced sustainability reports in 2017. Furthermore, over 250 organizations have expressed support for the industry-led Task Force on Climate Related Financial Disclosure Recommendations, including firms such as BlackRock, Vanguard, Royal Bank of Canada, Legal & General, and Fidelity. While the vast majority of industry leaders have set the standard for climate transparency, Amazon is a noticeable laggard. The company has never responded to CDP surveys regarding climate impact, does not produce a comprehensive sustainability report, and does not have a public facing and timebound goal for reducing greenhouse gas emissions despite signing a joint statement with climate leaders such as Facebook, Apple, and Alphabet indicating support for the goals of the Paris Climate Agreement. Amazon's inaction is particularly concerning given the report recently released by the Intergovernmental Panel on Climate Change (IPCC) which found that drastic and immediate emissions reductions are necessary to limit global average temperature rise to 1.5 degrees Celsius above preindustrial levels and to avoid the most catastrophic impacts of climate change.

Similarly, Amazon's disclosure and policies surrounding social and governance risks within its operations and supply chains lags far behind its competitors. While we welcome the company's recent decision to raise the minimum wage in the US and the UK and to lobby for increasing the federal minimum wage in the US, this announcement follows multiple prominent media reports and public campaigns in the US and Europe shaming the company for its wage practices despite years of communication from investors previously urging action on wages. We remain concerned regarding a further range of unaddressed social and governance risks. For example, the recent wage decision included the elimination of performance bonuses and stock grants, which could have the effect of reducing total compensation for many employees and making recruitment and retention harder, not easier. Also, we are concerned that Amazon has failed to manage avoidable worker injuries, compared with relevant peers, and that it is failing to provide for worker health and well-being after injuries. Similarly, the recent leak of an Amazon anti-union training video raises questions about the company's respect for fundamental rights to freedom of association and collective bargaining. We see, too, that Amazon still lags behind leading retail peers on supply chain labor standards. Investors attuned to material risks in this area need Amazon to begin reporting aggregate data on its supply chain audits. And investors still lack a proper sense of the way in which inclusion and diversity initiatives are governed and driven by senior executives. Unlike key technology sector peers, such as Intel and IBM, Amazon has not explicitly linked a portion of executive compensation to clear inclusion metrics.

Given Amazon's position as one of the largest companies in the world with an unrivaled impact across its entire value chain, the undersigned are requesting the opportunity to participate in targeted dialogues with Company representatives regarding both climate disclosure and operational sustainability as well as the social concerns around the Company's labor force and supply chain.

We are hopeful that a commitment to a more regular and streamlined dialogue format will be more efficient for the Company while also serving to address our concerns as investors. Productive and sustained dialogues will provide investors the opportunity to work constructively with Company representatives towards initiatives that help to demonstrate Amazon's commitment to mitigating the reputational, competitive, and operational business risks detailed above. As BlackRock CEO Larry Fink wrote in his 2018 annual letter to corporate CEOs, "The time has come for a new model of shareholder engagement – one that strengthens and deepens communication between shareholders and the companies that they own...If engagement is to be meaningful and productive – if we collectively are going to

focus on benefitting shareholders instead of wasting time and money in proxy fights – then engagement needs to be a year-round conversation about improving long-term value.”

Given that the Company's filing deadline is rapidly approaching, we would greatly appreciate a response to this letter and the request for constructive dialogues by November 30th, 2018. Please direct all correspondence to Christina Herman (cherman@iccr.org) and Nadira Narine (nnarine@iccr.org) or by telephone at 212-870-2275. We look forward to hearing from you soon.

Sincerely,



Christina Herman
Program Director on Climate and Environment
Interfaith Center on Corporate Responsibility



Nadira Narine
Senior Program Director
Interfaith Center on Corporate Responsibility

Representing:

- | | |
|---|--|
| 1. Aargauische Pensionskasse (APK),
Switzerland | 58. Maryknoll Sisters |
| 2. Aberdeen Standard Investments | 59. Maryland Province of the Society of Jesus |
| 3. Adrian Dominican Sisters, Portfolio
Advisory Board | 60. Natural Investments |
| 4. AFL-CIO Office of Investment | 61. NEI Investments |
| 5. As You Sow | 62. Nest Sammelstiftung, Switzerland |
| 6. Australian Council of Trade Unions | 63. New York City Office of the Comptroller |
| 7. Azzad Asset Management | 64. NorthStar Asset Management, Inc. |
| 8. Bâtirente | 65. Northwest Coalition for Responsible
Investment |
| 9. Bernische Lehrerversicherungskasse,
Switzerland | 66. Pax World Funds |
| 10. BMO Global Asset Management | 67. Pensions Caixa 30 |
| 11. Breckinridge Capital Advisors | 68. Pensionskasse Bühler AG Uzwil,
Switzerland |
| 12. Caisse de pension des sociétés Hewlett-
Packard en Suisse, Switzerland | 69. Pensionskasse der Stadt Winterthur,
Switzerland |
| 13. Caisse de pensions de l'Etat de Vaud
(CPEV), Switzerland | 70. Pensionskasse SRG SSR, Switzerland |
| 14. Caisse de pensions ECA-RP, Switzerland | 71. Pensionskasse Stadt Luzern, Switzerland |
| 15. Caisse de prév. des Fonctionnaires de
Police & des Etablissements
Pénitentiaires, Switzerland | 72. Pensionskasse Unia, Switzerland |
| | 73. Prévoyance Santé Valais (PRESV),
Switzerland |
| | 74. Prévoyance.ne, Switzerland |
| | 75. Priests of the Sacred Heart, US Province |

16.	Caisse de Prévoyance de l'Etat de Genève (CPEG), Switzerland	76.	Profelia Fondation de Prévoyance, Switzerland
17.	Caisse de Prévoyance des Interprètes de Conférence (CPIC), Switzerland	77.	Progressive Asset Management
18.	Caisse intercommunale de pensions (CIP), Switzerland	78.	Prosperita Stiftung für die berufliche Vorsorge, Switzerland
19.	Caisse paritaire de prévoyance de l'industrie et de la construction (CPPIC), Switzerland	79.	Proxy Impact
20.	Calvert Research and Management	80.	Region VI Coalition for Responsible Investment
21.	CAP Prévoyance, Switzerland	81.	Retraites Populaires, Switzerland
22.	CCAP Caisse Cantonale d'Assurance Populaire, Switzerland	82.	Rockefeller Asset Management
23.	CCOO FP	83.	School Sisters of Notre Dame Cooperative Investment Fund
24.	CIEPP - Caisse Inter-Entreprises de Prévoyance Professionnelle, Switzerland	84.	SEIU Master Trust
25.	Congregation of Sisters of St. Agnes	85.	Seventh Generation Interfaith Coalition for Responsible Investment
26.	Congregation of St. Joseph	86.	Shareholder Association for Research and Education
27.	CtW Investment Group	87.	Sisters of Charity Halifax
28.	Dana Investment Advisors	88.	Sisters of Mary Reparatrix
29.	Daughters of Charity, Province of St. Louise	89.	Sisters of Saint Joseph of Chestnut Hill, Philadelphia, PA
30.	Domini Impact Investments	90.	Sisters of St. Dominic of Blauvelt, NY
31.	Dominican Sisters ~ Grand Rapds	91.	Sisters of St. Dominic of Caldwell NJ
32.	Dominican Sisters ~ Grand Rapids	92.	Sisters of St. Francis Charitable Trust, Dubuque
33.	Dominican Sisters of Hope	93.	Sisters of St. Francis of Philadelphia
34.	Epic Capital Wealth Management	94.	Sisters of St. Joseph of Springfield
35.	Etablissement Cantonal d'Assurance (ECA VAUD), Switzerland	95.	Sisters of the Holy Cross
36.	Ethos Foundation, Switzerland	96.	Sisters of the Presentation of the BVM of Aberdeen SD
37.	Everence and the Praxis Mutual Funds	97.	Skye Advisors LLC
38.	Felician Sisters of North America	98.	Socially Responsible Investment Coalition
39.	Figure 8 Investment Strategies	99.	Solothurnische Gebäudeversicherung, Switzerland
40.	Fondation de la métallurgie vaudoise du bâtiment (FMVB), Switzerland	100.	St. Galler Pensionskasse, Switzerland
41.	Fondation de prévoyance Artes & Comoedia, Switzerland	101.	Stiftung Abendrot, Switzerland
42.	Fondation de prévoyance du Groupe BNP PARIBAS en Suisse, Switzerland	102.	Sunsuper Superannuation Fund
43.	Fondation Leenaards, Switzerland	103.	Terre des hommes, Switzerland
44.	Fondo de Empleados de Telefónica	104.	The Catherine Donnelly Foundation
45.	Friends Fiduciary Corporation	105.	Trinity Health
46.	FSPA	106.	Tri-State Coalition for Responsible Investment
47.	Green Century Capital Management	107.	U.S Missionary Oblates of Mary Immaculate/OIP
		108.	UAW Retiree Medical Benefits Trust

- | | | | |
|-----|--|------|--|
| 48. | IBVM Canadian Province (Loretto Sisters) | 109. | United Church Funds |
| 49. | JLens Investor Network | 110. | Ursuline Sisters of Tildonk, U.S. Province |
| 50. | JSA Financial Group | 111. | Ursuline Sisters of Toledo |
| 51. | Legal & General Investment Management | 112. | USA Northeast Province of the Society of Jesus |
| 52. | Local Authority Pension Fund Forum | 113. | USA West Province of the Society of Jesus |
| 53. | LongView LargeCap 500 Index Fund | 114. | Zevin Asset Management |
| 54. | LongView LargeCap 500 VEBA Fund | | |
| 55. | LongView LargeCap 1000 Growth Fund | | |
| 56. | LongView Broad Market 3000 Fund | | |
| 57. | LUCRF Super (Australia) | | |

