

Investment Stewardship Group

Voting Bulletin: Amazon.com, Inc.

As part of our fiduciary duty, BlackRock’s Investment Stewardship team (BIS) advocates for sound corporate governance and business practices that are aligned with long-term sustainable financial performance. This objective underpins all our engagements and votes at company meetings.

We engage company leadership on key topics emphasizing governance practices including management of environmental and social factors that potentially have material economic, operational or reputational ramifications for the company.

We determine our [engagement priorities](#) based on our observation of market developments and emerging governance themes and evolve them year over year as necessary. The BIS team’s key engagement priorities include:

1. Board quality
2. Environmental risks and opportunities
3. Corporate strategy and capital allocation
4. Compensation that promotes long-termism
5. Human capital management

We are committed to enhancing the transparency of our stewardship practices. Where we believe it will help to understand our voting decisions at shareholder meetings, we will publish a Voting Bulletin explaining the rationale for how we have voted on select resolutions, and (where relevant) provide information around our engagement with the issuer.

Company	Amazon.com, Inc.
Market	United States
Meeting Date	27 th May 2020
Resolutions ¹	Multiple
Board Recommendation	The company recommends shareholders vote FOR all management proposals and AGAINST all 12 shareholder proposals.
BlackRock Vote	BIS voted FOR all management proposals and AGAINST all shareholder proposals.

¹ The full meeting resolutions and agenda can be accessed at:
https://s2.q4cdn.com/299287126/files/doc_financials/2020/ar/updated/2020-Proxy-Statement.pdf

Overview

Amazon.com, Inc. (Amazon) serves consumers, sellers, developers, enterprises and content creators across multiple platforms and products. The company has approximately 800,000 full-time and part-time employees.

BIS regularly reviews Amazon's governance structure and risk profile. In prior engagements with the company's board and management, we have discussed a range of material issues driving long-term shareholder value, including corporate governance practices, sustainability efforts, enterprise risk management, and human capital management.

During our most recent engagement, in addition to discussing human capital management, we discussed the topics raised in the shareholder proposals to be voted on at the annual meeting and the company's oversight and management of those issues that are relevant to their business model. This included the company's plans to improve its disclosure on food waste and food diversion management and its efforts to monitor the use of certain technologies and enforce compliance with its product policies. Amazon has demonstrated a commitment to adopting best practices in corporate governance (e.g. 90% board independence, 50% board gender diversity, and balanced board tenure). As a result of past engagements, the company has agreed to enhance its governance policies, as noted by management's proposal to lower the threshold for shareholders to request a special meeting.

The 2020 Annual General Meeting

Amazon's annual meeting agenda included 12 shareholder proposals in addition to management proposals covering director elections, ratification of the company's auditors, approval of executive compensation, and a proposal to lower the stock ownership threshold for shareholders to request a special meeting. BIS voted as described below:

Rationale for BlackRock's Vote

BIS voted FOR all directors (item 1), the ratification of auditors (item 2), and the advisory resolution to approve executive compensation (item 3) as we have no concerns relating to these items. BIS voted FOR management's proposal to lower the stock ownership threshold for shareholders to request a special meeting from 30% to 25% (item 4).

The company received the following 12 shareholder proposals:

- Item 5: Create a report on effects of food waste
- Item 6: Create a report on customer use of certain technologies
- Item 7: Report on potential customer misuse of certain technologies
- Item 8: Report on efforts to restrict certain products
- Item 9: Request for a mandatory independent board chair policy
- Item 10: Create an alternative report on gender/racial pay
- Item 11: Report on certain community impacts
- Item 12: Report on viewpoint discrimination
- Item 13: Create a report on promotion data
- Item 14: Request for a reduction in threshold for calling special shareholder meetings
- Item 15: Request for a specific supply chain report format
- Item 16: Request for additional reporting on lobbying

After thorough review of the company's existing disclosures, along with insights gleaned from multiple engagements, BlackRock determined that Amazon is actively addressing those material issues raised by the various shareholder proposals. Some of the proposals were too prescriptive in their request for additional information, such as requesting an alternative report on gender/racial pay in addition to the one the company

already publishes² and a specific supply chain report format beyond the report currently available on the company's website specifically addressing human rights.³ For a subset of the proposals, including the request for a report on customer use of certain technologies, such as Rekognition⁴ and an additional report on lobbying, the company is already meeting the best practices guidelines.⁵

We will continue to engage with the company regarding the governance of and reporting on material business risks and opportunities.

² See Amazon's workforce data: <https://www.aboutamazon.com/working-at-amazon/diversity-and-inclusion/our-workforce-data>

³ See Amazon's Global Human Rights Principles: <https://sustainability.aboutamazon.com/governance/amazon-global-human-rights-principles>

⁴ See Amazon's Rekognition FAQs: <https://aws.amazon.com/rekognition/faqs/>

⁵ See Amazon's 2019 U.S. Political Contribution and Expenditure Policy and Statement https://s2.q4cdn.com/299287126/files/doc_downloads/governance/2019-Political-Expenditures-Statement.pdf