

Voting for Workers at the Amazon.com, Inc. 2021 Annual General Meeting

Global Unions' Committee on Workers' Capital (CWC) Proxy Season Brief

Amazon.com, Inc.'s explosive growth over the past year has been shadowed by public scrutiny. At the height of the first wave of the pandemic, which saw Amazon.com, Inc. ("Amazon") hiring over 100,000 full and part-time employees,¹ company workers around the globe protested to demand safer working conditions.² In March 2021, Amazon waged an aggressive union avoidance campaign during a union election at a warehouse in Bessemer, Alabama. The campaign generated waves of media attention.³ Over 70 investors, including the New York State Comptroller, New York City Comptroller, Legal and General Investment Management, BMO Global Asset Management and the Church of England Pensions Board, signed a letter asking Amazon to stop interfering with the union election and remain neutral.⁴

These events shone a spotlight on deep-rooted, longstanding workforce risks across Amazon's global operations. This proxy season, Amazon's investors have opportunities to press the company to improve its workforce management and oversight. This investor brief summarizes shareholder resolutions that touch on issues related to workers' rights at Amazon – from corporate governance-focused resolutions that target board oversight of risk to others that ask for enhanced disclosure on workforce issues.

The CWC Secretariat encourages investors to VOTE FOR the following resolutions:⁵

- ITEM 5** Shareholder Proposal Requesting a Mandatory Independent Board Chair Policy
- ITEM 6** Shareholder Proposal Requesting Additional Reporting on Gender/Racial Pay
- ITEM 7** Shareholder Proposal Requesting a Report on Promotion Data
- ITEM 9** Shareholder Proposal Requesting a Diversity and Equity Audit Report
- ITEM 10** Shareholder Proposal Requesting an Alternative Director Candidate Policy
- ITEM 11** Shareholder Proposal Requesting a Report on Competition Strategy and Risk
- ITEM 13** Shareholder Proposal Requesting Additional Reporting on Lobbying

[Click here to read the Amazon Proxy Statement, which includes all resolutions.](#)

CWC INVESTOR BRIEFS ON AMAZON

[Amazon.com, Inc. and the COVID-19 Pandemic \(April, 2020\)](#)

[Amazon In-Depth: Work, Rights and Risks at Amazon.com, Inc. \(July, 2020\)](#)

[Statement for Investors on the Union Election at Amazon's Facility in Bessemer, Alabama, \(April, 2021\)](#)

SHAREHOLDER RESOLUTIONS FOCUSED ON DIVERSITY, EQUITY AND INCLUSION

Amazon tweeted its solidarity in fighting systemic racism and injustice in May, 2020.⁶ Yet the company has been criticized for not doing enough to address racial inequality in its own workforce. In the US, for example, Amazon employees have urged the company to live up to its words on racial justice with actions.⁷

As of December 31, 2020, 70.7 percent of the Company's global managers were men compared to 55.4 percent of the Company's global workforce, and 56.4 percent of the Company's U.S. managers were white compared to 32.1 percent of the Company's U.S. workforce.⁸

Institutional investors are formulating ways to address systemic racism and sexism within their investment processes.⁹ The following shareholder resolutions ask the company to provide investors with information that will help them better understand how Amazon is addressing diversity, equity and inclusion in its workforce.

ITEM 6 Shareholder Proposal Requesting Additional Reporting On Gender/Racial Pay¹⁰

[Click here to read exempt solicitations for this resolution](#)

This resolution asks Amazon to report on median pay gaps across race and gender, with a focus on recruiting and retaining diverse talent. Amazon does not report its unadjusted median pay gaps, which are defined as the median pay of "minorities" and women compared to the median pay of "non-minorities" and men. Median gaps are an indicator of access to high paying roles. Their disclosure would provide investors with insight into the company's performance on pay inequality based on race and gender.

ITEM 7 Shareholder Proposal Requesting a Report on Promotion Data¹¹

This resolution asks Amazon to prepare a public report disclosing promotion velocity rates at Amazon by title and level for different gender and racial identities. Promotion velocity is the time it takes from the date of hire to promotion, or the time between one promotion and the next. Reporting from Amazon on promotion velocity could assist investors in assessing workforce and reputational risks.

ITEM 9 Shareholder Proposal Requesting a Diversity and Equity Audit Report¹²

Click here to read exempt solicitations for this resolution: [Email communication sent by the New York State Common Retirement Fund](#) and [text from a webinar slide presentation](#).

This resolution asks for 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 resolution proposes that the audit be conducted by an independent third party with input from Amazon stakeholders and published in report form on the company's website. Companies such as Facebook¹³ and Starbucks¹⁴ have already conducted civil rights audits, and others such as Blackrock¹⁵ have committed to conduct an audit.

SHAREHOLDER RESOLUTIONS FOCUSED ON GOOD GOVERNANCE

With the confluence of the COVID-19 pandemic and protests against racism in many countries, the past year has highlighted risks related to workforce issues. Investors increasingly recognize that workforce considerations are drivers of value creation.¹⁶ The following shareholder resolutions address aspects of Amazon's corporate governance practices that are related to oversight of workforce risks.

ITEM 5 Shareholder Proposal Requesting a Mandatory Independent Board Chair Policy¹⁷

[Click here to read the exempt solicitation for this resolution](#)

This resolution proposes a policy to require that the Chair of the Board be an independent director who has not previously served as an executive officer of the company. At present, Jeff Bezos serves as both Amazon's Chief Executive Officer (CEO) and Board Chair. Independent board chairs are encouraged as a best practice in corporate governance.¹⁸ An independent board chair at Amazon could provide a more robust independent board oversight of the significant workforce risks that the company faces.

ITEM 10 Shareholder Proposal Requesting an Alternative Director Candidate Policy¹⁹

[Click here to read the exempt solicitation for this resolution](#)

This resolution urges Amazon's board of directors to include an hourly employee in the initial list of candidates from which new board nominees are chosen. Worker representation on boards has received new attention by researchers, with a growing body of research suggesting that employees on boards contribute positively to the management, governance and value of a company.²⁰ Worker representation on Amazon's board may help the company address risks arising from its workforce practices.

ITEM 11 Shareholder Proposal Requesting a Report on Competition Strategy And Risk²¹

This resolution asks for a report on how Amazon oversees risks related to anticompetitive practices, including whether the full board or board committee has oversight responsibility, whether and how consideration of such risks is incorporated into board deliberations regarding strategy, and the board's role in Amazon's public policy activities related to such risks. Amazon has been investigated for anti-competitive practices in the EU²² and the U.S.²³ A recent academic study found that large employers like Amazon may have monopsony power that allows them to set local wages.²⁴

ITEM 13 Shareholder Proposal Requesting Additional Reporting on Lobbying²⁵

This resolution asks for a report on Amazon's lobbying activities and expenditures and is needed to assess whether such lobbying fully serves shareholder best interest, and is consistent with Amazon's stated policy goals. According to Amazon's U.S. Congressional lobbying report for the first quarter of 2021, Amazon spent \$4.8 million lobbying on a wide variety of issues including employee compensation, benefits, workplace safety, and the minimum wage.²⁶

CONCLUSION

In the case of Amazon, the company's management of workforce risks is particularly important given that the company is one of the world's largest private employers. The business case for improved workforce management is well-documented, and weak oversight of workplace issues can result in reduced operational efficiency, customer dissatisfaction, and weaker revenue growth.²⁷ Strong oversight of workforce risks is best accomplished in a context of sound corporate governance, with boards playing a pivotal role in helping companies navigate environmental, social and governance risks.²⁸ For these reasons, we urge shareholders to encourage Amazon to improve its workforce management practices by voting "FOR" the above shareholder resolutions.



About the Global Unions' Committee on Workers' Capital (CWC)

The Global Unions' Committee on Workers' Capital (CWC) is an international labour union network for dialogue and action on the responsible investment of workers' retirement savings. A joint initiative of the International Trade Union Confederation (ITUC), the Global Union Federations (GUFs), and the Trade Union Advisory Committee to the OECD (TUAC), the CWC has brought trade union representatives and worker-nominated trustees from across the world together since 1999. The pension fund board members who participate in the CWC network oversee the retirement savings of millions of workers.

For more information on the CWC: info@workerscapital.org.

Please note that this brief is for informational purposes only, and is not intended to provide, and should not be relied on for investment, legal, tax or accounting advice. Trustees should consult their own advisors and investment professionals to evaluate the merits and risks of any investment.

The CWC is not seeking to act as a proxy for any shareholder. We will not accept proxy cards, and any proxy cards received will be returned.

Endnotes

- ¹ Dave Clark, "Amazon ramps hiring, opening 100,000 new roles to support people relying on Amazon's service in this stressful time," Amazon.com, March 16, 2020, Updated April 13, 2020, <https://blog.aboutamazon.com/operations/amazon-opening-100000-new-roles>.
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