

# **Opening Letter From Kara Hurst**

### Vice President, Worldwide Sustainability, Amazon

Every day at Amazon, we ask ourselves, "How can we make this product, this service or this experience better for our customers?" We continually seek ways to challenge ourselves and improve how we deliver for our customers, support our employees and accelerate the pace of innovation. This mindset is ingrained in our culture, so every day, we apply the same relentless pursuit to delivering progress on our sustainability commitments.

The journey to become more sustainable is not simple or straightforward for any organisation. For a company of the size and broad scope of Amazon, it's a big challenge. But at Amazon, we don't shy away from big challenges. We innovate and create. We don't have all the answers today, but we believe in the need to act now.

This is reflected in one of our newest Leadership Principles, introduced last year: Success and Scale Bring Broad Responsibility. It says that "we are big, we impact the world, and we are far from perfect. We must be humble and thoughtful about even the secondary effects of our actions. Our local communities, planet, and future generations need us to be better every day." We apply our Leadership Principles daily – whether we are discussing ideas for new inventions or deciding on the best approach to solve a problem. Throughout 2021, we embedded the spirit of this Leadership Principle into our everyday actions and continued to make progress on our environmental and social commitments

## **Delivering Progress for the Planet**

In 2019, we co-founded The Climate Pledge and made a commitment to achieve net-zero carbon by 2040 – 10 years ahead of the Paris Agreement. We invited others to join us and there are now more than 300 businesses and organisations across 51 industries and 29 countries that have signed the Pledge, which means we are collectively coming at the climate crisis from nearly every sector and nearly every angle.

As part of our efforts to decarbonise our business, we became the world's largest corporate purchaser of renewable energy in 2020, and last year, we reached 85 % renewable energy across our business. We continue to expand our use of zero-emission transportation such as electric delivery vans, cargo bikes and on-foot deliveries, and in 2021, more than 100 million packages were delivered to our customers' doorsteps globally using zero-emission vehicles. We are also investing in nature-based solutions, and last year, we helped to create the Lowering Emissions by Accelerating Forest finance (LEAF) Coalition – a global initiative of governments and leading companies that has already mobilised 1 billion USD to protect the world's tropical rainforests. We will continue to act boldly to address climate change and to invest in solutions to help meet our commitment to reach net-zero carbon across our operations by 2040.

## **Delivering Progress for People**

Our ability to be a force for change on behalf of our planet relies on diverse perspectives from smart, passionate and committed people from all backgrounds. In 2021, we continued to make progress on our diversity goals, including increasing the number of Black directors and vice presidents by almost 70 %, and we remain committed to increasing

diverse representation in our workforce at the most senior levels. We've helped more than 70,000 Amazon employees learn new skills and advance their careers as part of our Upskilling 2025 pledge, and we are enabling thousands of hourly employees in 14 countries to earn certificates and degrees through Amazon Career Choice. Earlier this year, we also expanded travel reimbursements for our employees in the US to cover treatment for non-life-threatening medical issues when travel is required, including elective abortion and infertility, starting in 2022.

In our communities, we are supporting initiatives to address the affordable housing crisis – including a commitment of more than 2 billion USD from the Amazon Housing Equity Fund, launched last year. As of March 2022, these commitments have already preserved or created 8,000 affordable units to house more than 18,000 people. Also last year – in service to people in our communities and supply chain – we signed the United Nations' (UN) Women's Empowerment Principles, which offers businesses guidance on ways to promote gender equity in the workplace and global community; we created a 150 million USD Black Business Accelerator programme in partnership with our Black Employee Network affinity group; and we launched a 12 million USD, five-year partnership with the US National Safety Council to uncover new ways to prevent and address musculoskeletal disorders.

Since the beginning of Russia's invasion of Ukraine in early 2022, we quickly mobilised to provide humanitarian aid and assistance to the people of Ukraine, including financial and in-kind donations, cloud computing credits, resettlement support and more. We are proud of how our global teams came together to support this effort and are honoured to have been awarded the Ukraine Peace Prize for the support AWS has shown the Ukraine government and the Ukrainian people.

### **Delivering Progress Every Day**

We are proud of the progress we've made, but we recognise we have more to do. Our everyday actions to deliver progress are in service of achieving long-term, systemic change that improves the wellbeing of people, communities and the planet.

The path to achieving some of our goals will be long and complex, but we are not deterred. At Amazon, we thrive on pushing the boundaries of what's possible. We are taking the same tenacity we use to invent and problem solve for our customers and applying it to how we help address some of the world's biggest challenges. I hope you enjoy learning more about how we are doing this as you read our 2021 

### With gratitude,

### **Kara Hurst**



Look out for these symbols throughout the summary:

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☐ A link that directs you to a website



# **Our Business**

As part of our mission to be Earth's most customer-centric company, we are committed to building a sustainable business for our employees, customers and communities, including the people that support our entire value chain.

# **Our Operations**

We offer access to a wide selection of products sold by us and by third parties across dozens of categories. We help make customers' lives easier and more enjoyable through our devices and services. We create and provide access to world-class content and entertainment. We provide the world's most comprehensive and broadly adopted cloud offering. All of this and more is underscored by our commitment to customer service and a state-of-theart logistics and delivery network.



### **Our Communities**

We leverage our scale and assets for good to support charitable organisations and strengthen communities where our employees and customers live and work. Our culture is built around solving seemingly impossible problems, which is why we take a different, more hands-on approach than most. We use this approach to support education for under-represented groups, address direct needs including family hunger, homelessness and natural disasters, and protect our planet to build a better future for all.



# **Our Supply Chain**

Our approach is designed to drive engagement with suppliers that meet our expectations for respecting human rights, providing safe and inclusive workplaces and promoting a sustainable future. We engage with suppliers across the globe that are required to meet the standards we outline and commit to these principles.



### **Our Customers**

We are always finding new ways to delight our customers while constantly aiming to offer lower prices, better selections and more convenient services. We serve our primary customer sets in the following ways: consumers through our online and physical stores; sellers through programmes that enable them to grow their businesses; developers and enterprises of all sizes through Amazon Web Services (AWS); content creators through services that enable them to publish and sell content; and advertisers through advertising services.



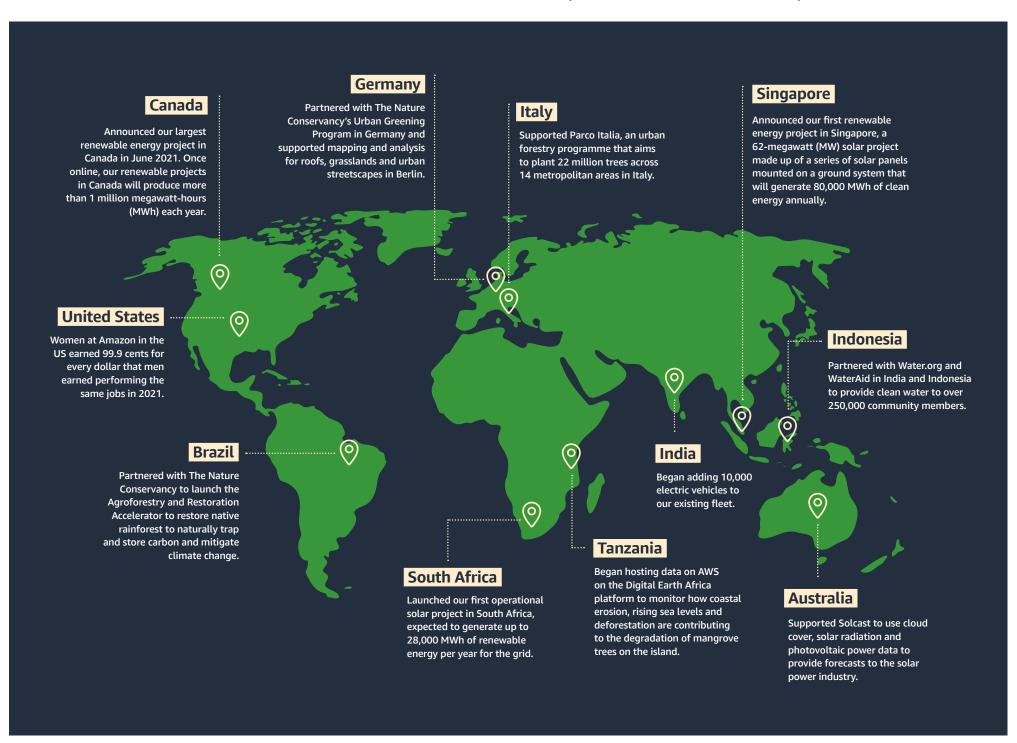
**Our Principles** 

We have 16 Leadership Principles Z, which describe how we do business and how we keep the customer at the centre of our decisions. In 2021, we added two new Leadership Principles: Strive to be Earth's Best Employer and Success and Scale Bring Broad Responsibility.

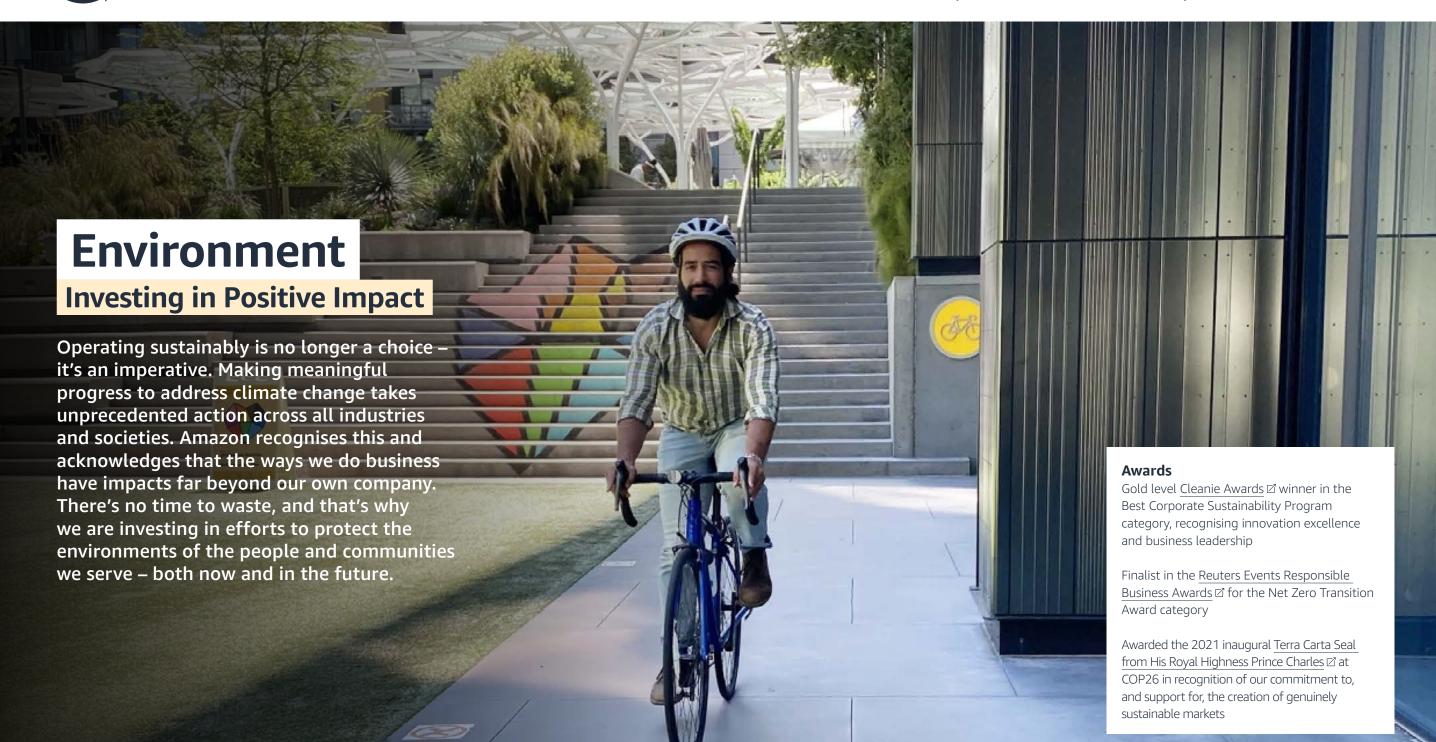
# **Sustainability Around** the Globe

Our global sustainability efforts are making a positive impact in communities around the world.

**Learn more** about our global initiatives 
☐ on our website.



2021 Executive Summary





Reach net-zero carbon emissions across our operations by 2040

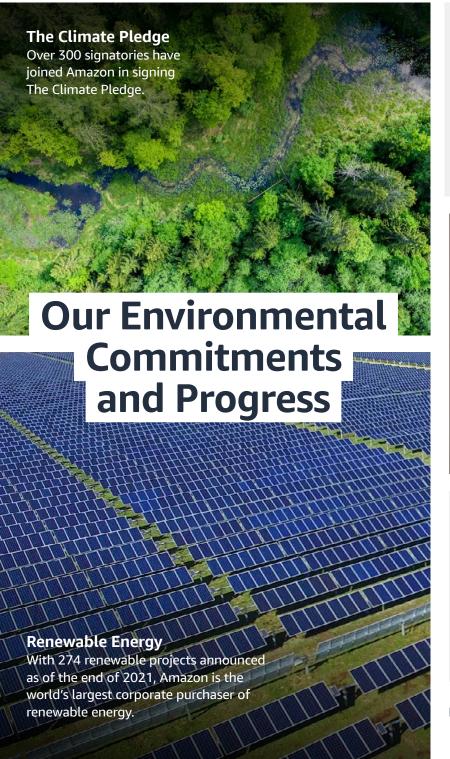




### Commitment

Reduce food waste by 50 % across our **US and Europe** operations by 2030









### Commitment

On a path to powering our operations with 100 % renewable energy by 2025 five years ahead of our original target of 2030



**Learn more** about our complete list of Goals and Progress 

☑ on our website.

# How We Are Delivering **Progress**

A summary of our actions, investments and efforts to protect the environments of the people and communities we serve – both now and in the future.

## **Our Carbon Footprint**

Climate change is one of the world's greatest crises, and to address it, the public and private sectors need to act together. That's why we co-founded and committed to The Climate Pledge.

The path to decarbonisation is challenging, and that's especially true for a business of the size and broad scope of Amazon. As we work to decarbonise our company, Amazon is growing rapidly. We scaled our business at an unprecedented pace to help meet the needs of our customers through the pandemic. That meant we had to build new facilities and expand our transport network.

Throughout this growth, we remained focused on improving our efficiency through more-sustainable solutions, including electric vehicles and alternative fuel options as well as wind and solar power across our network.

With all of our growth, our absolute carbon emissions increased by 18 % in 2021; however, importantly, our carbon intensity decreased by 1.9 % – this is the third year in a row we've seen our carbon intensity decrease. As companies invest in new products and services, and their businesses grow substantially, the focus should not be solely on a company's carbon footprint in terms of absolute carbon emissions, but also on whether it's lowering its carbon intensity. Over time, continued decreases in carbon intensity can lead to lower absolute emissions.

While we've had success cutting emissions from some operations, we are still early in the process of transforming others, including powering our operations with 100 % renewable energy, developing more-sustainable transportation infrastructure, constructing more-sustainable buildings, decarbonizing the supply chain, and others. The path to net-zero carbon has many obstacles, but we thrive on

big challenges. With our relentless culture of innovation, and a tenacious team of sustainability scientists and professionals, we are committed to reaching our 2040 target.

**Learn more** about our 2021 carbon footprint and how we are addressing the global challenges in carbon reduction on our website \(\mathbb{Z}\).

### **Growing The Climate Pledge**

The Climate Pledge is a commitment to reach net-zero carbon emissions by 2040 – 10 years ahead of the Paris Agreement. Amazon co-founded The Climate Pledge in 2019 to build a cross-sector community of companies, organisations, individuals and partners working together to address the climate crisis and solve the challenges of decarbonising our economy.

In 2021, 253 companies joined Amazon as signatories of The Climate Pledge – an increase of over 700 % in signatories over the previous year.

**Learn more** about the latest stories, progress and signatories on The Climate Pledge website \(\mathbb{Z}\).

### **Investing in Innovation Through** The Climate Pledge Fund

The Climate Pledge Fund is a 2 billion USD venture investment programme supporting the development of sustainable technologies and services that will enable Amazon to meet our net-zero carbon goal. As of the end of 2021, Amazon invested in 13 companies to accelerate sustainability progress across the areas of transport, aviation, freight, packaging, farming and technology.

**Learn more** about our full list of investments on The Climate Pledge website \(\mathbb{Z}\).

### **Supporting Nature-Based Solutions**

Amazon is investing in nature-based solutions that conserve, restore and improve land management activities to increase carbon storage in a variety of habitats. Nature-based solutions mitigate carbon emissions outside of our value chain and supplement the carbon-reduction efforts we are driving across our operations. In 2019, Amazon created the Right Now Climate Fund, a 100 million USD fund for naturebased solutions to restore and conserve forests, wetlands and grasslands around the world.

Our investments include urban greening programmes in Germany and carbon removal projects in Brazil. We also collaborate with The Nature Conservancy to help family forest owners sequester carbon across the Appalachian region of the Eastern US In 2021, Amazon helped to create the Lowering Emissions by Accelerating Forest finance (LEAF) Coalition ☑, a global initiative of governments and companies that has already mobilised 1 billion USD to protect the world's tropical rainforests \(\mathbb{Z}\).

**Learn more** about Amazon's approach to nature-based solutions on our website \(\mathbb{Z}\).





# On the Path to 100 % Renewable Energy

Transitioning to renewable energy is one of the highest-impact ways to immediately lower emissions. In 2021, we reached 85 % renewable energy across our business, with more than 12 gigawatts of renewable energy production capacity across our global portfolio. With 274 renewable projects announced as of the end of 2021, Amazon is the world's largest corporate purchaser of renewable energy and is on a path to powering our operations with 100 % renewable energy by 2025 – five years ahead of our original target of 2030.

Our renewable energy projects range from offshore wind projects in Europe to the first corporate-backed, utility-scale solar farms in South Africa and Japan. In 2021, Amazon announced our first solar energy and storage projects \( \mathbb{Z} \), which provide the infrastructure required to store solar energy. As our use of renewable energy grows, we leverage AWS Cloud technology to improve the performance of our portfolio of wind and solar projects.

**Learn more** about our renewable energy projects on our website \( \mathbb{Z} \).

#1

Corporate purchaser of renewable energy in the world

85%

Renewable energy (electricity) reached across Amazon's business in 2021

274

Renewable energy projects announced as of the end of 2021

1 Calculation based on CO<sub>2</sub>e saved, using the US Environmental Protection Agency (EPA) PA carbon calculator \( \text{Z} \).



### Amazon Fresh

In early 2022, our Amazon Fresh location in Seattle, Washington, became the world's first grocery store to pursue Zero Carbon Certification 2 from the International Living Future Institute, a leading non-profit dedicated to advancing sustainable building practices.

More than a dozen upgrades were incorporated throughout the development of the store, including transitioning to a carbon dioxide (CO<sub>2</sub>)-based refrigeration system. As a result of these upgrades, we expect the store will save nearly 185 tons of CO<sub>2</sub> equivalent (CO<sub>2</sub>e) each year – the equivalent of driving around the Earth 18 times in a standard passenger vehicle.<sup>1</sup>

# Incorporating Sustainability Into Our Buildings

Amazon operates thousands of world-class facilities that serve our global employees, customers and communities. We strive to reduce the environmental impacts of our buildings while creating a positive experience for the people who occupy them.

Energy-efficient lighting, low-flow water fixtures, composting and recycling are common features in our corporate offices, along with green spaces and green roofs that provide outdoor amenity space while supporting ecological functions like stormwater management.

Our <u>fulfilment facilities</u>  $\square$  are state-of-the-art warehouses where we process orders for our customers. In 2021, we conducted pilot projects at several new fulfilment facilities using a low-carbon concrete technology produced by CarbonCure, a company Amazon has invested in through The Climate Pledge Fund.

**Learn more** about how we incorporate sustainability into our buildings on our website \(\mathbb{Z}\).

### **Decarbonising Transport**

Delivering for our global customers requires Amazon to rely on a variety of transport solutions for long and short distances. These include electric delivery vehicles and micromobility technologies (such as cargo bikes and walkers) that are used for delivering packages to our customers' doorsteps. In 2021, more than 100 million packages were delivered to our customers' doorsteps across Europe with a fleet of over 3,000 electric delivery vans and other zero-



emission vehicles. Additionally, over half a million packages were delivered to our customers' doorsteps in North America with electric vehicles.

When transporting goods over longer distances, we rely on transport across roads, rail, air and water. We are promoting the use of low-carbon solutions in the near term while also investing in emerging technologies and collaborating with others to accelerate cross-sector innovation in middle-mile and long-distance transport in the long term.

We joined the Sustainable Aviation Buyers Alliance 2 in 2021 and became one of the group's founding members to drive investment and send market signals in support of sustainable aviation fuel. We helped launch 2 Cargo Owners for Zero Emission Vessels (coZEV) with the Aspen Institute. Through coZEV, Amazon is supporting initiatives to increase the availability of zero-emission technologies and fuels. We also became a founding private sector member of the First Movers Coalition to lead decarbonisation of the maritime shipping industry.

**Learn more** about our transport initiatives and partnerships on our website □.

### **Avoiding and Managing Waste**

Amazon is working to send less material to landfills and more back into the circular economy loop. The best way to reduce waste is to avoid creating it in the first place, through waste-prevention programmes and optimised inventory management. Reuse is the next best option, and is achieved by repairing, repurposing and donating usable items – all actions we've developed programmes to support. We then rely on recycling and composting to enable the recovery of

raw materials, and as a last resort, we seek to recover energy from any waste material that must be sent to landfill.

At our global fulfilment centres, we use software to identify and sort eligible items that are fit for donation, and partner with local community organisations to distribute them to people in need. By donating surplus inventory to charitable organisations, we keep usable products out of the waste stream and help strengthen our local communities. Since 2019. Amazon has contributed more than 100 million

products to our global charity partners in North America, Europe, Australia and Japan.

Through Amazon Second Chance 2, we provide customers with ways to responsibly retire their products. Through this programme, customers can access a range of services to recycle, repair or trade in their items, as well as shop for likenew and refurbished products. We also provide guidance on responsible disposal of Amazon packaging.

Corrugated board is the most common material that flows through our fulfilment centre operations, and we work with third-party recycling haulers to remove excess corrugate from our facilities for off-site recycling. Not all the materials we use can be easily recycled with current systems, so we look for innovative solutions to recycle these challenging materials. One example is plastic film, which is not commonly accepted through municipal recycling programmes. We have on-site plastic film recycling systems at many Amazon operations facilities across North America and Europe, enabling us to convert plastic film into bags made of 100 % recycled material.

**Learn more** about our initiatives to avoid and manage waste on our website  $\square$ .

38 %

Reduction in per-shipment packaging weight since 2015

1.5M

Tons of packaging eliminated since 2015

Products qualified under our FFP programmes as of the end of 2021

## **Improving Our Packaging**

Packaging plays a critical role in the customer delivery experience, and Amazon is committed to delivering products safely and sustainably. Since 2015, we have invested in materials, processes and technologies that have reduced pershipment packaging weight by 38 % and eliminated over 1.5 million tons of packaging.

Frustration-Free Packaging (FFP) 🗹 is Amazon's flagship programme designed to offer more-sustainable packaging that is easy to open, fully recyclable and capable of shipping without additional packaging protection. By the end of 2021, more than 2 million products qualified under our FFP programmes.

We use a range of boxes and mailers across our fulfilment network, and for every shipment that requires packaging, we use science-based systems to determine optimal packaging sizes and types. Over the past five years, these algorithms have allowed us to reduce the use of corrugate boxes by over 35 %. In 2021, we deployed data-science algorithms to optimise the number and size of boxes used for 12 geographies around the world. These algorithms – which help our fulfilment centres maintain the right mix of box sizes – now cover 65 % of global box shipments, with plans to scale to 97 % in 2022.

We strive to optimise packaging for increased recyclability along with reduced waste and carbon. Through our collective efforts, we avoided over 30,000 tons of plastic across North America in 2021. In Europe, we switched from single-use plastic delivery bags to recyclable paper delivery bags and cardboard envelopes for orders shipped from fulfilment centres. In Australia, we replaced all single-use air pillows with 100 % recyclable paper material to protect goods during shipping.

**Learn more** about how we are improving our packaging on our website \(\mathbb{Z}\).

# Redirecting Food Waste

Amazon is committed to reducing food waste by 50 % across our US and Europe operations by 2030. To achieve this, we are optimising our food inventory management systems to minimise waste from the outset and prioritising ways to avoid landfills.

Wherever possible, we donate surplus food to individuals and families through community redistribution programmes. In 2021, we donated 85 million pounds of food – equivalent to more than 70 million meals – in the US through Feeding America, and in Europe, we donated more than 4,000 tons of food – equivalent to 10 million meals. For food that can't be donated, we turn to processes that avoid landfills, such as composting and anaerobic digestion.



### **Product Sustainability**

As people change the way they shop and search for products that align with their values, Amazon is empowering our customers to make more informed shopping decisions every day.

are helping customers in the US and Europe discover and shop for more-sustainable products. Since we launched Climate Pledge Friendly in 2020, the number of products included in the programme has grown from 75,000 to more than 250,000 by the end of 2021. In 2021, more than 370 million Climate Pledge Friendly units were shipped to Amazon customers, and we welcomed 20 new third-party sustainability certifications to the programme. See a full list of Climate Pledge Friendly certifications on Amazon.co.uk 2.

In addition to offering more-sustainable choices, we want our Amazon Private Brands to support responsible supply chains and contribute to growing circular economies. From groceries and cleaning supplies to fashion and devices, we carefully consider the materials and life cycle impacts across our product categories.

250K+

Climate Pledge Friendly products

36

Participating external certifications

370M+

Climate Pledge Friendly units shipped to Amazon customers in 2021

We design our Amazon devices to be more sustainable by measuring and reducing carbon emissions at all stages of the product life cycle. We incorporate recycled materials into many new devices, and are committed to making Amazon device packaging 100 % recyclable by 2023. In 2020, Amazon became the first consumer electronics company to commit to addressing the electricity used by our devices through renewable energy development, starting with our Echo devices. We are making additional investments in wind and solar farm capacity that, by 2025, will produce the clean energy equivalent to the electricity used by all Echo, Fire TV and Ring devices worldwide.

**Learn more** about our sustainable product development on our website \(\mathbb{Z}\).

## Sustainability in the Cloud

AWS is the world's most comprehensive and broadly adopted cloud offering. To build a sustainable business for our customers and for the world we all share, we are designing data centres that provide the efficient, resilient service our customers expect while minimising our environmental footprint - and theirs.

We focus on efficiency across all aspects of our infrastructure, from the design of our data centres and hardware to modelling the performance of our operations for continuous enhanced efficiency. Studies by 451 Research ⊌ have shown that AWS is 3.6 times more energy efficient than the median of US enterprise data centres surveyed and up to five times more energy efficient than the average in Europe.

For AWS, operating sustainably also means reducing the amount of water we use to cool our data centres – through strategies such as evaporative cooling, on-site water

treatment and using recycled water for cooling purposes. We evaluate climate patterns, local water management and availability, and opportunities to avoid using potable water sources whenever possible.

We have also established programmes to improve water supply for communities. In 2021, we funded watershed restoration efforts by The Nature Conservancy in Cape Town, South Africa, and São Paulo, Brazil, restoring 365 hectares of land and increasing water supply availability by 45 million gallons per year.

We help researchers, scientists and innovators around the world advance their work on sustainability-related research through the Amazon Sustainability Data Initiative, offering publicly available, free access to important scientific data that can otherwise be hard for researchers to access or analyse.

Learn more on our website \(\mathbb{Z}\).



the carbon footprint of their AWS workloads – both to understand how moving to AWS reduces their carbon footprint and to report their overall footprint. The customer carbon footprint tool uses simple visualisations to show customers their historical carbon emissions, evaluate related trends, estimate emissions avoided by using AWS and review forecasted emissions based on their current use. The forecast shows how customers' footprints will change as Amazon stays on path to powering our operations with 100 % renewable energy by 2025, five years earlier than the original target of 2030, and drives towards net-zero carbon by 2040.

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### **Leadership Principle**

**Success and Scale Bring Broad** Responsibility

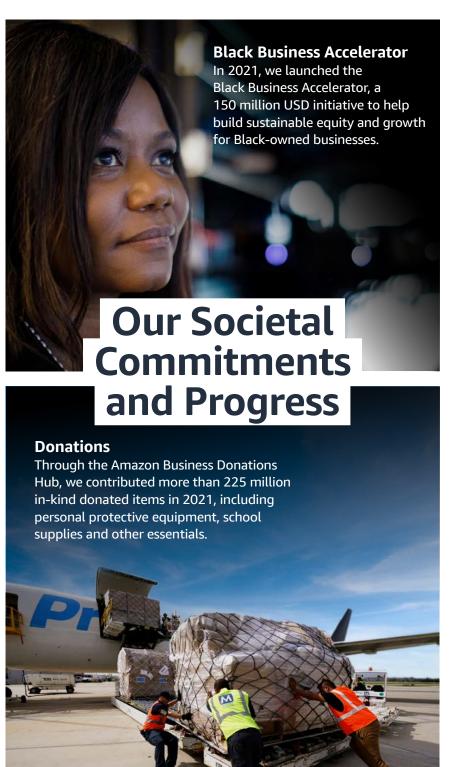




### Commitment

**Upskill 300,000 Amazon employees** by 2025





### Leadership Principle

Strive to be Earth's **Best Employer** 





### Commitment

**Increase representation** of employees from diverse backgrounds across our business



**Learn more** about our complete list of Goals and Progress 
☐ on our website.

# How We Are Delivering Progress

A summary of our actions, investments and efforts to ensure the people who support our entire value chain are treated with dignity and respect each and every day.

### Respecting Human Rights Throughout Our Business

Amazon is committed to treating the people connected to our entire value chain with fundamental dignity and respect. We strive to embed respect for human rights throughout our business activities and relationships.

Our commitment and approach are informed by leading international standards and frameworks developed by the UN and the International Labour Organization (ILO). Amazon is committed to respecting and supporting the UN Guiding Principles on Business and Human Rights (UNGPs), the UN Universal Declaration of Human Rights, the core Conventions of the ILO and the ILO Declaration on Fundamental Principles and Rights at Work.

Our strategy to deliver on these commitments is based on the UNGPs and has five pillars: developing strong policies; embedding human rights into our business; assessing, prioritising and addressing risk through mechanisms; transparency and stakeholder engagement; and enabling access to effective remedy.

Our Global Human Rights Principles 2 demonstrate our commitment to respecting human rights and the dignity of people connected to our business around the world.

We are committed to assessing, prioritising and addressing adverse human rights impacts connected to our business. After conducting our first enterprisewide saliency assessment in 2020, we made progress on our salient human rights risks in 2021. We also advanced our human rights due diligence, working with expert organisations including Article One Advisors, Business for Social Responsibility, Impactt Limited and The Centre for Child Rights and Business.

# Conducting Human Rights Impact Assessments

Our teams use human rights impact assessments (HRIAs) as a due diligence tool to identify and address adverse impacts business activities might have on individuals such as workers, local community members or consumers.

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In 2021, we began implementing recommendations from our HRIAs, such as increasing our support for industry collaboration on responsible mineral sourcing, and building the capacity of our supply chain partners to effectively manage human rights risks. We also began developing a multi-year Amazon-branded digital devices strategy to

address risks, seeking perspectives from organisations with expertise in human rights, inclusive economy, circularity and responsible innovation to meet the expectations of our customers and impacted communities.

As part of our first enterprisewide human rights saliency assessment, we made a foundational commitment that those in our value chain have the opportunity for concerns to be heard and issues resolved. Listening to the people connected to our business and understanding their experiences to address risks and remedy issues is a critical element of our human rights approach and a core obligation under the UNGPs.



### **Providing a Range of Employee Benefits**

Amazon is building a strong culture and making investments to attract and retain the talented employees we need today and in the future. We strive to be a great place to work, whether our employees are building lifelong careers with us or developing skills to help them on their professional journeys. This begins with offering competitive starting wages in locations around the world, and continues with benefits, support and opportunities to help employees reach their full potential.

We're proud that our average starting wage has increased to 18 USD per hour in the US. In the UK, Germany and France, our minimum starting wages are 10 GBP, 12 EUR and 10.88 EUR, respectively.

Amazon is also investing more than 1.2 billion USD to upskill 300,000 of our own employees by 2025 as part of our Upskilling 2025 pledge. Through this commitment, we offer a variety of skills training and education programmes, including apprenticeship programmes to help adult learners and employees advance in their careers.

**Learn more** about the range of programmes we offer in our Upskilling 2025 Report 丛.

We strive to offer benefits that are inclusive for our employees, regardless of their personal circumstances. We offer healthcare benefits to all regular, full-time Amazon employees in the US, including medical, prescription drug, dental and vision coverage. We also developed a healthcare benefits system that, where possible, provides gender transition benefits, including gender affirmation.

**Learn more** about our inclusive benefits on our website \alpha.

### Fostering Diversity, Equity and Inclusion

We think bigger, bolder and better when we have diverse perspectives across our teams, and we are committed to putting diversity, equity and inclusion (DEI) at the front and centre of everything we do.

Our work is guided by hundreds of global dedicated DEI professionals who work closely with business leaders to help Amazon maintain a diverse and high-performing work environment. We take an intersectional approach to the policies, programmes and strategies we create for our employees, selling partners, suppliers and customers to build representation and inclusion into our business.

Learn more about our approach to DEI on our website \(\mathbb{Z}\).

We believe that building a sense of belonging, value and opportunity is integral to people thriving in their lives and at work – and to what we can achieve as a company. In 2021, we set enterprisewide goals to rapidly scale a more inclusive culture for employees across Amazon.

### **Spotlighting Our 2021 Inclusion Goals**

- Ensure that 100 % of employees take companywide required inclusion training.
- Build scalable mechanisms that address new instances of non-inclusive terms in our code and document repositories or development tools.
- Build a scalable mechanism in Connections our real-time employee listening tool – to inspect inclusion sentiment by demographic for all employees.
- Retain employees at statistically similar rates across all demographics.

### **Amazon Affinity Groups**

employees can share experiences and ideas to passionately and positively impact the company. Our dedicated DEI teams consult with affinity group leaders to improve our inclusion efforts internally and externally, and each affinity group has an executive sponsor who supports them with engagement efforts. Collectively, more than 100,000 Amazon employees participated in our affinity groups in 2021.

### A Selection of Affinity Groups

- Amazon People with Disabilities
- Asians@Amazon
- Black Employee Network
- Glamazon
- Indigenous@Amazon
- Latinos@Amazon
- Warriors@Amazon
- Women@Amazon





# Employee Engagement: Listening to Our People

With more than 1.6 million direct employees worldwide, employee engagement is fundamental to our success and our goal is to hear from and listen to all of our employees. We have a variety of engagement, feedback and remediation mechanisms that help us continually improve our workplace experience, including an open-door philosophy, an Ethics Line and Associate Roundtables to provide leaders and associates with meaningful opportunities to discuss issues.

One example is Connections – a real-time, companywide employee feedback mechanism, designed to listen to and learn from employees at scale to improve the employee experience. Each day, Connections questions are delivered to every Amazon employee on a computer, workstation device or hand scanner, generating more than 1.5 million daily responses from employees.

**Learn more** about our employee engagement work on our website ☑.

# 1.5M+

Responses every day to Connections questions in 26 languages in 55 countries

**300M USD** 

Invested in safetyprojects in 2021

## Safety, Health and Wellbeing at Amazon

Safety is integral to everything we do at Amazon, and we strive to be safer every day for our employees, partners and communities. Our work environments allow our employees, regardless of background, skill level or experience, to work with confidence.

We provide extensive training, coaching and engagement opportunities to our operations employees to continually improve workplace safety, with the help of thousands of safety professionals. In 2021, we invested 300 million USD in safety improvements such as capital improvements, new technology, vehicle safety controls and ergonomic solutions.

We proactively help employees manage their health and wellness. For example, our innovative WorkingWell programme uses academic research and certified athletic trainers to educate new employees about their bodies, health and wellness to help them successfully adapt to working at Amazon. In 2021, the programme reached nearly 1.2 million employees.

One major area of focus is using technology to advance driver-centric customisation throughout our delivery fleet and bringing safety to the forefront of vehicle design. We are investing an incremental 100 million USD across our fleet in 2022 to bring innovations in ergonomics and driver assistance technologies.

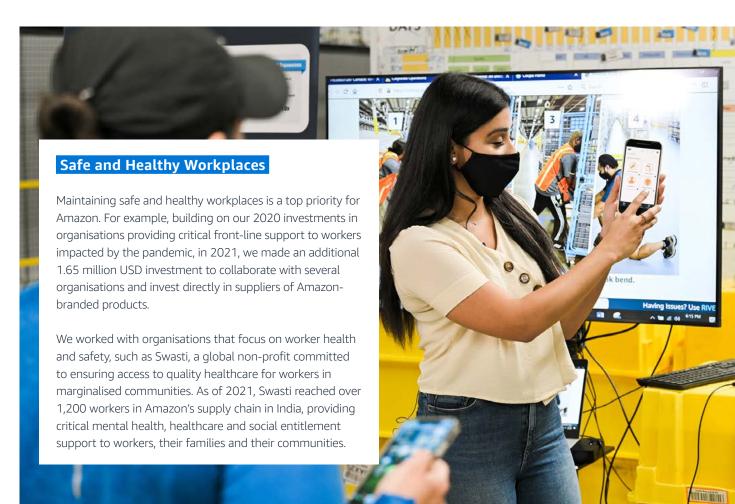
**Learn more** in our report on <u>safety, health and</u> wellbeing at Amazon <u>u</u>.

### Building a Supply Chain That Puts People First

Amazon is committed to conducting our business in a lawful and responsible manner, including engaging with suppliers that respect human rights, providing safe and inclusive workplaces and promoting a sustainable future. Amazon's <a href="Supply Chain Standards">Supply Chain Standards</a> detail the requirements and expectations for our suppliers, their supply chains and selling partners that list products in our stores. Our global teams communicate our standards and help suppliers build their

capacities to comply. Supply chain transparency is essential to our human rights due diligence, and an important tool to help us address risks in our supply chain and identify opportunities for collaboration on systemic supply chain issues. In 2021, we strengthened our engagement with suppliers, workers and communities, building our efforts in our key commitment areas: Safe and Healthy Workplaces, Gender Equity, Fair Wages, Responsible Recruitment and Freely Chosen Employment, Environmental Protection, and Access to Effective Grievance Mechanisms.

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### **Gender Equity**

Gender equity is a fundamental human right and a necessary foundation of a sustainable supply chain. In 2021, we scaled our work and investments to advance the rights of female workers in supply chains. We signed and adopted the <a href="UN Women's Empowerment Principles">UN Women's Empowerment Principles</a> (WEPs) and made a 1 million USD contribution to the Resilience Fund for Women in Global Value Chains.

We also worked with International Center for Research on Women (ICRW) Advisors and The Mara Partners to advance women's rights across our global value chain, and joined Better Cotton's Working Group on Decent Work & Gender to improve working conditions for cotton farmers.

**Learn more** about our supply chain map and list on our website \( \mathbb{Z} \).

#### **Access to Effective Grievance Mechanisms**

We are building our efforts to provide people connected to our value chain with access to effective grievance mechanisms as part of our supply chain due diligence and investments in worker wellbeing, and have added this as a key commitment area.

We help our suppliers work with a number of global partners to provide supply chain workers with access to effective grievance mechanisms, including the Amader Kotha Helpline in Bangladesh; Ulula in China, Cambodia, India, Pakistan and the UK; the amfori SPEAK FOR CHANGE Programme in Vietnam; the Responsible Labor Initiative's Suara Kami helpline in Malaysia; and Sedex Direct Worker Reporting in India. These organisations are key to helping our suppliers listen to their workers and raise awareness of issues in our supply chain.

We provide our suppliers and service providers with these tools in order to help them hear directly from workers about their experiences, and to support the resolution of issues from the workers' perspectives.

### **Supporting Our Communities**

We look to leverage our scale for good and use our ability to innovate quickly to strengthen communities around the world where our employees live and work. Working alongside community partners, we create solutions to some of the world's most pressing challenges and build long-term programmes that have a lasting, positive impact.

We work to address immediate needs, such as reducing hunger and homelessness, providing affordable housing and serving communities in need following natural disasters. In 2021, we provided relief for 28 natural disasters, and we have donated more than 18 million relief supplies and emergency aid items since 2017. We also look to the future, by providing programmes that support science, technology, engineering and maths (STEM) education and skills training. Amazon Future Engineer, our global childhood-to-career computer science programme, reached 1.8 million students in 2021.

Whole Foods Market works to make an impact in communities through three foundations that expand healthy food access, support schools and families, and aim to alleviate global poverty. Additionally, Whole Foods Market supports local food producers through the Whole Foods Local Producer Loan Program \( \mathbb{Z} \), and helps customers easily identify products that support workers, communities and environmental stewardship through Sourced for Good \( \mathbb{Z} \).

### **Continuing Our COVID-19 Response**

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Throughout the pandemic, we have invested billions of dollars in the health and safety of our employees and customers, including building an in-house COVID-19 testing programme to ensure front-line employees have access to free, regular testing in the US and the UK. By January 2021 our national COVID-19 testing lab located in Kentucky processed more than 1 million COVID-19 tests 2 for front-line employees from more than 700 testing sites, and provided access to COVID-19 testing to nearly all front-line employees.

Amazon also established the AWS Diagnostic Development Initiative (DDI) , a two-year, 20 million USD commitment to accelerate research and innovation to advance the collective understanding and detection of COVID-19 and other infectious diseases in order to mitigate current and future outbreaks.

**Learn more** about our <u>global efforts</u>  $\square$  to support customers, employees and communities through the COVID-19 pandemic.

### **Housing Equity**

In January 2021, Amazon launched the Amazon Housing Equity Fund , a commitment of over 2 billion USD to preserve and create more than 20,000 affordable homes in three communities where we have a high concentration of employees: Washington state's Puget Sound region; Washington, D.C., and Arlington, Virginia; and Nashville, Tennessee.

As of March 2022, the Amazon Housing Equity Fund has had a significant, positive impact on rental affordability, with more than 1.2 billion USD in loans and grants committed. These commitments have protected or created 8,000 affordable units to house more than 18,000 people.

**Learn more** about our progress in our <u>Housing Equity Fund</u> Impact Report <u>J</u>.

18M+

Relief supplies Amazon has donated and delivered since 2017 **1.8M** 

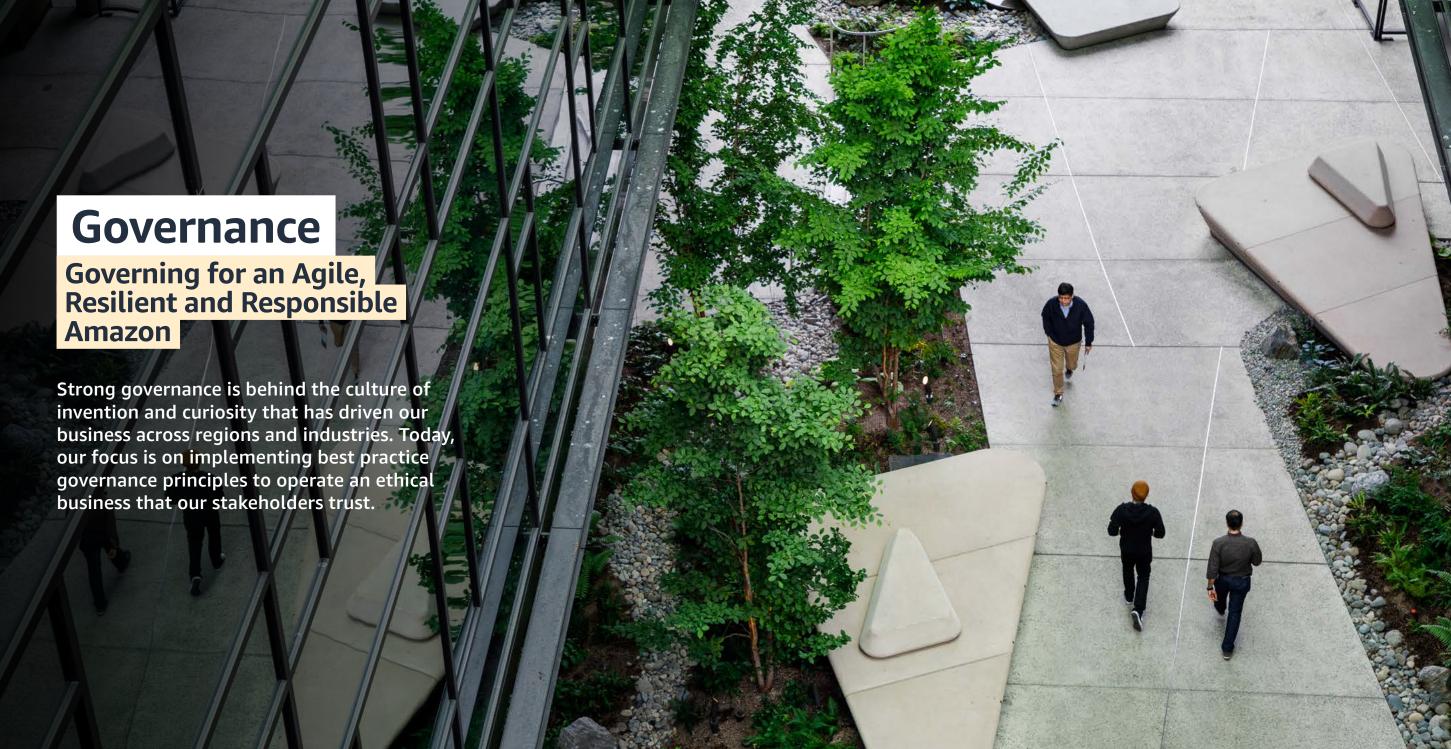
Students reached through Amazon Future Engineer in 2021

8K+

Affordable homes created or preserved







# How We Are Delivering **Progress**

A summary of our actions, investments and efforts to integrate sustainability practices into our everyday operations.

### **Board Diversity Matrix**

| Total Number of Directors  | 11     |      |
|--|--------|------|
|  | Female | Male |
| Directors  | 5      | 6    |
| Number of Directors Who Identify in Any of the Categories Below: |        |      |
| African American or Black  | 1      | _    |
| Asian  | 1      | _    |
| White  | 3      | 6    |

## **Board Leadership and Risk Oversight**

Amazon's Board of Directors is responsible for the control and direction of Amazon and regularly reviews reports on various aspects of our business, including related risks and the strategies for addressing them. While the entire Board has overall responsibility for risk oversight, the Board has delegated specific responsibility to certain committees, including the Nominating and Corporate Governance Committee, the Leadership Development and Compensation Committee and the Audit Committee.

### **Business Ethics**

Amazon encourages and enforces strict adherence to local, state, federal and international laws. Our Code of Business Conduct and Ethics 
☐ (Code of Conduct) outlines the behaviour we expect from employees regarding potential ethical issues such as conflicts of interest, insider trading, discrimination and harassment, and compliance.

### **Bribery and Corruption**

Amazon has zero tolerance for bribery and corruption. Our centralised, global anti-corruption compliance programme is grounded in our Code of Conduct, which is supported by numerous additional policies, procedures and other communications, and includes an outright prohibition on bribery of any kind. Additionally, our Business Conduct and Ethics programme includes a risk assessment and compliance goal-setting process that gathers broader business input to establish appropriate policies and procedures.

### **Data Privacy**

Amazon understands that customers care how their personal data is collected, used and shared, and we work every day to earn and maintain customer trust. Across all of our products transparency, customer control and security. We inform our customers of our privacy and data security policies, practices and technologies through our privacy notices, including the Amazon.com Privacy Notice ☑ and the AWS Privacy Notice ☑.

### Whistle-Blowing

Amazon provides secure and accessible channels where employees can raise concerns and report violations in confidence and without risk of reprisal. As described in our Code of Conduct, employees can speak with anyone in their management chain or the Legal Department when they have a question about the application of the Code of Conduct or when in doubt about how to properly act in a particular situation.

## **Advocacy and Public Policy**

We believe that the public and private sectors must act together to address the world's most pressing challenges. We advocate on various topics that are material to our business, including climate action, community empowerment, immigration reform and more.

For example, in 2021, we supported the US federal government's actions to address climate change, and joined the We Mean Business Coalition in calling for the US to set as soon as possible an ambitious and attainable goal to reduce emissions by 2030. We collaborated with the public sector on housing equity and called for greater support and funding for computer science education in state schools, especially in under-represented communities.

**Learn more** about our policy views and activities on About Amazon \(\overline{\pi}\).





### **About Amazon**

Amazon is guided by four principles: customer obsession rather than competitor focus, passion for invention, commitment to operational excellence and long-term thinking. We strive to be Earth's most customer-centric company, Earth's best employer and Earth's safest place to work. Customer reviews, 1-Click shopping, personalised recommendations, Prime, Fulfilment by Amazon, AWS, Kindle Direct Publishing, Kindle, Career Choice, Fire tablets, Fire TV, Amazon Echo, Alexa, Just Walk Out technology, Amazon Studios and The Climate Pledge are some of the things pioneered by Amazon. We have more than 1.6 million employees worldwide, with operations in Africa, Asia-Pacific, Europe, India, Latin America, the Middle East and North America.

## **About This Summary**

At Amazon, we are committed to and invested in sustainability because it's a win all around – it's good for the planet, for business, for our customers and for our communities.

Our 2021 Executive Summary condenses the information provided in our 2021 Sustainability

Report 2. Our 2021 Sustainability Report builds on our sustainability progress over the last decade – particularly since 2019, when we co-founded The Climate Pledge and announced our commitment to achieve net-zero carbon emissions across our business by 2040. Our report and this summary also include our work on a wide range of Amazon commitments and initiatives to support our employees, our supply chain partners and the communities where we operate around the world.

Please note that data within the report and this summary primarily reflects progress as of 2021, and all data that is timebound since a certain date is updated as of June 2022, unless otherwise indicated.

# Disclaimer and Forward-Looking Statements

The information and opinions contained in this summary are provided as of the date of this summary and are subject to change without notice. Amazon does not undertake to update or revise any such statements. This summary represents current Amazon policy and intent and is not intended to create legal rights or obligations. This summary may contain or incorporate by reference public information not separately reviewed, approved or endorsed by Amazon, and no representation, warranty or undertaking is made by Amazon as to the accuracy, reasonableness or completeness of such information. Inclusion of information in this summary is not an indication that the subject or information is material to Amazon's business or operating results. This summary was originally drafted in English and then translated into other languages. The English version is the authoritative version.

This summary includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical or current facts, including statements regarding our plans, initiatives, projections,

goals, commitments, expectations or prospects, are forward-looking. We use words such as aim, believe, commit, drive, estimate, ensure, expect, goal, intend, may, mission, plan, project, seek, strategy, strive, target and will or similar expressions to identify forwardlooking statements. Forward-looking statements reflect management's current expectations and inherently involve risks and uncertainties. Actual results could differ materially due to a variety of factors, including assumptions not being realised, scientific or technological developments, evolving sustainability strategies, changes in carbon markets, evolving government regulations, our expansion into new products, services, technologies and geographic regions, or other changes in circumstances, as well as the factors set forth in the "Risk Factors" section of Amazon's most recent Annual Report on Form 10-K and subsequent filings. The standards of measurement and performance contained in this summary are developing and based on assumptions, and no assurance can be given that any plan, initiative, projection, goal, commitment, expectation or prospect set forth in this summary can or will be achieved.

